



**Financial Statements
December 31, 2019**

**City of Yuma, Colorado
Financial Statements
December 31, 2019**

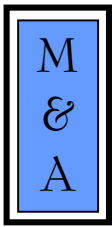
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INDEPENDENT AUDITOR'S REPORT

**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, 2019, 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.

Member: American Institute of Certified Public Accountants

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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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis in Section B, the Schedule of Change in Net Pension Asset/Liability, Schedules of 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.

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.
July 28, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Yuma, Colorado

Management's Discussion and Analysis December 31, 2019

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, 2019.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

Overview of the Financial Statements (continued)

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

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

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

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

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

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

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

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 | |
|-------------------------------------|----------------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Current and other assets | 5,379,556 | 5,570,681 | 5,352,621 | 5,269,849 | 10,732,177 | 10,840,530 |
| Capital assets | 13,137,763 | 12,264,071 | 7,252,534 | 7,110,756 | 20,390,297 | 19,374,827 |
| Total assets | 18,517,319 | 17,834,752 | 12,605,155 | 12,380,605 | 31,122,474 | 30,215,357 |
| Deferred outflows of resources | 1,257,186 | 588,534 | - | - | 1,257,186 | 588,534 |
| Long-term liabilities outstanding | 3,334,234 | 2,795,911 | - | - | 3,334,234 | 2,795,911 |
| Other liabilities | 551,881 | 474,348 | 332,545 | 321,408 | 884,426 | 795,756 |
| Total liabilities | 3,886,115 | 3,270,259 | 332,545 | 321,408 | 4,218,660 | 3,591,667 |
| Deferred inflows of resources | 892,545 | 1,237,553 | - | - | 892,545 | 1,237,553 |
| Net investment in capital assets | 12,517,763 | 11,469,071 | 7,252,534 | 7,110,756 | 19,770,297 | 18,579,827 |
| Restricted for future pension costs | 293,421 | 452,210 | - | - | 293,421 | 452,210 |
| Restricted for emergencies | 103,110 | 75,735 | - | - | 103,110 | 75,735 |
| Restricted for bond reserve | 94,465 | 95,205 | - | - | 94,465 | 95,205 |
| Restricted for capital projects | 1,527,073 | 1,644,279 | - | - | 1,527,073 | 1,644,279 |
| Unrestricted | 460,013 | 178,974 | 5,020,076 | 4,948,441 | 5,480,089 | 5,127,415 |
| Total net position | 14,995,845 | 13,915,474 | 12,272,610 | 12,059,197 | 27,268,455 | 25,974,671 |

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 65.52% 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 \$293,421 for future pension cost, and \$94,465 that is held in the Pledged Revenue Bond Fund.

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 \$1,293,784 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 | |
|---|----------------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| REVENUES: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | 382,330 | 355,844 | 5,409,705 | 5,268,576 | 5,792,035 | 5,624,420 |
| Operating grants and contributions | 145,909 | 27,411 | 4,750 | 15,480 | 150,659 | 42,891 |
| Capital grants and contributions | 187,586 | 303,588 | - | - | 187,586 | 303,588 |
| General revenues: | | | | | | |
| Property Taxes | 701,885 | 678,214 | - | - | 701,885 | 678,214 |
| Other taxes | 2,020,821 | 1,973,139 | - | - | 2,020,821 | 1,973,139 |
| Interest and other revenue | 705,663 | 61,964 | 230,054 | 17,823 | 935,717 | 79,787 |
| Total revenues | 4,144,194 | 3,400,160 | 5,644,509 | 5,301,879 | 9,788,703 | 8,702,039 |
| EXPENSES: | | | | | | |
| General government | 243,828 | 1,168,135 | - | - | 243,828 | 1,168,135 |
| Public safety | 1,074,739 | 747,739 | - | - | 1,074,739 | 747,739 |
| Highways and streets | 1,257,798 | 589,033 | - | - | 1,257,798 | 589,033 |
| Culture and recreation | 618,163 | 964,381 | - | - | 618,163 | 964,381 |
| Airport | 374,574 | 365,931 | - | - | 374,574 | 365,931 |
| Other | (5,279) | 5,459 | - | - | (5,279) | 5,459 |
| Sanitation | - | - | 572,215 | 418,057 | 572,215 | 418,057 |
| Electric | - | - | 2,500,984 | 2,434,539 | 2,500,984 | 2,434,539 |
| Water | - | - | 702,292 | 757,636 | 702,292 | 757,636 |
| Sewer | - | - | 577,913 | 585,622 | 577,913 | 585,622 |
| Ambulance | - | - | 577,692 | 629,871 | 577,692 | 629,871 |
| Total expenses | 3,563,823 | 3,840,678 | 4,931,096 | 4,825,725 | 8,494,919 | 8,666,403 |
| Increase in net position before transfers | 580,371 | (440,518) | 713,413 | 476,154 | 1,293,784 | 35,636 |
| Transfers | 500,000 | 500,000 | (500,000) | (500,000) | - | - |
| Increase in net position | 1,080,371 | 59,482 | 213,413 | (23,846) | 1,293,784 | 35,636 |
| Net position January 1 | 13,915,474 | 13,855,992 | 12,059,197 | 12,083,043 | 25,974,671 | 25,939,035 |
| Net position December 31 | 14,995,845 | 13,915,474 | 12,272,610 | 12,059,197 | 27,268,455 | 25,974,671 |

Government-wide Financial Analysis (continued)

Governmental activities. The City of Yuma's net position used for governmental activities increased by \$1,080,371 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 \$71,353 over the previous year. The majority of this increase is attributable to an increase in sales tax receipts. Sales tax revenue increased by \$31,844 (1.7%), and property tax revenue increased by \$23,671. Federal and state grants accounted for \$333,495 of governmental activities' revenues.
- Governmental activities' expenses decreased by \$276,855 (7.8%) while Total Revenue increased by \$744,034. 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 increased by \$213,413. 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 increase are as follows:

- Business-type revenue increased by \$342,630 (6.07%) over the previous year, while total business-type expenses increased by \$105,371, or 2.14%.
- Net operating income for the City's business-type activities was \$483,359, and interest income increased compared to the previous year, to \$32,911. The City of Yuma continues to provide solid waste disposal services to the Town of Eckley on a contractual basis.

Financial Analysis of the City of Yuma's Funds

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

Governmental funds. The focus of the City of Yuma's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Yuma's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Yuma's governmental funds reported combined ending fund balances of \$3,971,717, a decrease of \$192,901 from the prior year ending fund balances. Of this total, \$1,831,636 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 \$2,137,493 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 \$5,020,076 – broken down by fund as follows: Sanitation - \$263,104; Electric - \$2,355,385; Water - \$625,561; Sewer - \$907,628; and Ambulance - \$868,398. 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 amended the General Fund budget for the current year, as the combined General Fund expenditures were projected to be near or over the budgeted amount.

Capital assets. The City of Yuma's investment in capital assets government-wide increased by \$1,190,470 (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 \$2,174,458. Of this balance, \$696,083 was appropriated for spending in the 2020 fiscal year budget. The remaining 2020 appropriation for the General Fund of \$3,384,407 will come from taxes and other sources, with the total General Fund appropriation amounting to \$4,080,490. 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, 320 South Main Street, P.O. Box 265, Yuma, Colorado 80759.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Yuma, Colorado
Statement of Net Position
December 31, 2019

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|-------------------|
| Assets: | | | |
| Cash and investments | 3,666,301 | 4,349,676 | 8,015,977 |
| Cash and investments - restricted | 94,465 | - | 94,465 |
| Receivables, net: | | | |
| Property tax | 783,526 | - | 783,526 |
| Accounts | 191,575 | 659,733 | 851,308 |
| Grants and other governments | 347,680 | - | 347,680 |
| Inventories and prepaids | 2,588 | 343,212 | 345,800 |
| Net pension asset - volunteer firefighters | 293,421 | - | 293,421 |
| Capital assets, net | 13,137,763 | 7,252,534 | 20,390,297 |
| Total Assets | <u>18,517,319</u> | <u>12,605,155</u> | <u>31,122,474</u> |
| Deferred Outflows of Resources: | | | |
| Pension related deferred outflows | 1,205,793 | - | 1,205,793 |
| OPEB related deferred outflows | 51,393 | - | 51,393 |
| Total Deferred Outflows of Resources | <u>1,257,186</u> | <u>-</u> | <u>1,257,186</u> |
| Liabilities: | | | |
| Accounts payable | 330,888 | 18,267 | 349,155 |
| Deposits | - | 269,427 | 269,427 |
| Accrued interest payable | 4,831 | - | 4,831 |
| Other liabilities | 41,162 | 44,851 | 86,013 |
| Long-term liabilities: | | | |
| Due within one year | 175,000 | - | 175,000 |
| Due in more than one year | 445,000 | - | 445,000 |
| Net pension liability - PERA | 2,603,947 | - | 2,603,947 |
| Net OPEB liability - PERA | 218,493 | - | 218,493 |
| Net pension liability - FPPA SWDB | 66,794 | - | 66,794 |
| Total Liabilities | <u>3,886,115</u> | <u>332,545</u> | <u>4,218,660</u> |
| Deferred Inflows of Resources: | | | |
| Unavailable property tax revenue | 783,530 | - | 783,530 |
| Pension related deferred inflows | 33,556 | - | 33,556 |
| OPEB related deferred inflows | 333 | - | 333 |
| Bond refunding deferred inflows | 75,126 | - | 75,126 |
| Total Deferred Inflows of Resources | <u>892,545</u> | <u>-</u> | <u>892,545</u> |
| Net Position: | | | |
| Net investment in capital assets | 12,517,763 | 7,252,534 | 19,770,297 |
| Restricted for future pension cost | 293,421 | - | 293,421 |
| Restricted for emergencies | 103,110 | - | 103,110 |
| Restricted for bond reserve | 94,465 | - | 94,465 |
| Restricted for capital projects | 1,527,073 | - | 1,527,073 |
| Unrestricted | 460,013 | 5,020,076 | 5,480,089 |
| Total Net Position | <u>14,995,845</u> | <u>12,272,610</u> | <u>27,268,455</u> |

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

City of Yuma
Statement of Activities
For the Year Ended December 31, 2019

| 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 | 243,828 | 45,960 | 1,600 | - | (196,268) | - | (196,268) |
| Public safety | 1,074,739 | 40,317 | 36,114 | - | (998,308) | - | (998,308) |
| Highways and streets | 1,257,798 | 207,966 | 100,000 | 142,419 | (807,413) | - | (807,413) |
| Culture and recreation | 618,163 | 75,791 | 8,195 | 41,380 | (492,797) | - | (492,797) |
| Airport | 374,574 | 12,296 | - | 3,787 | (358,491) | - | (358,491) |
| Interest on long-term debt | (5,279) | - | - | - | 5,279 | - | 5,279 |
| Total governmental activities | 3,563,823 | 382,330 | 145,909 | 187,586 | (2,847,998) | - | (2,847,998) |
| Business-type activities: | | | | | | | |
| Electric | 2,500,984 | 3,235,331 | - | - | - | 734,347 | 734,347 |
| Water | 702,292 | 706,247 | - | - | - | 3,955 | 3,955 |
| Sewer | 577,913 | 567,478 | - | - | - | (10,435) | (10,435) |
| Sanitation | 572,215 | 440,212 | - | - | - | (132,003) | (132,003) |
| Ambulance | 577,692 | 460,437 | 4,750 | - | - | (112,505) | (112,505) |
| Total business-type activities | 4,931,096 | 5,409,705 | 4,750 | - | - | 483,359 | 483,359 |
| Total All Activities | 8,494,919 | 5,792,035 | 150,659 | 187,586 | (2,847,998) | 483,359 | (2,364,639) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property tax, levied for general purposes | | | | | 701,885 | - | 701,885 |
| Specific ownership tax | | | | | 82,175 | - | 82,175 |
| General sales tax | | | | | 1,860,799 | - | 1,860,799 |
| Occupation tax | | | | | 7,701 | - | 7,701 |
| Franchise tax | | | | | 29,215 | - | 29,215 |
| Severance tax | | | | | 33,730 | - | 33,730 |
| Airport fuel tax | | | | | 2,018 | - | 2,018 |
| Cigarette tax | | | | | 5,183 | - | 5,183 |
| Licenses and permits | | | | | 16,366 | - | 16,366 |
| Investment earnings | | | | | 24,143 | 32,911 | 57,054 |
| Gain on sale of assets | | | | | 557,900 | - | 557,900 |
| Insurance proceeds | | | | | 249,124 | - | 249,124 |
| Miscellaneous | | | | | 55,273 | - | 55,273 |
| Capital asset transfer | | | | | (197,143) | 197,143 | - |
| Transfers | | | | | 500,000 | (500,000) | - |
| Total general revenues, special items, and transfers | | | | | 3,928,369 | (269,946) | 3,658,423 |
| Change in Net Position | | | | | 1,080,371 | 213,413 | 1,293,784 |
| Net Position - January 1 | | | | | 13,915,474 | 12,059,197 | 25,974,671 |
| Net Position - December 31 | | | | | 14,995,845 | 12,272,610 | 27,268,455 |

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

FUND FINANCIAL STATEMENTS

**City of Yuma, Colorado
Balance Sheet
Governmental Funds
December 31, 2019**

| | General | Conservation Trust | Capital Projects - Other | Debt Service | Total Governmental Funds |
|---|------------------|-------------------------------|---|-------------------------|---|
| Assets: | | | | | |
| Cash and investments | 2,174,458 | 106,988 | 1,384,855 | - | 3,666,301 |
| Cash and investments - restricted | - | - | | 94,465 | 94,465 |
| Prepays | 2,588 | - | - | - | 2,588 |
| Receivables, net of allowance for uncollectibles | 1,180,563 | - | 142,218 | - | 1,322,781 |
| Total Assets | 3,357,609 | 106,988 | 1,527,073 | 94,465 | 5,086,135 |
| Liabilities and Fund Equity: | | | | | |
| Liabilities: | | | | | |
| Accounts/vouchers payable | 330,888 | - | - | - | 330,888 |
| Total Liabilities | 330,888 | - | - | - | 330,888 |
| Deferred Inflows of Resources: | | | | | |
| Unavailable property tax revenues | 783,530 | - | - | - | 783,530 |
| Total Deferred Inflows of Resources | 783,530 | - | - | - | 783,530 |
| Fund Balances: | | | | | |
| Nonspendable | 2,588 | - | - | - | 2,588 |
| Restricted for emergency | 103,110 | - | - | - | 103,110 |
| Restricted under bond indenture | - | - | - | 94,465 | 94,465 |
| Restricted for capital projects | - | - | 1,527,073 | - | 1,527,073 |
| Restricted for recreation projects | - | 106,988 | - | - | 106,988 |
| Unassigned | 2,137,493 | - | - | - | 2,137,493 |
| Total Fund Balances | 2,243,191 | 106,988 | 1,527,073 | 94,465 | 3,971,717 |
| Total Liabilities and Fund Balances | 3,357,609 | 106,988 | 1,527,073 | 94,465 | |

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

| | |
|---|-------------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 13,137,763 |
| Long term assets and deferred outflows are not financial resources and, therefore, are not reported in the funds. | 1,550,607 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds | (3,664,242) |
| Net Position of Governmental Activities | 14,995,845 |

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, 2019

| | General | Conservation Trust | Capital Projects - Other | Debt Service | Total Governmental Funds |
|---|------------------|-------------------------------|---|-------------------------|---|
| Revenues: | | | | | |
| Taxes | 1,854,585 | - | 638,687 | 188,503 | 2,681,775 |
| Licenses and permits | 16,366 | - | - | - | 16,366 |
| Intergovernmental revenue | 245,596 | 41,380 | - | - | 286,976 |
| Federal government grants | 126,114 | - | 3,787 | - | 129,901 |
| State government grants | 19,795 | - | 142,419 | - | 162,214 |
| Charges for services | 83,019 | - | - | - | 83,019 |
| Fines and forfeitures | 52,513 | - | - | - | 52,513 |
| Insurance proceeds | 249,124 | - | - | - | 249,124 |
| Miscellaneous | 110,547 | 655 | 9,724 | 623 | 121,549 |
| Total Revenues | <u>2,757,659</u> | <u>42,035</u> | <u>794,617</u> | <u>189,126</u> | <u>3,783,437</u> |
| Expenditures: | | | | | |
| General government | 589,960 | - | 904,420 | - | 1,494,380 |
| Public safety | 1,021,710 | - | - | - | 1,021,710 |
| Highways and streets | 1,038,132 | - | - | - | 1,038,132 |
| Culture and recreation | 645,871 | 44,373 | 3,195 | - | 693,439 |
| Airport | 34,603 | - | 4,208 | - | 38,811 |
| Debt service: | | | | | |
| Principal | - | - | - | 175,000 | 175,000 |
| Interest | - | - | - | 14,866 | 14,866 |
| Total Expenditures | <u>3,330,276</u> | <u>44,373</u> | <u>911,823</u> | <u>189,866</u> | <u>4,476,338</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(572,617)</u> | <u>(2,338)</u> | <u>(117,206)</u> | <u>(740)</u> | <u>(692,901)</u> |
| Other Financing Sources (Uses): | | | | | |
| Operating transfers in (out) | 500,000 | - | - | - | 500,000 |
| Total Other Financing Sources (Uses) | <u>500,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>500,000</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses) | <u>(72,617)</u> | <u>(2,338)</u> | <u>(117,206)</u> | <u>(740)</u> | <u>(192,901)</u> |
| Fund Balances - January 1 | <u>2,315,808</u> | <u>109,326</u> | <u>1,644,279</u> | <u>95,205</u> | <u>4,164,618</u> |
| Fund Balances - December 31 | <u>2,243,191</u> | <u>106,988</u> | <u>1,527,073</u> | <u>94,465</u> | <u>3,971,717</u> |

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, 2019

| | |
|--|-----------|
| Net Change in Fund Balances of Governmental Funds | (192,901) |
|--|-----------|

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. | 873,693 |
|--|---------|

| | |
|---|---------|
| 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. | 195,145 |
|---|---------|

| | |
|---|----------------|
| 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. | <u>204,434</u> |
|---|----------------|

| | |
|--|-------------------------|
| Change in Net Position of Governmental Activities | <u><u>1,080,371</u></u> |
|--|-------------------------|

City of Yuma, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2019

| | <u>Electric Fund</u> | <u>Water Fund</u> | <u>Sewer Fund</u> | <u>Sanitation Fund</u> | <u>Ambulance Fund</u> | <u>Total</u> |
|---|--------------------------|-----------------------|-----------------------|----------------------------|---------------------------|---------------------|
| Assets: | | | | | | |
| Current assets: | | | | | | |
| Cash and investments | 2,185,078 | 513,528 | 802,258 | 235,006 | 613,806 | 4,349,676 |
| Receivables, net of allowance for uncollectibles | 266,264 | 45,262 | 44,501 | 34,432 | 269,274 | 659,733 |
| Prepaid insurance | - | - | - | - | 1,203 | 1,203 |
| Inventory | 193,370 | 81,132 | 67,507 | - | - | 342,009 |
| Total current assets | <u>2,644,712</u> | <u>639,922</u> | <u>914,266</u> | <u>269,438</u> | <u>884,283</u> | <u>5,352,621</u> |
| Non-current assets: | | | | | | |
| Property and equipment | 4,368,981 | 5,265,200 | 5,921,130 | 813,424 | 1,344,201 | 17,712,936 |
| Accumulated depreciation | <u>(2,974,553)</u> | <u>(3,254,673)</u> | <u>(2,766,008)</u> | <u>(354,556)</u> | <u>(1,110,612)</u> | <u>(10,460,402)</u> |
| Total non-current assets | <u>1,394,428</u> | <u>2,010,527</u> | <u>3,155,122</u> | <u>458,868</u> | <u>233,589</u> | <u>7,252,534</u> |
| Total Assets | <u>4,039,140</u> | <u>2,650,449</u> | <u>4,069,388</u> | <u>728,306</u> | <u>1,117,872</u> | <u>12,605,155</u> |
| Liabilities: | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 9,209 | 9,058 | - | - | - | 18,267 |
| Accrued payroll | 7,470 | 4,130 | 4,129 | 4,320 | 8,247 | 28,296 |
| Deposits | 269,027 | 100 | - | 300 | - | 269,427 |
| Accrued compensated absences | 3,621 | 1,073 | 2,509 | 1,714 | 7,638 | 16,555 |
| Total current liabilities | <u>289,327</u> | <u>14,361</u> | <u>6,638</u> | <u>6,334</u> | <u>15,885</u> | <u>332,545</u> |
| Total Liabilities | <u>289,327</u> | <u>14,361</u> | <u>6,638</u> | <u>6,334</u> | <u>15,885</u> | <u>332,545</u> |
| Net Position: | | | | | | |
| Invested in capital assets, net of related debt | 1,394,428 | 2,010,527 | 3,155,122 | 458,868 | 233,589 | 7,252,534 |
| Unrestricted | <u>2,355,385</u> | <u>625,561</u> | <u>907,628</u> | <u>263,104</u> | <u>868,398</u> | <u>5,020,076</u> |
| Total Net Position | <u>3,749,813</u> | <u>2,636,088</u> | <u>4,062,750</u> | <u>721,972</u> | <u>1,101,987</u> | <u>12,272,610</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, 2019

| | Electric Fund | Water Fund | Sewer Fund | Sanitation Fund | Ambulance Fund | Total |
|---|--------------------------|-------------------------|-------------------------|----------------------------|---------------------------|--------------------------|
| Operating Revenues: | | | | | | |
| Commercial charges | 1,815,415 | - | - | - | - | 1,815,415 |
| Residential charges | 1,216,940 | - | - | - | - | 1,216,940 |
| Other | 202,976 | 6,200 | 18,089 | 5,763 | 18,167 | 251,195 |
| Tap fees | - | 9,650 | 3,360 | - | - | 13,010 |
| Water sales | - | 690,397 | - | - | - | 690,397 |
| Sewer charges | - | - | 546,029 | - | - | 546,029 |
| Sanitation charges | - | - | - | 434,449 | - | 434,449 |
| Ambulance charges | - | - | - | - | 442,270 | 442,270 |
| Total Operating Revenues | <u>3,235,331</u> | <u>706,247</u> | <u>567,478</u> | <u>440,212</u> | <u>460,437</u> | <u>5,409,705</u> |
| Operating Expenses: | | | | | | |
| Electricity purchased | 1,805,492 | - | - | - | - | 1,805,492 |
| Landfill expense | - | - | - | 81,442 | - | 81,442 |
| Repairs and maintenance | 75,650 | 92,569 | 82,081 | 20,316 | 26,251 | 296,867 |
| Supplies | 18,518 | 8,418 | 7,836 | 21,620 | 20,058 | 76,450 |
| Benefits and payroll taxes | 122,791 | 99,862 | 98,456 | 113,597 | 108,672 | 543,378 |
| Depreciation | 139,150 | 197,620 | 185,659 | 92,896 | 66,931 | 682,256 |
| Bad debt | 3,554 | 679 | 564 | 416 | 11,991 | 17,204 |
| Salaries | 283,119 | 172,825 | 174,144 | 191,582 | 290,327 | 1,111,997 |
| Insurance | 13,872 | 13,649 | 12,030 | 6,729 | 8,208 | 54,488 |
| Gas and oil | - | 6,409 | 3,296 | 20,396 | 13,586 | 43,687 |
| Utilities | 13,154 | 17,266 | 2,356 | 1,774 | 7,318 | 41,868 |
| Other | 25,684 | 75,375 | 11,491 | 21,447 | 24,350 | 158,347 |
| Total Operating Expenses | <u>2,500,984</u> | <u>684,672</u> | <u>577,913</u> | <u>572,215</u> | <u>577,692</u> | <u>4,913,476</u> |
| Operating Income (Loss) | <u>734,347</u> | <u>21,575</u> | <u>(10,435)</u> | <u>(132,003)</u> | <u>(117,255)</u> | <u>496,229</u> |
| Non-operating Revenues (Expenses): | | | | | | |
| Interest revenue | 18,476 | 2,943 | 5,244 | 2,988 | 3,260 | 32,911 |
| Contributions to other governments | - | (17,620) | - | - | - | (17,620) |
| Grants and contributions | - | - | - | - | 4,750 | 4,750 |
| Contributed capital assets | - | - | - | 197,143 | - | 197,143 |
| Total Non-operating Revenues | <u>18,476</u> | <u>(14,677)</u> | <u>5,244</u> | <u>200,131</u> | <u>8,010</u> | <u>217,184</u> |
| Income Before Transfers | <u>752,823</u> | <u>6,898</u> | <u>(5,191)</u> | <u>68,128</u> | <u>(109,245)</u> | <u>713,413</u> |
| Transfers | <u>(454,000)</u> | <u>(24,000)</u> | <u>(22,000)</u> | <u>-</u> | <u>-</u> | <u>(500,000)</u> |
| Change in Net Position | <u>298,823</u> | <u>(17,102)</u> | <u>(27,191)</u> | <u>68,128</u> | <u>(109,245)</u> | <u>213,413</u> |
| Total Net Position - January 1 | <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> |
| Total Net Position - December 31 | <u><u>3,749,813</u></u> | <u><u>2,636,088</u></u> | <u><u>4,062,750</u></u> | <u><u>721,972</u></u> | <u><u>1,101,987</u></u> | <u><u>12,272,610</u></u> |

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, 2019

| | <u>Electric Fund</u> | <u>Water Fund</u> | <u>Sewer Fund</u> | <u>Sanitation Fund</u> | <u>Ambulance Fund</u> | <u>Total</u> |
|---|--------------------------|-----------------------|-----------------------|----------------------------|---------------------------|------------------|
| Cash Flows From Operating Activities: | | | | | | |
| Cash received from customers and others | 3,245,689 | 697,628 | 568,819 | 440,166 | 489,274 | 5,441,576 |
| Cash paid for goods and services | (1,972,018) | (215,236) | (122,614) | (173,724) | (99,771) | (2,583,363) |
| Cash paid to employees | (402,303) | (272,359) | (274,016) | (304,407) | (397,792) | (1,650,877) |
| Net Cash Provided by Operating Activities | <u>871,368</u> | <u>210,033</u> | <u>172,189</u> | <u>(37,965)</u> | <u>(8,289)</u> | <u>1,207,336</u> |
| Cash Flows From Non-capital Financing Activities: | | | | | | |
| Contributions to other governments | - | (17,620) | - | - | - | (17,620) |
| Net operating transfers (out) | (454,000) | (24,000) | (22,000) | - | - | (500,000) |
| Net Cash Provided (Used) by Non-capital Financing Activities | <u>(454,000)</u> | <u>(41,620)</u> | <u>(22,000)</u> | <u>-</u> | <u>-</u> | <u>(517,620)</u> |
| Cash Flows From Capital Financing Activities: | | | | | | |
| Grant received | - | - | - | - | 4,750 | 4,750 |
| Distribution system and equipment purchases | (102,109) | (252,953) | (22,539) | (249,290) | - | (626,891) |
| Net Cash Provided (Used) by Capital Financing Activities | <u>(102,109)</u> | <u>(252,953)</u> | <u>(22,539)</u> | <u>(249,290)</u> | <u>4,750</u> | <u>(622,141)</u> |
| Cash Flows From Investing Activities | | | | | | |
| Interest received | 18,476 | 2,943 | 5,244 | 2,988 | 3,260 | 32,911 |
| Net Cash Provided by Investing Activities | <u>18,476</u> | <u>2,943</u> | <u>5,244</u> | <u>2,988</u> | <u>3,260</u> | <u>32,911</u> |
| Net Change in Cash and Cash Equivalents | 333,735 | (81,597) | 132,894 | (284,267) | (279) | 100,486 |
| Cash and Cash Equivalents - January 1 | 1,851,343 | 595,125 | 669,364 | 519,273 | 614,085 | 4,249,190 |
| Cash and Cash Equivalents - December 31 | <u>2,185,078</u> | <u>513,528</u> | <u>802,258</u> | <u>235,006</u> | <u>613,806</u> | <u>4,349,676</u> |
| Reconciliation of Operating Income (Loss) to | | | | | | |
| Net Cash Provided by Operating Activities: | | | | | | |
| Operating income (loss) | 734,347 | 21,575 | (10,435) | (132,003) | (117,255) | 496,229 |
| Adjustments to reconcile operating income (loss) | | | | | | |
| to net cash provided by operating activities: | | | | | | |
| Depreciation | 139,150 | 197,620 | 185,659 | 92,896 | 66,931 | 682,256 |
| Bad debt | 3,554 | 679 | 564 | 416 | 11,991 | 17,204 |
| (Increase) decrease in accounts receivable | 1,215 | (6,219) | 1,341 | (246) | 28,836 | 24,927 |
| (Increase) decrease in inventories | (19,343) | (1,550) | (3,524) | - | - | (24,417) |
| Increase (decrease) in deposits | 9,143 | (2,400) | - | 200 | - | 6,943 |
| Increase (decrease) in accounts payable | (305) | - | - | - | - | (305) |
| Increase (decrease) in accrued payroll | 2,804 | 71 | 73 | 444 | 1,004 | 4,396 |
| Increase (decrease) in compensated absences | 803 | 257 | (1,489) | 328 | 204 | 103 |
| Total Adjustments | <u>137,021</u> | <u>188,458</u> | <u>182,624</u> | <u>94,038</u> | <u>108,966</u> | <u>711,107</u> |
| Net Cash Provided by Operating Activities | <u>871,368</u> | <u>210,033</u> | <u>172,189</u> | <u>(37,965)</u> | <u>(8,289)</u> | <u>1,207,336</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, 2019

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, 2019
(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, 2019
(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, 2019
(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, 2019
(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, 2019
(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.

The Colorado General Assembly passed significant pension reform through Senate Bill (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. A brief description of some of the major changes to plan provisions required by SB 18-200 for the LGDTF that were in effect on the LGDTF's December 31, 2018 measurement date are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employee contribution rates for the LGDTF 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, increases 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.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Pensions (continued)

- Member contributions, employer contributions, the direct distribution from the State, 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 members of the Local Government Division hired on or after January 1, 2019. 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.

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.

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.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

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.

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

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

E. Use of Estimates

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

City of Yuma
Notes to the Financial Statements
December 31, 2019
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “Long-term asset and deferred outflows are not financial resources and, therefore, are not reported in the funds. The details of this \$1,550,607 difference are Net Pension Asset of \$293,421, Pension related deferred outflows of \$1,205,793, and OPEB related deferred outflows of \$51,393. 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 \$3,664,242 difference are as follows:

| | |
|---|----------------------------|
| Bonds payable | \$ 620,000 |
| Accrued interest | 4,831 |
| Accrued compensated absences | 41,162 |
| Net pension liability | 2,670,741 |
| Net OPEB liability | 218,493 |
| Pension related deferred inflows of resources | 33,556 |
| OPEB related deferred inflows of resources | 333 |
| Bond refunding deferred inflows of resources | <u>75,126</u> |
| Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities | <u><u>\$ 3,664,242</u></u> |

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

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.” The details of this \$873,691 difference is capital outlay of \$1,244,580 plus gain on disposal of \$360,757 less depreciation expense of \$731,646.

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 \$176,364 difference are as follows:

City of Yuma
Notes to the Financial Statements
December 31, 2019
(Continued)

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

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

| | |
|--|------------|
| Bond principal payments | \$ 175,000 |
| Change in accrued interest | 1,364 |
| Amortization of bond refunding deferred inflow | 18,781 |
| Net adjustment to reduce net changes in fund balance - total governmental funds to arrive at changes in net position - governmental activities | \$ 195,145 |

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 \$204,434 difference are pension expense of \$205,430 less change in accrued compensated absences of \$996.

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 2019.

1. For the 2019 budget year, prior to August 25, 2018, 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, 2018, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the City’s operating requirements.
3. Prior to December 15, 2018, 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 ordinance, 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.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2018 were collected in 2019 and taxes certified in 2019 will be collected in 2020. 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.

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 \$103,110 which is the approximate required reserve at December 31, 2019.

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.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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.

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 \$8,110,442 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.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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

| <u>Type</u> | <u>Carrying Amount</u> | <u>Maturities</u> | |
|-------------------------|------------------------|---------------------------|-----------------------------|
| | | <u>Less Than One Year</u> | <u>Less Than Five Years</u> |
| <i>Deposits:</i> | | | |
| Petty cash | \$ 1,200 | - | - |
| Checking | 4,264,386 | - | - |
| Savings | 1,059,624 | - | - |
| Certificates of deposit | 2,785,232 | 2,785,232 | - |
| | <u>\$ 8,110,442</u> | <u>2,785,232</u> | <u>-</u> |

The financial statement captions are as follows:

| | <u>Governmental Activities</u> | <u>Business type Activities</u> | <u>Total</u> |
|---------------------------------|--------------------------------|---------------------------------|------------------|
| Cash and investments | \$ 3,666,301 | 4,349,676 | 8,015,977 |
| Restricted cash and investments | 94,465 | - | 94,465 |
| Total | <u>\$ 3,760,766</u> | <u>4,349,676</u> | <u>8,110,442</u> |

B. Receivables

Receivables as of December 31, 2019, for the City's funds, including applicable allowances for uncollectible accounts, are as follows:

| | <u>General</u> | <u>Capital Projects</u> | <u>Electric</u> | <u>Water</u> | <u>Sewer</u> | <u>Sanitation</u> | <u>Ambulance</u> | <u>Total</u> |
|-----------------------------------|---------------------|-------------------------|-----------------|---------------|---------------|-------------------|------------------|------------------|
| Receivables: | | | | | | | | |
| Taxes | \$ 783,530 | - | - | - | - | - | - | 783,530 |
| Accounts | 49,353 | 142,219 | 266,264 | 45,262 | 44,501 | 34,432 | 839,754 | 1,421,785 |
| Intergovernmental | 347,680 | - | - | - | - | - | - | 347,680 |
| Gross receivables | <u>1,180,563</u> | <u>142,219</u> | <u>266,264</u> | <u>45,262</u> | <u>44,501</u> | <u>34,432</u> | <u>839,754</u> | <u>2,552,995</u> |
| Less: allowance for uncollectible | - | - | - | - | - | - | (570,480) | (570,480) |
| Net receivables | <u>\$ 1,180,563</u> | <u>142,219</u> | <u>266,264</u> | <u>45,262</u> | <u>44,501</u> | <u>34,432</u> | <u>269,274</u> | <u>1,982,515</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 \$783,530 is property taxes levied in 2019 but not available until 2020.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

| | Beginning Balance | Additions | Deletions | Transfers | Ending Balance |
|--|----------------------|------------------|--------------------|------------------|--------------------|
| Governmental Activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 1,712,320 | 753,190 | (192,376) | - | 2,273,134 |
| Total capital assets, not being depreciated | <u>1,712,320</u> | <u>753,190</u> | <u>(192,376)</u> | <u>-</u> | <u>2,273,134</u> |
| Capital assets, being depreciated: | | | | | |
| Infrastructure | 11,284,128 | 4,208 | - | - | 11,288,336 |
| Buildings and improvements | 2,035,856 | 1,412,410 | (1,449,190) | - | 1,999,076 |
| Machinery and equipment | 3,418,161 | 36,690 | (78,757) | (230,000) | 3,146,094 |
| Total capital assets being depreciated | <u>16,738,145</u> | <u>1,453,308</u> | <u>(1,527,947)</u> | <u>(230,000)</u> | <u>16,433,506</u> |
| Less accumulated depreciation for: | | | | | |
| Infrastructure | (1,990,568) | (526,117) | - | - | (2,516,685) |
| Buildings and improvements | (1,785,122) | (59,014) | 1,274,582 | - | (569,554) |
| Machinery and equipment | (2,410,704) | (179,372) | 74,581 | 32,857 | (2,482,638) |
| Total accumulated depreciation | <u>(6,186,394)</u> | <u>(764,503)</u> | <u>1,349,163</u> | <u>32,857</u> | <u>(5,568,877)</u> |
| Total capital assets, being depreciated, net | <u>10,551,751</u> | <u>688,805</u> | <u>(178,784)</u> | <u>(197,143)</u> | <u>10,864,629</u> |
| Governmental activities capital assets, net | <u>\$ 12,264,071</u> | <u>1,441,995</u> | <u>(371,160)</u> | <u>(197,143)</u> | <u>13,137,763</u> |

| | Beginning Balance | Additions | Deletions | Transfers | Ending Balance |
|---|----------------------|------------------|------------------|-----------------|---------------------|
| Business-type Activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 65,058 | - | (250) | - | 64,808 |
| Total capital assets, not being depreciated | <u>65,058</u> | <u>-</u> | <u>(250)</u> | <u>-</u> | <u>64,808</u> |
| Capital assets, being depreciated: | | | | | |
| Infrastructure | 13,472,557 | 213,566 | - | - | 13,686,123 |
| Buildings and improvements | 494,423 | 18,415 | - | - | 512,838 |
| Machinery and equipment | 3,008,961 | 395,160 | (184,953) | 230,000 | 3,449,168 |
| Total capital assets being depreciated | <u>16,975,941</u> | <u>627,141</u> | <u>(184,953)</u> | <u>230,000</u> | <u>17,648,129</u> |
| Less accumulated depreciation for: | | | | | |
| Infrastructure | (7,149,099) | (445,764) | - | - | (7,594,863) |
| Buildings and improvements | (494,422) | (1,841) | - | - | (496,264) |
| Machinery and equipment | (2,286,722) | (234,651) | 184,953 | (32,857) | (2,369,277) |
| Total accumulated depreciation | <u>(9,930,243)</u> | <u>(682,256)</u> | <u>184,953</u> | <u>(32,857)</u> | <u>(10,460,403)</u> |
| Total capital assets, being depreciated, net | <u>7,045,698</u> | <u>(55,115)</u> | <u>-</u> | <u>197,143</u> | <u>7,187,726</u> |
| Business-type activities capital assets, net | <u>\$ 7,110,756</u> | <u>(55,115)</u> | <u>(250)</u> | <u>197,143</u> | <u>7,252,534</u> |

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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 | \$ 42,426 |
| Public safety | 41,260 |
| Public works, including infrastructure | 289,213 |
| Airport | 339,971 |
| Culture and recreation | 51,633 |
| Total depreciation expense - governmental activities | <u><u>\$ 764,503</u></u> |

Business-type activities:

| | |
|--|---------------------------------|
| Electric | \$ 139,150 |
| Water | 197,620 |
| Sewer | 185,659 |
| Sanitation | 92,896 |
| Ambulance | 66,931 |
| Total depreciation expense - business-type activities | <u><u>\$ 682,256</u></u> |

D. Interfund Receivables, Payables, and Transfers

There were no interfund receivables or payables as of December 31, 2019.

Transfers were as follows:

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

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.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

1. 2016 Sales Tax Revenue Refunding Bonds (continued)

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

| <u>Year ending December 31</u> | <u>Governmental Activities</u> | | |
|------------------------------------|--------------------------------|-----------------|----------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 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>620,000</u> | <u>26,368</u> | <u>646,368</u> |

3. Accrued Compensated Absences

Earned but unused vacation benefits amounted to \$41,162 in governmental activities and \$16,555 in business-type activities at December 31, 2019.

4. Schedule of Changes in Long-term Liabilities

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| Accrued compensated absences | \$ 40,166 | 996 | - | 41,162 | 13,721 |
| 2016 Sales Tax Revenue Refunding Bonds | 795,000 | - | (175,000) | 620,000 | 175,000 |
| Net OPEB Liability | 180,880 | 37,613 | - | 218,493 | - |
| Net Pension Liability | 1,995,031 | 675,710 | - | 2,670,741 | - |
| Total Governmental Activities Long-term Liabilities | <u>\$ 3,011,077</u> | <u>714,319</u> | <u>(175,000)</u> | <u>3,550,396</u> | <u>188,721</u> |
| Business-type Activities: | | | | | |
| Accrued compensated absences | \$ 16,454 | 101 | - | 16,555 | 5,518 |
| Total Business-type Activities Long-term Liabilities | <u>\$ 16,454</u> | <u>101</u> | <u>-</u> | <u>16,555</u> | <u>5,518</u> |

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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

1. FPPA Statewide Defined Benefit Plan

Plan Description The Statewide Defined Benefit Plan (SWDB) 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 10 percent and 8 percent, respectively of base salary for a total contribution rate of 18 percent through 2018. 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 22 percent of base salary through 2018. 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.

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.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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)

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.

Net Pension (Asset)/Liability: At December 31, 2019, the City's reported net pension (asset) liability of \$66,794 is its proportionate share of the Plan's net pension (asset) liability. The Plan's fiduciary net position is currently exceeded by the total pension liability, resulting in a liability reported by the City. The net pension asset was measured at December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The City's proportion of the net pension liability was based on the City's contributions to the Plan for calendar year 2018, relative to the total contributions of participating employers to the Plan.

At December 31, 2018, the City proportion was 0.05283%, as compared to 0.06136% at December 31, 2017.

For the year ended December 31, 2019, the City recognized pension expense (revenue) of \$0.06136%. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 85,824 | 714 |
| Changes of assumptions or other inputs | 64,689 | - |
| Net difference between projected and actual earnings on pension plan investments | 52,544 | - |
| Difference between actual and reported contributions | 9 | - |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 24,809 | 4,928 |
| Contributions subsequent to the measurement date | 27,614 | - |
| Total | \$ 255,489 | 5,642 |

Contributions subsequent to the measurement date of December 31, 2018, which are reported as deferred outflows of resources related to pensions, will be recognized as an adjustment against the net pension (asset) liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a component of pension expense as follows:

| | | |
|--------------------------|----|------------|
| Year ending December 31: | | |
| 2020 | \$ | 40,935 |
| 2021 | | 29,966 |
| 2022 | | 25,899 |
| 2023 | | 41,180 |
| Thereafter | | 84,253 |
| | | \$ 222,233 |

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, 2018. The valuations used the following actuarial assumption and other inputs.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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)

| Actuarial Assumptions | Total Pension Liability | Actuarially Determined Contributions |
|---------------------------------------|--|---|
| | 2019 | 2018 |
| Actuarial Valuation Date - January 1 | Entry Age Normal | Entry Age Normal |
| Actuarial Method | N/A | Level % of Payroll, Open |
| Amortization Method | N/A | 30 Years |
| Amortization Period | 7.0% | 7.5% |
| Long-term investment Rate of Return * | 4.25% to 11.25% | 4.0% to 14.0% |
| Projected Salary Increases | 0.0% | 0.0% |
| Cost of Living Adjustments (COLA) | 2.5% | 2.5% |
| * Includes Inflation at | | |

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarial determined contributions, 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 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.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019 and were used in the rollforward calculation of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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 (assumed at 2.5 percent). 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, 2018, are summarized in the following table:

| Asset Class | Target Allocation | Long Term Expected Rate of Return |
|--------------------|--------------------------|--|
| Global Equity | 37% | 8.03% |
| Equity Long/Short | 9% | 6.45% |
| Private Markets | 24% | 10.00% |
| Fixed Income | 15% | 2.90% |
| Absolute Return | 9% | 5.08% |
| Managed Futures | 4% | 5.35% |
| Cash | 2% | 2.52% |
| Total | 100% | |

The discount rate used to measure the total pension liability was 7.00 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).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.71% (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 7.00%.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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)

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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|--|------------------------|----------------------------------|------------------------|
| Proportionate share of net pension liability (asset) | 259,020 | 66,794 | (92,654) |

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, 2018, the latest actuarial valuation date, there were 25 active members, 1 inactive, nonretired member and 22 retirees and beneficiaries.

Benefits For the pension measurement date of December 31, 2018, the normal retirement benefit is \$90 per month at age 50 with 20 years of service. After at least 10 years of service, the monthly retirement benefit is \$4.50 per year of service up to 20 service years. The monthly survivor benefits are \$45 following death after normal retirement. The monthly survivor benefit after at least 10 years of service is \$2.25 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, 2019
(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, 2019, the volunteer pension fund reported a net pension asset of \$293,421. The net pension asset was measured as of December 31, 2018, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2019.

The City reported the following deferred outflow of resources and deferred inflows of resources of the volunteer pension fund as of December 31, 2019:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ - | \$ 4,554 |
| Changes of assumptions or other inputs | 10,674 | - |
| Net difference between projected and actual earnings on pension plan investments | 47,141 | 23,360 |
| Contributions subsequent to the measurement date | 10,000 | - |
| Total | \$ 67,815 | \$ 27,914 |

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, 2017 determine the contribution amount for 2018 and 2019.

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City of Yuma
Notes to the Financial Statements
December 31, 2019
(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 following table sets forth the methods and assumptions used to determine contribution rates for the year ending December 31, 2018:

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

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

| | |
|---------------------------|--|
| Asset Valuation Method | 5-year smoothed fair value |
| Inflation | 2.50% |
| 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-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. |

The assumptions shown above pertain to the actuarial valuation as of January 1, 2017 and the associated Actuarially Determined Contribution for the year ending December 31, 2018. Following an experience study in 2018, the Board adopted a new assumption set for first use in the January 1, 2019 valuations.

The primary changes, which can be observed in the January 1, 2019 valuation, as compared to the assumptions shown are as follows:

| | |
|---------------------------|---|
| Investment Rate of Return | 7.00% |
| Mortality | Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables, for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scales for all years. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. |

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.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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)

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, 2018 are summarized in the following table:

| Asset Class | Target Allocation | Long Term Expected Rate of Return |
|--------------------|--------------------------|--|
| Global Equity | 37% | 8.03% |
| Equity Long/Short | 9% | 6.45% |
| Private Markets | 24% | 10.00% |
| Fixed Income | 15% | 2.90% |
| Absolute Return | 9% | 5.08% |
| Managed Futures | 4% | 5.35% |
| Cash | 2% | 2.52% |
| Total | 100% | |

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 7.00%; the municipal bond rate is 3.71% (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 7.00%.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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)

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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|--|------------------------|----------------------------------|------------------------|
| Proportionate share of net pension liability (asset) | (258,117) | (293,421) | (322,884) |

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

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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 value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

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

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

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

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 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 will receive the lesser of an annual increase of 1.5 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. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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 disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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

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

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

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

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 \$185,304 for the year December 31, 2019.

At December 31, 2019, the City reported a liability of \$2,603,947 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year 2018 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2018, the City's proportion was 0.20712%, which was an increase of 0.0279% from its proportion measured as of December 31, 2017.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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, 2019, the City recognized pension expense (revenue) of \$(226,988). December 31, 2019, 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 | \$ 108,879 | \$ - |
| Net difference between projected and actual earnings on pension plan investments | 339,108 | - |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 209,835 | - |
| Contributions subsequent to the measurement date | 185,304 | - |
| Total | \$ 843,126 | \$ - |

\$185,304 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, 2020. 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: | |
|-------------------------|------------|
| 2020 | \$ 355,956 |
| 2021 | 97,860 |
| 2022 | 18,896 |
| 2023 | 185,110 |
| | \$ 657,822 |

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs.

| | <u>December 31, 2017</u> |
|--|---|
| Actuarial Cost method | Entry age |
| Price inflation | 2.40 percent |
| Real wage growth | 1.10 percent |
| Wage inflation | 3.50 percent |
| Salary increases, including wage inflation | 3.50 - 10.45 percent |
| Long-term investment Rate of Return, net of pension plan investments expenses, including price inflation | 7.25 percent |
| Discount rate | 7.25 percent |
| Post-retirement benefit increases: | |
| PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic) | 2 percent compounded annually |
| PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic) | Financed by the Annual Increase Reserve (AIR) |

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

| | |
|---|---|
| PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic) | 0% through 2019 and 1.5% compounded annually thereafter |
| PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic) | 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.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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)

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.

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:

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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)

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

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

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

- 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 member contribution rates in effect for each year, including scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

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

3. PERA Plan (continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, 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. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above 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) | 3,983,501 | 2,603,947 | 1,449,811 |

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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)

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.

Changes between the measurement date of the net pension liability and December 31, 2019.

During the 2019 legislative session, the Colorado General Assembly passed HB 19-1217: *PERA Public Employees' Retirement Association Local Government Division Member Contribution Rate*. The bill was signed into law by Governor Polis on May 20, 2019, and eliminates the 2 percent increase in the contribution rate for members in the Local Government Division mandated by SB 18-200.

4. Other Postemployment Benefits - OPEB plan

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.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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)

4. Other Postemployment Benefits - OPEB plan (continued)

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure. The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City were \$14,903 for the year ended December 31, 2019.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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)

4. Other Postemployment Benefits - OPEB plan (continued)

Liabilities. At December 31, 2019, the City reported a liability for Other Post-Employment Benefits (“OPEB”) of \$218,493 for its proportionate share of net OPEB. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2018. The City’s proportion of the net OPEB liability was based on contributions to the Health Care Trust Fund (“HCTF”) for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the City proportion was 0.0161%, which was an increase of 0.0022% from its proportion measured as of December 31, 2017. For the year ended December 31, 2019, the City recognized OPEB expense of \$10,783.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 793 | \$ 333 |
| Changes of assumptions or other inputs | 1,533 | - |
| Net difference between projected and actual earnings on pension plan investments | 1,256 | - |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 32,908 | - |
| Contributions subsequent to the measurement date | 14,903 | - |
| Total | \$ 51,393 | \$ 333 |

\$14,903 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net other post-employment benefits liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB related expense as follows:

| | |
|-------------------------|------------------|
| Year Ended December 31: | |
| 2020 | \$ 8,327 |
| 2021 | 8,327 |
| 2022 | 8,327 |
| 2023 | 6,063 |
| Thereafter | 5,113 |
| | <u>\$ 36,157</u> |

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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)

4. Other Postemployment Benefits - OPEB plan (continued)

Actuarial assumptions. The total OPEB liability in the December 31, 2017, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

| | December 31, 2017 |
|--|---|
| Actuarial Cost method | Entry age |
| Price inflation | 2.40 percent |
| Real wage growth | 1.10 percent |
| Wage inflation | 3.50 percent |
| Salary increases, including wage inflation | 3.50 in aggregate |
| Long-term investment Rate of Return, net of pension plan investments expenses, including price inflation | 7.25 percent |
| Discount rate | 7.25 percent |
| Health care cost trend rates | |
| PERA benefit structure: | |
| Service-based premium subsidy | 0.00 percent |
| PERACare Medicare plans | 5.00 percent |
| Medicare Part A premiums | 3.25% for 2018, gradually rising to 5.00% in 2025 |

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2017, 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. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

| Medicare Plan | Cost for Members Without Medicare Part A | Premiums for Members Without Medicare Part A |
|--|---|---|
| Self-Funded Medicare Supplement Plans | \$736 | \$367 |
| Kaiser Permanente Medicare Advantage HMO | 602 | 236 |
| Rocky Mountain Health Plans Medicare HMO | 611 | 251 |
| UnitedHealthcare Medicare HMO | 686 | 213 |

The 2018 Medicare Part A premium is \$422 per month.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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)

4. Other Postemployment Benefits - OPEB plan (continued)

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

| Medicare Plan | Cost for Members Without Medicare Part A |
|--|---|
| Self-Funded Medicare Supplement Plans | \$289 |
| Kaiser Permanente Medicare Advantage HMO | 300 |
| Rocky Mountain Health Plans Medicare HMO | 270 |
| UnitedHealthcare Medicare HMO | 400 |

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

| Year | PERACare Medicare Plans | Medicare Part A Premiums |
|-------------|--------------------------------|---------------------------------|
| 2018 | 5.00% | 3.25% |
| 2019 | 5.00% | 3.50% |
| 2020 | 5.00% | 3.75% |
| 2021 | 5.00% | 4.00% |
| 2022 | 5.00% | 4.25% |
| 2023 | 5.00% | 4.50% |
| 2024 | 5.00% | 4.75% |
| 2025+ | 5.00% | 5.00% |

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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)

4. Other Postemployment Benefits - OPEB plan (continued)

Mortality assumptions for the determination of the total OPEB liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on 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 for the State and Local Government Divisions were based on 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.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 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 68 percent factor applied to rates for ages less than 80, a 106 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 following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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)

4. Other Postemployment Benefits - OPEB plan (continued)

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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 HCTF, 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, 2019
(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. Other Postemployment Benefits - OPEB plan (continued)

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

| | <u>1% Decrease in Trend Rates</u> | <u>Current Trend Rates</u> | <u>1% Increase in Trend Rates</u> |
|---|---------------------------------------|--------------------------------|---------------------------------------|
| PERA Care Medicare Trend Rate | 4.00% | 5.00% | 6.00% |
| Initial Medicare Part A Trend Rate | 2.25% | 3.25% | 4.25% |
| Ultimate Medicare Part A Trend | 4.00% | 5.00% | 6.00% |
| Collective Net OPEB Liability | 1,322,972,000 | 1,360,542,000 | 1,403,754,000 |
| Proportionate Share of Net OPEB Liability | 212,459 | 218,492 | 225,432 |

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018, measurement date.
- 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%.
- 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(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. Other Postemployment Benefits - OPEB plan (continued)

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB 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) | 244,474 | 218,492 | 196,280 |

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

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.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(Continued)

V. Other Information (continued)

B. Other Retirement Plans (continued)

1. Deferred Compensation Plans – Section 457 (continued)

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 2019 was \$196,715 of total covered payroll of \$2,224,039. Contributions were \$38,674 which consisted of \$19,638 from the City and \$19,036 from employees including 401K loan amount of \$3,336.

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.

3. 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 health insurance services 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.

4. 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 \$1,638 for the administrative services. No other cost to the City is recognized as the plan is a salary reduction plan.

City of Yuma
Notes to the Financial Statements
December 31, 2019
(Continued)

V. Other Information (continued)

C. Commitments and Contingencies

Land - Pledged as Mortgage

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

D. Risk Management

Colorado Intergovernmental Risk Sharing Agency

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

A summary of audited statutory basis financial information for CIRSA as of and for the year ended December 31, 2019 (the latest audited information available) is as follows:

Statement of Net Position

| | |
|--------------|----------------------|
| Assets | \$ 87,354,845 |
| Liabilities | 37,380,157 |
| Net Position | 49,974,688 |
| Total | \$ 87,354,845 |

Statement of Activities

| | |
|--------------------------|---------------------|
| Revenues | \$ 29,379,298 |
| Expenses | 29,949,103 |
| Net Income (loss) | \$ (569,805) |

City of Yuma
Notes to the Financial Statements
December 31, 2019
(Continued)

V. Other Information (continued)

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. The contribution rate increased to 2.8 percent of base salary as of January 1, 2019. 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 \$9665 on-behalf of members to the SWDD at December 31, 2019.

FPPA issues a publicly available comprehensive annual financial report which includes additional information on the Statewide Death and Disability Plan. That report can be obtained at <https://www.fppaco.org/annual-reports.html>.

F. Subsequent Event – COVID-19

The spread of COVID-19 may have operational, economic, and financial impacts on the District. The significance and duration of the potential impacts cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

City of Yuma, Colorado
Schedule of Revenues and Transfers in
Budget and Actual
General Fund
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for 2018)

| | 2019 | | | Final Budget Variance Positive (Negative) | 2018 |
|--|--------------------|------------------|------------------|--|------------------|
| | Original Budget | Final Budget | Actual | | Actual |
| Revenues: | | | | | |
| Taxes: | | | | | |
| Current property taxes | 630,000 | 630,000 | 699,560 | 69,560 | 674,991 |
| Specific ownership tax | 65,000 | 65,000 | 82,175 | 17,175 | 76,405 |
| General sales tax | 1,000,000 | 1,000,000 | 1,033,609 | 33,609 | 991,750 |
| Occupation tax | 5,000 | 5,000 | 7,701 | 2,701 | 6,303 |
| Franchise tax | 24,000 | 24,000 | 29,215 | 5,215 | 31,819 |
| Interest on property taxes | 2,500 | 2,500 | 2,325 | (175) | 3,223 |
| Total Taxes | <u>1,726,500</u> | <u>1,726,500</u> | <u>1,854,585</u> | <u>128,085</u> | <u>1,784,491</u> |
| Licenses and Permits | <u>3,925</u> | <u>3,925</u> | <u>16,366</u> | <u>12,441</u> | <u>22,259</u> |
| Intergovernmental Revenue: | | | | | |
| State highway users tax | 120,000 | 120,000 | 159,333 | 39,333 | 158,917 |
| Road and bridge | 27,000 | 27,000 | 29,820 | 2,820 | 27,644 |
| Motor vehicle registration | 14,000 | 14,000 | 15,512 | 1,512 | 14,378 |
| Severance tax | 15,000 | 15,000 | 33,730 | 18,730 | 21,296 |
| Federal grants | 100,000 | 100,000 | 126,114 | 26,114 | 12,030 |
| State grants | 54,250 | 54,250 | 19,795 | (34,455) | 15,381 |
| Airport fuel tax | 1,500 | 1,500 | 2,018 | 518 | 2,619 |
| Cigarette tax | 5,000 | 5,000 | 5,183 | 183 | 5,742 |
| Total Intergovernmental Revenue | <u>336,750</u> | <u>336,750</u> | <u>391,505</u> | <u>54,755</u> | <u>258,007</u> |
| Charges for Services: | | | | | |
| Grain and feed | 24,994 | 24,994 | 38,855 | 13,861 | 24,994 |
| Gas sales | 2,250 | 2,250 | 3,301 | 1,051 | 2,710 |
| Municipal building lease and rent | - | - | 5,150 | 5,150 | 18,250 |
| Airport lease and rent | 12,000 | 12,000 | 12,296 | 296 | 12,296 |
| Pool receipts | 12,500 | 12,500 | 21,462 | 8,962 | 15,813 |
| Other | 18,050 | 18,050 | 1,955 | (16,095) | 3,305 |
| Total Charges for Services | <u>69,794</u> | <u>69,794</u> | <u>83,019</u> | <u>13,225</u> | <u>77,368</u> |
| Fines and Forfeitures: | | | | | |
| Police fines and other revenue | 28,750 | 28,750 | 40,317 | 11,567 | 19,541 |
| Library fines and other revenue | 5,000 | 5,000 | 12,196 | 7,196 | 12,610 |
| Total Fines and Forfeitures | <u>33,750</u> | <u>33,750</u> | <u>52,513</u> | <u>18,763</u> | <u>32,151</u> |
| Miscellaneous Revenue: | | | | | |
| Interest revenue | 3,000 | 3,000 | 13,141 | 10,141 | 6,731 |
| Recreation user fees | 21,000 | 21,000 | 22,140 | 1,140 | 23,985 |
| Community Center | 16,000 | 16,000 | 19,993 | 3,993 | 21,401 |
| Insurance proceeds - hail damage | - | - | 249,124 | 249,124 | - |
| Contingency and other | 10,000 | 10,000 | 55,273 | 45,273 | 26,044 |
| Total Miscellaneous Revenue | <u>50,000</u> | <u>50,000</u> | <u>359,671</u> | <u>309,671</u> | <u>78,161</u> |
| Total Revenues Before Transfers | <u>2,220,719</u> | <u>2,220,719</u> | <u>2,757,659</u> | <u>536,940</u> | <u>2,252,437</u> |
| Transfers In: | | | | | |
| Electric Fund | 500,000 | 500,000 | 500,000 | - | 500,000 |
| Total Transfers In | <u>500,000</u> | <u>500,000</u> | <u>500,000</u> | <u>-</u> | <u>500,000</u> |
| Total Revenues and Transfers In | <u>2,720,719</u> | <u>2,720,719</u> | <u>3,257,659</u> | <u>536,940</u> | <u>2,752,437</u> |

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

City of Yuma, Colorado
Schedule of Expenditures
Budget and Actual
General Fund
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for 2018)
(Continued)

| | <u>2019</u> | | | Final Budget Variance Positive (Negative) | <u>2018</u> |
|---------------------------------------|----------------------------|-------------------------|----------------|--|----------------|
| | Original Budget | Final Budget | Actual | | Actual |
| Expenditures: | | | | | |
| General Government: | | | | | |
| Administration: | | | | | |
| Salaries | 106,650 | 106,650 | 112,360 | (5,710) | 110,141 |
| Retirement and fringe benefits | 50,070 | 50,070 | 52,582 | (2,512) | 51,595 |
| Insurance | 2,400 | 2,400 | 1,473 | 927 | 1,599 |
| Operating supplies | 22,450 | 22,450 | 18,266 | 4,184 | 20,043 |
| Audit and accounting | 29,000 | 29,000 | 29,484 | (484) | 27,684 |
| Travel and training | 9,000 | 9,000 | 3,305 | 5,695 | 4,641 |
| Reporting and recording | 3,500 | 3,500 | 3,141 | 359 | 7,388 |
| Utilities | 5,750 | 5,750 | 3,423 | 2,327 | 3,774 |
| Repairs and maintenance | 13,000 | 13,000 | 10,938 | 2,062 | 9,793 |
| Capital outlay | 14,000 | 14,000 | 170,889 | (156,889) | 12,335 |
| County Treasurer fees | 16,000 | 16,000 | 14,038 | 1,962 | 13,562 |
| Attorney | 100,200 | 100,200 | 99,103 | 1,097 | 91,855 |
| Total Administration | <u>372,020</u> | <u>372,020</u> | <u>519,002</u> | <u>(146,982)</u> | <u>354,410</u> |
| Council: | | | | | |
| Salaries | 1,920 | 1,920 | 1,952 | (32) | 1,963 |
| Retirement and fringe benefits | 390 | 390 | 320 | 70 | 338 |
| Travel and training | 8,500 | 8,500 | 2,222 | 6,278 | 5,927 |
| Insurance | 15,150 | 15,150 | 12,827 | 2,323 | 12,397 |
| Other | 10,850 | 10,850 | 15,971 | (5,121) | 8,028 |
| Contingencies | 40,000 | 40,000 | 34,176 | 5,824 | 42,496 |
| Supplies | 3,600 | 3,600 | 3,490 | 110 | 3,189 |
| Total Council | <u>80,410</u> | <u>80,410</u> | <u>70,958</u> | <u>9,452</u> | <u>74,338</u> |
| Elections | <u>3,500</u> | <u>3,500</u> | <u>-</u> | <u>3,500</u> | <u>5,559</u> |
| Total General Government | <u>455,930</u> | <u>455,930</u> | <u>589,960</u> | <u>(134,030)</u> | <u>434,307</u> |
| Judicial | <u>20,070</u> | <u>20,070</u> | <u>14,452</u> | <u>5,618</u> | <u>14,179</u> |
| Public Safety: | | | | | |
| Police and Public Safety: | | | | | |
| Salaries | 487,600 | 487,600 | 490,219 | (2,619) | 421,407 |
| Retirement and fringe benefits | 207,000 | 207,000 | 194,433 | 12,567 | 184,206 |
| Operating expenses | 50,100 | 50,100 | 62,824 | (12,724) | 55,018 |
| Gas and oil | 16,800 | 16,800 | 9,562 | 7,238 | 9,621 |
| Insurance | 40,000 | 40,000 | 38,720 | 1,280 | 37,616 |
| Utilities | 14,000 | 14,000 | 11,845 | 2,155 | 9,624 |
| Repairs and maintenance | 17,500 | 17,500 | 23,258 | (5,758) | 18,952 |
| Travel and training | 12,500 | 12,500 | 13,382 | (882) | 9,619 |
| Capital outlay | 91,500 | 151,500 | 83,482 | 68,018 | 21,007 |
| Total Police and Public Safety | <u>937,000</u> | <u>997,000</u> | <u>927,725</u> | <u>69,275</u> | <u>767,070</u> |

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

City of Yuma, Colorado
Schedule of Expenditures
Budget and Actual
General Fund
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for 2018)
(Continued)

| | <u>2019</u> | | | <u>2018</u> | |
|---|----------------------------|-------------------------|------------------|--|----------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Final Budget Variance Positive (Negative)</u> | <u>Actual</u> |
| Expenditures (continued): | | | | | |
| Public Safety - Fire Dept.: | | | | | |
| Salaries | 950 | 950 | 950 | - | 950 |
| Retirement and fringe benefits | 12,500 | 12,500 | 11,852 | 648 | 10,596 |
| Operating supplies | 12,610 | 12,610 | 12,891 | (281) | 12,341 |
| Travel and training | 15,150 | 15,150 | 9,228 | 5,922 | 7,644 |
| Insurance | 7,500 | 7,500 | 7,360 | 140 | 7,833 |
| Utilities | 2,500 | 2,500 | 2,900 | (400) | 2,907 |
| Repairs and maintenance | 10,000 | 10,000 | 14,467 | (4,467) | 5,508 |
| Capital outlay | 25,000 | 25,000 | 19,885 | 5,115 | 16,073 |
| Total Public Safety - Fire Dept. | <u>86,210</u> | <u>86,210</u> | <u>79,533</u> | <u>6,677</u> | <u>63,852</u> |
| Total Public Safety | <u>1,043,280</u> | <u>1,103,280</u> | <u>1,021,710</u> | <u>81,570</u> | <u>845,101</u> |
| Highways and Streets: | | | | | |
| Public Works - Street: | | | | | |
| Salaries | 174,073 | 204,073 | 209,026 | (4,953) | 185,311 |
| Retirement and fringe benefits | 77,690 | 77,690 | 88,115 | (10,425) | 79,195 |
| Maintenance of condition | 502,500 | 502,500 | 355,411 | 147,089 | 57,702 |
| Travel and training | 27,300 | 27,300 | 17,894 | 9,406 | 18,801 |
| Supplies | 25,000 | 25,000 | 33,095 | (8,095) | 21,302 |
| Utilities | 4,700 | 4,700 | 4,998 | (298) | 2,923 |
| Insurance | 17,800 | 17,800 | 12,335 | 5,465 | 14,761 |
| Repairs and maintenance | 156,000 | 168,000 | 158,040 | 9,960 | 15,258 |
| Capital outlay | 42,000 | 42,000 | 41,916 | 84 | 79,710 |
| Total Public Works - Street | <u>1,027,063</u> | <u>1,069,063</u> | <u>920,830</u> | <u>148,233</u> | <u>474,963</u> |
| Shop Department: | | | | | |
| Salaries and contract services | 58,049 | 58,049 | 35,030 | 23,019 | 56,836 |
| Retirement and fringe benefits | 10,285 | 10,285 | 9,554 | 731 | 8,928 |
| Operating supplies | 13,700 | 163,700 | 11,554 | 152,146 | 8,784 |
| Insurance | 11,500 | 11,500 | 11,045 | 455 | 9,920 |
| Utilities | 23,000 | 23,000 | 13,226 | 9,774 | 15,381 |
| Repairs and maintenance | 44,000 | 44,000 | 31,489 | 12,511 | 63,567 |
| Travel and training | 8,350 | 8,350 | 5,404 | 2,946 | 6,422 |
| Total Shop Department | <u>168,884</u> | <u>318,884</u> | <u>117,302</u> | <u>201,582</u> | <u>169,838</u> |
| Total Highways and Streets | <u>1,195,947</u> | <u>1,387,947</u> | <u>1,038,132</u> | <u>349,815</u> | <u>644,801</u> |
| Airport: | | | | | |
| Salaries | 12,000 | 12,000 | 11,159 | 841 | - |
| Retirement and fringe benefits | 6,235 | 6,235 | 5,227 | 1,008 | - |
| Operating supplies | 2,300 | 2,300 | 1,642 | 658 | 1,341 |
| Repairs and maintenance | 20,500 | 20,500 | 10,875 | 9,625 | 9,749 |
| Insurance | 4,000 | 4,000 | 3,412 | 588 | 3,247 |
| Utilities | 3,000 | 3,000 | 2,288 | 712 | 2,291 |
| Total Airport | <u>48,035</u> | <u>48,035</u> | <u>34,603</u> | <u>13,432</u> | <u>16,628</u> |

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

City of Yuma, Colorado
Schedule of Expenditures
Budget and Actual
General Fund
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for 2018)
(Continued)

| | 2019 | | | Final Budget Variance Positive (Negative) | 2018 |
|-------------------------------------|--------------------|------------------|------------------|--|------------------|
| | Original Budget | Final Budget | Actual | | Actual |
| Expenditures: (continued) | | | | | |
| Culture and Recreation: | | | | | |
| Recreation and Pool: | | | | | |
| Salaries | 95,500 | 95,500 | 86,583 | 8,917 | 87,909 |
| Retirement and fringe benefits | 34,080 | 34,080 | 29,543 | 4,537 | 29,015 |
| Operating supplies | 30,225 | 30,225 | 16,690 | 13,535 | 26,125 |
| Insurance | 3,000 | 3,000 | 4,106 | (1,106) | 2,551 |
| Utilities | 12,800 | 12,800 | 10,769 | 2,031 | 11,116 |
| Repairs and maintenance | 13,000 | 19,000 | 21,998 | (2,998) | 13,850 |
| Travel and training | 6,000 | 6,000 | 3,962 | 2,038 | 3,378 |
| Capital outlay | 46,500 | 46,500 | 45,525 | 975 | - |
| Programs and concessions | 15,250 | 15,250 | 9,486 | 5,764 | 15,035 |
| Total Recreation and Pool | <u>256,355</u> | <u>262,355</u> | <u>228,662</u> | <u>33,693</u> | <u>188,979</u> |
| Community Center: | | | | | |
| Salaries | 43,500 | 43,500 | 45,304 | (1,804) | 41,674 |
| Retirement and fringe benefits | 20,125 | 20,125 | 18,141 | 1,984 | 17,504 |
| Operating supplies and expenses | 13,450 | 13,450 | 11,373 | 2,077 | 10,824 |
| Repairs and maintenance | 10,000 | 55,000 | 51,828 | 3,172 | 7,076 |
| Insurance | 3,500 | 3,500 | 3,924 | (424) | 3,376 |
| Utilities | 6,500 | 6,500 | 4,330 | 2,170 | 4,314 |
| Capital outlay | 1,500 | 1,500 | - | 1,500 | - |
| Total Community Center | <u>98,575</u> | <u>143,575</u> | <u>134,900</u> | <u>8,675</u> | <u>84,768</u> |
| Parks: | | | | | |
| Salaries | 35,500 | 35,500 | 33,212 | 2,288 | 32,780 |
| Retirement and fringe benefits | 15,310 | 15,310 | 14,052 | 1,258 | 13,789 |
| Operating supplies | 4,950 | 4,950 | 4,182 | 768 | 3,725 |
| Mosquito control | 2,000 | 2,000 | 2,023 | (23) | 1,171 |
| Tree trimming | 10,000 | 10,000 | 2,800 | 7,200 | 11,344 |
| Fertilizer and chemicals | 5,500 | 5,500 | 5,922 | (422) | 4,426 |
| Travel and training | 4,700 | 4,700 | 1,467 | 3,233 | 2,335 |
| Insurance | 2,500 | 2,500 | 2,157 | 343 | 2,655 |
| Utilities | 1,500 | 1,500 | 1,461 | 39 | 902 |
| Repairs and maintenance | 12,000 | 12,000 | 14,230 | (2,230) | 17,830 |
| Total Parks | <u>93,960</u> | <u>93,960</u> | <u>81,506</u> | <u>12,454</u> | <u>90,957</u> |
| Library: | | | | | |
| Salaries | 105,200 | 105,200 | 102,455 | 2,745 | 97,851 |
| Retirement and fringe benefits | 49,350 | 49,350 | 49,765 | (415) | 35,944 |
| Operating supplies and magazines | 24,700 | 28,668 | 29,840 | (1,172) | 24,865 |
| Insurance | 1,200 | 1,200 | 1,144 | 56 | 297 |
| Utilities | 4,000 | 4,000 | 2,436 | 1,564 | 2,904 |
| Repairs and maintenance | 2,000 | 2,000 | 1,048 | 952 | 803 |
| Capital outlay | 3,200 | 3,200 | 2,744 | 456 | 3,022 |
| Books | 10,000 | 10,000 | 10,400 | (400) | 10,029 |
| Travel and training | 1,300 | 1,300 | 971 | 329 | 543 |
| Total Library | <u>200,950</u> | <u>204,918</u> | <u>200,803</u> | <u>4,115</u> | <u>176,258</u> |
| Total Culture and Recreation | <u>649,840</u> | <u>704,808</u> | <u>645,871</u> | <u>58,937</u> | <u>540,962</u> |
| Total Expenditures | <u>3,393,032</u> | <u>3,700,000</u> | <u>3,330,276</u> | <u>369,724</u> | <u>2,481,799</u> |

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, 2019
(With Comparative Actual Amounts for 2018)

| | 2019 | | Final Budget Variance Positive (Negative) | 2018 |
|---------------------------|---------------------------------|--------|--|--------|
| | Original and Final Budget | Actual | | Actual |
| Revenues: | | | | |
| State lottery funds | 30,000 | 41,380 | 11,380 | 36,319 |
| Interest | 50 | 655 | 605 | 344 |
| | | | | |
| Total Revenues | 30,050 | 42,035 | 11,985 | 36,663 |
| Expenditures: | | | | |
| Repairs and maintenance | 42,000 | - | 42,000 | 43,839 |
| Capital outlay | 45,000 | 44,373 | 627 | - |
| | | | | |
| Total Expenditures | 87,000 | 44,373 | 42,627 | 43,839 |

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>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Total Pension Liability | | | | | |
| Service Cost | 1,436 | 1,436 | 1,628 | 1,628 | 1,114 |
| Interest on the Total Pension Liability | 18,600 | 18,577 | 18,393 | 18,376 | 18,528 |
| Benefit Changes | 51,075 | - | - | - | - |
| Difference between Expected and Actual Experience | (4,692) | - | (6,457) | - | (1,781) |
| Assumption Changes | 12,788 | - | 7,900 | - | - |
| Benefit Payments | (20,875) | (18,575) | (19,238) | (20,300) | (19,975) |
| Net Change in Total Pension Liability | <u>58,332</u> | <u>1,438</u> | <u>2,226</u> | <u>(296)</u> | <u>(2,114)</u> |
| Total Pension Liability - Beginning | <u>257,549</u> | <u>256,111</u> | <u>253,885</u> | <u>254,181</u> | <u>256,295</u> |
| Total Pension Liability - Ending (a) | <u><u>315,881</u></u> | <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 | 10,000 |
| Pension Plan Net Investment Income | 237 | 79,967 | 28,028 | 9,544 | 33,003 |
| Benefit Payments | (20,875) | (18,575) | (19,238) | (20,300) | (19,975) |
| Pension Plan Administrative Expense | (10,540) | (11,421) | (1,110) | (1,978) | (1,143) |
| State of Colorado supplemental discretionary payment | 9,000 | 9,000 | 9,000 | 8,780 | 8,739 |
| Net Change in Plan Fiduciary Net Position | <u>(12,178)</u> | <u>68,971</u> | <u>26,680</u> | <u>6,046</u> | <u>30,624</u> |
| Plan Fiduciary Net Position - Beginning | <u>621,480</u> | <u>552,509</u> | <u>525,829</u> | <u>519,783</u> | <u>489,159</u> |
| Plan Fiduciary Net Position - Ending (b) | <u><u>609,302</u></u> | <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>(293,421)</u></u> | <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 | 192.89% | 241.31% | 215.73% | 207.11% | 204.49% |
| Covered Employee Payroll | N/A | 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 | 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>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution | \$ 19,000 | \$ 19,000 | \$ 19,000 | \$ 18,780 | \$ 18,739 |
| Actual contribution** | <u>19,000</u> | <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> | <u>\$ -</u> |
| City's covered payroll | N/A | N/A | N/A | N/A | N/A |
| Actual contributions as a percentage of covered payroll | N/A | 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, 2019

I. Notes to the Schedule of City Contributions

A. Changes to assumptions or other inputs

1. Changes Since the January 1, 2017 Actuarial Valuation are as Follows:

- Effective January 1, 2019, the investment rate of return is 7.00%.
- Effective January 1, 2019, the pre-retirement 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. The post-retirement 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

2. 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, | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| City's portion of the net pension asset | 0.052832% | 0.061362% | 0.061889% | 0.063715% | 0.056683% | 0.07144% |
| City's proportionate share of the net pension (asset) liability | \$ 66,794 | \$ (88,279) | \$ (22,363) | \$ 1,123 | \$ 63,971 | \$ 63,876 |
| City's covered payroll | \$ 333,750 | \$ 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 payroll | 20.01% | -24.59% | -7.06% | 0.37% | 24.02% | 20.59% |
| Plan fiduciary net position as a percentage of the total pension asset | 95.20% | 106.30% | 98.21% | 100.10% | 106.80% | 105.80% |

* Information is only available beginning in fiscal year 2013.

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

City of Yuma
Schedule of City Contributions

Defined Benefit:

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Statorily required contribution | \$ 27,614 | \$ 26,875 | \$ 28,714 | \$ 25,339 | \$ 24,710 | \$ 20,392 | \$ 24,821 |
| Contributions in relation to the statorily required contribution | <u>(27,614)</u> | <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> | <u>\$ -</u> |
| City's covered payroll | \$ 342,683 | \$ 333,750 | \$ 358,967 | \$ 316,785 | \$ 300,334 | \$ 266,271 | \$ 310,265 |
| Contributions as a percentage of covered payroll | 8.06% | 8.05% | 8.00% | 8.00% | 8.23% | 7.66% | 8.00% |

* Information is only available beginning in fiscal year 2013.

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

City of Yuma
Notes to the Required Supplementary Information
Statewide Defined Benefit Plan
December 31, 2019

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

A. Changes to assumptions or other inputs

1. Changes Since the January 1, 2017 Actuarial Valuation are as Follows:

No changes.

2. Changes Since the January 1, 2016 Actuarial Valuation are as Follows:

No changes.

3. 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.

4. 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.

City of Yuma
Notes to the Required Supplementary Information
Statewide Defined Benefit Plan
December 31, 2019
(Continued)

II. Notes to the Schedule of City Contributions (continued)

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>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|--------------|--------------|--------------|-------------|-------------|
| City's proportion of the net pension liability | 0.2071% | 0.1792% | 0.1656% | 0.1740% | 0.1725% |
| City's proportionate share of the net pension liability | 2,603,947 | 1,995,031 | 2,236,471 | 1,916,410 | 1,546,295 |
| City's covered payroll | \$ 1,358,237 | \$ 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 payroll | 191.72% | 176.64% | 222.88% | 194.05% | 163.70% |
| Plan fiduciary net position as a percentage of the total pension liability | 75.96% | 79.37% | 76.90% | 76.90% | 80.70% |

* 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>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Contractually required contribution | \$ 185,304 | \$ 172,256 | \$ 143,327 | \$ 127,292 | \$ 125,279 | \$ 119,867 |
| Contributions in relation to the contractually required contribution | <u>\$ 185,304</u> | <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> | <u>\$ -</u> |
| City's covered payroll | \$ 1,461,097 | \$ 1,358,237 | \$ 1,129,448 | \$ 1,003,461 | \$ 987,575 | \$ 944,828 |
| Contributions as a percentage of covered payroll | 12.68% | 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.

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 *

| <u>Measurement period ending December 31,</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|-------------|-------------|-------------|
| City's proportion of the net OPEB liability | 0.0161% | 0.0139% | 0.0127% |
| City's proportionate share of the net OPEB liability | 218,492 | 180,880 | 164,770 |
| City's covered payroll | 1,358,237 | 1,129,448 | 1,003,461 |
| City's proportionate share of the net OPEB liability as a percentage of its covered payroll | 16.09% | 16.01% | 16.42% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 17.03% | 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>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|--------------------|--------------------|--------------------|--------------------|
| Contractually required contribution | \$ 14,903 | \$ 13,854 | \$ 11,525 | \$ 10,235 |
| Contributions in relation to the contractually required contribution | <u>\$ (14,903)</u> | <u>\$ (13,854)</u> | <u>\$ (11,525)</u> | <u>\$ (10,235)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered payroll | \$ 1,461,097 | \$ 1,358,237 | \$ 1,129,448 | \$ 1,003,461 |
| Contributions as a percentage of covered payroll | 1.02% | 1.02% | 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 Required Supplementary Information
PERA – Local Government Trust Fund
December 31, 2019

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

A. Changes to assumptions or other inputs

1. Changes since the December 31, 2017 actuarial valuation:

- The single equivalent interest rate ("SEIR") was increased from 4.72 percent to 7.25 percent to reflect the changes to the projection's valuation basis, which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate.

2. Changes since the December 31, 2016 actuarial valuation:

- The single equivalent interest rate ("SEIR") was lowered from 5.26 percent to 4.72 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.
- The municipal bond index rate used in the determination of the SEIR changed from 3.86 percent on the prior measurement date to 3.43 percent on the measurement date.

3. Changes since the December 31, 2015 actuarial valuation:

- The investment return assumption was lowered from 7.50 percent to 7.25 percent
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent
- The post-retirement mortality assumption for healthy lives was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93 percent factor applied to ages below 80 and a 113 percent factor applied to age 80 and above, projected to 2018, or males, and a 68 percent factor applied to ages below 80 and a 106 percent factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90 percent of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to 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.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35 percent to 0.40 percent.
- The single equivalent interest rate (the "SEIR") for the SDTF was lowered from 7.50 percent to 5.26 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the fiduciary net position (the "FNP"), and the resulting application of the municipal bond index rate
- The SEIR was lowered from 7.50 percent to 7.25 percent, reflecting the change in the long-term expected rate of return.

City of Yuma
Notes to Required Supplementary Information
PERA – Local Government Trust Fund
December 31, 2019
(continued)

I. Schedule of the City's Proportionate Share of the Net Pension Liability (continued)

A. Changes to assumptions or other inputs (continued)

4. Changes since the December 31, 2014 actuarial valuation

- Valuation of the full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18-month annual increase timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

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.

II. Notes to the Schedule of 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.

City of Yuma
Notes to the Required Supplementary Information
PERA – Local Government Trust Fund
December 31, 2019

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 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, 2019
(With Comparative Actual Amounts for 2018)

| | <u>2019</u> | | | Final Budget Variance Positive (Negative) | <u>2018</u> |
|---------------------------|----------------------------|-------------------------|----------------|--|----------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | | <u>Actual</u> |
| Revenues: | | | | | |
| Sales tax allocation | 350,000 | 350,000 | 638,687 | 288,687 | 648,401 |
| Federal grant income | - | - | 3,787 | 3,787 | 100,326 |
| State grant income | - | - | 142,419 | 142,419 | 166,943 |
| Interest | 3,000 | 3,000 | 9,724 | 6,724 | 5,954 |
| Total Revenues | <u>353,000</u> | <u>353,000</u> | <u>794,617</u> | <u>441,617</u> | <u>921,624</u> |
| Expenditures: | | | | | |
| Capital outlay | 145,000 | 1,000,000 | 911,823 | 88,177 | 346,383 |
| Total Expenditures | <u>145,000</u> | <u>1,000,000</u> | <u>911,823</u> | <u>88,177</u> | <u>346,383</u> |

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, 2019
(With Comparative Actual Amounts for 2018)

| | <u>2019</u> | | <u>Final Budget Variance Positive (Negative)</u> | <u>2018</u> |
|--|--|----------------|--|----------------|
| | <u>Original and Final Budget</u> | <u>Actual</u> | | <u>Actual</u> |
| Revenues: | | | | |
| Pledged sales tax revenue | 188,503 | 188,503 | - | 188,804 |
| Interest | 500 | 623 | 123 | 632 |
| Total Revenues | <u>189,003</u> | <u>189,126</u> | <u>123</u> | <u>189,436</u> |
| Expenditures: | | | | |
| Principal | 175,000 | 175,000 | - | 170,000 |
| Interest | 14,867 | 14,866 | 1 | 10,526 |
| Total Expenditures | <u>189,867</u> | <u>189,866</u> | <u>1</u> | <u>180,526</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures | <u>(864)</u> | <u>(740)</u> | <u>124</u> | <u>8,910</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, 2019
(With Comparative Actual Amounts for 2018)

| | Electric Fund | | | | Water Fund | | | | Sewer Fund | | | |
|--|------------------|------------------|------------------|---|------------------|---------------------------|-----------------|---|------------------|---------------------------|-----------------|---|
| | 2019 | | 2018 | | 2019 | | 2018 | | 2019 | | 2018 | |
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual | Original and Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual | Original and Final Budget | Actual | Final Budget Variance Positive (Negative) |
| Revenues: | | | | | | | | | | | | |
| Commercial charges | 1,740,000 | 1,740,000 | 1,815,415 | 75,415 | 1,774,650 | - | - | - | - | - | - | - |
| Residential charges | 1,245,000 | 1,245,000 | 1,216,940 | (28,060) | 1,239,214 | - | - | - | - | - | - | - |
| Other receipts | 44,500 | 44,500 | 221,452 | 176,952 | 134,395 | 800 | 9,143 | 8,343 | 3,155 | 1,700 | 23,333 | 21,633 |
| Water sales | - | - | - | - | - | 695,000 | 690,397 | (4,603) | 611,370 | - | - | - |
| Sewer charges | - | - | - | - | - | - | - | - | - | 552,000 | 546,029 | (5,971) |
| Transfer from other funds | 39,000 | 39,000 | 46,000 | 7,000 | 39,000 | - | - | - | - | - | - | - |
| Tap fees | - | - | - | - | - | - | 9,650 | 9,650 | - | - | 3,360 | 3,360 |
| Total Revenues | 3,068,500 | 3,068,500 | 3,299,807 | 231,307 | 3,187,259 | 695,800 | 709,190 | 13,390 | 614,525 | 553,700 | 572,722 | 19,022 |
| Expenditures: | | | | | | | | | | | | |
| Electricity purchased | 1,850,000 | 2,057,180 | 1,805,492 | 251,688 | 1,821,291 | - | - | - | - | - | - | - |
| Repairs and maintenance | 135,420 | 140,420 | 75,650 | 64,770 | 72,911 | 286,400 | 92,569 | 193,831 | 89,445 | 220,400 | 82,081 | 138,319 |
| Supplies | 16,050 | 16,050 | 18,518 | (2,468) | 15,554 | 15,400 | 8,418 | 6,982 | 6,791 | 14,200 | 7,836 | 6,364 |
| Benefits and payroll taxes | 135,350 | 135,350 | 122,791 | 12,559 | 108,602 | 108,740 | 99,862 | 8,878 | 92,899 | 106,860 | 98,456 | 8,404 |
| Salaries | 288,000 | 288,000 | 283,119 | 4,881 | 250,226 | 179,350 | 172,825 | 6,525 | 164,539 | 185,350 | 174,144 | 11,206 |
| Insurance | 15,000 | 15,000 | 13,872 | 1,128 | 13,681 | 15,000 | 13,649 | 1,351 | 12,296 | 10,000 | 12,030 | (2,030) |
| Gas and oil | - | - | - | - | - | 8,000 | 6,409 | 1,591 | 7,088 | 6,000 | 3,296 | 2,704 |
| Utilities | 13,500 | 17,500 | 13,154 | 4,346 | 11,512 | 20,000 | 17,266 | 2,734 | 13,927 | 3,500 | 2,356 | 1,144 |
| Legal | 3,000 | 3,000 | 1,217 | 1,783 | - | - | - | - | - | - | - | - |
| Contributions to other governments | - | - | - | - | - | 17,625 | 17,620 | 5 | 17,620 | - | - | - |
| Capital outlay | 85,000 | 115,000 | 118,266 | (3,266) | 46,037 | 135,000 | 321,256 | (186,256) | 60,536 | 40,000 | 23,691 | 16,309 |
| Long-term maintenance | - | - | - | - | - | 100,000 | - | 100,000 | 54,244 | - | - | - |
| Miscellaneous | 12,500 | 12,500 | 8,560 | 3,940 | 9,165 | 7,750 | 7,072 | 678 | 5,504 | 15,750 | 9,402 | 6,348 |
| Engineering consultant | - | - | - | - | - | - | - | - | - | 12,000 | 937 | 11,063 |
| Transfers to other funds | 500,000 | 500,000 | 500,000 | - | 500,000 | 24,000 | 24,000 | - | 24,000 | 22,000 | 22,000 | - |
| Total Expenditures and Transfers | 3,053,820 | 3,300,000 | 2,960,639 | 339,361 | 2,848,979 | 917,265 | 780,946 | 136,319 | 548,889 | 636,060 | 436,229 | 199,831 |
| Excess (Deficiency) of Revenues Over Expenditures and Transfers Budget (Non-GAAP Basis) | 14,680 | (231,500) | 339,168 | 570,668 | 338,280 | (221,465) | (71,756) | 149,709 | 65,636 | (82,360) | 136,493 | 218,853 |
| Reconciliation to GAAP Basis: | | | | | | | | | | | | |
| Depreciation | | | (139,150) | | (130,087) | | (197,620) | | (189,591) | | (185,659) | (196,613) |
| Bad debt | | | (3,554) | | (1,511) | | (679) | | (367) | | (564) | (276) |
| Capitalized assets | | | 102,359 | | 46,038 | | 252,953 | | - | | 22,539 | 50,567 |
| Gain (loss) of sale of assets | | | - | | - | | - | | (42,789) | | - | (2,000) |
| Net Income - GAAP Basis | | | 298,823 | | 252,720 | | (17,102) | | (167,111) | | (27,191) | (206,574) |

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, 2019
(With Comparative Actual Amounts for 2018)
(Continued)

| | Sanitation Fund | | | | Ambulance Fund | | | | |
|--|--|--|---------------|-----------------|----------------------------|-------------------------|------------------|--|----------------|
| | 2019 | | 2018 | | 2019 | | | 2018 | |
| | Original and Final Budget | Final Budget Variance Positive (Negative) | Actual | Actual | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| Revenues: | | | | | | | | | |
| Other receipts | 300 | 8,751 | 8,451 | 2,338 | 1,050 | 1,050 | 21,427 | 20,377 | 3,167 |
| Grants and contributions | - | - | - | - | 9,259 | 9,259 | 4,750 | (4,509) | 15,480 |
| Sanitation charges | 428,156 | 434,449 | 6,293 | 400,498 | - | - | - | - | - |
| Ambulance charges | - | - | - | - | 400,000 | 400,000 | 442,270 | 42,270 | 623,564 |
| Total Revenues | 428,456 | 443,200 | 14,744 | 402,836 | 410,309 | 410,309 | 468,447 | 58,138 | 642,211 |
| Expenditures: | | | | | | | | | |
| Recycling expenses | 6,500 | 13,022 | (6,522) | 4,531 | - | - | - | - | - |
| Landfill expense | 82,000 | 81,442 | 558 | 71,321 | - | - | - | - | - |
| Repairs and maintenance | 22,100 | 20,316 | 1,784 | 21,528 | 26,000 | 26,000 | 26,251 | (251) | 20,478 |
| Supplies | 24,550 | 21,620 | 2,930 | 10,296 | 11,450 | 21,450 | 20,058 | 1,392 | 12,146 |
| Benefits and payroll taxes | 118,600 | 113,597 | 5,003 | 84,929 | 106,500 | 116,500 | 108,672 | 7,828 | 91,425 |
| Salaries | 193,000 | 191,582 | 1,418 | 156,679 | 291,500 | 296,500 | 290,327 | 6,173 | 284,273 |
| Insurance | 7,000 | 6,729 | 271 | 5,175 | 10,000 | 10,000 | 8,208 | 1,792 | 7,653 |
| Gas and oil | 20,000 | 20,396 | (396) | 19,906 | 25,000 | 25,000 | 13,586 | 11,414 | 19,259 |
| Utilities | 800 | 1,774 | (974) | 600 | 7,500 | 7,500 | 7,318 | 182 | 6,701 |
| Capital outlay | 300,000 | 249,290 | 50,710 | - | 7,130 | 7,130 | 4,019 | 3,111 | 3,385 |
| Bad debt | - | 416 | - | 311 | 35,000 | 35,000 | 11,991 | 23,009 | 93,527 |
| Other | 8,200 | 8,425 | (225) | 7,671 | 22,065 | 29,920 | 20,331 | 9,589 | 6,209 |
| Transfer to (from) other fund | - | - | - | - | - | - | - | - | (100,000) |
| Total Expenditures and Transfers | 782,750 | 728,609 | 54,557 | 382,947 | 542,145 | 575,000 | 510,761 | 64,239 | 445,056 |
| Excess (Deficiency) of Revenues Over Expenditures and Transfers Budget (Non-GAAP Basis) | (354,294) | (285,409) | 69,301 | 19,889 | (131,836) | (164,691) | (42,314) | 122,377 | 197,155 |
| Reconciliation to GAAP Basis: | | | | | | | | | |
| Depreciation | | (92,896) | | (35,110) | | | (66,931) | | (84,815) |
| Capitalized assets | | 249,290 | | - | | | - | | - |
| Contributed capital assets | | 197,143 | | - | | | - | | - |
| Net Income - GAAP Basis | | 68,128 | | (15,221) | | | (109,245) | | 112,340 |

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, 2019
(With Comparative Actual Amounts for 2018)

| | 2019 | | Final Budget Variance Positive (Negative) | 2018 |
|-------------------------|---------------------------------|---------------|--|---------------|
| | Original and Final Budget | Actual | | Actual |
| Additions: | | | | |
| City contributions | 10,000 | 10,000 | - | 10,000 |
| State contributions | 9,000 | 9,000 | - | 9,000 |
| Net investment gain | - | 74,947 | (74,947) | (10,303) |
| | | | | |
| Total Additions | 19,000 | 93,947 | (74,947) | 8,697 |
| Deductions: | | | | |
| Benefits | 24,000 | 21,530 | 2,470 | 20,875 |
| | | | | |
| Total Deductions | 24,000 | 21,530 | 2,470 | 20,875 |

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

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

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

| ITEM | AMOUNT | ITEM | AMOUNT |
|---|---------|---|---------|
| A. Receipts from local sources: | | A. Local highway disbursements: | |
| 1. Local highway-user taxes | | 1. Capital outlay (from page 2) | 0 |
| a. Motor Fuel (from Item I.A.5.) | | 2. Maintenance: | 385,989 |
| b. Motor Vehicle (from Item I.B.5.) | | 3. Road and street services: | |
| c. Total (a.+b.) | | a. Traffic control operations | 16,739 |
| 2. General fund appropriations | 560,037 | b. Snow and ice removal | 2,939 |
| 3. Other local imposts (from page 2) | 76,405 | c. Other | 0 |
| 4. Miscellaneous local receipts (from page 2) | 13,020 | d. Total (a. through c.) | 19,678 |
| 5. Transfers from toll facilities | 0 | 4. General administration & miscellaneous | 35,930 |
| 6. Proceeds of sale of bonds and notes: | | 5. Highway law enforcement and safety | 381,161 |
| a. Bonds - Original Issues | 0 | 6. Total (1 through 5) | 822,758 |
| b. Bonds - Refunding Issues | 0 | B. Debt service on local obligations: | |
| c. Notes | 0 | 1. Bonds: | |
| d. Total (a. + b. + c.) | 0 | a. Interest | 0 |
| 7. Total (1 through 6) | 649,462 | b. Redemption | 0 |
| B. Private Contributions | | c. Total (a. + b.) | 0 |
| C. Receipts from State government (from page 2) | 173,296 | 2. Notes: | |
| D. Receipts from Federal Government (from page 2) | 0 | a. Interest | 0 |
| E. Total receipts (A.7 + B + C + D) | 822,758 | 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: