



**Financial Statements
December 31, 2018**

**City of Yuma, Colorado
Financial Statements
December 31, 2018**

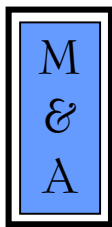
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INDEPENDENT AUDITOR'S REPORT

**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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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, 2018, 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.

Emphasis of Matter

As discussed in Note IV.F. to the financial statements, in the year ended December 31, 2018, the City adopted Governmental Accounting Standards Board Statement No.75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

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 City'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.

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

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.
July 15, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Yuma, Colorado

Management's Discussion and Analysis December 31, 2018

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, 2018.

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.

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	5,570,681	5,013,143	5,269,849	4,671,273	10,840,530	9,684,416
Capital assets	12,264,071	13,046,000	7,110,756	7,695,156	19,374,827	20,741,156
Total assets	17,834,752	18,059,143	12,380,605	12,366,429	30,215,357	30,425,572
Deferred outflow s of resources	588,534	804,162	-	-	588,534	804,162
Long-term liabilities outstanding	2,795,911	3,223,834	-	-	2,795,911	3,223,834
Other liabilities	474,348	757,383	321,408	283,386	795,756	1,040,769
Total liabilities	3,270,259	3,981,217	321,408	283,386	3,591,667	4,264,603
Deferred inflow s of resources	1,237,553	872,197	-	-	1,237,553	872,197
Net investment in capital assets	11,469,071	12,081,000	7,110,756	7,695,156	18,579,827	19,776,156
Restricted for future pension costs	452,210	296,398	-	-	452,210	296,398
Restricted for emergencies	75,735	68,883	-	-	75,735	68,883
Restricted for bond reserve	95,205	86,295	-	-	95,205	86,295
Restricted for capital projects	1,644,279	1,069,038	-	-	1,644,279	1,069,038
Unrestricted	178,974	407,626	4,948,441	4,387,887	5,127,415	4,795,513
Total net position	13,915,474	14,009,240	12,059,197	12,083,043	25,974,671	26,092,283

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 64.1% 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 \$452,210 for future pension cost, and \$95,205 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 \$35,636 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	
	2018	2017	2018	2017	2018	2017
REVENUES:						
Program revenues:						
Charges for services	355,844	331,804	5,268,576	4,642,029	5,624,420	4,973,833
Operating grants and contributions	27,411	-	15,480	3,300	42,891	3,300
Capital grants and contributions	303,588	527,939	-	-	303,588	527,939
General revenues:						
Property Taxes	678,214	646,571	-	-	678,214	646,571
Other taxes	1,973,139	1,873,386	-	-	1,973,139	1,873,386
Interest and other revenue	61,964	43,642	17,823	49,771	79,787	93,413
Total revenues	3,400,160	3,423,342	5,301,879	4,695,100	8,702,039	8,118,442
EXPENSES:						
General government	1,168,135	1,242,318	-	-	1,168,135	1,242,318
Public safety	747,739	839,576	-	-	747,739	839,576
Highways and streets	589,033	572,184	-	-	589,033	572,184
Culture and recreation	964,381	613,268	-	-	964,381	613,268
Airport	365,931	430,902	-	-	365,931	430,902
Other	5,459	1,144	-	-	5,459	1,144
Sanitation	-	-	418,057	306,787	418,057	306,787
Electric	-	-	2,434,539	2,476,197	2,434,539	2,476,197
Water	-	-	757,636	503,953	757,636	503,953
Sewer	-	-	585,622	554,711	585,622	554,711
Ambulance	-	-	629,871	482,483	629,871	482,483
Total expenses	3,840,678	3,699,392	4,825,725	4,324,131	8,666,403	8,023,523
Increase in net position before transfers	(440,518)	(276,050)	476,154	370,969	35,636	94,919
Transfers	500,000	500,000	(500,000)	(500,000)	-	-
Increase in net position	59,482	223,950	(23,846)	(129,031)	35,636	94,919
Net position January 1 (restated)	13,855,992	13,785,290	12,083,043	12,212,074	25,939,035	25,997,364
Net position December 31	13,915,474	14,009,240	12,059,197	12,083,043	25,974,671	26,092,283

Government-wide Financial Analysis (continued)

Governmental activities. The City of Yuma's net position used for governmental activities increased by \$59,482 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 \$131,396 over the previous year. The majority of this increase is attributable to an increase in sales tax receipts. Sales tax revenue increased by \$88,210 (4.8%), and property tax revenue increased by \$31,643. Federal and state grants accounted for \$330,999 of governmental activities' revenues.
- Governmental activities' expenses increased by \$141,286 (3.7%) while Total Revenue decreased by \$23,182. Operating transfers to the General Fund, which serve to build ending reserves, remained at \$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 \$23,846. 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 increased by \$606,779 (11.5%) over the previous year, while total business-type expenses increased by \$501,594, or 10.4%.
- Net operating income for the City's business-type activities was \$458,331, and interest income increased compared to the previous year, to \$17,823. 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 \$4,164,618, an increase of \$847,613 from the prior year ending fund balances. This increase is associated with fewer expenses. Of this total, \$1,815,219 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 \$2,349,399 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 \$4,948,441 – broken down by fund as follows: Sanitation - \$548,513; Electric - \$2,019,521; Water - \$697,996; Sewer - \$771,699; and Ambulance - \$910,712. 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 \$1,196,329 (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 \$2,249,760. Of this balance, \$672,313 was appropriated for spending in the 2019 fiscal year budget. The remaining 2019 appropriation for the General Fund of \$2,720,719 will come from taxes and other sources, with the total General Fund appropriation amounting to \$3,393,032. 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, 2018

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	3,861,147	4,249,190	8,110,337
Cash and investments - restricted	95,205	-	95,205
Receivables, net:			
Property tax	700,866	-	700,866
Accounts	153,805	701,864	855,669
Grants and other governments	304,959	-	304,959
Inventories and prepaids	2,489	318,795	321,284
Net pension asset - volunteer firefighters	363,931	-	363,931
Net pension asset - FPPA SWDB	88,279	-	88,279
Capital assets, net	12,264,071	7,110,756	19,374,827
Total Assets	17,834,752	12,380,605	30,215,357
Deferred Outflows of Resources:			
Pension related deferred outflows	561,278	-	561,278
OPEB related deferred outflows	27,256	-	27,256
Total Deferred Outflows of Resources	588,534	-	588,534
Liabilities:			
Accounts payable	252,987	18,572	271,559
Deposits	-	262,484	262,484
Accrued interest payable	6,195	-	6,195
Other liabilities	40,166	40,352	80,518
Long-term liabilities:			
Due within one year	175,000	-	175,000
Due in more than one year	620,000	-	620,000
Net pension liability - PERA	1,995,031	-	1,995,031
Net OPEB liability - PERA	180,880	-	180,880
Total Liabilities	3,270,259	321,408	3,591,667
Deferred Inflows of Resources:			
Unavailable property tax revenue	700,866	-	700,866
Pension related deferred inflows	439,754	-	439,754
OPEB related deferred inflows	3,026	-	3,026
Bond refunding deferred inflows	93,907	-	93,907
Total Deferred Inflows of Resources	1,237,553	-	1,237,553
Net Position:			
Net investment in capital assets	11,469,071	7,110,756	18,579,827
Restricted for future pension cost	452,210		452,210
Restricted for emergencies	75,735	-	75,735
Restricted for bond reserve	95,205	-	95,205
Restricted for capital projects	1,644,279		1,644,279
Unrestricted	178,974	4,948,441	5,127,415
Total Net Position	13,915,474	12,059,197	25,974,671

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

City of Yuma
Statement of Activities
For the Year Ended December 31, 2018

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	1,168,135	46,549	6,500	-	(1,115,086)	-	(1,115,086)
Public safety	747,739	19,541	13,730	-	(714,468)	-	(714,468)
Highways and streets	589,033	203,649	-	166,943	(218,441)	-	(218,441)
Culture and recreation	964,381	73,809	7,181	36,319	(847,072)	-	(847,072)
Airport	365,931	12,296	-	100,326	(253,309)	-	(253,309)
Interest on long-term debt	5,459	-	-	-	(5,459)	-	(5,459)
Total governmental activities	3,840,678	355,844	27,411	303,588	(3,153,835)	-	(3,153,835)
Business-type activities:							
Electric	2,434,539	3,139,223	-	-	-	704,684	704,684
Water	757,636	612,758	-	-	-	(144,878)	(144,878)
Sewer	585,622	490,832	-	-	-	(94,790)	(94,790)
Sanitation	418,057	400,572	-	-	-	(17,485)	(17,485)
Ambulance	629,871	625,191	15,480	-	-	10,800	10,800
Total business-type activities	4,825,725	5,268,576	15,480	-	-	458,331	458,331
Total All Activities	8,666,403	5,624,420	42,891	303,588	(3,153,835)	458,331	(2,695,504)
General revenues:							
Taxes:							
Property tax, levied for general purposes					678,214	-	678,214
Specific ownership tax					76,405	-	76,405
General sales tax					1,828,955	-	1,828,955
Occupation tax					6,303	-	6,303
Franchise tax					31,819	-	31,819
Severance tax					21,296	-	21,296
Airport fuel tax					2,619	-	2,619
Cigarette tax					5,742	-	5,742
Licenses and permits					22,259	-	22,259
Investment earnings					13,661	17,823	31,484
Miscellaneous					26,044	-	26,044
Transfers					500,000	(500,000)	-
Total general revenues, special items, and transfers					3,213,317	(482,177)	2,731,140
Change in Net Position					59,482	(23,846)	35,636
Net Position - January 1 (restated)					13,855,992	12,083,043	25,939,035
Net Position - December 31					13,915,474	12,059,197	25,974,671

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

FUND FINANCIAL STATEMENTS

**City of Yuma, Colorado
Balance Sheet
Governmental Funds
December 31, 2018**

	General	Conservation Trust	Capital Projects - Other	Debt Service	Total Governmental Funds
Assets:					
Cash and investments	2,249,760	109,326	1,502,061	-	3,861,147
Cash and investments - restricted	-	-		95,205	95,205
Prepays	2,489	-	-	-	2,489
Receivables, net of allowance for uncollectibles	1,017,412	-	142,218	-	1,159,630
Total Assets	<u>3,269,661</u>	<u>109,326</u>	<u>1,644,279</u>	<u>95,205</u>	<u>5,118,471</u>
Liabilities and Fund Equity:					
Liabilities:					
Accounts/vouchers payable	252,987	-	-	-	252,987
Accrued interest payable	-	-	-	-	-
Total Liabilities	<u>252,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,987</u>
Deferred Inflows of Resources:					
Unavailable property tax revenues	700,866	-	-	-	700,866
Total Deferred Inflows of Resources	<u>700,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700,866</u>
Fund Balances:					
Nonspendable	2,489	-	-	-	2,489
Restricted for emergency	75,735	-	-	-	75,735
Restricted under bond indenture	-	-	-	95,205	95,205
Restricted for capital projects	-	-	1,644,279	-	1,644,279
Assigned	-	109,326	-	-	109,326
Unassigned	2,237,584	-	-	-	2,237,584
Total Fund Balances	<u>2,315,808</u>	<u>109,326</u>	<u>1,644,279</u>	<u>95,205</u>	<u>4,164,618</u>
Total Liabilities and Fund Balances	<u>3,269,661</u>	<u>109,326</u>	<u>1,644,279</u>	<u>95,205</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.	12,264,071
Long term assets and deferred outflows are not financial resources and, therefore, are not reported in the funds.	1,040,744
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	<u>(3,553,959)</u>
Net Position of Governmental Activities	<u>13,915,474</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, 2018

	General	Conservation Trust	Capital Projects - Other	Debt Service	Total Governmental Funds
Revenues:					
Taxes	1,784,491	-	648,401	188,804	2,621,696
Licenses and permits	22,259	-	-	-	22,259
Intergovernmental revenue	230,596	36,319	-	-	266,915
Federal government grants	12,030	-	100,326	-	112,356
State government grants	15,381	-	166,943	-	182,324
Charges for services	77,368	-	-	-	77,368
Fines and forfeitures	32,151	-	-	-	32,151
Miscellaneous	78,161	344	5,954	632	85,091
Total Revenues	2,252,437	36,663	921,624	189,436	3,400,160
Expenditures:					
General government	434,307	-	5,462	-	439,769
Public safety	845,101	-	-	-	845,101
Highways and streets	644,801	-	331,168	-	975,969
Culture and recreation	540,962	43,839	-	-	584,801
Airport	16,628	-	9,753	-	26,381
Debt service:					
Principal	-	-	-	170,000	170,000
Interest	-	-	-	10,526	10,526
Total Expenditures	2,481,799	43,839	346,383	180,526	3,052,547
Excess (Deficiency) of Revenues Over Expenditures	(229,362)	(7,176)	575,241	8,910	347,613
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)	270,638	(7,176)	575,241	8,910	847,613
Fund Balances - January 1	2,045,170	116,502	1,069,038	86,295	3,317,005
Fund Balances - December 31	2,315,808	109,326	1,644,279	95,205	4,164,618

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, 2018

Net Change in Fund Balances of Governmental Funds	847,613
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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.	(430,241)
--	-----------

Losses from the disposal of assets decrease net position, but have no effect on current financial resources.	(351,688)
--	-----------

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.	182,586
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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.	(188,788)
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Change in Net Position of Governmental Activities	59,482
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City of Yuma, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2018

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Ambulance Fund	Total
Assets:						
Current assets:						
Cash and investments	1,851,343	595,125	669,364	519,273	614,085	4,249,190
Receivables, net of allowance for uncollectibles	271,033	39,722	46,406	34,602	310,101	701,864
Prepaid insurance	-	-	-	-	1,203	1,203
Inventory	174,027	79,582	63,983	-	-	317,592
Total current assets	<u>2,296,403</u>	<u>714,429</u>	<u>779,753</u>	<u>553,875</u>	<u>925,389</u>	<u>5,269,849</u>
Non-current assets:						
Property and equipment	4,266,872	5,012,245	5,898,591	519,087	1,344,201	17,040,996
Accumulated depreciation	(2,835,403)	(3,057,051)	(2,580,349)	(413,756)	(1,043,681)	(9,930,240)
Total non-current assets	<u>1,431,469</u>	<u>1,955,194</u>	<u>3,318,242</u>	<u>105,331</u>	<u>300,520</u>	<u>7,110,756</u>
Total Assets	<u>3,727,872</u>	<u>2,669,623</u>	<u>4,097,995</u>	<u>659,206</u>	<u>1,225,909</u>	<u>12,380,605</u>
Liabilities:						
Current liabilities:						
Accounts payable	9,514	9,058	-	-	-	18,572
Accrued payroll	4,666	4,059	4,056	3,876	7,241	23,898
Deposits	259,884	2,500	-	100	-	262,484
Accrued compensated absences	2,818	816	3,998	1,386	7,436	16,454
Total current liabilities	<u>276,882</u>	<u>16,433</u>	<u>8,054</u>	<u>5,362</u>	<u>14,677</u>	<u>321,408</u>
Total Liabilities	<u>276,882</u>	<u>16,433</u>	<u>8,054</u>	<u>5,362</u>	<u>14,677</u>	<u>321,408</u>
Net Position:						
Invested in capital assets, net of related debt	1,431,469	1,955,194	3,318,242	105,331	300,520	7,110,756
Unrestricted	2,019,521	697,996	771,699	548,513	910,712	4,948,441
Total Net Position	<u>3,450,990</u>	<u>2,653,190</u>	<u>4,089,941</u>	<u>653,844</u>	<u>1,211,232</u>	<u>12,059,197</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, 2018

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Ambulance Fund	Total
Operating Revenues:						
Commercial charges	1,774,650	-	-	-	-	1,774,650
Residential charges	1,239,214	-	-	-	-	1,239,214
Other	125,359	1,388	2,833	74	1,627	131,281
Tap fees	-	-	2,240	-	-	2,240
Water sales	-	611,370	-	-	-	611,370
Sewer charges	-	-	485,759	-	-	485,759
Sanitation charges	-	-	-	400,498	-	400,498
Ambulance charges	-	-	-	-	623,564	623,564
Total Operating Revenues	3,139,223	612,758	490,832	400,572	625,191	5,268,576
Operating Expenses:						
Electricity purchased	1,821,291	-	-	-	-	1,821,291
Landfill expense	-	-	-	71,321	-	71,321
Repairs and maintenance	72,911	89,445	60,714	21,528	20,478	265,076
Supplies	15,554	6,791	6,220	10,296	12,146	51,007
Benefits and payroll taxes	108,602	92,899	92,506	84,929	91,425	470,361
Depreciation	130,087	189,591	196,613	35,110	84,815	636,216
Bad debt	1,511	367	276	311	93,527	95,992
Salaries	250,226	164,539	172,699	156,679	284,273	1,028,416
Insurance	13,681	12,296	8,797	5,175	7,653	47,602
Gas and oil	-	7,088	3,112	19,906	19,259	49,365
Utilities	11,512	13,927	2,117	600	6,701	34,857
Other	9,164	66,040	40,568	12,202	9,594	137,568
Long-term maintenance	-	54,244	-	-	-	54,244
Total Operating Expenses	2,434,539	697,227	583,622	418,057	629,871	4,763,316
Operating Income (Loss)	704,684	(84,469)	(92,790)	(17,485)	(4,680)	505,260
Non-operating Revenues (Expenses):						
Interest revenue	9,036	1,767	3,216	2,264	1,540	17,823
Contributions to other governments	-	(17,620)	-	-	-	(17,620)
Grants and contributions	-	-	-	-	15,480	15,480
Gain (loss) on sale of assets	-	(42,789)	(2,000)	-	-	(44,789)
Total Non-operating Revenues	9,036	(58,642)	1,216	2,264	17,020	(29,106)
Income Before Transfers	713,720	(143,111)	(91,574)	(15,221)	12,340	476,154
Transfers	(461,000)	(24,000)	(115,000)	-	100,000	(500,000)
Change in Net Position	252,720	(167,111)	(206,574)	(15,221)	112,340	(23,846)
Total Net Position - January 1	3,198,270	2,820,301	4,296,515	669,065	1,098,892	12,083,043
Total Net Position - December 31	3,450,990	2,653,190	4,089,941	653,844	1,211,232	12,059,197

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, 2018

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Ambulance Fund	Total
Cash Flows From Operating Activities:						
Cash received from customers and others	3,139,294	602,306	475,382	392,115	469,610	5,078,707
Cash paid for goods and services	(1,932,533)	(250,093)	(113,787)	(141,028)	(72,823)	(2,510,264)
Cash paid to employees	(358,367)	(257,856)	(262,589)	(238,796)	(371,787)	(1,489,395)
Net Cash Provided by Operating Activities	<u>848,394</u>	<u>94,357</u>	<u>99,006</u>	<u>12,291</u>	<u>25,000</u>	<u>1,079,048</u>
Cash Flows From Non-capital Financing Activities:						
Contributions to other governments	-	(17,620)	-	-	-	(17,620)
Net operating transfers (out)	(461,000)	(24,000)	(115,000)	-	100,000	(500,000)
Net Cash Provided (Used) by Non-capital Financing Activities	<u>(461,000)</u>	<u>(41,620)</u>	<u>(115,000)</u>	<u>-</u>	<u>100,000</u>	<u>(517,620)</u>
Cash Flows From Capital Financing Activities:						
Grant received	-	-	-	-	15,480	15,480
Distribution system and equipment purchases	(46,038)	-	(50,567)	-	-	(96,605)
Net Cash Provided (Used) by Capital Financing Activities	<u>(46,038)</u>	<u>-</u>	<u>(50,567)</u>	<u>-</u>	<u>15,480</u>	<u>(81,125)</u>
Cash Flows From Investing Activities						
Interest received	9,036	1,767	3,216	2,264	1,540	17,823
Net Cash Provided by Investing Activities	<u>9,036</u>	<u>1,767</u>	<u>3,216</u>	<u>2,264</u>	<u>1,540</u>	<u>17,823</u>
Net Change in Cash and Cash Equivalents	<u>350,392</u>	<u>54,504</u>	<u>(63,345)</u>	<u>14,555</u>	<u>142,020</u>	<u>498,126</u>
Cash and Cash Equivalents - January 1	<u>1,500,951</u>	<u>540,621</u>	<u>732,709</u>	<u>504,718</u>	<u>472,065</u>	<u>3,751,064</u>
Cash and Cash Equivalents - December 31	<u><u>1,851,343</u></u>	<u><u>595,125</u></u>	<u><u>669,364</u></u>	<u><u>519,273</u></u>	<u><u>614,085</u></u>	<u><u>4,249,190</u></u>
Reconciliation of Operating Income (Loss) to						
Net Cash Provided by Operating Activities:						
Operating income (loss)	704,684	(84,469)	(92,790)	(17,485)	(4,680)	505,260
Adjustments to reconcile operating income (loss)						
to net cash provided by operating activities:						
Depreciation	130,087	189,591	196,613	35,110	84,815	636,216
Bad debt	1,511	367	276	311	93,527	95,992
(Increase) decrease in accounts receivable	(13,657)	(12,952)	(15,450)	(8,557)	(155,581)	(206,197)
(Increase) decrease in inventories	11,334	(9,320)	7,741	-	-	9,755
Increase (decrease) in deposits	13,728	2,500	-	100	-	16,328
Increase (decrease) in accounts payable	246	9,058	-	-	3,008	12,312
Increase (decrease) in accrued payroll	409	1,250	1,251	1,999	-	4,909
Increase (decrease) in compensated absences	52	(1,668)	1,365	813	3,911	4,473
Total Adjustments	<u>143,710</u>	<u>178,826</u>	<u>191,796</u>	<u>29,776</u>	<u>29,680</u>	<u>573,788</u>
Net Cash Provided by Operating Activities	<u><u>848,394</u></u>	<u><u>94,357</u></u>	<u><u>99,006</u></u>	<u><u>12,291</u></u>	<u><u>25,000</u></u>	<u><u>1,079,048</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, 2018

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, 2018
(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, 2018
(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, 2018
(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, 2018
(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, 2018
(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. Defined Benefit Other Post Employment Benefit ("OPEB") Plan

The City participates in the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

12. 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 two items that qualify for reporting in this category, which is the pension-related and OPEB-related deferred outflows reported in the government-wide statement of net position.

13. 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 four items that qualify for this type of reporting, pension-related and OPEB-related deferred inflows, bond refunding deferred inflows and unavailable revenues from property taxes.

14. 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.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

14. Fund Balance (continued)

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.

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 \$1,040,744 difference are Net Pension Asset of \$452,210, Pension related deferred outflows of \$561,278, and OPEB related deferred outflows of \$27,256. 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 \$3,553,959 difference are as follows:

Bonds payable	\$ 795,000
Accrued interest	6,195
Accrued compensated absences	40,166
Net pension liability	1,995,031
Net OPEB liability	180,880
Pension related deferred inflows of resources	439,754
OPEB related deferred inflows of resources	3,026
Bond refunding deferred inflows of resources	93,907
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 3,553,959</u>

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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

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 \$781,929 difference is capital outlay of \$492,765 less depreciation expense of \$788,892 and loss on disposal of \$485,802.

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 \$182,586 difference are as follows:

Bond principal payments	\$ 170,000
Amortization of bond refunding deferred inflow	12,586
Net adjustment to reduce net changes in fund balance - total governmental funds to arrive at changes in net position - governmental activities	<u>\$ 182,586</u>

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 \$188,788 difference are pension expense of \$182,121 less change in accrued compensated absences of \$6,667.

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 2018.

1. For the 2018 budget year, prior to August 25, 2017, 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, 2017, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the City's operating requirements.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

3. Prior to December 15, 2017, 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 2017 were collected in 2018 and taxes certified in 2018 will be collected in 2019. 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.

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.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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 \$75,735 which is the approximate required reserve at December 31, 2018.

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?"

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.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(Continued)

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 \$8,205,542 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:

Type	Carrying Amount	Maturities	
		Less Than One Year	Less Than Five Years
<i>Deposits:</i>			
Petty cash	\$ 1,200	-	-
Checking	3,720,076	-	-
Savings	1,171,685	-	-
Certificates of deposit	3,312,581	3,312,581	-
	<u>\$ 8,205,542</u>	<u>3,312,581</u>	<u>-</u>

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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	\$ 3,861,147	4,249,190	-	8,110,337
Restricted cash and investments	95,205	-	-	95,205
Total	<u>\$ 3,956,352</u>	<u>4,249,190</u>	<u>-</u>	<u>8,205,542</u>

B. Receivables

Receivables as of December 31, 2018, for the City's funds, including applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects	Electric	Water	Sewer	Sanitation	Ambulance	Total
Receivables:								
Taxes	\$ 700,866	-	-	-	-	-	-	700,866
Accounts	11,587	142,218	271,033	39,722	46,406	34,602	868,590	1,414,158
Intergovernmental	304,959	-	-	-	-	-	-	304,959
Gross receivables	<u>1,017,412</u>	<u>142,218</u>	<u>271,033</u>	<u>39,722</u>	<u>46,406</u>	<u>34,602</u>	<u>868,590</u>	<u>2,419,983</u>
Less: allowance for uncollectible	-	-	-	-	-	-	(558,489)	(558,489)
Net receivables	<u>\$ 1,017,412</u>	<u>142,218</u>	<u>271,033</u>	<u>39,722</u>	<u>46,406</u>	<u>34,602</u>	<u>310,101</u>	<u>1,861,494</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 \$700,866 is property taxes levied in 2018 but not available until 2018.

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City of Yuma
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

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

	Beginning Balance	Other Additions	Increases	Decreases	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 2,104,008	-	-	(391,688)	1,712,320
Construction in progress	-	-	-	-	-
Total capital assets, not being depreciated	<u>2,104,008</u>	<u>-</u>	<u>-</u>	<u>(391,688)</u>	<u>1,712,320</u>
Capital assets, being depreciated:					
Infrastructure	11,355,000	30,174	124,953	(225,999)	11,284,128
Buildings and improvements	1,986,396	133,914	15,886	(100,340)	2,035,856
Machinery and equipment	2,930,822	168,643	351,924	(33,228)	3,418,161
Total capital assets being depreciated	<u>16,272,218</u>	<u>332,731</u>	<u>492,763</u>	<u>(359,567)</u>	<u>16,738,145</u>
Less accumulated depreciation for:					
Infrastructure	(1,619,905)	(30,174)	(539,267)	198,778	(1,990,568)
Buildings and improvements	(1,628,238)	(133,914)	(56,417)	33,447	(1,785,122)
Machinery and equipment	<u>(2,082,083)</u>	<u>(168,643)</u>	<u>(193,206)</u>	<u>33,228</u>	<u>(2,410,704)</u>
Total accumulated depreciation	<u>(5,330,226)</u>	<u>(332,731)</u>	<u>(788,890)</u>	<u>265,453</u>	<u>(6,186,394)</u>
Total capital assets, being depreciated, net	<u>10,941,992</u>	<u>-</u>	<u>(296,127)</u>	<u>(94,114)</u>	<u>10,551,751</u>
Governmental activities capital assets, net	<u>\$ 13,046,000</u>	<u>-</u>	<u>(296,127)</u>	<u>(485,802)</u>	<u>12,264,071</u>

In 2018, other additions were made to the City's assets for fully depreciated items previously not included. Since these other additions are already fully depreciated, there is no effect on the government-wide Net Position.

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City of Yuma
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

	Beginning Balance	Other Additions	Increases	Decreases	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 65,058	-	-	-	65,058
Total capital assets, not being depreciated	<u>65,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,058</u>
Capital assets, being depreciated:					
Infrastructure	13,346,635	580,430	35,038	(489,546)	13,472,557
Buildings and improvements	265,703	228,720	-	-	494,423
Machinery and equipment	3,123,705	265,879	55,480	(436,103)	3,008,961
Total capital assets being depreciated	<u>16,736,043</u>	<u>1,075,029</u>	<u>90,518</u>	<u>(925,649)</u>	<u>16,975,941</u>
Less accumulated depreciation for:					
Infrastructure	(6,571,639)	(580,430)	(443,787)	446,757	(7,149,099)
Buildings and improvements	(254,811)	(228,720)	(10,891)	-	(494,422)
Machinery and equipment	(2,279,495)	(265,879)	(181,538)	440,190	(2,286,722)
Total accumulated depreciation	<u>(9,105,945)</u>	<u>(1,075,029)</u>	<u>(636,216)</u>	<u>886,947</u>	<u>(9,930,243)</u>
Total capital assets, being depreciated, net	<u>7,630,098</u>	<u>-</u>	<u>(545,698)</u>	<u>(38,702)</u>	<u>7,045,698</u>
Business-type activities capital assets, net	<u><u>\$ 7,695,156</u></u>	<u><u>-</u></u>	<u><u>(545,698)</u></u>	<u><u>(38,702)</u></u>	<u><u>7,110,756</u></u>

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City of Yuma
Notes to the Financial Statements
December 31, 2018
(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	\$ 51,898
Public safety	46,873
Public works, including infrastructure	284,388
Airport	339,549
Culture and recreation	66,182
Total depreciation expense - governmental activities	<u>\$ 788,890</u>

Business-type activities:

Electric	\$ 130,087
Water	189,501
Sewer	196,613
Sanitation	35,110
Ambulance	84,815
Total depreciation expense - business-type activities	<u>\$ 636,126</u>

D. Interfund Receivables, Payables, and Transfers

There were no interfund receivables or payables as of December 31, 2018.

Transfers were as follows:

	In	Out	Purpose
General	\$ 500,000	-	Maintain general reserves
Electric	39,000	500,000	Maintain general reserves
Water	-	24,000	Net payment for interfund services provided
Sewer	-	115,000	Net payment for interfund services provided
Ambulance	100,000	-	Net payment for interfund services provided
Total	<u>\$ 639,000</u>	<u>639,000</u>	

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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
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>795,000</u>	<u>41,235</u>	<u>836,235</u>

3. Accrued Compensated Absences

Earned but unused vacation benefits amounted to \$40,166 in governmental activities and \$16,454 in business-type activities at December 31, 2018.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

4. Schedule of Changes in Long-term Liabilities

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Accrued compensated absences	\$ 33,499	6,667	-	40,166	13,389
2016 Sales Tax Revenue Refunding Bonds	965,000	-	(170,000)	795,000	175,000
Net OPEB Liability	164,770	16,110	-	180,880	-
Net Pension Liability	2,258,834	-	(263,803)	1,995,031	-
Total Governmental Activities Long-term Liabilities	<u><u>\$ 3,422,103</u></u>	<u><u>22,777</u></u>	<u><u>(433,803)</u></u>	<u><u>3,011,077</u></u>	<u><u>188,389</u></u>
Business-type Activities:					
Accrued compensated absences	\$ 11,980	4,474	-	16,454	5,485
Total Business-type Activities Long-term Liabilities	<u><u>\$ 11,980</u></u>	<u><u>4,474</u></u>	<u><u>-</u></u>	<u><u>16,454</u></u>	<u><u>5,485</u></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 9.5 percent and 8.0 percent, respectively of base salary for a total contribution rate of 17.5 percent through 2017. In 2014, the members elected to increase the member contribution rate 0.5 percent annually from 2015 through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent 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 21.5 percent of base salary through 2017. It is a local decision on who pays the additional 4 percent contribution. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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, 2018
(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)/Liability: At December 31, 2018, the City's reported net pension (asset) liability of \$(88,279) is its proportionate share of the Plan's net pension (asset) liability. The Plan's fiduciary net position currently exceeds the total pension (asset), resulting in an asset reported by the City. The net pension asset was measured at December 31 2017, and the total pension (asset) used to calculate the net pension (asset) was determined by an actuarial valuation as of January 1, 2018. The City's proportion of the net pension (asset) was based on the City's contributions to the Plan for calendar year 2017, relative to the total contributions of participating employers to the Plan.

At December 31, 2017, the City proportion was 0.17918%, as compared to 0.16560% at December 31, 2016.

For the year ended December 31, 2018, the City recognized pension expense of \$83,591. At December 31, 2018, 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	\$ 63,661	979
Changes of assumptions or other inputs	13,301	-
Net difference between projected and actual earnings on pension plan investments	-	29,974
Difference between actual and reported contributions	9	484
Changes in proportion and differences between contributions recognized and proportionate share of contributions	9,485	5,721
Contributions subsequent to the measurement date	26,875	-
Total	<u>\$ 113,331</u>	<u>37,158</u>

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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, 2017, 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, 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 ending December 31:

2019	\$	11,004
2020		9,639
2021		(3,101)
2022		(7,826)
Thereafter		39,582
	\$	<u>49,298</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, 2017. The valuations used the following actuarial assumption and other inputs.

Actuarial Assumptions	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date - January 1	2018	2017
Actuarial method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Payroll, open	Level % of Payroll, open
Amortization Period	30 years	30 years
Long-term investment Rate of Return	7.5%	7.5%
Projected Salary Increases	4.0% - 14.0%	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.0%	0.0%
Includes inflation at	2.5%	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, 2018
(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, 2017, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	37%	8.33%
Equity Long/Short	9%	7.15%
Illiquid Alternatives	24%	9.70%
Fixed Income	15%	3.00%
Absolute Return	9%	6.46%
Managed Futures	4%	6.85%
Cash	2%	2.26%
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, 2018
(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 3.313% (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)	96,110	(88,279)	(241,390)

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.

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 For the pension measurement date of December 31, 2017, 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.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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)

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, 2018, the volunteer pension fund reported a net pension asset of \$363,931. The net pension asset was measured as of December 31, 2017, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2018.

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, 2017:

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 fair value
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.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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 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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	37%	8.33%
Equity Long/Short	9%	7.15%
Illiquid Alternatives	24%	9.70%
Fixed Income	15%	3.00%
Absolute Return	9%	6.46%
Managed Futures	4%	6.85%
Cash	2%	2.26%
Total	<u>100%</u>	

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 3.31% (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:

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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)

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of net pension liability (asset)	(336,753)	(363,931)	(386,666)

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.

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.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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 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.

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.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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)

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).

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 \$172,256 for the year December 31, 2018.

At December 31, 2018, the City reported a liability of \$1,995,031 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year 2017 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2017, the City's proportion was 0.17918%, which was an increase of 0.0136% from its proportion measured as of December 31, 2016.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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)

For the year ended December 31, 2018, the City recognized pension expense of \$289,445. December 31, 2018, 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	\$ 124,807	\$ -
Changes of assumptions or other inputs	21,075	-
Net difference between projected and actual earnings on pension plan investments	-	387,786
Changes in proportion and differences between contributions recognized and proportionate share of contributions	76,870	1
Difference between actual and report contributions	-	-
Contributions subsequent to the measurement date	172,256	-
Total	<u>\$ 395,008</u>	<u>\$ 387,787</u>

\$172,256 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, 2019. 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:

2019	\$ 157,995
2020	(38,211)
2021	(141,028)
2022	(143,791)
	<u>\$ (165,035)</u>

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs.

	<u>December 31, 2016</u>	<u>December 31, 2017</u>
Actuarial Cost method	Entry age	Entry age
Price inflation	2.40 percent	2.40 percent
Real wage growth	1.10 percent	1.10 percent
Wage inflation	3.50 percent	3.50 percent
Salary increases, including wage inflation	3.50 - 10.45 percent	3.50 - 10.45 percent
Long-term investment Rate of Return, net of pension plan investments expenses, including price inflation	7.25 percent	7.25 percent
Discount rate	7.25 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

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 based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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.

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 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.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset 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%.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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)

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:

- 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.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, 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 from 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), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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 payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, 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. There was no change in the discount rate from the prior measurement date.

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)	3,177,438	1,995,031	1,009,325

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.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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)

Changes between the measurement date of the net pension liability and December 31, 2018. During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years. A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.
- Expands eligibility to participate in the PERA DC Plan to new members hired on or after January 1, 2019, in the Local Government Division. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the LGDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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)

At December 31, 2018, the City reported a liability of \$1,995,031 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 7.25%. For comparative purposes, the following schedule presents an estimate of what the City's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the LGDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the LGDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

	Estimated Discount Rate Discount Rate Plan Provisions Calculated Using Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
Collective Net Pension Liability	7.25%	787,548,000
Proportionate Share of Net Pension Liability	7.25%	1,411,119

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, 2017 and 2016 the City contributions to the HCTF were \$13,854 and \$11,525, respectively, equal to their required contributions for each year.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(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 2018 was \$160,314 of total covered payroll of \$2,026,338. Contributions were \$31,302, which consisted of \$15,973 from the City and \$15,329 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, 2018
(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 \$1,710 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.

E. 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, 2018
(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, 2018 (the latest audited information available) is as follows:

Statement of Net Position

Assets	<u>\$ 83,659,446</u>
Liabilities	33,114,953
Net Position	50,544,493
Total	<u>\$ 83,659,446</u>

Statement of Activities

Revenues	\$ 27,433,840
Expenses	29,755,861
Net Income (Loss)	<u>\$ (2,322,021)</u>

E. Statewide Death and Disability Plan

Plan Description – Police of the City contribute to the Statewide Death and Disability Plan (“SWDD”). The SWDD is a cost-sharing multiple-employer defined benefit death and disability plan administered by FPPA. Contributions to the SWDD are used solely for the payment of death and disability benefits. The SWDD was established in 1980 pursuant to Colorado Revised Statutes.

SWDD benefits provide 24-hour coverage, both on- and off-duty for members not eligible for normal retirement under a defined benefit plan, or under a money purchase plan.

In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire, but were still working. Death and disability benefits are free from state and federal taxes in the event that a member’s disability is determined to be the result of an on-duty injury or an occupational disease.

Funding Policy – Prior to 1997, the SWDD was primarily funded by the State of Colorado (the “State”), whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated.

The SWDD is funded by member or on-behalf of member contributions. Members hired on or after January 1, 1997, began contributing 2.4 percent of base salary to the SWDD. Contributions may be increased 0.1 percent biennially by the FPPA Board. As of January 1, 2017, the contribution rate is 2.7 percent of base salary. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The 2.7 percent contribution may be paid entirely by the City or member, or it may be split between the City and the member as determined at the local level. The City paid \$9,010 on-behalf of members to the SWDD at December 31, 2018.

City of Yuma
Notes to the Financial Statements
December 31, 2018
(Continued)

V. Other Information (continued)

F. Restatement of Net Position

In 2018, the City implemented Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*, requiring employers to recognize their long-term obligation for OPEB as a liability and OPEB related deferred inflows and outflows on the Statement of Net Position. As such, the City's 2018 financial statements report a restatement of net position on the Statement of Activities for governmental activities of \$153,245, which was the net amount of the City's long-term obligation of \$164,770 and deferred inflows and outflows of \$11,525 related to OPEB benefits at December 31, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

City of Yuma, Colorado
Schedule of Revenues and Transfers in
Budget and Actual
General Fund
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for 2017)

	2018			2017
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Taxes:				
Current property taxes	620,000	674,991	54,991	643,941
Specific ownership tax	65,000	76,405	11,405	73,621
General sales tax	1,000,000	991,750	(8,250)	1,054,694
Occupation tax	5,000	6,303	1,303	5,321
Franchise tax	24,000	31,819	7,819	23,670
Interest on property taxes	2,500	3,223	723	2,630
Total Taxes	1,716,500	1,784,491	67,991	1,803,877
Licenses and Permits	3,640	22,259	18,619	6,322
Intergovernmental Revenue:				
State highway users tax	125,000	158,917	33,917	130,117
Road and bridge	27,000	27,644	644	28,172
Motor vehicle registration	14,000	14,378	378	14,571
Severance tax	15,000	21,296	6,296	17,835
Federal grants	8,600	12,030	3,430	-
State grants	22,000	15,381	(6,619)	14,820
Airport fuel tax	1,000	2,619	1,619	6,505
Cigarette tax	5,000	5,742	742	5,689
Total Intergovernmental Revenue	217,600	258,007	40,407	217,709
Charges for Services:				
Grain and feed	27,000	24,994	(2,006)	27,106
Gas sales	2,250	2,710	460	2,246
Municipal building lease and rent	-	18,250	18,250	17,550
Airport lease and rent	12,000	12,296	296	13,642
Pool receipts	12,500	15,813	3,313	13,144
Other	18,450	3,305	(15,145)	540
Total Charges for Services	72,200	77,368	5,168	74,228
Fines and Forfeitures:				
Police fines and other revenue	39,750	19,541	(20,209)	35,607
Library fines and other revenue	5,000	12,610	7,610	8,152
Total Fines and Forfeitures	44,750	32,151	(12,599)	43,759
Miscellaneous Revenue:				
Interest revenue	1,000	6,731	5,731	1,325
Recreation user fees	21,000	23,985	2,985	20,254
Community Center	15,000	21,401	6,401	20,703
Sale of assets	-	-	-	742
Contingency and other	8,000	26,044	18,044	27,083
Total Miscellaneous Revenue	45,000	78,161	33,161	70,107
Total Revenues Before Transfers	2,099,690	2,252,437	152,747	2,216,002
Transfers In:				
Electric Fund	500,000	500,000	-	500,000
Total Transfers In	500,000	500,000	-	500,000
Total Revenues and Transfers In	2,599,690	2,752,437	152,747	2,716,002

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, 2018
(With Comparative Actual Amounts for 2017)

	2018			2017
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures:				
General Government:				
Administration:				
Salaries	102,870	110,141	(7,271)	233,551
Retirement and fringe benefits	47,030	51,595	(4,565)	100,915
Insurance	2,290	1,599	691	2,054
Operating supplies	20,300	20,043	257	18,440
Audit and accounting	37,000	27,684	9,316	34,733
Travel and training	8,500	4,641	3,859	3,779
Reporting and recording	2,500	7,388	(4,888)	4,776
Utilities	5,750	3,774	1,976	4,872
Repairs and maintenance	10,500	9,793	707	11,662
Capital outlay	10,500	12,335	(1,835)	20,996
County Treasurer fees	15,000	13,562	1,438	12,933
Attorney	100,200	91,855	8,345	90,184
Total Administration	362,440	354,410	8,030	538,895
Council:				
Salaries	1,920	1,963	(43)	1,941
Retirement and fringe benefits	390	338	52	282
Travel and training	3,750	5,927	(2,177)	1,341
Insurance	15,150	12,397	2,753	10,963
Other	5,350	8,028	(2,678)	1,240
Contingencies	30,000	42,496	(12,496)	28,059
Supplies	4,000	3,189	811	2,728
Total Council	60,560	74,338	(13,778)	46,554
Elections	3,500	5,559	(2,059)	-
Total General Government	426,500	434,307	(7,807)	585,449
Judicial	16,070	14,179	1,891	14,205
Public Safety:				
Police and Public Safety:				
Salaries	466,500	421,407	45,093	435,333
Retirement and fringe benefits	215,700	184,206	31,494	171,646
Operating expenses	55,850	55,018	832	37,453
Gas and oil	16,800	9,621	7,179	9,679
Insurance	39,850	37,616	2,234	33,051
Utilities	14,000	9,624	4,376	9,867
Repairs and maintenance	17,500	18,952	(1,452)	11,460
Travel and training	11,000	9,619	1,381	20,928
Capital outlay	13,600	21,007	(7,407)	19,951
Total Police and Public Safety	850,800	767,070	83,730	749,368

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, 2018
(With Comparative Actual Amounts for 2017)
(Continued)

	2018			2017
	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	12,713	10,596	2,117	11,728
Operating supplies	12,010	12,341	(331)	12,206
Travel and training	12,750	7,644	5,106	11,136
Insurance	7,500	7,833	(333)	5,981
Utilities	2,500	2,907	(407)	2,456
Repairs and maintenance	8,300	5,508	2,792	10,762
Capital outlay	57,000	16,073	40,927	51,291
Total Public Safety - Fire Dept.	113,723	63,852	49,871	106,510
Total Public Safety	980,593	845,101	135,492	870,083
Highways and Streets:				
Public Works - Street:				
Salaries	168,844	185,311	(16,467)	151,088
Retirement and fringe benefits	89,015	79,195	9,820	76,875
Maintenance of condition	266,650	57,702	208,948	33,380
Travel and training	27,350	18,801	8,549	15,295
Supplies	25,050	21,302	3,748	23,699
Utilities	4,500	2,923	1,577	2,655
Insurance	18,550	14,761	3,789	14,365
Repairs and maintenance	15,000	15,258	(258)	19,017
Capital outlay	5,000	79,710	(74,710)	130,551
Total Public Works - Street	619,959	474,963	144,996	466,925
Shop Department:				
Salaries and contract services	57,187	56,836	351	56,100
Retirement and fringe benefits	9,410	8,928	482	8,836
Operating supplies	13,700	8,784	4,916	11,025
Insurance	11,500	9,920	1,580	9,167
Utilities	21,700	15,381	6,319	17,465
Repairs and maintenance	44,000	63,567	(19,567)	64,396
Travel and training	8,350	6,422	1,928	4,795
Total Shop Department	165,847	169,838	(3,991)	171,784
Total Highways and Streets	785,806	644,801	141,005	638,709
Airport:				
Retirement and fringe benefits	-	-	-	53
Operating supplies	2,100	1,341	759	497
Repairs and maintenance	19,500	9,749	9,751	15,239
Insurance	4,000	3,247	753	4,148
Utilities	3,000	2,291	709	2,287
Total Airport	28,600	16,628	11,972	22,224

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, 2018
(With Comparative Actual Amounts for 2017)
(Continued)

	2018		2017
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Expenditures: (continued)			
Culture and Recreation:			
Recreation and Pool:			
Salaries	95,500	87,909	7,591
Retirement and fringe benefits	44,325	29,015	15,310
Operating supplies	25,625	26,125	(500)
Insurance	3,000	2,551	449
Utilities	13,000	11,116	1,884
Repairs and maintenance	13,100	13,850	(750)
Travel and training	5,500	3,378	2,122
Capital outlay	-	-	-
Programs and concessions	9,750	15,035	(5,285)
Total Recreation and Pool	209,800	188,979	20,821
Community Center:			
Salaries	41,160	41,674	(514)
Retirement and fringe benefits	19,480	17,504	1,976
Operating supplies and expenses	7,100	10,824	(3,724)
Repairs and maintenance	10,000	7,076	2,924
Insurance	3,000	3,376	(376)
Utilities	6,500	4,314	2,186
Capital outlay	1,500	-	1,500
Total Community Center	88,740	84,768	3,972
Parks:			
Salaries	43,000	32,780	10,220
Retirement and fringe benefits	24,800	13,789	11,011
Operating supplies	4,650	3,725	925
Mosquito control	2,000	1,171	829
Tree trimming	8,000	11,344	(3,344)
Fertilizer and chemicals	5,500	4,426	1,074
Travel and training	4,550	2,335	2,215
Insurance	2,500	2,655	(155)
Utilities	2,250	902	1,348
Repairs and maintenance	10,000	17,830	(7,830)
Capital outlay	-	-	-
Total Parks	107,250	90,957	16,293
Library:			
Salaries	102,125	97,851	4,274
Retirement and fringe benefits	41,175	35,944	5,231
Operating supplies and magazines	19,556	24,865	(5,309)
Insurance	1,700	297	1,403
Utilities	2,600	2,904	(304)
Repairs and maintenance	2,000	803	1,197
Capital outlay	4,000	3,022	978
Books	10,000	10,029	(29)
Travel and training	1,500	543	957
Total Library	184,656	176,258	8,398
Total Culture and Recreation	590,446	540,962	49,484
Total Expenditures	2,811,945	2,481,799	330,146

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, 2018
(With Comparative Actual Amounts for 2017)

	<u>2018</u>				<u>2017</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Variance Positive (Negative)	<u>Actual</u>
Revenues:					
State lottery funds	30,000	30,000	36,319	6,319	35,993
Interest	<u>50</u>	<u>50</u>	<u>344</u>	<u>294</u>	<u>76</u>
Total Revenues	<u><u>30,050</u></u>	<u><u>30,050</u></u>	<u><u>36,663</u></u>	<u><u>6,613</u></u>	<u><u>36,069</u></u>
Expenditures:					
Repairs and maintenance	<u>40,000</u>	<u>68,000</u>	<u>43,839</u>	<u>24,161</u>	<u>51,899</u>
Total Expenditures	<u><u>40,000</u></u>	<u><u>68,000</u></u>	<u><u>43,839</u></u>	<u><u>24,161</u></u>	<u><u>51,899</u></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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service Cost	1,436	1,628	1,628	1,114
Interest on the Total Pension Liability	18,577	18,393	18,376	18,528
Difference between Expected and Actual Experience	-	(6,457)	-	(1,781)
Assumption Changes	-	7,900	-	-
Benefit Payments	<u>(18,575)</u>	<u>(19,238)</u>	<u>(20,300)</u>	<u>(19,975)</u>
Net Change in Total Pension Liability	1,438	2,226	(296)	(2,114)
Total Pension Liability - Beginning	<u>256,111</u>	<u>253,885</u>	<u>254,181</u>	<u>256,295</u>
Total Pension Liability - Ending (a)	<u><u>257,549</u></u>	<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	10,000
Pension Plan Net Investment Income	79,967	28,028	9,544	33,003
Benefit Payments	(18,575)	(19,238)	(20,300)	(19,975)
Pension Plan Administrative Expense	(11,421)	(1,110)	(1,978)	(1,143)
State of Colorado supplemental discretionary payment	<u>9,000</u>	<u>9,000</u>	<u>8,780</u>	<u>8,739</u>
Net Change in Plan Fiduciary Net Position	68,971	26,680	6,046	30,624
Plan Fiduciary Net Position - Beginning	<u>552,509</u>	<u>525,829</u>	<u>519,783</u>	<u>489,159</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>621,480</u></u>	<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>(363,931)</u></u>	<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	241.31%	215.73%	207.11%	204.49%
Covered Employee Payroll	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 19,000	\$ 19,000	\$ 18,780	\$ 18,739
Actual contribution**	<u>19,000</u>	<u>19,000</u>	<u>18,780</u>	<u>18,739</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	N/A	N/A	N/A	N/A
Actual contributions as a percentage of covered payroll	N/A	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, 2018

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

Defined Benefit:

Measurement period ending December 31,	2017	2016	2015	2014	2013
City's portion of the net pension asset	0.061889%	0.061889%	0.063715%	0.056683%	0.07144%
City's proportionate share of the net pension asset (liability)	\$ (88,279)	\$ (22,363)	\$ 1,123	\$ 63,971	\$ 63,876
City's covered-employee payroll	\$ 358,967	\$ 316,785	\$ 300,334	\$ 266,271	\$ 310,265
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	-25%	-7%	0%	24%	21%
Plan fiduciary net position as a percentage of the total pension asset	106.3%	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

The accompanying notes are an integral part of these financial statements

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

Defined Benefit:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily required contribution	\$ 26,875	\$ 28,714	\$ 25,339	\$ 24,710	\$ 20,392	\$ 24,821
Contributions in relation to the statutorily required contribution	<u>(26,875)</u>	<u>(28,714)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$333,750	\$358,967	\$316,785	\$300,334	\$266,271	\$310,265
Contributions as a percentage of covered-employee payroll	8%	8%	8%	8%	8%	8%

* Information is only available beginning in fiscal year 2013.

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

The accompanying notes are an integral part of these financial statements

City of Yuma
Notes to the Required Supplementary Information
Statewide Defined Benefit Plan
December 31, 2018

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

<u>Measurement period ending December 31,</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.1792%	0.1656%	0.1740%	0.1725%
City's proportionate share of the net pension liability	1,995,031	2,236,471	1,916,410	1,546,295
City's covered-employee payroll	\$ 1,129,448	\$ 1,003,461	\$ 987,575	\$ 944,828
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	176.6%	222.9%	194.1%	163.7%
Plan fiduciary net position as a percentage of the total pension liability	79.4%	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.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 172,256	\$ 143,327	\$ 127,292	\$ 125,279	\$ 119,867
Contributions in relation to the contractually required contribution	<u>\$ 172,256</u>	<u>\$ 143,327</u>	<u>\$ 127,292</u>	<u>\$ 125,279</u>	<u>\$ 119,867</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$1,358,237	\$1,129,448	\$1,003,461	\$ 987,575	\$ 944,828
Contributions as a percentage of covered-employee payroll	12.68%	12.69%	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.

The accompanying notes are an integral part of these financial statements

City of Yuma
Schedule of the City's Proportionate Share of the Net Other Post-Employment Benefits Liability
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

Measurement period ending December 31,	2017	2016
City's proportion of the net OPEB liability	0.0139%	0.0127%
City's proportionate share of the net OPEB liability	180,880	164,770
City's covered-employee payroll	1,129,448	1,003,461
City's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within fiscal year. Information is only available beginning in fiscal year 2016.

City of Yuma
Schedule of District Other Post-Employment Benefits Contributions
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 13,854	\$ 11,525
Contributions in relation to the contractually required contribution	<u>\$ (13,854)</u>	<u>\$ (11,525)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,358,237	\$ 1,129,448
Contributions as a percentage of covered-employee payroll	1.02%	1.02%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within fiscal year. Information is only available beginning in fiscal year 2016.

City of Yuma
Notes to the Required Supplementary Information
PERA – Local Government Trust Fund
December 31, 2018

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, 2018

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

III. Schedule of the City's Proportionate Share of the OPEB Liability

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit term

No changes during the years presented.

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

No changes during the years presented.

IV. Notes to the Schedule of City OPEB Contributions

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms

No changes during the years presented.

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

No changes during the years presented.

SUPPLEMENTARY INFORMATION

City of Yuma, Colorado
Schedule of Revenues and Expenditures
Budget and Actual
Capital Projects Fund - Other
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Sales tax allocation	300,000	300,000	648,401	348,401	418,546
Federal grant income	-	-	100,326	100,326	34,659
State grant income	-	-	166,943	166,943	442,467
Donations and other income	-	-	-	-	6,350
Interest	1,000	1,000	5,954	4,954	1,354
Total Revenues	301,000	301,000	921,624	620,624	903,376
Expenditures:					
Capital outlay	303,000	730,000	346,383	383,617	606,353
Total Expenditures	303,000	730,000	346,383	383,617	606,353

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, 2018
(With Comparative Actual Amounts for 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Pledged sales tax revenue	188,804	188,804	188,804	-	267,505
Interest	400	400	632	232	389
Total Revenues	189,204	189,204	189,436	232	267,894
Expenditures:					
Principal	170,000	170,000	170,000	-	175,000
Interest	18,046	18,046	10,526	7,520	19,925
Total Expenditures	188,046	188,046	180,526	7,520	194,925

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, 2018
(With Comparative Actual Amounts for 2017)

	Electric Fund				2017	Water Fund				2017	Sewer Fund				2017
	2018			Final Budget Variance Positive (Negative)		2018			Final Budget Variance Positive (Negative)		2018			Final Budget Variance Positive (Negative)	
	Original Budget	Final Budget	Actual		Actual	Original and Final Budget	Actual			Actual	Original and Final Budget	Actual			Actual
Revenues:															
Commercial charges	1,740,000	1,740,000	1,774,650	34,650	1,762,681	-	-	-	-	-	-	-	-	-	-
Residential charges	1,245,000	1,245,000	1,239,214	(5,786)	1,227,295	-	-	-	-	-	-	-	-	-	-
Other receipts	33,600	33,600	134,395	100,795	101,221	1,500	3,155	1,655	2,789	750	6,049	5,299	1,541		
Water sales	-	-	-	-	-	695,833	611,370	(84,463)	463,077	-	-	-	-	-	-
Sewer charges	-	-	-	-	-	-	-	-	-	552,499	485,759	(66,740)	367,159		
Transfer from other funds	39,000	39,000	39,000	-	46,000	-	-	-	-	-	-	-	-	-	-
Tap fees	-	-	-	-	-	3,500	-	(3,500)	15,325	1,120	2,240	1,120	5,600		
Total Revenues	<u>3,057,600</u>	<u>3,057,600</u>	<u>3,187,259</u>	<u>129,659</u>	<u>3,137,197</u>	<u>700,833</u>	<u>614,525</u>	<u>(86,308)</u>	<u>481,191</u>	<u>554,369</u>	<u>494,048</u>	<u>(60,321)</u>	<u>374,300</u>		
Expenditures:															
Electricity purchased	1,850,000	1,850,000	1,821,291	28,709	1,898,719	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	79,420	98,075	72,911	25,164	107,751	302,920	89,445	213,475	64,443	116,920	60,714	56,206	129,114		
Supplies	14,650	14,650	15,554	(904)	15,946	13,200	6,791	6,409	10,158	12,500	6,220	6,280	7,559		
Benefits and payroll taxes	127,225	127,225	108,602	18,623	83,156	101,585	92,899	8,686	69,769	89,310	92,506	(3,196)	77,716		
Salaries	271,550	271,550	250,226	21,324	190,555	170,380	164,539	5,841	123,645	174,385	172,699	1,686	128,034		
Insurance	15,000	15,000	13,681	1,319	9,897	7,500	12,296	(4,796)	5,539	10,000	8,797	1,203	6,780		
Gas and oil	-	-	-	-	-	6,500	7,088	(588)	4,286	6,000	3,112	2,888	3,633		
Utilities	12,500	12,500	11,512	988	9,260	20,000	13,927	6,073	12,523	3,500	2,117	1,383	2,828		
Legal	3,000	3,000	-	3,000	5,008	-	-	-	-	-	-	-	-	-	-
Contributions to other governments	-	-	-	-	-	17,625	17,620	5	17,620	-	-	-	-	-	-
Capital outlay	50,000	50,000	46,037	3,963	7,198	135,000	60,536	74,464	1,160	80,000	82,273	(2,273)	-		
Long-term maintenance	-	-	-	-	-	100,000	54,244	45,756	-	-	-	-	-	-	-
Miscellaneous	8,000	8,000	9,165	(1,165)	5,128	6,000	5,504	496	4,917	7,350	5,384	1,966	4,896		
Engineering consultant	-	-	-	-	-	-	-	-	-	4,000	3,478	522	4,624		
Transfers to other funds	500,000	500,000	500,000	-	500,000	24,000	24,000	-	24,000	122,000	115,000	7,000	22,000		
Total Expenditures and Transfers	<u>2,931,345</u>	<u>2,950,000</u>	<u>2,848,979</u>	<u>101,021</u>	<u>2,832,618</u>	<u>904,710</u>	<u>548,889</u>	<u>355,821</u>	<u>338,060</u>	<u>625,965</u>	<u>552,300</u>	<u>73,665</u>	<u>387,184</u>		
Excess (Deficiency) of Revenues Over Expenditures and Transfers Budget (Non-GAAP Basis)	<u>126,255</u>	<u>107,600</u>	<u>338,280</u>	<u>230,680</u>	<u>304,579</u>	<u>(203,877)</u>	<u>65,636</u>	<u>269,513</u>	<u>143,131</u>	<u>(71,596)</u>	<u>(58,252)</u>	<u>13,344</u>	<u>(12,884)</u>		
Reconciliation to GAAP Basis:															
Depreciation			(130,087)		(140,456)		(189,591)		(189,501)		(196,613)		(189,104)		
Bad debt			(1,511)		(3,123)		(367)		(392)		(276)		(423)		
Capitalized assets			46,038		-		-		-		50,567		-		
Gain (loss) of sale of assets			-		-		(42,789)		-		(2,000)		45,822		
Net Income - GAAP Basis			<u>252,720</u>		<u>161,000</u>		<u>(167,111)</u>		<u>(46,762)</u>		<u>(206,574)</u>		<u>(156,589)</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, 2018
(With Comparative Actual Amounts for 2017)
(Continued)

	Sanitation Fund				Ambulance Fund				
	2018			2017	2018				2017
	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	300	2,338	2,038	3,854	300	300	3,167	2,867	5,162
Grants and contributions	-	-	-	-	15,750	15,750	15,480	(270)	3,300
Sanitation charges	427,000	400,498	(26,502)	329,301	-	-	-	-	-
Ambulance charges	-	-	-	-	323,000	323,000	623,564	300,564	360,973
Total Revenues	427,300	402,836	(24,464)	333,155	339,050	339,050	642,211	303,161	369,435
Expenditures:									
Recycling expenses	1,500	4,531	(3,031)	2,484	-	-	-	-	-
Landfill expense	82,000	71,321	10,679	70,150	-	-	-	-	-
Repairs and maintenance	21,000	21,528	(528)	14,140	22,000	22,000	20,478	1,522	14,362
Supplies	24,550	10,296	14,254	10,512	10,025	10,025	12,146	(2,121)	9,792
Benefits and payroll taxes	95,065	84,929	10,136	49,033	112,200	112,200	91,425	20,775	57,526
Salaries	153,335	156,679	(3,344)	76,138	303,000	337,175	284,273	52,902	245,297
Insurance	4,000	5,175	(1,175)	3,434	10,000	10,000	7,653	2,347	10,215
Gas and oil	20,000	19,906	94	11,923	10,000	10,000	19,259	(9,259)	10,461
Utilities	800	600	200	600	6,500	6,500	6,701	(201)	6,230
Capital outlay	-	-	-	-	10,000	10,000	3,385	6,615	-
Other	5,100	7,671	(2,571)	6,415	7,100	7,100	6,209	891	5,298
Transfer to (from) other fund	-	-	-	-	(100,000)	(100,000)	(100,000)	-	-
Total Expenditures and Transfers	407,350	382,636	24,714	244,829	390,825	425,000	351,529	73,471	359,181
Excess (Deficiency) of Revenues Over Expenditures and Transfers Budget (Non-GAAP Basis)	19,950	20,200	250	88,326	(51,775)	(85,950)	290,682	376,632	10,254
Reconciliation to GAAP Basis:									
Depreciation		(35,110)		(61,532)			(84,815)		(86,905)
Bad debt		(311)		(426)			(93,527)		(36,397)
Net Income - GAAP Basis		(15,221)		26,368			112,340		(113,048)

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, 2018
(With Comparative Actual Amounts for 2017)

	<u>2018</u>		<u>2017</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	-
State contributions	9,000	9,000	900
Net investment gain	-	(10,303)	26,918
	<u>19,000</u>	<u>8,697</u>	<u>27,818</u>
Total Additions	<u>19,000</u>	<u>8,697</u>	<u>27,818</u>
Deductions:			
Benefits	24,000	20,875	4,762
	<u>24,000</u>	<u>20,875</u>	<u>4,762</u>
Total Deductions	<u>24,000</u>	<u>20,875</u>	<u>4,762</u>

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
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	560,037
3. Other local imposts (from page 2)	76,405
4. Miscellaneous local receipts (from page 2)	13,020
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	0
b. Bonds - Refunding Issues	0
c. Notes	0
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	649,462
B. Private Contributions	
C. Receipts from State government (from page 2)	173,296
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	822,758

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	385,989
3. Road and street services:	
a. Traffic control operations	16,739
b. Snow and ice removal	2,939
c. Other	0
d. Total (a. through c.)	19,678
4. General administration & miscellaneous	35,930
5. Highway law enforcement and safety	381,161
6. Total (1 through 5)	822,758
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
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)	822,758

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
		822,758	822,758		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	13,020
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	76,405	g. Other Misc. Receipts	0
6. Total (1. through 5.)	76,405	h. Other	0
c. Total (a. + b.)	76,405	i. Total (a. through h.)	13,020
(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	158,918	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	14,378	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.)	14,378	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	173,296	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:			