



**Financial Statements
December 31, 2017**



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July 5, 2018

**City of Yuma, Colorado
Financial Statements
December 31, 2017**

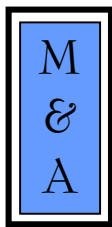
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INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and City Council
City of Yuma, Colorado**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Yuma, Colorado (the "City"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes 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 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 City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 financial statement presentation.

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

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INDEPENDENT AUDITOR'S REPORT
To the Honorable Mayor and City Council
City of Yuma

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, each major fund, and the aggregate remaining fund information of City of Yuma, Colorado as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis in Section B, the Schedule of Change in Net Pension Asset/Liability, Schedules of Employer's Proportionate Share of Net Pension Asset/Liability, and Schedules of City's Contributions in Section E 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, economical, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with accounting principles 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.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with accounting principles generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements taken as a whole. The individual fund budgetary comparisons found in Section F and the *Local Highway Finance Report* are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund budgetary comparisons found in Section F and the *Local Highway Finance Report* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with accounting principles generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
June 28, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Yuma, Colorado

Management's Discussion and Analysis December 31, 2017

As management of the City of Yuma, we offer readers of the City of Yuma's financial statements this narrative overview and analysis of the financial activities of the City of Yuma for the fiscal year ended December 31, 2017.

Overview of the Financial Statements

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

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

The Statement of Net Position presents information on all the City of Yuma's assets and liabilities, with the difference between the two 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 of Yuma is improving or deteriorating.

The Statement of Activities presents information showing how the government'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, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the City of Yuma that are principally supported by taxes and intergovernmental revenues (governmental activities) from those that charge for services (business-type activities). The governmental activities of the City of Yuma include general government, public safety, streets, and culture and recreation. The business-type activities of the City of Yuma include sanitation services, electric utility, water utility, wastewater (sewer) utility, and ambulance services.

The government-wide financial statements can be found on pages C1 and C2 of this report.

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Overview of the Financial Statements (continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Yuma adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages C3 through C5 of this report.

Proprietary Funds. The City of Yuma maintains proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Yuma uses enterprise funds to account for its sanitation services, electric utility, water utility, wastewater (sewer) utility, and ambulance services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the City of Yuma, each of which is considered to be a major fund of the City of Yuma.

The basic proprietary fund financial statements can be found on pages C6 through C8 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Yuma's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages C9 and C10 of this report.

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 in Section D of this report.

Government-wide Financial Analysis

City of Yuma's Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	5,013,143	4,565,380	4,671,273	4,471,482	9,684,416	9,036,862
Capital assets	13,046,000	13,205,283	7,695,156	8,007,810	20,741,156	21,213,093
Total assets	18,059,143	17,770,663	12,366,429	12,479,292	30,425,572	30,249,955
Deferred outflows of resources	804,162	687,647	-	-	804,162	687,647
Long-term liabilities outstanding	3,223,834	3,056,410	-	-	3,223,834	3,056,410
Other liabilities	757,383	791,583	283,386	267,218	1,040,769	1,058,801
Total liabilities	3,981,217	3,847,993	283,386	267,218	4,264,603	4,115,211
Deferred inflows of resources	872,197	825,027	-	-	872,197	825,027
Net investment in capital assets	12,081,000	12,065,283	7,695,156	8,007,810	19,776,156	20,073,093
Restricted for future pension costs	296,398	273,068	-	-	296,398	273,068
Restricted for emergencies	68,883	67,590	-	-	68,883	67,590
Restricted for bond reserve	86,295	13,325	-	-	86,295	13,325
Unrestricted	1,476,664	1,366,024	4,387,887	4,204,264	5,864,551	5,570,288
Total net position	14,009,240	13,785,290	12,083,043	12,212,074	26,092,283	25,997,364

Government-wide Financial Analysis (continued)

The largest portion of the City of Yuma's assets is reflected in capital assets (i.e., land, buildings, machinery, and equipment). Capital assets account for 68.2% of the total assets. The City of Yuma uses these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining assets, 3% of the governmental activities annual budget is restricted for use in the event of an emergency. Also restricted is \$296,398 for future pension cost, and \$86,295 that is held as reserve for the Pledged Revenue Bond Fund Reserve.

At the end of the current fiscal year, the City of Yuma is able to report positive balances of net position for the government as a whole and for governmental activities. The City of Yuma's net position increased \$95,570 during the current fiscal year. This increase reflects the continued investment made through infrastructural projects and savings for future projects.

City of Yuma's Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
REVENUES:						
Program revenues:						
Charges for services	331,804	353,498	4,642,029	4,621,108	4,973,833	4,974,606
Operating grants and contributions	-	-	3,300	100,770	3,300	100,770
Capital grants and contributions	527,939	6,286,311	-	-	527,939	6,286,311
General revenues:						
Property Taxes	646,571	614,039	-	-	646,571	614,039
Other taxes	1,873,386	1,775,900	-	-	1,873,386	1,775,900
Interest and other revenue	43,642	53,073	49,771	(10,010)	93,413	43,063
Total revenues	3,423,342	9,082,821	4,695,100	4,711,868	8,118,442	13,794,689
EXPENSES:						
General government	1,242,318	789,931	-	-	1,242,318	789,931
Public safety	839,576	734,208	-	-	839,576	734,208
Highways and streets	572,184	478,260	-	-	572,184	478,260
Culture and recreation	613,268	661,822	-	-	613,268	661,822
Airport	430,902	73,368	-	-	430,902	73,368
Other	1,144	73,632	-	-	1,144	73,632
Sanitation	-	-	306,787	294,260	306,787	294,260
Electric	-	-	2,476,197	2,520,565	2,476,197	2,520,565
Water	-	-	503,953	458,137	503,953	458,137
Sewer	-	-	554,711	528,302	554,711	528,302
Ambulance	-	-	482,483	363,709	482,483	363,709
Total expenses	3,699,392	2,811,221	4,324,131	4,164,973	8,023,523	6,976,194
Increase in net position before transfers	(276,050)	6,271,600	370,969	546,895	94,919	6,818,495
Transfers	500,000	350,000	(500,000)	(350,000)	-	-
Increase in net position	223,950	6,621,600	(129,031)	196,895	94,919	6,818,495
Net position January 1	13,785,290	7,163,690	12,212,074	12,015,179	25,997,364	19,178,869
Net position December 31	14,009,240	13,785,290	12,083,043	12,212,074	26,092,283	25,997,364

Government-wide Financial Analysis (continued)

Governmental activities. The City of Yuma's net position used for governmental activities increased by \$223,950 from the previous year. The annual transfer from the Electric Fund to the General Fund is used to defray some of the annual costs of providing general public services and to gradually increase the level of General Fund reserves. The following is a synopsis of data that describes some key elements of annual revenues and expenses.

- Tax revenue from all sources increased by a net \$130,018 over the previous year. The majority of this increase is attributable to an increase in sales tax receipts. Sales tax revenue increased by \$103,638 (6.3%), and property tax revenue increased by \$32,532. Federal and state grants accounted for \$527,939 of governmental activities' revenues.
- Governmental activities' expenses increased by \$888,171 (31.6%) while Total Revenue decreased by \$5,659,479 due to grants received the prior year. Operating transfers to the General Fund, which serve to build ending reserves, increased to \$500,000.
- The City of Yuma continued its equipment and vehicle replacement program while limiting overall operating budget expenditures.

Business-type activities. The net position of the City of Yuma's business-type activities decreased by \$129,031. This change is primarily a result of expenses being allocated to the Sanitation, Electric, Water, Waste Water (Sewer) and Ambulance funds. Key elements of this decrease are as follows:

- Business-type revenue decreased by \$16,768 (0.36%) over the previous year, while total business-type expenses increased by \$159,158, or 3.8%.
- Net operating income for the City's business-type activities was \$321,198, and interest income decreased compared to the previous year, to \$3,949. The City of Yuma continues to provide solid waste disposal services to the Town of Eckley on a contractual basis.

Financial Analysis of the City of Yuma's Funds

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

Governmental funds. The focus of the City of Yuma'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 of Yuma's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Yuma's governmental funds reported combined ending fund balances of \$3,317,005, an increase of \$423,080 from the prior year ending fund balances. This increase is associated with excess revenues received. Of this total, \$256,929 is **restricted**, meaning it is not available for new spending because it has already been committed for a variety of other restricted purposes. The remainder of the combined fund balance, totaling \$3,057,587 is **assigned and unassigned fund balance**, which is available for spending at the City of Yuma's discretion.

Proprietary funds. The City of Yuma's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position for the proprietary funds combined at the end of the current fiscal year is \$4,387,887 – broken down by fund as follows: Sanitation - \$528,624; Electric - \$1,682,752; Water - \$632,727; Sewer - \$830,227; and Ambulance - \$713,557. These unrestricted assets are available for spending at the City of Yuma's discretion.

Financial Analysis of the City of Yuma's Funds (continued)

Budget variances in the General Fund. The City of Yuma was not required to amend the General Fund budget for the current year, as the combined General Fund expenditures did not exceed the combined fund budget.

Capital assets. The City of Yuma's investment in capital assets government-wide decreased by \$296,937 (net accumulated depreciation). Additional information as well as a detailed classification of the City of Yuma's net capital assets can be found in the Notes to the Financial Statement in Section D of this report.

Long-term debts. On September 1, 2004, the City of Yuma issued Sales and Use Tax Revenue Bonds in the principal amount of \$2,200,000. On December 2, 2016, the City of Yuma refinanced the 2004 Sales and Use Tax Revenue Bonds for a lower interest rate. These bonds and their debt service requirements are detailed in Section D of this report. Proceeds from the bonds were used to help fund construction of a new wastewater treatment facility that was completed in late 2005.

Next year's budget. The City of Yuma General Fund cash and investments balance at the end of the current fiscal year was \$2,044,732. Of this balance, \$212,255 was appropriated for spending in the 2018 fiscal year budget. The remaining 2018 appropriation for the General Fund of \$2,599,690 will come from taxes and other sources, with the total General Fund appropriation amounting to \$2,811,945. Future year budgets will continue to address the need to control operating expenses in General Fund activities to limit their impact on this level of reserves.

Request for Information

This financial report is designed to provide a general overview of the City of Yuma's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Yuma, City Treasurer, 910 South Main Street, P.O. Box 265, Yuma, Colorado 80759.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Yuma, Colorado
Statement of Net Position
December 31, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and investments	3,602,837	3,751,064	7,353,901
Cash and investments - restricted	93,814	-	93,814
Receivables, net:			
Property tax	675,205	-	675,205
Accounts	14,960	591,659	606,619
Grants and other governments	327,440	-	327,440
Inventories and prepaids	2,489	328,550	331,039
Net pension asset - volunteer firefighters	296,398	-	296,398
Capital assets, net	13,046,000	7,695,156	20,741,156
Total Assets	<u>18,059,143</u>	<u>12,366,429</u>	<u>30,425,572</u>
Deferred Outflows of Resources:			
Pension related deferred outflows	804,162	-	804,162
Total Deferred Outflows of Resources	<u>804,162</u>	<u>-</u>	<u>804,162</u>
Liabilities:			
Accounts payable	717,016	9,268	726,284
Deposits	-	246,156	246,156
Accrued interest payable	7,519	-	7,519
Other liabilities	33,499	27,962	61,461
Long-term liabilities:			
Due within one year	170,000	-	170,000
Due in more than one year	795,000	-	795,000
Net pension liability - PERA	2,236,471	-	2,236,471
Net pension liability - FPPA SWDB	22,363	-	22,363
Total Liabilities	<u>3,981,868</u>	<u>283,386</u>	<u>4,265,254</u>
Deferred Inflows of Resources:			
Unavailable property tax revenue	675,204	-	675,204
Pension related deferred inflows	84,305	-	84,305
Bond refunding deferred inflows	112,688	-	112,688
Total Deferred Inflows of Resources	<u>872,197</u>	<u>-</u>	<u>872,197</u>
Net Position:			
Net investment in capital assets	12,081,000	7,695,156	19,776,156
Restricted for future pension cost	296,398		296,398
Restricted for emergencies	68,883	-	68,883
Restricted for bond reserve	86,295	-	86,295
Unrestricted	1,476,664	4,387,887	5,864,551
Total Net Position	<u>14,009,240</u>	<u>12,083,043</u>	<u>26,092,283</u>

The accompanying notes are an integral part of these financial statements.

City of Yuma
Statement of Activities
For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	1,242,318	45,196	-	-	(1,197,122)	-	(1,197,122)
Public safety	839,576	35,607	10,820	-	(793,149)	-	(793,149)
Highways and streets	572,184	175,106	-	440,088	43,010	-	43,010
Culture and recreation	613,268	62,253	4,000	35,993	(511,022)	-	(511,022)
Airport	430,902	13,642	-	37,038	(380,222)	-	(380,222)
Interest on long-term debt	1,144	-	-	-	(1,144)	-	(1,144)
Total governmental activities	3,699,392	331,804	14,820	513,119	(2,839,649)	-	(2,839,649)
Business-type activities:							
Electric	2,476,197	3,089,458	-	-	-	613,261	613,261
Water	503,953	480,570	-	-	-	(23,383)	(23,383)
Sewer	554,711	373,560	-	-	-	(181,151)	(181,151)
Sanitation	306,787	332,672	-	-	-	25,885	25,885
Ambulance	482,483	365,769	3,300	-	-	(113,414)	(113,414)
Total business-type activities	4,324,131	4,642,029	3,300	-	-	321,198	321,198
Total All Activities	8,023,523	4,973,833	18,120	513,119	(2,839,649)	321,198	(2,518,451)

General revenues:

Taxes:

Property tax, levied for general purposes	646,571	-	646,571
Specific ownership tax	73,621	-	73,621
General sales tax	1,740,745	-	1,740,745
Occupation tax	5,321	-	5,321
Franchise tax	23,670	-	23,670
Severance tax	17,835	-	17,835
Airport fuel tax	6,505	-	6,505
Cigarette tax	5,689	-	5,689
Licenses and permits	6,322	-	6,322
Investment earnings	3,145	3,949	7,094
Gain (loss) on sale of assets	742	45,822	46,564
Miscellaneous	33,433	-	33,433
Transfers	500,000	(500,000)	-
Total general revenues, special items, and transfers	3,063,599	(450,229)	2,613,370
Change in Net Position	223,950	(129,031)	94,919
Net Position - January 1	13,785,290	12,212,074	25,997,364
Net Position - December 31	14,009,240	12,083,043	26,092,283

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

**City of Yuma, Colorado
Balance Sheet
Governmental Funds
December 31, 2017**

	General	Conservation Trust	Capital Projects - Other	Debt Service	Total Governmental Funds
Assets:					
Cash and investments	2,044,732	116,502	1,441,603	-	3,602,837
Cash and investments - restricted	-	-	-	93,814	93,814
Prepays	2,489	-	-	-	2,489
Receivables, net of allowance for uncollectibles	1,017,605	-	-	-	1,017,605
Total Assets	<u>3,064,826</u>	<u>116,502</u>	<u>1,441,603</u>	<u>93,814</u>	<u>4,716,745</u>
Liabilities and Fund Equity:					
Liabilities:					
Accounts/vouchers payable	344,452	-	372,565	-	717,017
Accrued interest payable	-	-	-	7,519	7,519
Total Liabilities	<u>344,452</u>	<u>-</u>	<u>372,565</u>	<u>7,519</u>	<u>724,536</u>
Deferred Inflows of Resources:					
Unavailable property tax revenues	675,204	-	-	-	675,204
Total Deferred Inflows of Resources	<u>675,204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>675,204</u>
Fund Balances:					
Nonspendable	2,489	-	-	-	2,489
Restricted for emergency	68,883	-	-	-	68,883
Restricted under bond indenture	-	-	-	188,046	188,046
Assigned	-	116,502	1,069,038	-	1,185,540
Unassigned	1,973,798	-	-	(101,751)	1,872,047
Total Fund Balances	<u>2,045,170</u>	<u>116,502</u>	<u>1,069,038</u>	<u>86,295</u>	<u>3,317,005</u>
Total Liabilities and Fund Balances	<u>3,064,826</u>	<u>116,502</u>	<u>1,441,603</u>	<u>93,814</u>	

**Amounts reported for governmental activities in the Statement
of Net Position are different because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	13,046,000
Long term assets and deferred outflows are not financial resources and, therefore, are not reported in the funds.	1,100,560
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	<u>(3,454,325)</u>
Net Position of Governmental Activities	<u>14,009,240</u>

The accompanying notes are an integral part of these financial statements.

City of Yuma, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2017

	General	Conservation Trust	Capital Projects - Other	Debt Service	Total Governmental Funds
Revenues:					
Taxes	1,803,877	-	418,546	267,505	2,489,928
Licenses and permits	6,322	-	-	-	6,322
Intergovernmental revenue	202,889	35,993	-	-	238,882
Federal government grants	-	-	34,659	-	34,659
State government grants	14,820	-	442,467	-	457,287
Charges for services	74,228	-	-	-	74,228
Fines and forfeitures	43,759	-	-	-	43,759
Miscellaneous	70,107	76	7,704	390	78,277
Total Revenues	2,216,002	36,069	903,376	267,895	3,423,342
Expenditures:					
General government	585,449	-	168,978	-	754,427
Public safety	870,083	-	-	-	870,083
Highways and streets	638,709	-	309,424	-	948,133
Culture and recreation	530,620	51,899	-	-	582,519
Airport	22,224	-	127,951	-	150,175
Debt service:					
Principal	-	-	-	175,000	175,000
Interest	-	-	-	19,925	19,925
Total Expenditures	2,647,085	51,899	606,353	194,925	3,500,262
Excess (Deficiency) of Revenues Over Expenditures	(431,083)	(15,830)	297,023	72,970	(76,920)
Other Financing Sources (Uses):					
Operating transfers in (out)	500,000	-	-	-	500,000
Total Other Financing Sources (Uses)	500,000	-	-	-	500,000
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	68,917	(15,830)	297,023	72,970	423,080
Fund Balances - January 1	1,976,253	132,332	772,015	13,325	2,893,925
Fund Balances - December 31	2,045,170	116,502	1,069,038	86,295	3,317,005

The accompanying notes are an integral part of these financial statements.

City of Yuma, Colorado
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
For the Year Ended December 31, 2017

Net Change in Fund Balances of Governmental Funds	423,080
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Amounts reported for governmental activities
in the Statement of Activities are different because:

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 as depreciation expense. This is the difference between capital outlay and depreciation, net of disposals during the year.	(159,283)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any 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.	193,781
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(233,628)
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Change in Net Position of Governmental Activities	223,950
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City of Yuma, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2017

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Ambulance Fund	Total
Assets:						
Current assets:						
Cash and investments	1,500,951	540,621	732,709	504,718	472,065	3,751,064
Receivables, net of allowance for uncollectibles	258,887	27,137	31,232	26,356	248,047	591,659
Prepaid insurance	-	-	-	-	1,203	1,203
Inventory	185,361	70,262	71,724	-	-	327,347
Total current assets	<u>1,945,199</u>	<u>638,020</u>	<u>835,665</u>	<u>531,074</u>	<u>721,315</u>	<u>4,671,273</u>
Non-current assets:						
Property and equipment	3,657,628	5,290,904	5,802,103	685,930	1,364,534	16,801,099
Accumulated depreciation	(2,142,110)	(3,103,330)	(2,335,815)	(545,489)	(979,199)	(9,105,943)
Total non-current assets	<u>1,515,518</u>	<u>2,187,574</u>	<u>3,466,288</u>	<u>140,441</u>	<u>385,335</u>	<u>7,695,156</u>
Total Assets	<u>3,460,717</u>	<u>2,825,594</u>	<u>4,301,953</u>	<u>671,515</u>	<u>1,106,650</u>	<u>12,366,429</u>
Liabilities:						
Current liabilities:						
Accounts payable	9,268	-	-	-	-	9,268
Accrued payroll	4,257	2,809	2,805	1,877	4,233	15,981
Deposits	246,156	-	-	-	-	246,156
Accrued compensated absences	2,766	2,484	2,633	573	3,525	11,981
Total current liabilities	<u>262,447</u>	<u>5,293</u>	<u>5,438</u>	<u>2,450</u>	<u>7,758</u>	<u>283,386</u>
Total Liabilities	<u>262,447</u>	<u>5,293</u>	<u>5,438</u>	<u>2,450</u>	<u>7,758</u>	<u>283,386</u>
Net Position:						
Invested in capital assets, net of related debt	1,515,518	2,187,574	3,466,288	140,441	385,335	7,695,156
Unrestricted	1,682,752	632,727	830,227	528,624	713,557	4,387,887
Total Net Position	<u>3,198,270</u>	<u>2,820,301</u>	<u>4,296,515</u>	<u>669,065</u>	<u>1,098,892</u>	<u>12,083,043</u>

The accompanying notes are an integral part of these financial statements.

City of Yuma, Colorado
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Ambulance Fund	Total
Operating Revenues:						
Commercial charges	1,762,681	-	-	-	-	1,762,681
Residential charges	1,227,295	-	-	-	-	1,227,295
Other	99,482	2,168	801	3,371	4,796	110,618
Tap fees	-	15,325	5,600	-	-	20,925
Water sales	-	463,077	-	-	-	463,077
Sewer charges	-	-	367,159	-	-	367,159
Sanitation charges	-	-	-	329,301	-	329,301
Ambulance charges	-	-	-	-	360,973	360,973
Total Operating Revenues	3,089,458	480,570	373,560	332,672	365,769	4,642,029
Operating Expenses:						
Electricity purchased	1,898,719	-	-	-	-	1,898,719
Landfill expense	-	-	-	70,150	-	70,150
Repairs and maintenance	107,751	64,443	129,114	14,140	14,362	329,810
Supplies	15,946	10,158	7,559	10,512	9,792	53,967
Benefits and payroll taxes	83,156	69,769	77,716	49,033	57,526	337,200
Depreciation	140,456	189,501	189,104	61,532	86,905	667,498
Bad debt	3,123	392	423	426	36,397	40,761
Salaries	190,555	123,645	128,034	76,138	245,297	763,669
Insurance	9,897	5,539	6,780	3,434	10,215	35,865
Gas and oil	-	4,286	3,633	11,923	10,461	30,303
Utilities	9,260	12,523	2,828	600	6,230	31,441
Other	17,334	6,077	9,520	8,899	5,298	47,128
Total Operating Expenses	2,476,197	486,333	554,711	306,787	482,483	4,306,511
Operating Income (Loss)	613,261	(5,763)	(181,151)	25,885	(116,714)	335,518
Non-operating Revenues (Expenses):						
Interest revenue	1,739	621	740	483	366	3,949
Contributions to other governments	-	(17,620)	-	-	-	(17,620)
Grants and contributions	-	-	-	-	3,300	3,300
Gain (loss) on sale of assets	-	-	45,822	-	-	45,822
Total Non-operating Revenues	1,739	(16,999)	46,562	483	3,666	35,451
Income Before Transfers	615,000	(22,762)	(134,589)	26,368	(113,048)	370,969
Transfers	(454,000)	(24,000)	(22,000)	-	-	(500,000)
Change in Net Position	161,000	(46,762)	(156,589)	26,368	(113,048)	(129,031)
Total Net Position - January 1	3,037,270	2,867,063	4,453,104	642,697	1,211,940	12,212,074
Total Net Position - December 31	3,198,270	2,820,301	4,296,515	669,065	1,098,892	12,083,043

The accompanying notes are an integral part of these financial statements.

City of Yuma, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Ambulance Fund	Total
Cash Flows From Operating Activities:						
Cash received from customers and others	3,095,125	482,319	373,380	332,305	342,005	4,625,134
Cash paid for goods and services	(2,046,804)	(106,925)	(147,357)	(119,658)	(55,424)	(2,476,168)
Cash paid to employees	(273,108)	(192,408)	(205,061)	(124,906)	(301,611)	(1,097,094)
Net Cash Provided by Operating Activities	<u>775,213</u>	<u>182,986</u>	<u>20,962</u>	<u>87,741</u>	<u>(15,030)</u>	<u>1,051,872</u>
Cash Flows From Non-capital Financing Activities:						
Contributions to other governments	-	(17,620)	-	-	-	(17,620)
Net operating transfers (out)	(454,000)	(24,000)	(22,000)	-	-	(500,000)
Net Cash Provided (Used) by Non-capital Financing Activities	<u>(454,000)</u>	<u>(41,620)</u>	<u>(22,000)</u>	<u>-</u>	<u>-</u>	<u>(517,620)</u>
Cash Flows From Capital Financing Activities:						
Grant received	-	-	-	-	3,300	3,300
Proceeds from sale of asset	-	-	60,042	-	-	60,042
Distribution system and equipment purchases	(51,893)	(209,490)	(50,194)	-	(57,485)	(369,062)
Net Cash Provided (Used) by Capital Financing Activities	<u>(51,893)</u>	<u>(209,490)</u>	<u>9,848</u>	<u>-</u>	<u>(54,185)</u>	<u>(305,720)</u>
Cash Flows From Investing Activities						
Interest received	1,739	621	740	483	366	3,949
Net Cash Provided by Investing Activities	<u>1,739</u>	<u>621</u>	<u>740</u>	<u>483</u>	<u>366</u>	<u>3,949</u>
Net Change in Cash and Cash Equivalents	<u>271,059</u>	<u>(67,503)</u>	<u>9,550</u>	<u>88,224</u>	<u>(68,849)</u>	<u>232,481</u>
Cash and Cash Equivalents - January 1	<u>1,229,892</u>	<u>608,124</u>	<u>723,159</u>	<u>416,494</u>	<u>540,914</u>	<u>3,518,583</u>
Cash and Cash Equivalents - December 31	<u><u>1,500,951</u></u>	<u><u>540,621</u></u>	<u><u>732,709</u></u>	<u><u>504,718</u></u>	<u><u>472,065</u></u>	<u><u>3,751,064</u></u>
Reconciliation of Operating Income (Loss) to						
Net Cash Provided by Operating Activities:						
Operating income (loss)	613,261	(5,763)	(181,151)	25,885	(116,714)	335,518
Adjustments to reconcile operating income (loss)						
to net cash provided by operating activities:						
Depreciation	140,456	189,501	189,104	61,532	86,905	667,498
Bad debt	3,123	392	423	426	36,397	40,761
(Increase) decrease in accounts receivable	(4,340)	1,749	(180)	(367)	(23,764)	(26,902)
(Increase) decrease in prepaids	-	-	-	-	(1,203)	(1,203)
(Increase) decrease in inventories	11,856	(3,899)	12,077	-	-	20,034
Increase (decrease) in deposits	10,007	-	-	-	-	10,007
Increase (decrease) in accounts payable	247	-	-	-	2,137	2,384
Increase (decrease) in accrued payroll	1,049	489	492	160	-	2,190
Increase (decrease) in compensated absences	(446)	517	197	105	1,212	1,585
Total Adjustments	<u>161,952</u>	<u>188,749</u>	<u>202,113</u>	<u>61,856</u>	<u>101,684</u>	<u>716,354</u>
Net Cash Provided by Operating Activities	<u><u>775,213</u></u>	<u><u>182,986</u></u>	<u><u>20,962</u></u>	<u><u>87,741</u></u>	<u><u>(15,030)</u></u>	<u><u>1,051,872</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

City of Yuma
Notes to the Financial Statements
December 31, 2017

I. Summary of Significant Accounting Policies

The City of Yuma, Colorado (the "City"), is a "Home Rule City" (a municipal corporation, as defined by Colorado Revised Statutes). An elected Mayor and City Council are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The City's major operations include police and fire protection, road maintenance, utilities, and culture and recreation.

The City's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the City are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the City, and (b) organizations for which the City is financially accountable. The City is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the City. Organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the City is not financially accountable for any other entity nor is the City a component unit of any other government.

B. Government-wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, road maintenance, culture and recreation, and administration are classified as governmental activities. The City's utilities and ambulance services are classified as business activities.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

Since the fiduciary fund accounts for pension funds and therefore is not available to support City programs, the fund is not incorporated into the government-wide financial statements.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements (continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (public safety, highways and streets, utilities, etc.). The functions are also supported by general government revenues (property and sales taxes, intergovernmental revenue, fines and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property and sales taxes, interest income, etc.).

The government-wide focus is on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The City reports the following governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Conservation Trust Fund* accounts for lottery proceeds required to be expended solely on park and recreation improvements.

The *Capital Projects Fund - Other* accounts for taxes set aside for certain projects designated by City Council.

The *Debt Service Fund* accounts for sales and use taxes set aside for repayment of sales and use tax revenue bonds.

The City reports the following proprietary or business-type funds:

The *Electric Fund* accounts for the purchase and delivery of electric power to the citizens of the City.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (continued)

The *Water Fund* accounts for the delivery of water to the citizens of the City.

The *Sewer Fund* accounts for sewer service to the citizens of the City.

The *Sanitation Fund* accounts for waste collection and disposal for the citizens of the City and contract services for the Town of Eckley.

The *Ambulance Fund* accounts for ambulance services provided to citizens and others within its designated service area.

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

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (within 60 days after December 31). Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers for goods and services provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as 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 the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are defined as deposits that can be withdrawn on demand and investments with maturities of three months or less.

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Colorado statute permits investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

4. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue.

5. Interfund Receivables and Payables

Balances at year-end between funds are reported as "due to / from other funds" in the fund financial statements. Any residual balances not eliminated between the governmental and business-type activities are reported as "internal balances" in the government-wide financial statements.

6. Prepaid Expenses

Prepaid expenses are amounts paid in the current year for expenses related to subsequent years.

7. Inventory

Inventory consists of supplies for the City's use and is carried at cost using the first-in, first-out method.

8. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets (only infrastructure acquired after January 1, 2000), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities.

Infrastructure, buildings, and equipment are depreciated using the straight line method over the following estimated useful lives:

Asset	Years
Infrastructure	40
Buildings and improvements	20 - 40
Distribution systems	10 - 50
Equipment and vehicles	5 - 10

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

9. Compensated Absences

Earned but unused vacation benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for the amounts is reported in governmental funds only if they are required to be paid out within 60 days of year-end.

10. Pensions

The City participates in the Statewide Defined Benefit Plan, administered by the Fire and Police Pension Association of Colorado ("FPPA"). The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan. The City also sponsors an agent multiple employer defined benefit plan for its volunteer firefighters. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The City also participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Deferred Outflows 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 so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has one item that qualifies for reporting in this category, which is the pension-related deferred outflow reported in the government-wide statement of net position.

12. Deferred Inflows of Resources

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 a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for this type of reporting, pension-related deferred inflows, bond refunding deferred inflows and unavailable revenues from property taxes.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

11. Fund Balance

The City classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the City Council.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the City Council or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City does not have a formal minimum fund balance policy.

E. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “Long-term asset and deferred outflows are not financial resources and, therefore, are not reported in the funds. The details of this \$1,100,560 difference are Net Pension Asset of \$296,398 and Pension related deferred outflows of \$804,162. Another element of that reconciliation explains that “Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.”

The details of this \$3,454,325 difference are as follows:

Bonds payable	\$ 965,000
Accrued compensated absences	33,498
Net pension liability	2,258,834
Pension related deferred inflows of resources	84,305
Bond refunding deferred inflows of resources	<u>112,688</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 3,454,325</u></u>

B. Explanation of certain differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “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 as depreciation expense.” The details of this \$159,283 difference is capital outlay of \$604,504 less depreciation expense of \$763,787.

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any 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.” The details of this \$193,781 difference are as follows:

Bond principal payments	\$ 175,000
Amortization of bond refunding deferred inflow	<u>18,781</u>
Net adjustment to reduce net changes in fund balance - total governmental funds to arrive at changes in net position - governmental activities	<u><u>\$ 193,781</u></u>

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

B. Explanation of certain differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities (continued)

Another element of that reconciliation states that "Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures of the governmental funds." The details of this \$233,628 difference are pension expense of \$235,141 less change in accrued compensated absences of \$1,512.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

As required by Colorado Statutes and the Home Rule Charter, the City followed the required timetable noted below in preparing, approving, and enacting its budget for 2017.

1. For the 2017 budget year, prior to August 25, 2016, the County Assessor sent to the City an assessed valuation of all taxable property within the City's boundaries.
2. The Mayor, or other qualified person appointed by the Council, submitted to the Council, on or before October 15, 2016, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the City's operating requirements.
3. Prior to December 15, 2016, a public hearing was held for the budget, the Council certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Council adopted the proposed budget and an appropriating ordinance that legally appropriated expenditures for the upcoming year.
4. After adoption of the budget resolution, the City may make the following changes:
a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2016 were collected in 2017 and taxes certified in 2017 will be collected in 2018. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved \$68,883, which is the approximate required reserve at December 31, 2017.

The City's voters approved a ballot question which will allow the City to collect, retain, and expend the full proceeds of the City's sales and use tax, non-federal grants, fees and other revenues, without increasing or adding taxes of any kind, and notwithstanding any State restrictions on fiscal year spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution, from the date of January 1, 1996, and thereafter.

On November 4, 2003, the City's voters approved the following ballot question, "Shall the City of Yuma debt be increased \$2,200,000 with a repayment cost of \$4,900,000 and shall City taxes be increased \$360,000 annually and by whatever additional amounts as are raised annually thereafter from the levy of an additional 1% sales and use tax; such debt to be issued for the purpose of improving the City municipal sewer and storm drainage systems, including but not limited to the acquisition, construction, installation, completion, renovation and expansion of improvements to its municipal sewer and storm drainage systems and such taxes to be used for the repayment of such debt and any other municipal purposes; such debt to be evidenced by the issuance of bonds or other obligations payable from the taxes authorized by this question and other City revenues as the Council may determine; such bonds or other obligations to be sold in one or more series on terms and conditions and with such maturities as permitted by law and as the Council may determine, including provisions for redemption of the bonds prior to maturity with or without payment of a premium; and shall the proceeds of such debt and taxes and any earnings from the investment of such proceeds and revenues be collected and spent as a voter approved revenue change under Article X, Section 20 of the Colorado Constitution?"

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

The City's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The City's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the City's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the City's deposits was \$7,447,716 at year end.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The City coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the City has limited its interest rate risk.

Credit Risk. City investment policy limits investments to those authorized by State statutes as listed in Note 1C. The City's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The City diversifies its investments by security type and institution. Financial institutions holding City funds must provide the City a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

The City had the following cash and investments with the following maturities:

<u>Type</u>	<u>Carrying Amount</u>	<u>Maturities</u>	
		<u>Less Than One Year</u>	<u>Less Than Five Years</u>
<i>Deposits:</i>			
Petty cash	\$ 1,200	-	-
Checking	5,185,449	-	-
Savings	1,006,957	-	-
Certificates of deposit	1,254,110	1,254,110	-
	<u>\$ 7,447,716</u>	<u>1,254,110</u>	<u>-</u>

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The financial statement captions are as follows:

	Governmental Activities	Business type Activities	Fireman's Pension Fund	Total
Cash and investments	\$ 3,602,186	3,751,715	-	7,353,901
Restricted cash and investments	93,815	-	-	93,815
Total	<u>\$ 3,696,001</u>	<u>3,751,715</u>	<u>-</u>	<u>7,447,716</u>

B. Receivables

Receivables as of December 31, 2017, for the City's funds, including applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Ambulance</u>	<u>Total</u>
Receivables:							
Taxes	\$ 675,205	-	-	-	-	-	675,205
Accounts	14,960	258,887	27,137	31,232	26,356	713,009	1,071,581
Intergovernmental	327,440	-	-	-	-	-	327,440
Gross receivables	<u>1,017,605</u>	<u>258,887</u>	<u>27,137</u>	<u>31,232</u>	<u>26,356</u>	<u>713,009</u>	<u>2,074,226</u>
Less: allowance for uncollectible	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(464,962)</u>	<u>(464,962)</u>
Net receivables	<u>\$ 1,017,605</u>	<u>258,887</u>	<u>27,137</u>	<u>31,232</u>	<u>26,356</u>	<u>248,047</u>	<u>1,609,264</u>

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Unavailable property tax revenue of \$675,204 is property taxes levied in 2017 but not available until 2018.

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City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 2,061,234	42,774	-	2,104,008
Construction in progress	3,368,374	(3,368,374)	-	-
Total capital assets, not being depreciated	<u>5,429,608</u>	<u>(3,325,600)</u>	<u>-</u>	<u>2,104,008</u>
Capital assets, being depreciated:				
Infrastructure	7,631,581	3,723,419	-	11,355,000
Buildings and improvements	1,986,396	-	-	1,986,396
Machinery and equipment	3,236,615	206,686	512,479	2,930,822
Total capital assets being depreciated	<u>12,854,592</u>	<u>3,930,105</u>	<u>512,479</u>	<u>16,272,218</u>
Less accumulated depreciation for:				
Infrastructure	(1,074,602)	(545,303)	-	(1,619,905)
Buildings and improvements	(1,556,834)	(71,404)	-	(1,628,238)
Machinery and equipment	(2,447,481)	(147,081)	512,479	(2,082,083)
Total accumulated depreciation	<u>(5,078,917)</u>	<u>(763,788)</u>	<u>512,479</u>	<u>(5,330,226)</u>
Total capital assets, being depreciated, net	<u>7,775,675</u>	<u>3,166,317</u>	<u>1,024,958</u>	<u>10,941,992</u>
Governmental activities capital assets, net	<u>\$ 13,205,283</u>	<u>(159,283)</u>	<u>1,024,958</u>	<u>13,046,000</u>

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City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 79,276	-	14,218	65,058
Construction in progress	581,694	-	581,694	-
Total capital assets, not being depreciated	<u>660,970</u>	<u>-</u>	<u>595,912</u>	<u>65,058</u>
Capital assets, being depreciated:				
Infrastructure	12,720,659	625,976	-	13,346,635
Buildings and improvements	265,703	-	-	265,703
Machinery and equipment	2,879,138	324,780	80,213	3,123,705
Total capital assets being depreciated	<u>15,865,500</u>	<u>950,756</u>	<u>80,213</u>	<u>16,736,043</u>
Less accumulated depreciation for:				
Infrastructure	(6,130,724)	(440,915)	-	(6,571,639)
Buildings and improvements	(243,521)	(11,290)	-	(254,811)
Machinery and equipment	(2,144,415)	(215,293)	80,213	(2,279,495)
Total accumulated depreciation	<u>(8,518,660)</u>	<u>(667,498)</u>	<u>80,213</u>	<u>(9,105,945)</u>
Total capital assets, being depreciated, net	<u>7,346,840</u>	<u>283,258</u>	<u>160,426</u>	<u>7,630,098</u>
Business-type activities capital assets, net	<u><u>\$ 8,007,810</u></u>	<u><u>283,258</u></u>	<u><u>756,338</u></u>	<u><u>7,695,156</u></u>

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City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

Infrastructure assets acquired prior to January 1, 2000, are not included in the financial statements.

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

Governmental activities:

General government	\$ 253,964
Public safety	43,402
Public works, including infrastructure	64,025
Airport	340,147
Culture and recreation	62,249
Total depreciation expense - governmental activities	<u>\$ 763,787</u>

Business-type activities:

Electric	\$ 140,456
Water	189,501
Sewer	189,104
Sanitation	61,532
Ambulance	86,905
Total depreciation expense - business-type activities	<u>\$ 667,498</u>

D. Interfund Receivables, Payables, and Transfers

There were no interfund receivables or payables as of December 31, 2017.

Transfers were as follows:

	In	Out	Purpose
General	\$ 500,000	-	Maintain general reserves
Electric	46,000	500,000	Maintain general reserves
Water	-	24,000	Net payment for interfund services provided
Sewer	-	22,000	Net payment for interfund services provided
Total	<u>\$ 546,000</u>	<u>546,000</u>	

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities

1. 2016 Sales Tax Revenue Refunding Bonds

The District issued \$1,140,000 of Sales Tax Revenue Refunding Bonds (the "2016 Bonds") dated December 2, 2016. Proceeds from the 2016 Bonds were used to advance refund a portion of the City's Sales and Use Tax Revenue Bonds, Series 2004. The Series 2004 Bonds being refunded mature in 2024. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the Statement of Net Position. The net carrying amount of the old debt exceed reacquisition price by \$131,469. This amount is a deferred inflow of resources that will be amortized over the seven years the 2016 Bonds are outstanding. The City realized a present value savings on refunding of \$213,587.

The interest rates on the Series 2016 Bonds ranges from 1.87% to 2.17% and is payable semi-annually on February 1 and August 1 through 2023.

2. Debt Service Requirements

Year ending December 31	Governmental Activities		
	Principal	Interest	Total
2018	\$ 170,000	18,046	188,046
2019	175,000	14,867	189,867
2020	175,000	11,594	186,594
2021	180,000	8,322	188,322
2022	185,000	4,956	189,956
2023	80,000	1,496	81,496
	<u>965,000</u>	<u>59,281</u>	<u>1,024,281</u>

3. Accrued Compensated Absences

Earned but unused vacation benefits amounted to \$33,499 in governmental activities and \$11,981 in business-type activities at December 31, 2017.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

4. Schedule of Changes in Long-term Liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Accrued compensated absences	\$ 35,012	-	(1,513)	33,499	11,166
2016 Sales Tax Revenue Refunding Bonds	1,140,000	-	(175,000)	965,000	170,000
Net Pension Liability	1,916,410	342,424	-	2,258,834	-
Total Governmental Activities					
Long-term Liabilities	<u>\$ 1,175,012</u>	<u>-</u>	<u>(176,513)</u>	<u>998,499</u>	<u>181,166</u>
Business-type Activities:					
Accrued compensated absences	\$ 10,396	1,584	-	11,980	3,993
Total Business-type Activities					
Long-term Liabilities	<u>\$ 10,396</u>	<u>1,584</u>	<u>-</u>	<u>11,980</u>	<u>3,993</u>

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

1. FPPA Statewide Defined Benefit Plan

Plan Description The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SDBP may include clerical and other personnel from fire districts whose services are auxiliary to fire protection.

Contributions Determined by state statute or by election of the members, contributions are set at a level that enables all benefits to be fully funded at the retirement date of all members. Employees and employers are contributing at a rate of 8% and 9%, respectively of base salary for a total contribution rate of 17% through 2016. In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 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 plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20.5% of base salary through 2015. It is a local decision on who pays the additional 4% contribution. Per the 2014 member election, the reentry group will also have 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%.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Benefits On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the Plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. 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 percent or the Consumer Price Index.

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result, their Separate Retirement Account ("SRA") has two components; the standard SRA and the reentry SRA.

The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.70 percent.

A member is eligible for an early retirement at age 50 or after 30 years of 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 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Net Pension Asset At December 31, 2017, the City reported a liability of \$22,363 for its proportionate share of the net pension liability. (The City reported a liability because the Plan's fiduciary net position is exceeded by the total pension liability.) The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The City proportion of the net pension liability was based on City contributions to the Plan for the calendar year 2016 relative to the total contributions of participating employers to the Plan.

At December 31, 2016, the City proportion was 0.16562%, as compared to 0.17397% at December 31, 2015.

For the year ended December 31, 2017, the City recognized pension expense of \$6,415. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 19,967	1,138
Changes of assumptions or other inputs	15,276	-
Net difference between projected and actual earnings on pension plan investments	60,362	-
Difference between actual and reported contributions	-	554
Changes in proportion and differences between contributions recognized and proportionate share of contributions	11,512	6,889
Contributions subsequent to the measurement date	28,713	-
Total	<u>\$ 135,830</u>	<u>8,581</u>

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Contributions subsequent to the measurement date of December 31, 2016, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:

2018	\$	23,722
2019		23,722
2020		22,345
2021		9,621
Thereafter		19,126
	\$	<u>98,536</u>

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2016. The valuations used the following actuarial assumption and other inputs.

	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2016
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return *	7.5%
Projected Salary Increases	4.0% to 14.0%
Cost of Living Adjustments	0.0%
* Includes Inflation at	2.5%

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	36%	9.25%
Equity Long/Short	10%	7.35%
Illiquid Alternatives	23%	10.75%
Fixed Income	15%	4.10%
Absolute Return	10%	6.55%
Managed Futures	4%	5.50%
Cash	2%	0.0%*
Total	<u>100%</u>	

* While the expected inflation exceeds the expected rate of return for cash, a 0.0 percent real rate of return is utilized.

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15); and the resulting Single Discount Rate is 7.50%.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of net pension liability (asset)	190,272	22,363	(117,094)

Pension plan fiduciary net position. Detailed information about the Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at http://www.fppaco.org/annual_reports.htm.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. Volunteer Pension Fund

Plan Description The City is trustee of an agent multiple-employer defined benefit pension plan available to provide retirement income for volunteer fire fighters in recognition of their service to the City. The plan is directed by a Board of Trustees composed of the Board of Directors and volunteer firefighters selected in accordance with Colorado State Statutes. The plan is administered by the Fire and Police Pension Association of Colorado.

The plan provides for a monthly pension for volunteers who have satisfied the normal age and service requirements and pro rata pensions for volunteers who have satisfied the normal age, but only a portion of the service requirement. It further provides death benefits and a partial pension (50% of the amount the volunteer has earned) for surviving spouses. The normal age and service requirement is the latest date a volunteer reaches 50 years of age or completes 20 years of service. As of December 31, 2016, the latest actuarial valuation date, there were 24 active members and 24 retirees and beneficiaries.

Benefits The normal retirement benefit is \$75 per month at age 50 with 20 years of service. After at least 10 years of service, the monthly retirement benefit is \$3.75 per year of service up to 20 service years. The monthly survivor benefits are \$37.50 following death after normal retirement. The monthly survivor benefit after at least 10 years of service is \$1.88 per year of service up to 20 service years. The funeral benefit is a one-time only \$100.

Contributions The funding of the plan by the City and members is authorized by the Board of Trustees. The contribution by the State of Colorado (the "State") toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of one half (1/2) mill on the assessed valuation or 90% of City contributions, whichever is less.

Net Pension Asset At December 31, 2017, the volunteer pension fund reported a net pension asset of \$296,398. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017.

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City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. Volunteer Pension Fund (continued)

Actuarial Assumptions Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuations as of January 1, 2015 determine the contribution amount for 2016 and 2017.

The following table sets forth the methods and assumptions used to determine contribution rates for the year ending December 31, 2016:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*

* Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

Asset Valuation Method	5-year smoothed market
Inflation	3%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality. Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All tables projected with Scale AA.

The assumptions show above pertain to the actuarial valuation as of January 1, 2015 and the associated Actuarially Determined Contribution for the year ending December 31, 2016. Following a regularly scheduled experience study in 2015, the Board adopted a new assumption set for first use January 1, 2016 valuations. Due to the biennial valuation process, the new assumptions will first apply to the January 1, 2017 Volunteer valuations.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. Volunteer Pension Fund (continued)

The primary changes, which can be observed in the January 1, 2017 valuation, as compared to the assumptions shown are as follows:

Inflation	2.50%
Mortality	Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Increased by 0.00020 for on-duty related Fire and Police experience. Post-retirement: For ages less than 55, RP-2014 Mortality Table for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return which eliminates the 2.5% inflation assumption, for each major asset class included in the Fund's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	36%	6.75%
Equity Long/Short	10%	4.85%
Illiquid Alternatives	23%	8.25%
Fixed Income	15%	0.50%
Absolute Return	10%	4.05%
Managed Futures	4%	3.00%
Cash	2%	0.00%*
Total	<u>100%</u>	

* While expected inflation exceeds the expected rate of return for cash, a 0.0% real rate of return is utilized.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. Volunteer Pension Fund (continued)

Discount Rate Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of net pension liability (asset)	(268,986)	(296,398)	(319,316)

Pension Plan Fiduciary Net Position: Detailed information about the Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at http://www.fppaco.org/annual_report.html.

3. PERA Plan

Plan description. Eligible employees of the City of Yuma are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

3. PERA Plan (continued)

Benefits provided. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

3. PERA Plan (continued)

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions. Eligible employees and the City are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rate
Employer Contribution Rate ¹	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02%)
Amount Apportioned to the LGDTF ¹	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	1.50%
Total Employer Contribution Rate to the LGDTF ¹	12.68%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

3. PERA Plan (continued)

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were \$127,292 for the year December 31, 2017.

At December 31, 2017, the City reported a liability of \$2,236,471 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year 2016 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2016, the City's proportion was 0.16562%, which was a decrease of 0.0083% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City recognized pension expense of \$257,228. December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 54,178	\$ -
Changes of assumptions or other inputs	158,637	41,570
Net difference between projected and actual earnings on pension plan investments	268,590	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	688	29,467
Difference between actual and report contributions	298	-
Contributions subsequent to the measurement date	126,752	-
Total	<u>\$ 609,143</u>	<u>\$ 71,037</u>

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

3. PERA Plan (continued)

\$125,280 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31, 2016:

2017	\$ 222,747
2018	113,393
2019	75,120
2020	94
	<u>\$ 411,354</u>

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions and other inputs.

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's Board on November 18, 2016 and effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016

	<u>December 31, 2015</u>	<u>December 31, 2016</u>
Actuarial Cost method	Entry age	Entry age
Price inflation	2.80 percent	2.40 percent
Real wage growth	1.10 percent	1.10 percent
Wage inflation	3.90 percent	3.50 percent
Salary increases, including wage inflation	3.90 - 10.85 percent	3.50 - 10.45 percent
Long-term investment Rate of Return, net of pension plan investments expenses, including price inflation	7.5 percent	7.25 percent
Discount rate	7.5 percent	7.25 percent
Future post-retirement benefit increases:		
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years. Active member mortality was base upon the same mortality rate but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

3. PERA Plan (continued)

Actuarial assumptions (continued):

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, , adopted by PERA's Board on November 15, 2013 and January 17, 2014.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

3. PERA Plan (continued)

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

3. PERA Plan (continued)

As of the November 15, 2016 adoption of the long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 18, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

3. PERA Plan (continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded for the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), the AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate, and therefore, the discount rate is 7.25 percent.

As of the prior measurement date, the long-term expected rate of return of 7.50 percent on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate was 7.50 percent, 0.25 percent higher compared to the current measurement date.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

3. PERA Plan (continued)

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of net pension liability (asset)	3,297,574	2,236,471	1,357,762

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Health Care Trust Fund

Plan Description – The City contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The City is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the City are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2016 and 2015 the City contributions to the HCTF were \$10,235 and \$10,073, respectively, equal to their required contributions for each year.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

V. Other Information

A. Other Retirement Plans

1. Deferred Compensation Plans – Section 457

The City offers employees covered under Public Employees' Retirement Association of Colorado ("PERA"), and its police officers covered under Colorado Fire and Police Pension Association ("FPPA"), two separate deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plans' participants and their beneficiaries.

The accrual basis of accounting is used for the plans. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

Plan investment purchases are determined by the plan participant and therefore, the plans' investment concentrations vary between participants. The City has no liability for losses under the plans but does have the duty of due care that would be required of an ordinary prudent investor. The City is neither the trustee nor the administrator for the plans.

2. Deferred Compensation Plan - Section 401(a)

In 1991, the City established a defined contribution money purchase plan in the form of the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust under code section 401 of the Internal Revenue code. The normal retirement age is age 55 (not to exceed age 65). Only appointed personnel are eligible to participate in the Plan. The City contributes on behalf of each participant 10% of earnings for the Plan Year. Each participant is required to contribute 8% of earnings as a condition of participation in the Plan. Each Participant may make a voluntary (unmatched), after-tax contribution. Participants are 100% vested immediately and may direct their investment, without restriction, among various investment options available under the Trust. City payroll covered by ICMA for 2017 was \$153,063 of the total \$1,848,411. Contributions were \$27,454, which consisted of \$15,256 from the City and \$12,198 from employees.

Upon separation from service for reason other than death, disability, or attainment of Normal Retirement Age, the Participant may elect to commence receiving benefits without regard to age.

The City is the trustee of the plan and has the duty of due care that would be required of an ordinary prudent investor but has no liability for losses under the plan.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

V. Other Information (continued)

B. Other Employee Benefits

1. Post Employment Health Care Benefits

All City employees covered by COBRA insurance may continue their health insurance due to a reduction in work hours or termination of employment. Employees who elect continued coverage must pay the insurance carrier for premiums from the termination date of coverage and monthly thereafter. No cost to the City is recognized as employees reimburse 100% of their premium cost

2. Cafeteria Plan

The City offers a cafeteria compensation plan organized under IRS Section 125 that includes the following benefits: medical disability, accident and/or term life insurance, health expense reimbursement and child care benefits. The plan is administered by Affiliated Benefits Consultants, which approves disbursements from the plan that employees make from a plan debit card. The City paid Affiliated Benefits Consultants \$1,695 for the administrative services. No other cost to the City is recognized as the plan is a salary reduction plan.

C. Commitments and Contingencies

Land - Pledged as Mortgage

The City owns various tracts of land which have been acquired for future expansion. Two tracts totaling 93.19 acres have been leased to the High Plains Recreation Association, Incorporated (the "Association") for a term of 99 years ending April 7, 2070, for the purpose of providing and maintaining a public golf course. The City assigned its interest in the property as security for a mortgage loan of the Association with First Farm Bank.

D. Risk Management

Colorado Intergovernmental Risk Sharing Agency

The City is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or injuries to employees. The City is insured for such risks as a member of the Colorado Intergovernmental Risk Sharing Agency ("CIRSA"). CIRSA is an organization created to provide property and general liability, as well as workers compensation coverage for its member municipalities. CIRSA self insures for amounts ranging from \$100,000 to \$1,000,000 million, depending of the type of coverage. CIRSA provides additional coverage for property claims up to \$500 million and liability coverage for claims up to \$5,000,000.

City of Yuma
Notes to the Financial Statements
December 31, 2017
(Continued)

V. Other Information (continued)

D. Risk Management (continued)

Colorado Intergovernmental Risk Sharing Agency (continued)

A summary of audited statutory basis financial information for CIRSA as of and for the year ended December 31, 2017 (the latest audited information available) is as follows:

Statement of Net Position

Assets	<u>\$ 87,768,283</u>
Liabilities	33,977,576
Net Position	<u>53,790,707</u>
Total	<u><u>\$ 87,768,283</u></u>

Statement of Activities

Revenues	\$ 26,784,613
Expenses	<u>23,649,283</u>
Net Income (Loss)	<u><u>\$ 3,135,330</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Yuma, Colorado
Schedule of Revenues and Transfers in
Budget and Actual
General Fund
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for 2016)

	2017			2016
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Taxes:				
Current property taxes	570,000	643,941	73,941	611,283
Specific ownership tax	65,000	73,621	8,621	64,904
General sales tax	1,000,000	1,054,694	54,694	983,210
Occupation tax	4,000	5,321	1,321	5,198
Franchise tax	35,000	23,670	(11,330)	36,925
Interest on property taxes	2,500	2,630	130	2,756
Total Taxes	<u>1,676,500</u>	<u>1,803,877</u>	<u>127,377</u>	<u>1,704,276</u>
Licenses and Permits	<u>5,950</u>	<u>6,322</u>	<u>372</u>	<u>9,672</u>
Intergovernmental Revenue:				
State highway users tax	121,000	130,117	9,117	129,377
Road and bridge	27,000	28,172	1,172	27,309
Motor vehicle registration	14,000	14,571	571	14,886
Severance tax	25,000	17,835	(7,165)	25,173
State grants	4,000	14,820	10,820	52,351
Airport fuel tax	300	6,505	6,205	-
Cigarette tax	8,000	5,689	(2,311)	6,593
Total Intergovernmental Revenue	<u>199,300</u>	<u>217,709</u>	<u>18,409</u>	<u>255,689</u>
Charges for Services:				
Grain and feed	27,105	27,106	1	27,105
Gas sales	2,250	2,246	(4)	2,242
Municipal building lease and rent	17,400	17,550	150	14,025
Airport lease and rent	12,000	13,642	1,642	9,135
Pool receipts	12,500	13,144	644	11,170
Other	750	540	(210)	430
Total Charges for Services	<u>72,005</u>	<u>74,228</u>	<u>2,223</u>	<u>64,107</u>
Fines and Forfeitures:				
Police fines and other revenue	46,250	35,607	(10,643)	40,178
Library fines and other revenue	8,500	8,152	(348)	30,742
Total Fines and Forfeitures	<u>54,750</u>	<u>43,759</u>	<u>(10,991)</u>	<u>70,920</u>
Miscellaneous Revenue:				
Interest revenue	1,000	1,325	325	1,182
Recreation user fees	21,000	20,254	(746)	22,995
Community Center	15,000	20,703	5,703	23,904
Sale of assets	-	742	742	-
Contingency and other	681,147	27,083	(654,064)	19,453
Total Miscellaneous Revenue	<u>718,147</u>	<u>70,107</u>	<u>(648,040)</u>	<u>67,534</u>
Total Revenues Before Transfers	<u>2,726,652</u>	<u>2,216,002</u>	<u>(510,650)</u>	<u>2,172,198</u>
Transfers In:				
Electric Fund	500,000	500,000	-	350,000
Total Transfers In	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>350,000</u>
Total Revenues and Transfers In	<u>3,226,652</u>	<u>2,716,002</u>	<u>(510,650)</u>	<u>2,522,198</u>

The accompanying notes are an integral part of these financial statements.

City of Yuma, Colorado
Schedule of Expenditures
Budget and Actual
General Fund
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for 2016)

	2017			2016
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures:				
General Government:				
Administration:				
Salaries	245,290	233,551	11,739	219,480
Retirement and fringe benefits	102,250	100,915	1,335	89,468
Insurance	2,350	2,054	296	1,615
Operating supplies	18,150	18,440	(290)	15,628
Audit and accounting	36,000	34,733	1,267	35,008
Travel and training	8,250	3,779	4,471	4,055
Reporting and recording	2,500	4,776	(2,276)	635
Utilities	4,500	4,872	(372)	6,010
Repairs and maintenance	18,500	11,662	6,838	19,500
Capital outlay	22,500	20,996	1,504	24,216
County Treasurer fees	15,000	12,933	2,067	12,281
Attorney	100,350	90,184	10,166	91,846
Total Administration	575,640	538,895	36,745	519,742
Council:				
Salaries	1,920	1,941	(21)	1,965
Retirement and fringe benefits	615	282	333	272
Travel and training	3,750	1,341	2,409	3,755
Insurance	20,200	10,963	9,237	17,514
Other	7,850	1,240	6,610	2,414
Contingencies	28,190	28,059	131	25,115
Supplies	4,000	2,728	1,272	2,943
Total Council	66,525	46,554	19,971	53,978
Elections	2,000	-	2,000	2,611
Total General Government	644,165	585,449	58,716	576,331
Judicial	17,550	14,205	3,345	14,378
Public Safety:				
Police and Public Safety:				
Salaries	395,500	435,333	(39,833)	382,860
Retirement and fringe benefits	169,700	171,646	(1,946)	147,952
Operating expenses	51,090	37,453	13,637	31,215
Gas and oil	16,800	9,679	7,121	9,170
Insurance	37,600	33,051	4,549	34,460
Utilities	14,000	9,867	4,133	12,370
Repairs and maintenance	17,500	11,460	6,040	12,277
Travel and training	10,000	20,928	(10,928)	13,091
Capital outlay	58,000	19,951	38,049	67,106
Total Police and Public Safety	770,190	749,368	20,822	710,501

The accompanying notes are an integral part of these financial statements.

City of Yuma, Colorado
Schedule of Expenditures
Budget and Actual
General Fund
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for 2016)
(Continued)

	2017		2016
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Expenditures (continued):			
Public Safety - Fire Dept.:			
Salaries	950	950	- 950
Retirement and fringe benefits	12,500	11,728	772 12,367
Operating supplies	12,010	12,206	(196) 11,380
Travel and training	12,750	11,136	1,614 5,926
Insurance	7,500	5,981	1,519 7,533
Utilities	2,500	2,456	44 2,224
Repairs and maintenance	8,300	10,762	(2,462) 10,232
Capital outlay	25,000	51,291	(26,291) 48,500
Total Public Safety - Fire Dept.	81,510	106,510	(25,000) 99,112
Total Public Safety	869,250	870,083	(833) 823,991
Highways and Streets:			
Public Works - Street:			
Salaries	165,340	151,088	14,252 151,288
Retirement and fringe benefits	90,600	76,875	13,725 78,117
Maintenance of condition	259,650	33,380	226,270 52,808
Travel and training	33,700	15,295	18,405 15,020
Supplies	23,400	23,699	(299) 21,701
Utilities	4,500	2,655	1,845 3,866
Insurance	19,100	14,365	4,735 15,863
Repairs and maintenance	22,000	19,017	2,983 18,482
Capital outlay	229,850	130,551	99,299 -
Total Public Works - Street	848,140	466,925	381,215 357,145
Shop Department:			
Salaries and contract services	58,665	56,100	2,565 54,987
Retirement and fringe benefits	9,525	8,836	689 12,964
Operating supplies	13,350	11,025	2,325 11,277
Insurance	11,500	9,167	2,333 9,769
Utilities	21,750	17,465	4,285 20,473
Repairs and maintenance	44,000	64,396	(20,396) 29,116
Travel and training	8,350	4,795	3,555 4,697
Capital outlay	-	-	- -
Total Shop Department	167,140	171,784	(4,644) 143,283
Total Highways and Streets	1,015,280	638,709	376,571 500,428
Airport:			
Salaries	3,000	-	3,000 3,030
Retirement and fringe benefits	850	53	797 890
Operating supplies	3,100	497	2,603 1,007
Repairs and maintenance	9,900	15,239	(5,339) 9,214
Insurance	3,500	4,148	(648) 3,081
Utilities	4,000	2,287	1,713 2,583
Total Airport	24,350	22,224	2,126 19,805

The accompanying notes are an integral part of these financial statements.

City of Yuma, Colorado
Schedule of Expenditures
Budget and Actual
General Fund
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for 2016)
(Continued)

	2017			2016
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures: (continued)				
Culture and Recreation:				
Recreation and Pool:				
Salaries	89,500	76,040	13,460	80,007
Retirement and fringe benefits	42,500	29,938	12,562	31,159
Operating supplies	25,575	19,724	5,851	18,502
Insurance	3,000	1,794	1,206	1,921
Utilities	13,000	10,214	2,786	6,996
Repairs and maintenance	13,000	8,876	4,124	7,947
Travel and training	6,200	3,623	2,577	4,476
Capital outlay	30,000	33,900	(3,900)	-
Programs and concessions	9,750	8,699	1,051	9,623
Total Recreation and Pool	232,525	192,808	39,717	160,631
Community Center:				
Salaries	36,000	41,507	(5,507)	31,247
Retirement and fringe benefits	24,925	19,996	4,929	27,416
Operating supplies and expenses	7,700	10,443	(2,743)	8,004
Repairs and maintenance	20,000	9,874	10,126	7,658
Insurance	3,500	2,453	1,047	2,744
Utilities	6,500	3,876	2,624	4,603
Capital outlay	5,500	1,650	3,850	17,086
Total Community Center	104,125	89,799	14,326	98,758
Parks:				
Salaries	40,320	36,151	4,169	48,772
Retirement and fringe benefits	24,325	16,244	8,081	28,296
Operating supplies	4,650	1,500	3,150	4,177
Mosquito control	4,000	1,770	2,230	1,928
Tree trimming	7,500	7,573	(73)	8,216
Fertilizer and chemicals	5,500	4,532	968	742
Travel and training	4,350	2,752	1,598	2,415
Insurance	2,500	2,157	343	2,254
Utilities	2,250	1,183	1,067	2,426
Repairs and maintenance	5,500	10,426	(4,926)	11,185
Capital outlay	60,000	212	59,788	59,621
Total Parks	160,895	84,500	76,395	170,032
Library:				
Salaries	97,032	90,981	6,051	85,502
Retirement and fringe benefits	39,800	36,603	3,197	33,861
Operating supplies and magazines	17,880	18,500	(620)	18,529
Insurance	3,250	673	2,577	574
Utilities	2,600	2,977	(377)	3,469
Repairs and maintenance	2,000	1,219	781	1,297
Capital outlay	2,200	2,084	116	2,957
Books	9,800	9,858	(58)	10,029
Travel and training	1,500	618	882	597
Total Library	176,062	163,513	12,549	156,815
Total Culture and Recreation	673,607	530,620	142,987	586,236
Total Expenditures	3,226,652	2,647,085	579,567	2,506,791

The accompanying notes are an integral part of these financial statements.

City of Yuma, Colorado
Schedule of Revenues and Expenditures
Budget and Actual
Conservation Trust Fund
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for 2016)

	<u>2017</u>			<u>2016</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
State lottery funds	30,000	35,993	5,993	39,603
Interest	20	76	56	62
Total Revenues	<u>30,020</u>	<u>36,069</u>	<u>6,049</u>	<u>39,665</u>
Expenditures:				
Repairs and maintenance	115,000	51,899	63,101	16,077
Total Expenditures	<u>115,000</u>	<u>51,899</u>	<u>63,101</u>	<u>16,077</u>

The accompanying notes are an integral part of these financial statements.

City of Yuma
Schedule of Changes in Net Pension Asset / Liability
City of Yuma Volunteer Pension Fund
Last 10 Fiscal Years (To be built prospectively)

Measurement period ending December 31,	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability			
Service Cost	1,628	1,628	1,114
Interest on the Total Pension Liability	18,393	18,376	18,528
Benefit Changes	-	-	-
Difference between Expected and Actual Experience	(6,457)	-	(1,781)
Assumption Changes	7,900	-	-
Benefit Payments	<u>(19,238)</u>	<u>(20,300)</u>	<u>(19,975)</u>
Net Change in Total Pension Liability	2,226	(296)	(2,114)
Total Pension Liability - Beginning	<u>253,885</u>	<u>254,181</u>	<u>256,295</u>
Total Pension Liability - Ending (a)	<u><u>256,111</u></u>	<u><u>253,885</u></u>	<u><u>254,181</u></u>
Plan Fiduciary Net Position			
Employer Contributions	10,000	10,000	10,000
Pension Plan Net Investment Income	28,028	9,544	33,003
Benefit Payments	(19,238)	(20,300)	(19,975)
Pension Plan Administrative Expense	(1,110)	(1,978)	(1,143)
State of Colorado supplemental discretionary payment	<u>9,000</u>	<u>8,780</u>	<u>8,739</u>
Net Change in Plan Fiduciary Net Position	26,680	6,046	30,624
Plan Fiduciary Net Position - Beginning	<u>525,829</u>	<u>519,783</u>	<u>489,159</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>552,509</u></u>	<u><u>525,829</u></u>	<u><u>519,783</u></u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u><u>(296,398)</u></u>	<u><u>(271,944)</u></u>	<u><u>(265,602)</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	215.73%	207.11%	204.49%
Covered Employee Payroll	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A

The accompanying notes are an integral part of these financial statements

City of Yuma
Schedule of City Contributions
City of Yuma Volunteer Pension Fund
Last 10 Fiscal Years *

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 19,000	\$ 18,780	\$ 18,739
Actual contribution**	<u>19,000</u>	<u>18,780</u>	<u>18,739</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	N/A	N/A	N/A
Actual contributions as a percentage of covered payroll	N/A	N/A	N/A

* Information is only available beginning in fiscal year 2014.

** Includes both plan sponsor and State of Colorado Supplemental Discretionary Payment

City of Yuma
Notes to the Required Supplementary Information
Volunteer Pension Plan
December 31, 2017

I. Notes to the Schedule of City Contributions

A. Changes to assumptions or other inputs

1. Changes Since the January 1, 2015 Actuarial Valuation are as Follows:

- Effective January 1, 2017, the pre-retirement mortality table used is RP-2014 Mortality tables for blue collar employees, projected with Scale BB, 55% multiplier for off-duty mortality. Increased by 0.00020 for on-duty related Fire and Police experience. The post-retirement mortality tables used for retirees ages less than 55 is the RP-2014 Mortality tables for blue collar employees. The post-retirement mortality tables used for retirees ages 65 or older is the RP-2014 Mortality tables for blue collar healthy annuitants. The post-retirement mortality tables used for retirees ages 55 through 64 is a blend of the previous tables. All tables used for post-retirement are projected with Scale BB. The Disabled mortality tables used are RP-2014 Disabled Generational Mortality Tables generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

B. Changes of benefit terms

No changes during the years presented above

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented above.

City of Yuma
Schedule of Employer's Proportionate Share of Net Pension Asset / Liability
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Defined Benefit:	2016	2015	2014	2013
Employer's portion of the net pension asset	0.061889%	0.063715%	0.056683%	0.07144%
Employer's proportionate share of the net pension asset (liability)	\$ (22,363)	\$ 1,123	\$ 63,971	\$ 63,876
Employer's covered-employee payroll	\$ 358,967	\$ 316,785	\$ 266,271	\$ 310,265
Employer's proportionate share of the net pension asset as a percentage of its covered-employee payroll	-6%	0%	24%	21%
Plan fiduciary net position as a percentage of the total pension asset	98.2%	100.1%	106.8%	105.8%

* Information is only available beginning in fiscal year 2013.

** Includes both plan sponsor and State of Colorado Supplemental Discretionary Payment

City of Yuma
Schedule of Employer Contributions
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Defined Benefit:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily required contribution	\$ 25,339	\$ 24,710	\$ 20,392	\$ 24,821
Contributions in relation to the statutorily required contribution	<u>(25,339)</u>	<u>(24,710)</u>	<u>(20,392)</u>	<u>(24,821)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	\$358,967	\$316,785	\$266,271	\$310,265
Contributions as a percentage of covered-employee payroll	7%	8%	8%	8%

* Information is only available beginning in fiscal year 2013.

** Includes both plan sponsor and State of Colorado Supplemental Discretionary Payment

City of Yuma
Notes to the Required Supplementary Information
Statewide Defined Benefit Plan
December 31, 2017

I. Schedule of Employer's Proportionate Share of the Net Pension Liability

A. Changes to assumptions or other inputs

1. Changes Since the January 1, 2015 Actuarial Valuation are as Follows:

- Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

2. Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

- For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used.

B. Changes of benefit terms

No changes during the years presented above

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented above.

II. Notes to the Schedule of City Contributions

A. Changes to assumptions or other inputs

No changes during the years presented above.

B. Changes of benefit terms.

No changes during the years presented above.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented above.

City of Yuma
Schedule of Employer's Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association Local Government Trust Fund
Last 10 Fiscal Years *

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's proportion of the net pension liability	0.1656%	0.1740%	0.1725%
Employer's proportionate share of the net pension liability	2,236,471	1,916,410	1,546,295
Employer's covered-employee payroll	\$ 1,003,461	\$ 987,575	\$ 944,828
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	222.9%	194.1%	163.7%
Plan fiduciary net position as a percentage of the total pension liability	76.9%	76.9%	80.7%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. Information is only available beginning in fiscal year 2014.

The accompanying notes are an integral part of these financial statements

City of Yuma
Schedule of Employer Contributions
Colorado Public Employees' Retirement Association Local Government Trust Fund
Last 10 Fiscal Years *

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 127,292	\$ 125,279	\$ 119,867
Contributions in relation to the contractually required contribution	<u>\$ 127,292</u>	<u>\$ 125,279</u>	<u>\$ 119,867</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	\$ 1,003,461	\$ 987,575	\$ 944,828
Contributions as a percentage of covered-employee payroll	12.69%	12.69%	12.69%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. Information is only available beginning in fiscal year 2014.

City of Yuma
Notes to the Required Supplementary Information
PERA – Local Government Trust Fund
December 31, 2017

I. Schedule of Employer's Proportionate Share of the Net Pension Liability

A. Changes to assumptions or other inputs

1. Changes Since the January 1, 2015 Actuarial Valuation are as Follows:

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

B. Changes of benefit terms

No changes during the years presented above

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented above.

City of Yuma
Notes to the Required Supplementary Information
PERA – Local Government Trust Fund
December 31, 2017

III. Notes to the Schedule of City Contributions

A. Changes to assumptions or other inputs

No changes during the years presented above.

B. Changes of benefit terms.

No changes during the years presented above.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented above

SUPPLEMENTARY INFORMATION

City of Yuma, Colorado
Schedule of Revenues and Expenditures
Budget and Actual
Capital Projects Fund - Other
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for 2016)

	2017				2016
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Sales tax allocation	295,000	295,000	418,546	123,546	463,897
Federal grant income	216,000	216,000	34,659	(181,341)	4,716,031
State grant income	8,333	8,333	442,467	434,134	1,478,325
Donations and other income	100	100	6,350	6,250	3,416
Interest	1,050	1,050	1,354	304	2,191
Total Revenues	520,483	520,483	903,376	382,893	6,663,860
Expenditures:					
Capital outlay	301,000	1,008,000	606,353	401,647	8,379,208
Total Expenditures	301,000	1,008,000	606,353	401,647	8,379,208
Other Financing Sources (Uses):					
Sale of assets	-	-	-	-	16,294
Transfers in	-	-	-	-	164,632
Total Other Financing Sources (Uses):	-	-	-	-	180,926
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	219,483	(487,517)	297,023	(784,540)	(1,534,422)

The accompanying notes are an integral part of these financial statements.

City of Yuma, Colorado
Schedule of Revenues and Expenditures
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for 2016)

	2017				2016
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Pledged sales tax revenue	190,000	190,000	267,505	77,505	190,000
Interest	650	650	390	(260)	803
Total Revenues	<u>190,650</u>	<u>190,650</u>	<u>267,895</u>	<u>77,245</u>	<u>190,803</u>
Expenditures:					
Administration	150	150	-	150	41,953
Principal	110,000	110,153	175,000	(64,847)	105,000
Interest	78,750	78,750	19,925	58,825	113,528
Total Expenditures	<u>188,900</u>	<u>189,053</u>	<u>194,925</u>	<u>(5,872)</u>	<u>260,481</u>
Other Financing Sources (Uses):					
Operating transfers out	(100)	(100)	-	100	(164,632)
Proceeds from bond issuance	-	-	-	-	1,140,000
Payment to refunding escrow agent	-	-	-	-	(1,260,000)
Total Other Financing Sources (Uses)	<u>(100)</u>	<u>(100)</u>	<u>-</u>	<u>100</u>	<u>(284,632)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>1,650</u>	<u>1,497</u>	<u>72,970</u>	<u>71,473</u>	<u>(354,310)</u>

The accompanying notes are an integral part of these financial statements.

City of Yuma, Colorado
Schedule of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual
With Reconciliation to GAAP Basis
Proprietary Funds
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for 2016)

	Electric Fund				Water Fund				Sewer Fund			
	2017		2016		2017		2016		2017		2016	
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)		Original and Final Budget	Actual	Final Budget Variance Positive (Negative)		Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	
Revenues:												
Commercial charges	1,750,000	1,762,681	12,681	1,710,068	-	-	-	-	-	-	-	-
Residential charges	1,300,000	1,227,295	(72,705)	1,243,428	-	-	-	-	-	-	-	-
Other receipts	270,100	101,221	(168,879)	79,791	369,575	2,789	(366,786)	3,408	152,180	1,541	(150,639)	1,159
Water sales	-	-	-	-	465,000	463,077	(1,923)	464,518	-	-	-	-
Sewer charges	-	-	-	-	-	-	-	-	340,000	367,159	27,159	368,723
Transfer from other funds	39,000	46,000	7,000	39,000	-	-	-	-	-	-	-	-
Tap fees	-	-	-	-	3,500	15,325	11,825	13,500	1,120	5,600	4,480	6,496
Total Revenues	3,359,100	3,137,197	(221,903)	3,072,287	838,075	481,191	(356,884)	481,426	493,300	374,300	(119,000)	376,378
Expenditures:												
Electricity purchased	2,328,900	1,898,719	430,181	1,990,166	-	-	-	-	-	-	-	-
Repairs and maintenance	104,000	107,751	(3,751)	56,276	365,000	64,443	300,557	49,840	113,000	129,114	(16,114)	120,313
Supplies	15,850	15,946	(96)	13,740	11,700	10,158	1,542	16,778	10,500	7,559	2,941	8,159
Benefits and payroll taxes	77,850	83,156	(5,306)	72,457	81,250	69,769	11,481	63,342	81,650	77,716	3,934	67,570
Salaries	177,000	190,555	(13,555)	183,923	134,500	123,645	10,855	87,391	138,500	128,034	10,466	136,381
Insurance	15,000	9,897	5,103	12,561	7,500	5,539	1,961	7,232	10,000	6,780	3,220	7,159
Gas and oil	-	-	-	-	5,500	4,286	1,214	3,367	6,000	3,633	2,367	3,071
Utilities	16,500	9,260	7,240	11,318	20,000	12,523	7,477	18,690	3,500	2,828	672	3,206
Legal	3,000	5,008	(2,008)	325	-	-	-	-	-	-	-	-
Contributions to other governments	-	-	-	-	17,625	17,620	5	17,620	-	-	-	-
Capital outlay	113,500	7,198	106,302	16,402	165,000	1,160	163,840	38,574	105,000	-	105,000	-
Miscellaneous	7,500	5,128	2,372	6,323	5,500	4,917	583	4,822	4,300	4,896	(596)	4,369
Engineering consultant	-	-	-	-	-	-	-	-	5,850	4,624	1,226	177
Transfers to other funds	500,000	500,000	-	350,000	24,000	24,000	-	24,000	15,000	22,000	(7,000)	15,000
Total Expenditures and Transfers	3,359,100	2,832,618	526,482	2,713,491	837,575	338,060	499,515	331,656	493,300	387,184	106,116	365,405
Excess (Deficiency) of Revenues Over Expenditures and Transfers Budget (Non-GAAP Basis)	-	304,579	304,579	358,796	500	143,131	142,631	149,770	-	(12,884)	(12,884)	10,973
Reconciliation to GAAP Basis:												
Depreciation		(140,456)		(149,907)		(189,501)		(149,605)		(189,104)		(177,196)
Bad debt		(3,123)		(7,167)		(392)		(876)		(423)		(701)
Gain (loss) of sale of assets		-		-		-		-		45,822		-
Net Income - GAAP Basis		161,000		201,722		(46,762)		(711)		(156,589)		(166,924)

The accompanying notes are an integral part of these financial statements.

City of Yuma, Colorado
Schedule of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual
With Reconciliation to GAAP Basis
Proprietary Funds
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for 2016)
(Continued)

	Sanitation Fund				Ambulance Fund				
	2017			2016	2017				2016
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:									
Other receipts	200	3,854	3,654	4,152	500	500	5,162	4,662	2,411
Grants and contributions	-	-	-	-	1,500	1,500	3,300	1,800	100,770
Sanitation charges	319,500	329,301	9,801	327,686	-	-	-	-	-
Ambulance charges	-	-	-	-	300,000	300,000	360,973	60,973	400,258
Total Revenues	319,700	333,155	13,455	331,838	302,000	302,000	369,435	67,435	503,439
Expenditures:									
Recycling expenses	1,500	2,484	(984)	-	-	-	-	-	-
Landfill expense	82,000	70,150	11,850	69,152	-	-	-	-	-
Repairs and maintenance	15,000	14,140	860	9,165	22,000	22,500	14,362	8,138	24,925
Supplies	24,800	10,512	14,288	5,523	12,275	12,275	9,792	2,483	7,559
Benefits and payroll taxes	54,600	49,033	5,567	46,132	52,650	63,150	57,526	5,624	34,700
Salaries	88,360	76,138	12,222	82,318	205,000	251,300	245,297	6,003	179,647
Insurance	4,000	3,434	566	3,584	10,000	10,500	10,215	285	10,756
Gas and oil	23,000	11,923	11,077	10,509	9,000	10,500	10,461	39	8,394
Utilities	1,000	600	400	725	5,500	6,000	6,230	(230)	5,398
Capital outlay	-	-	-	-	40,250	66,475	-	66,475	400
Other	5,100	6,415	(1,315)	4,961	(54,675)	(54,475)	5,298	(59,773)	6,970
Total Expenditures and Transfers	299,360	244,829	54,531	232,069	302,000	388,225	359,181	29,044	278,749
Excess (Deficiency) of Revenues Over Expenditures and Transfers Budget (Non-GAAP Basis)	20,340	88,326	67,986	99,769	-	(86,225)	10,254	96,479	224,690
Reconciliation to GAAP Basis:									
Depreciation		(61,532)		(61,532)			(86,905)		(64,592)
Bad debt		(426)		(659)			(36,397)		(20,368)
Gain (loss) on sale of assets		-		-			-		(14,500)
Net Income - GAAP Basis		26,368		37,578			(113,048)		125,230

The accompanying notes are an integral part of these financial statements.

City of Yuma, Colorado
Schedule of Additions and Deductions
Budget and Actual
Pension Trust Fund
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for 2016)

	<u>2017</u>			<u>2016</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Additions:				
City contributions	10,000	10,000	-	10,000
State contributions	8,100	9,000	900	9,000
Net investment gain	-	68,546	26,918	26,918
Total Additions	<u>18,100</u>	<u>87,546</u>	<u>27,818</u>	<u>45,918</u>
Deductions:				
Benefits	<u>24,000</u>	<u>18,575</u>	<u>4,762</u>	<u>19,238</u>
Total Deductions	<u>24,000</u>	<u>18,575</u>	<u>4,762</u>	<u>19,238</u>

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

LOCAL HIGHWAY FINANCE REPORT	City or County:	City of Yuma
	YEAR ENDING :	December 2017
This Information From The Records Of (example - City of _ or County of _):		Prepared By: Karma Wells Phone: 970-848-3878

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

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	327,449
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	16,294
2. General fund appropriations	504,471	b. Snow and ice removal	2,861
3. Other local imposts (from page 2)	73,620	c. Other	0
4. Miscellaneous local receipts (from page 2)	31,292	d. Total (a. through c.)	19,155
5. Transfers from toll facilities	0	4. General administration & miscellaneous	34,975
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	372,492
a. Bonds - Original Issues	0	6. Total (1 through 5)	754,071
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	609,383	b. Redemption	0
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	144,688	a. Interest	0
D. Receipts from Federal Government		b. Redemption	0
(from page 2)	0	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	754,071	3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	754,071

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
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
		754,071	754,071		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2017	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	31,292
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	73,620	g. Other Misc. Receipts	0
6. Total (1. through 5.)	73,620	h. Other	0
c. Total (a. + b.)	73,620	i. Total (a. through h.)	31,292
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	130,117	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	14,571	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	14,571	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	144,688	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
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
		(Carry forward to page 1)	

Notes and Comments: