



**City of Yuma, Colorado
Financial Statements
December 31, 2022**

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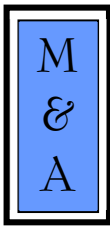
Table of Contents

	Page
INDEPENDENT AUDITOR'S REPORT	A1 – A3
Management's Discussion and Analysis	B1 – B5
Government-wide Financial Statements:	
Statement of Net Position	C1
Statement of Activities	C2
Fund Financial Statements:	
Balance Sheet - Governmental Funds	C3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	C4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C5
Statement of Net Position - Proprietary Funds	C6
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	C7
Statement of Cash Flows - Proprietary Funds	C8
Notes to the Financial Statements	D1 – D44
Required Supplementary Information:	
Schedule of Revenues and Transfers in - Budget and Actual - General Fund	E1
Schedule of Expenditures - Budget and Actual - General Fund	E2 – E4
Schedule of Revenues and Expenditures - Budget and Actual - Conservation Trust Fund	E5

**City of Yuma, Colorado
Financial Statements
December 31, 2022**

**Table of Contents
(Continued)**

	Page
Required Supplementary Information (continued):	
Schedule of Changes in Net Pension Asset/Liability – Volunteer Pension Fund	E6
Schedule of Employer Contributions – Volunteer Pension Fund	E7
Notes to the Required Supplementary Information – Volunteer Pension Fund	E8
Schedule of City’s Proportionate Share of Net Pension Asset/Liability – FPPA Defined Benefit Plan	E9
Schedule of City Contributions – FPPA Defined Benefit Plan	E10
Notes to the Required Supplementary Information – FPPA Defined Benefit Plan	E11 – E12
Schedule of City’s Proportionate Share of the Net Pension Liability - PERA Local Government Trust Fund	E13
Schedule of City Contributions – PERA Local Government Trust Fund	E14
Schedule of City’s Proportionate Share of the Net OPEB Liability - PERA Local Government Trust Fund	E15
Schedule of City OPEB Contributions – PERA Local Government Trust Fund	E16
Notes to the Required Supplementary Information – PERA Local Government Trust Fund	E17 – E20
Supplementary Information:	
Schedule of Revenues and Expenditures - Budget and Actual: Capital Projects Fund - Other	F1
Schedule of Revenues and Expenditures - Budget and Actual: Debt Service Fund	F2
Schedule of Revenues and Expenditures - Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis -	
Electric Fund	F3
Water Fund	F4
Sewer Fund	F5
Sanitation Fund	F6
Schedule of Revenues and Expenditures - Budget and Actual: Pension Trust Fund	F7
Schedule of Revenues and Expenditures for Roads, Bridges and Streets	F8 – F9



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the City of Yuma, Colorado (the "City"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise City of Yuma basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of Yuma as of December 31, 2022, 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 ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Yuma's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
MATTHEW D. MILLER, CPA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

U.S. GAAP require the Management's Discussion and Analysis in section B, and the Schedule of City's Proportionate Share of the Net Pension Liability (Asset) and the Schedule of City Contributions in section E be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, 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.

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

Required Supplementary Information (continued)

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The individual fund budgetary comparison information and the Local Highway Finance Report in section F are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparison information and the Local Highway Finance Report are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
June 16, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Yuma, Colorado

Management's Discussion and Analysis December 31, 2022

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, 2022.

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	
	2022	2021	2022	2021	2022	2021
Current and other assets	10,351,290	7,755,652	5,992,680	5,815,293	16,343,970	13,570,945
Capital assets	12,485,750	13,043,098	6,120,439	6,116,944	18,606,189	19,160,042
Total assets	22,837,040	20,798,750	12,113,119	11,932,237	34,950,159	32,730,987
Deferred outflows of resources	537,202	783,221	-	-	537,202	783,221
Long-term liabilities outstanding	138,307	1,222,480	-	-	138,307	1,222,480
Other liabilities	1,643,448	903,827	374,230	382,030	2,017,678	1,285,857
Total liabilities	1,781,755	2,126,307	374,230	382,030	2,155,985	2,508,337
Deferred inflows of resources	2,764,246	2,256,226	-	-	2,764,246	2,256,226
Net investment in capital assets	12,485,750	13,043,098	6,120,439	6,116,943	18,606,189	19,160,041
Restricted for future pension costs	975,305	544,480	-	-	975,305	544,480
Restricted for emergencies	129,631	100,900	-	-	129,631	100,900
Restricted for capital projects	3,749,837	2,902,468	-	-	3,749,837	2,902,468
Unrestricted	1,487,718	608,492	5,618,450	5,433,264	7,106,168	6,041,756
Total net position	18,828,241	17,199,438	11,738,889	11,550,207	30,567,130	28,749,645

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 53.2% of the total assets. The City of Yuma uses these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining assets, 3% of the governmental activities annual budget is restricted for use in the event of an emergency. Also restricted is \$975,305 for future fire pension cost.

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 whole. The City of Yuma's net position increased to \$1,817,485 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	
	2022	2021	2022	2021	2022	2021
REVENUES:						
Program revenues:						
Charges for services	486,210	816,106	5,034,461	5,023,764	5,520,671	5,839,870
Operating grants and contributions	522,193	485,744	-	-	522,193	485,744
Capital grants and contributions	-	42,801	3,860	-	3,860	42,801
General revenues:						
Property Taxes	826,749	781,614	-	-	826,749	781,614
Other taxes	2,634,386	2,469,634	-	-	2,634,386	2,469,634
Interest and other revenue	859,899	127,770	16,137	5,436	876,036	133,206
Total revenues	5,329,437	4,723,669	5,054,458	5,029,200	10,383,895	9,752,869
EXPENSES:						
General government	370,917	348,017	-	-	370,917	348,017
Public safety	2,272,463	1,882,896	-	-	2,272,463	1,882,896
Highways and streets	829,265	1,105,346	-	-	829,265	1,105,346
Culture and recreation	612,014	590,986	-	-	612,014	590,986
Airport	115,975	414,481	-	-	115,975	414,481
Other	-	694	-	-	-	694
Sanitation	-	-	505,305	571,267	505,305	571,267
Electric	-	-	2,578,290	2,431,151	2,578,290	2,431,151
Water	-	-	625,496	653,720	625,496	653,720
Sewer	-	-	656,685	611,481	656,685	611,481
Total expenses	4,200,634	4,342,420	4,365,776	4,267,619	8,566,410	8,610,039
Increase in net position before transfers	1,128,803	381,249	688,682	761,581	1,817,485	1,142,830
Transfers	500,000	500,000	(500,000)	(500,000)	-	-
Increase in net position	1,628,803	881,249	188,682	261,581	1,817,485	1,142,830
Net position January 1	17,199,438	16,318,189	11,550,207	11,288,626	28,749,645	27,606,815
Net position December 31	18,828,241	17,199,438	11,738,889	11,550,207	30,567,130	28,749,645

Government-wide Financial Analysis (continued)

Governmental activities. The City of Yuma's net position used for governmental activities increased by \$1,628,803 from the previous year. This is primarily a result of non-spendable pension related gains. 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. 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 \$209,887 over the previous year. The majority of this increase is attributable to an increase in sales tax receipts. Sales tax revenue increased by \$106,394 (4.4%). Federal and state grants accounted for \$522,193 of governmental activities' revenues.
- Governmental activities' expenses decreased by \$141,786 (3.27%) while Total Revenue increased by \$605,768. Operating transfers to the General Fund 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 \$188,682. Key elements of this increase are as follows:

- Business-type revenue increased by \$25,258 (0.50%) over the previous year, while total business-type expenses increased by \$98,157 or 2.30%.
- Net operating income for the City's business-type activities was \$688,682, and interest income increased compared to the previous year, to \$16,137. 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 \$7,013,957, an increase of \$1,395,331 from the prior year ending fund balances. Of this total, \$4,100,292 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 \$2,913,659 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 \$5,618,450 broken down by fund as follows: Sanitation - \$200,725; Electric - \$2,891,279; Water - \$965,730; and Sewer - \$1,560,716. These unrestricted assets are available for spending at the City of Yuma's discretion.

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

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

Capital assets. The City of Yuma's investment in capital assets government-wide decreased by \$557,348 (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. As of December 31, 2021, these bonds were paid in full.

Next year's budget. The City of Yuma General Fund cash and investments balance at the end of the current fiscal year was \$3,748,790. The 2023 appropriation for the General Fund of \$4,233,596 will come from taxes and other sources. 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, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and investments	7,687,851	5,089,237	12,777,088
Receivables, net:			
Property tax	830,892	-	830,892
Accounts	771,827	380,638	1,152,465
Leases	52,152	-	52,152
Inventories and prepaids	33,263	522,805	556,068
Net pension asset - volunteer firefighters	537,665	-	537,665
Net pension asset - FPPA SWDB	259,337	-	259,337
Net pension asset - PERA	178,303	-	178,303
Capital assets, net	12,485,750	6,120,439	18,606,189
Total Assets	<u>22,837,040</u>	<u>12,113,119</u>	<u>34,950,159</u>
Deferred Outflows of Resources:			
Pension related deferred outflows	502,601	-	502,601
OPEB related deferred outflows	34,601	-	34,601
Total Deferred Outflows of Resources	<u>537,202</u>	<u>-</u>	<u>537,202</u>
Liabilities:			
Accounts payable	604,544	8,200	612,744
Deposits	-	319,555	319,555
Accrued compensated absences	164,458	46,475	210,933
Unearned revenue	874,446	-	874,446
Net OPEB liability - PERA	138,307	-	138,307
Total Liabilities	<u>1,781,755</u>	<u>374,230</u>	<u>2,155,985</u>
Deferred Inflows of Resources:			
Unavailable property tax revenue	830,892	-	830,892
Unavailable lease revenue	52,152	-	52,152
Pension related deferred inflows	1,826,450	-	1,826,450
OPEB related deferred inflows	54,752	-	54,752
Total Deferred Inflows of Resources	<u>2,764,246</u>	<u>-</u>	<u>2,764,246</u>
Net Position:			
Net investment in capital assets	12,485,750	6,120,439	18,606,189
Restricted for pensions	975,305	-	975,305
Restricted for emergencies	129,631	-	129,631
Restricted for capital projects	3,749,837	-	3,749,837
Unrestricted	1,487,718	5,618,450	7,106,168
Total Net Position	<u>18,828,241</u>	<u>11,738,889</u>	<u>30,567,130</u>

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

City of Yuma
Statement of Activities
For the Year Ended December 31, 2022

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	370,917	-	-	-	(370,917)	-	(370,917)
Public safety	2,272,463	391,542	54,905	-	(1,826,016)	-	(1,826,016)
Highways and streets	829,265	21,608	353,221	-	(454,436)	-	(454,436)
Culture and recreation	612,014	16,932	70,052	-	(525,030)	-	(525,030)
Airport	115,975	56,128	44,015	-	(15,832)	-	(15,832)
Total governmental activities	4,200,634	486,210	522,193	-	(3,192,231)	-	(3,192,231)
Business-type activities:							
Electric	2,578,290	3,003,600	-	-	-	425,310	425,310
Water	625,496	785,088	-	3,860	-	163,452	163,452
Sewer	656,685	792,524	-	-	-	135,839	135,839
Sanitation	505,305	453,249	-	-	-	(52,056)	(52,056)
Total business-type activities	4,365,776	5,034,461	-	3,860	-	672,545	672,545
Total All Activities	8,566,410	5,520,671	522,193	3,860	(3,192,231)	672,545	(2,519,686)
General revenues:							
Taxes:							
Property tax, levied for general purposes					826,749	-	826,749
Specific ownership tax					84,516	-	84,516
General sales tax					2,417,148	-	2,417,148
Occupation tax					8,523	-	8,523
Franchise tax					76,698	-	76,698
Severance tax					41,490	-	41,490
Airport fuel tax					2,280	-	2,280
Cigarette tax					3,731	-	3,731
Pension related gains					680,174	-	680,174
Licenses and permits					13,364	-	13,364
Investment earnings					22,601	16,137	38,738
Miscellaneous					143,760	-	143,760
Transfers					500,000	(500,000)	-
Total general revenues, special items, and transfers					4,821,034	(483,863)	4,337,171
Change in Net Position					1,628,803	188,682	1,817,485
Net Position - January 1					17,199,438	11,550,207	28,749,645
Net Position - December 31					18,828,241	11,738,889	30,567,130

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

FUND FINANCIAL STATEMENTS

City of Yuma, Colorado
Balance Sheet
Governmental Funds
December 31, 2022

	General	Conservation Trust	Capital Projects - Other	Debt Service	Total Governmental Funds
Assets:					
Cash and investments	3,748,790	189,224	3,749,837	-	7,687,851
Prepays	1,242	-	-	-	1,242
Inventory	32,021	-	-	-	32,021
Receivables, net of allowance for uncollectibles	1,654,871	-	-	-	1,654,871
Total Assets	<u>5,436,924</u>	<u>189,224</u>	<u>3,749,837</u>	<u>-</u>	<u>9,375,985</u>
Liabilities and Fund Equity:					
Liabilities:					
Accounts/vouchers payable	604,544	-	-	-	604,544
Unearned revenue	874,446	-	-	-	874,446
Total Liabilities	<u>1,478,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,478,990</u>
Deferred Inflows of Resources:					
Unavailable property tax revenues	830,892	-	-	-	830,892
Unavailable lease revenues	52,152	-	-	-	52,152
Total Deferred Inflows of Resources	<u>883,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>883,044</u>
Fund Balances:					
Nonspendable	33,263	-	-	-	33,263
Restricted for emergency	129,631	-	-	-	129,631
Restricted for capital projects	-	-	3,749,837	-	3,749,837
Restricted for recreation projects	-	189,224	-	-	189,224
Unassigned	2,911,996	-	-	-	2,911,996
Total Fund Balances	<u>3,074,890</u>	<u>189,224</u>	<u>3,749,837</u>	<u>-</u>	<u>7,013,951</u>
Total Liabilities and Fund Balances	<u>5,436,924</u>	<u>189,224</u>	<u>3,749,837</u>	<u>-</u>	
Amounts reported for governmental activities in the Statement of Net Position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					12,485,750
Long term assets and deferred outflows are not financial resources and, therefore, are not reported in the funds.					1,512,507
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds					<u>(2,183,967)</u>
Net Position of Governmental Activities					<u>18,828,241</u>

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

City of Yuma, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

	General	Conservation Trust	Capital Projects - Other	Debt Service	Total Governmental Funds
Revenues:					
Taxes	2,626,806	-	834,330	-	3,461,136
Licenses and permits	13,364	-	-	-	13,364
Intergovernmental revenue	185,424	44,214	-	-	229,638
Federal government grants	317,281	-	-	-	317,281
State government grants	84,031	-	-	-	84,031
Charges for services	486,211	-	-	-	486,211
Fines and forfeitures	60,843	-	-	-	60,843
Miscellaneous	90,374	582	14,562	-	105,518
Total Revenues	<u>3,864,334</u>	<u>44,796</u>	<u>848,892</u>	<u>-</u>	<u>4,758,022</u>
Expenditures:					
General government	427,003	-	-	-	427,003
Public safety	2,193,374	-	-	-	2,193,374
Highways and streets	369,976	-	-	-	369,976
Culture and recreation	621,304	24,779	1,523	-	647,606
Airport	224,732	-	-	-	224,732
Total Expenditures	<u>3,836,389</u>	<u>24,779</u>	<u>1,523</u>	<u>-</u>	<u>3,862,691</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>27,945</u>	<u>20,017</u>	<u>847,369</u>	<u>-</u>	<u>895,331</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>527,945</u>	<u>20,017</u>	<u>847,369</u>	<u>-</u>	<u>1,395,331</u>
Fund Balances - January 1	<u>2,546,945</u>	<u>169,207</u>	<u>2,902,468</u>	<u>-</u>	<u>5,618,620</u>
Fund Balances - December 31	<u><u>3,074,890</u></u>	<u><u>189,224</u></u>	<u><u>3,749,837</u></u>	<u><u>-</u></u>	<u><u>7,013,951</u></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, 2022

Net Change in Fund Balances of Governmental Funds	1,395,331
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Amounts reported for governmental activities
in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the difference between capital outlay and depreciation, net of disposals during the year.	(557,348)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>790,820</u>
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Change in Net Position of Governmental Activities	<u><u>1,628,803</u></u>
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City of Yuma, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2022

	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
Assets:					
Current assets:					
Cash and investments	2,660,866	846,217	1,413,878	168,276	5,089,237
Receivables, net of allowance for uncollectibles	247,910	29,549	66,149	37,030	380,638
Inventory	331,524	97,371	93,910	-	522,805
Total current assets	<u>3,240,300</u>	<u>973,137</u>	<u>1,573,937</u>	<u>205,306</u>	<u>5,992,680</u>
Non-current assets:					
Property and equipment	4,400,825	5,938,254	6,049,386	832,417	17,220,882
Accumulated depreciation	(3,344,281)	(3,882,077)	(3,272,152)	(601,933)	(11,100,443)
Total non-current assets	<u>1,056,544</u>	<u>2,056,177</u>	<u>2,777,234</u>	<u>230,484</u>	<u>6,120,439</u>
Total Assets	<u>4,296,844</u>	<u>3,029,314</u>	<u>4,351,171</u>	<u>435,790</u>	<u>12,113,119</u>
Liabilities:					
Current liabilities:					
Accounts payable	8,200	-	-	-	8,200
Deposits	317,080	1,675	-	800	319,555
Accrued compensated absences	23,741	5,732	13,221	3,781	46,475
Total current liabilities	<u>349,021</u>	<u>7,407</u>	<u>13,221</u>	<u>4,581</u>	<u>374,230</u>
Total Liabilities	<u>349,021</u>	<u>7,407</u>	<u>13,221</u>	<u>4,581</u>	<u>374,230</u>
Net Position:					
Invested in capital assets, net of related debt	1,056,544	2,056,177	2,777,234	230,484	6,120,439
Unrestricted	2,891,279	965,730	1,560,716	200,725	5,618,450
Total Net Position	<u>3,947,823</u>	<u>3,021,907</u>	<u>4,337,950</u>	<u>431,209</u>	<u>11,738,889</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, 2022

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Total
Operating Revenues:					
Commercial charges	1,683,695	-	-	-	1,683,695
Residential charges	1,241,828	-	-	-	1,241,828
Other	78,077	3,090	1,043	4,074	86,284
Tap fees	-	6,500	3,360	-	9,860
Water sales	-	775,498	-	-	775,498
Sewer charges	-	-	788,121	-	788,121
Sanitation charges	-	-	-	449,175	449,175
Total Operating Revenues	<u>3,003,600</u>	<u>785,088</u>	<u>792,524</u>	<u>453,249</u>	<u>5,034,461</u>
Operating Expenses:					
Electricity purchased	1,749,120	-	-	-	1,749,120
Recycling expense	-	-	-	10,868	10,868
Landfill expense	-	-	-	84,862	84,862
Repairs and maintenance	44,889	80,103	130,636	43,891	299,519
Supplies	19,528	9,127	11,156	22,073	61,884
Benefits and payroll taxes	130,314	99,074	95,835	88,704	413,927
Depreciation	145,935	208,550	197,301	61,585	613,371
Bad debt	258	37	49	21	365
Salaries	300,192	157,616	165,044	134,661	757,513
Insurance	15,300	15,372	12,483	10,432	53,587
Gas and oil	-	4,788	7,729	34,173	46,690
Utilities	18,825	20,990	3,276	1,164	44,255
Engineering consultant	-	-	13,087	-	13,087
Capital outlay	139,585	(603)	-	-	138,982
Other	14,344	12,822	20,089	12,871	60,126
Total Operating Expenses	<u>2,578,290</u>	<u>607,876</u>	<u>656,685</u>	<u>505,305</u>	<u>4,348,156</u>
Operating Income (Loss)	<u>425,310</u>	<u>177,212</u>	<u>135,839</u>	<u>(52,056)</u>	<u>686,305</u>
Non-operating Revenues (Expenses):					
Interest revenue	9,170	2,548	3,944	475	16,137
Contributions to other governments	-	(17,620)	-	-	(17,620)
Grants and contributions	-	3,860	-	-	3,860
Total Non-operating Revenues	<u>9,170</u>	<u>(11,212)</u>	<u>3,944</u>	<u>475</u>	<u>2,377</u>
Income Before Transfers	434,480	166,000	139,783	(51,581)	688,682
Transfers	(454,000)	(24,000)	(22,000)	-	(500,000)
Change in Net Position	(19,520)	142,000	117,783	(51,581)	188,682
Total Net Position - January 1	3,967,343	2,879,907	4,220,167	482,790	11,550,207
Total Net Position - December 31	<u>3,947,823</u>	<u>3,021,907</u>	<u>4,337,950</u>	<u>431,209</u>	<u>11,738,889</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, 2022

	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:					
Cash received from customers and others	2,997,298	782,725	789,393	451,242	5,020,658
Cash paid for goods and services	(2,090,806)	(147,061)	(203,913)	(220,334)	(2,662,114)
Cash paid to employees	(435,444)	(264,457)	(261,226)	(230,477)	(1,191,604)
Net Cash Provided by Operating Activities	<u>471,048</u>	<u>371,207</u>	<u>324,254</u>	<u>431</u>	<u>1,166,940</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>(517,620)</u>
Cash Flows From Capital Financing Activities:					
Distribution system and equipment purchases	(50,728)	(472,416)	(74,731)	(18,993)	(616,868)
Net Cash Provided (Used) by Capital Financing Activities	<u>(50,728)</u>	<u>(468,556)</u>	<u>(74,731)</u>	<u>(18,993)</u>	<u>(613,008)</u>
Cash Flows From Investing Activities					
Interest received	9,170	2,548	3,944	475	16,137
Net Cash Provided by Investing Activities	<u>9,170</u>	<u>2,548</u>	<u>3,944</u>	<u>475</u>	<u>16,137</u>
Net Change in Cash and Cash Equivalents	(24,510)	(136,421)	231,467	(18,087)	52,449
Cash and Cash Equivalents - January 1	<u>2,685,376</u>	<u>982,638</u>	<u>1,182,411</u>	<u>186,363</u>	<u>5,036,788</u>
Cash and Cash Equivalents - December 31	<u>2,660,866</u>	<u>846,217</u>	<u>1,413,878</u>	<u>168,276</u>	<u>5,089,237</u>
Reconciliation of Operating Income (Loss) to					
Net Cash Provided by Operating Activities:					
Operating income (loss)	425,310	177,212	135,839	(52,056)	686,305
Adjustments to reconcile operating income (loss)					
to net cash provided by operating activities:					
Depreciation	145,935	208,550	197,301	61,585	613,371
Bad debt	258	37	49	21	365
(Increase) decrease in accounts receivable	(19,302)	(1,138)	(3,131)	(1,907)	(25,478)
(Increase) decrease in inventories	(89,906)	(4,462)	(5,457)	-	(99,825)
Increase (decrease) in deposits	13,000	(1,225)	-	(100)	11,675
Increase (decrease) in accounts payable	691	-	-	-	691
Increase (decrease) in accrued payroll	(10,610)	(5,372)	(5,372)	(4,932)	(26,286)
Increase (decrease) in compensated absences	5,672	(2,395)	5,025	(2,180)	6,122
Total Adjustments	<u>45,738</u>	<u>193,995</u>	<u>188,415</u>	<u>52,487</u>	<u>480,635</u>
Net Cash Provided by Operating Activities	<u>471,048</u>	<u>371,207</u>	<u>324,254</u>	<u>431</u>	<u>1,166,940</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, 2022

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, fire protection, ambulance services, road maintenance, culture and recreation, and administration are classified as governmental activities. The City’s utilities 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, 2022
(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's bonds were fully paid in 2021.

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, 2022
(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.

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, 2022
(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, 2022
(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. Leases

The City is a lessor for the lease of land to various entities. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate is used to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases, and the lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

9. 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:

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

10. Compensated Absences

Earned but unused paid time off ("PTO") 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.

11. 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.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

11. Pensions (continued)

During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The merger will result in increased longer term stability for both plans in addition to simplification of administration, operation, and communication of benefits. The financial impact of the merger of plans is being determined.

FPPA engaged Gabriel, Roeder Smith & Co. to complete an actuarial experience study. The FPPA Board of Directors accepted the findings of the study at its July 28, 2022 meeting. These assumptions will be included in the Statewide Retirement Plan valuation as of July 1, 2023.

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.

12. 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.

13. 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 assets 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.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

14. 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 assets 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, and unavailable revenues from leases and property taxes.

15. 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, 2022
(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 \$1,512,507 difference are Net Pension Asset of \$975,305, Pension related deferred outflows of \$502,601, and OPEB related deferred outflows of \$34,601. 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 \$2,183,967 difference are as follows:

Accrued compensated absences	164,458
Net OPEB liability	138,307
Pension related deferred inflows of resources	1,826,450
OPEB related deferred inflows of resources	54,752
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	2,183,967

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 \$557,348 difference is capital outlay of \$285,127 less depreciation expense of \$842,475.

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 \$790,820 difference are pension expense of \$828,326 less change in accrued compensated absences of \$37,506.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

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 2022.

1. For the 2022 budget year, prior to August 25, 2021, 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, 2021, 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, 2021, 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.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2021 were collected in 2022 and taxes certified in 2022 will be collected in 2023. 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.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

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 \$127,968 which is the approximate required reserve at December 31, 2022.

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

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

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

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments

The City's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the City's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the City's deposits was \$11,803,996 at year end.

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

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

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

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

Type	Carrying Amount	Maturities	
		Less Than One Year	Less Than Five Years
<i>Deposits:</i>			
Petty cash	1,200	-	-
Checking	6,876,708	-	-
Savings	4,926,088	-	-
Certificates of deposit	973,092	973,092	-
	<u>12,777,088</u>	<u>973,092</u>	<u>-</u>

As of December 31, 2022, the City had no investments requiring fair value measurement.

The financial statement captions are as follows:

	Governmental Activities	Business type Activities	Total
Cash and investments	7,687,851	5,089,237	12,777,088
Total	<u>7,687,851</u>	<u>5,089,237</u>	<u>12,777,088</u>

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Receivables

Receivables as of December 31, 2022, for the City's funds, including applicable allowances for uncollectible accounts, are as follows:

	General	Electric	Water	Sewer	Sanitation	Total
Receivables:						
Taxes	905,636	-	-	-	-	905,636
Accounts	982,421	247,910	29,549	66,149	37,030	1,363,059
Intergovernmental	397,242	-	-	-	-	397,242
Leases	52,152	-	-	-	-	52,152
Gross receivables	2,337,451	247,910	29,549	66,149	37,030	2,718,089
Less: allowance for uncollectible	(682,580)	-	-	-	-	(682,580)
Net receivables	1,654,871	247,910	29,549	66,149	37,030	2,035,509

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 \$830,892 is property taxes levied in 2022 but not available until 2023.

C. Lease Receivable

In June 2021, the City executed a Ground Lease and Purchase Agreement for the lease of certain city property. Under the terms of the Ground Lease, the City leases the property for a 10-year term ending December 31, 2031. The lessor has an option to exercise the option to purchase the property at any time prior to December 31, 2031, with the amount of rent paid by the Tenant to be deducted from the purchase price.

In April 2021, the City executed a Farmland Lease Agreement for the lease of city property. Under the terms of the Ground Lease, the City leases the property for a 5-year term ending December 31, 2026.

The future principal and interest lease payments as of December 31, 2022 were as follows:

	Principal	Interest	Total
2023	9,164	959	10,123
2024	9,358	766	10,124
2025	9,555	569	10,124
2026	9,757	367	10,124
2027	3,520	160	3,680
2028 - 2031	10,798	242	11,040
	52,152	3,063	55,215

At December 31, 2022, the City collected \$1,147 and \$8,976 in interest and principal payments respectively.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	2,273,134	-	-	2,273,134
Construction in progress	15,250	5,772	-	21,022
Total capital assets, not being depreciated	<u>2,288,384</u>	<u>5,772</u>	<u>-</u>	<u>2,294,156</u>
Capital assets, being depreciated:				
Infrastructure	11,623,487	108,659	-	11,732,146
Buildings and improvements	2,224,885	-	-	2,224,885
Machinery and equipment	4,975,407	170,698	(223,356)	4,922,749
Total capital assets being depreciated	<u>18,823,779</u>	<u>279,357</u>	<u>(223,356)</u>	<u>18,879,780</u>
Less accumulated depreciation for:				
Infrastructure	(3,572,288)	(539,802)	-	(4,112,090)
Buildings and improvements	(913,391)	(58,242)	-	(971,633)
Machinery and equipment	(3,583,386)	(244,433)	223,356	(3,604,463)
Total accumulated depreciation	<u>(8,069,065)</u>	<u>(842,477)</u>	<u>223,356</u>	<u>(8,688,186)</u>
Total capital assets, being depreciated, net	<u>10,754,714</u>	<u>(563,120)</u>	<u>-</u>	<u>10,191,594</u>
Governmental activities capital assets, net	<u>13,043,098</u>	<u>(557,348)</u>	<u>-</u>	<u>12,485,750</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	64,808	-	-	64,808
Total capital assets, not being depreciated	<u>64,808</u>	<u>-</u>	<u>-</u>	<u>64,808</u>
Capital assets, being depreciated:				
Infrastructure	13,945,656	516,426	-	14,462,082
Buildings and improvements	287,029	-	-	287,029
Machinery and equipment	2,306,521	100,442	-	2,406,963
Total capital assets being depreciated	<u>16,539,206</u>	<u>616,868</u>	<u>-</u>	<u>17,156,074</u>
Less accumulated depreciation for:				
Infrastructure	(8,475,216)	(464,287)	-	(8,939,503)
Buildings and improvements	(274,138)	(1,842)	-	(275,980)
Machinery and equipment	(1,737,725)	(147,235)	-	(1,884,960)
Total accumulated depreciation	<u>(10,487,079)</u>	<u>(613,364)</u>	<u>-</u>	<u>(11,100,443)</u>
Total capital assets, being depreciated, net	<u>6,052,127</u>	<u>3,504</u>	<u>-</u>	<u>6,055,631</u>
Business-type activities capital assets, net	<u>6,116,935</u>	<u>3,504</u>	<u>-</u>	<u>6,120,439</u>

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

D. 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	38,480
Public safety	155,901
Public works, including infrastructure	245,479
Airport	377,142
Culture and recreation	25,475
Total depreciation expense - governmental activities	842,477

Business-type activities:

Electric	145,935
Water	208,543
Sewer	197,301
Sanitation	61,585
Total depreciation expense - business-type activities	613,364

E. Interfund Receivables, Payables, and Transfers

There were no interfund receivables or payables as of December 31, 2022.

Transfers were as follows:

	In	Out	
General	500,000	-	Maintain general reserves
Electric	-	(454,000)	Maintain general reserves
Water	-	(24,000)	Net payment for services provided
Sewer	-	(22,000)	Net payment for services provided
Total	500,000	(500,000)	

F. Long-term Liabilities

1. Accrued Compensated Absences

Earned but unused vacation benefits amounted to \$164,458 in governmental activities and \$46,475 in business-type activities at December 31, 2022.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Long-term Liabilities (continued)

2. 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	126,952	37,506	-	164,458	41,115
Net OPEB liability	148,071	-	(9,764)	138,307	-
Net pension liability	1,074,409	-	(1,074,409)	-	-
Total Governmental Activities Long-term Liabilities	<u>1,349,432</u>	<u>37,506</u>	<u>(1,084,173)</u>	<u>302,765</u>	<u>41,115</u>
Business-type Activities:					
Accrued compensated absences	40,353	6,122	-	46,475	11,619
Total Business-type Activities Long-term Liabilities	<u>40,353</u>	<u>6,122</u>	<u>-</u>	<u>46,475</u>	<u>11,619</u>

G. 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. Effective January 1, 2021, contribution rates may be increased by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 through 2022 to a total of 12% of base salary. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13%. In 2021, employees and employers are contributing at a rate of 11.5% and 8.5%, respectively, of base salary for a total contribution rate of 20%.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

Benefits A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually 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% or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

Net Pension (Asset)/Liability: At December 31, 2022, the City's reported net pension (asset) liability of (\$259,337) 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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The City's proportion of the net pension liability was based on the City's contributions to the Plan for calendar year 2021, relative to the total contributions of participating employers to the Plan.

At December 31, 2022 the City proportion was 0.04785%, as compared to 0.05188% at December 31, 2021.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

For the year ended December 31, 2022, the City recognized pension expense (revenue) of \$(64,420). At December 31, 2022, 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	74,261	6,050
Changes of assumptions or other inputs	36,984	-
Net difference between projected and actual earnings on pension plan investments	-	173,563
Changes in proportion and differences between contributions recognized and proportionate share of contributions	28,735	4,458
Contributions subsequent to the measurement date	36,743	-
Total	176,723	184,071

Contributions subsequent to the measurement date of December 31, 2021, 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, 2022. 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:	
2023	(19,421)
2024	(37,374)
2025	(19,788)
2026	(3,172)
2027	18,911
Thereafter	16,753
	(44,091)

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, 2021. The valuations used the following actuarial assumption and other inputs.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

G. 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
	<u>2022</u>	<u>2021</u>
Actuarial Valuation Date - January 1	2022	2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term investment Rate of Return *	7.0%	7.0%
Projected Salary Increases	4.25% to 11.25%	4.25% to 11.25%
Cost of Living Adjustments (COLA)	0.0%	0.0%
* Includes Inflation at	2.5%	2.5%

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.

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. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

G. 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, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Fixed Income - Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
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 1.84% (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, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

G. 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)	(357,642)	(259,337)	(444,554)

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, 2021, the latest actuarial valuation date, there were 25 active members, 2 inactive, nonretired member and 23 retirees and beneficiaries.

Benefits For the pension measurement date of December 31, 2021, 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, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

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

2. Volunteer Pension Fund (continued)

Funding Policy 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, 2022, the volunteer pension fund reported a net pension asset of \$537,665. The net pension asset was measured as of December 31, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022.

The City reported the following deferred outflow of resources and deferred inflows of resources of the volunteer pension fund as of December 31, 2022:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	-	771
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	9,185	88,532
Contributions subsequent to the measurement date	10,000	-
 Total	 19,185	 89,303

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, 2020 determine the contribution amount for 2021 and 2022.

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City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

G. 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, 2021:

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	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65
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.

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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Fixed Income - Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
Total	<u>100%</u>	

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

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

2. Volunteer Pension Fund (continued)

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.84% (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%.

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)	(502,184)	(537,665)	(567,266)

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

3. PERA Plan

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

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

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

3. PERA Plan (continued)

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

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

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

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

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

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

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

3. PERA Plan (continued)

Benefits Provided (continued) Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in 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. The disability benefit amount is based on the lifetime retirement benefit formula(s) 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.*

Employee contribution rates are summarized in the table below:

	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employee contribution (all employees other than State Troopers)	8.50%	8.50%	8.50%	9.00%

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

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

3. PERA Plan (continued)

The employer contribution requirements for all employees other than State Troopers are summarized in the table below:

	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employer contribution rate	10.50%	10.50%	10.50%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)	(1.02%)	(1.02%)
Amount apportioned to the LGDTF	9.48%	9.48%	9.48%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.02%	0.02%	0.03%	0.03%
Total employer contribution rate to the LGDTF	13.20%	13.20%	13.21%	13.71%

**Contribution Rates for the LGDTF 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 \$228,263 for the year December 31, 2022.

At December 31, 2022, the City reported a net pension (asset) liability of (\$178,303) for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the total pension liability to December 31, 2021. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers to the LGDTF. At December 31, 2022, the City's proportion was 0.20797%, which was an increase of 0.0018% from its proportion measured as of December 31, 2021.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

G. 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, 2022, the City recognized pension expense (revenue) of \$(680,174). December 31, 2022, 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	8,714	2,978
Changes of assumptions or other inputs	60,441	-
Net difference between projected and actual earnings on pension plan investments	-	1,542,356
Changes in proportion and differences between contributions recognized and proportionate share of contributions	9,275	7,742
Contributions subsequent to the measurement date	228,263	-
Total	306,693	1,553,076

\$228,263 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, 2023. 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:	
2023	(332,108)
2024	(583,242)
2025	(372,137)
2026	(187,159)
	(1,474,646)

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

G. 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, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs.

Actuarial Cost method	Entry age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.20 - 11.30 percent
Long-term investment Rate of Return, net of pension plan investments	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)	1.00 percent compounded annually
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. The mortality tables described below are generational mortality tables developed on a benefit-weighted basis. Pre-retirement mortality assumptions for members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019. Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for members other than State Troopers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

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

3. PERA Plan (continued)

Actuarial assumptions (continued). Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

G. 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
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
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 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include 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 reflect 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.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

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

3. PERA Plan (continued)

- 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.
- 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 middle of the year.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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)	1,222,549	(178,303)	(1,350,055)

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

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

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

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.

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.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

G. 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)

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 \$17,245 for the year ended December 31, 2022.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

G. 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, 2022, the City reported a liability for Other Post-Employment Benefits (“OPEB”) of \$138,307 for its proportionate share of net OPEB. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2021. The City’s proportion of the net OPEB liability was based on contributions to the Health Care Trust Fund (“HCTF”) for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the City proportion was 0.01558%, which was an increase of 0.0006% from its proportion measured as of December 31, 2020. For the year ended December 31, 2022, the City recognized OPEB expense (revenue) of (\$10,172).

At December 31, 2022, 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	\$ 211	\$ 32,795
Changes of assumptions or other inputs	2,864	7,503
Net difference between projected and actual earnings on pension plan investments	-	8,562
Changes in proportion and differences between contributions recognized and proportionate share of contributions	14,281	5,892
Contributions subsequent to the measurement date	17,245	-
Total	<u>\$ 34,601</u>	<u>\$ 54,752</u>

\$14,709 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, 2021. 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:	
2022	\$ (4,434)
2023	(6,724)
2024	(7,835)
2025	(11,538)
2026	(5,350)
Thereafter	(336)
	<u>\$ (36,217)</u>

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

G. 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, 2020, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			0.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation			7.25%	
Discount rate			7.25%	
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029	
Medicare Part A premiums			3.75% in 2021, gradually increasing to 4.50% in 2029	
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			N/A	
Medicare Part A premiums			N/A	

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.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

G. 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 who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$633	\$230	\$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is \$471 (actual dollars) per month. 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 industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, 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
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

G. 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 used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019. Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019. The following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

- 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 2021 plan year.
- 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.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above. The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

G. 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)

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

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 nominal rate of return assumption of 7.25 percent.

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>
Initial PERA Care Medicare Trend Rate	3.50%	4.50%	5.50%
Ultimate PERA Care Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A Trend	3.50%	4.50%	5.50%
Collective Net OPEB Liability	837,542,000	862,305,000	890,991,000
Proportionate Share of Net OPEB Liability	134,335	138,307	142,907

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on All Funds (continued)

G. 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)

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, 2021, 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 3.00%.
- 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.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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)	160,628	138,307	119,239

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.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

V. Other Information

A. Other Retirement Plans

1. Deferred Compensation Plans – Section 457

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

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

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

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

2. Deferred Compensation Plan - Section 401(a)

In 1991, the City established a defined contribution money purchase plan in the form of the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust under code section 401 of the Internal Revenue code. The normal retirement age is age 55 (not to exceed age 65). Only appointed personnel are eligible to participate in the Plan. The City contributes on behalf of each participant 10% of earnings for the Plan Year. Each participant is required to contribute 8% of earnings as a condition of participation in the Plan. Each Participant may make a voluntary (unmatched), after-tax contribution. Participants are 100% vested immediately and may direct their investment, without restriction, among various investment options available under the Trust. City payroll covered by ICMA for 2022 was \$156,644 of total payroll of \$1,912,853. Contributions were \$39,565 which consisted of \$15,614 from the City and \$12,491 from employees including 401K loan amount of \$11,461.

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

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

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

V. Other Information (continued)

A. Other Retirement Plans (continued)

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 \$1,530 for the administrative services. No other cost to the City is recognized as the plan is a salary reduction plan.

B. 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.

C. Risk Management

Colorado Intergovernmental Risk Sharing Agency

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

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

V. Other Information (continued)

C. Risk Management (continued)

A summary of audited statutory basis financial information for CIRSA as of and for the year ended December 31, 2022 (the latest audited information available) is as follows:

Statement of Net Position

Assets	96,927,503
Liabilities	52,728,701
Net Position	44,198,802
Total	96,927,503

Statement of Activities

Revenues	37,349,697
Expenses	49,270,025
Net Income (loss)	(11,920,328)

D. 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 3 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 3 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 employees and City paid \$12,782 and \$278 on-behalf of members to the SWDD at December 31, 2022.

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>.

City of Yuma
Notes to the Financial Statements
December 31, 2022
(Continued)

V. Other Information (continued)

E. New Accounting Standard

The City implemented the Governmental Accounting Standards Board Statement 87, *Leases*, during the year ended December 31, 2022. The statement requires recognition of certain leased assets and liabilities and increased disclosures regarding leases. As a result, the City recorded a lease receivable disclosed in Note IV.C. with no change to beginning fund balances or net position.

REQUIRED SUPPLEMENTARY INFORMATION

City of Yuma, Colorado
Schedule of Revenues and Transfers in
Budget and Actual
General Fund
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	<u>2022</u>			Final Budget Variance Positive (Negative)	<u>2021</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Current property taxes	815,677	815,677	823,862	8,185	778,702
Specific ownership tax	75,000	75,000	84,516	9,516	82,472
General sales tax	1,500,000	1,500,000	1,582,819	82,819	1,239,038
Occupation tax	4,600	4,600	8,523	3,923	8,218
Franchise tax	26,000	26,000	76,698	50,698	53,777
Severance tax	3,000	3,000	41,490	38,490	6,769
Airport fuel tax	1,500	1,500	2,280	780	1,883
Cigarette tax	5,000	5,000	3,731	(1,269)	5,761
Interest on property taxes	3,000	3,000	2,887	(113)	2,912
Total Taxes	<u>2,433,777</u>	<u>2,433,777</u>	<u>2,626,806</u>	<u>193,029</u>	<u>2,179,532</u>
Licenses and Permits	<u>7,650</u>	<u>7,650</u>	<u>13,364</u>	<u>5,714</u>	<u>13,822</u>
Intergovernmental Revenue:					
State highway users tax	120,000	120,000	135,094	15,094	142,852
Road and bridge	30,000	30,000	34,300	4,300	31,749
Motor vehicle registration	14,000	14,000	16,030	2,030	16,409
Federal grants	481,223	551,993	317,281	(234,712)	28,985
State grants	71,706	100,474	84,031	(16,443)	441,520
Total Intergovernmental Revenue	<u>716,929</u>	<u>816,467</u>	<u>586,736</u>	<u>(229,731)</u>	<u>661,515</u>
Charges for Services:					
Ambulance fees	370,000	370,000	389,617	19,617	472,050
Grain and feed	8,500	8,500	17,174	8,674	36,925
Gas sales	2,500	2,500	4,434	1,934	2,796
Municipal building lease and rent	-	-	1	1	-
Airport lease and rent	10,000	10,000	10,727	727	11,811
Pool receipts	22,000	22,000	16,932	(5,068)	22,940
Other	50,500	50,500	47,326	(3,174)	4,200
Total Charges for Services	<u>463,500</u>	<u>463,500</u>	<u>486,211</u>	<u>22,711</u>	<u>550,722</u>
Fines and Forfeitures:					
Police fines and other revenue	11,000	11,000	27,304	16,304	23,580
Library fines and other revenue	20,000	20,000	33,539	13,539	26,353
Total Fines and Forfeitures	<u>31,000</u>	<u>31,000</u>	<u>60,843</u>	<u>29,843</u>	<u>49,933</u>
Miscellaneous Revenue:					
Interest revenue	1,000	1,000	7,456	6,456	2,131
Recreation user fees	21,000	21,000	24,589	3,589	24,441
Community Center	850	850	40	(810)	-
Donations	9,995	9,995	-	(9,995)	15,238
Contingency and other	15,000	15,000	58,289	43,289	108,285
Total Miscellaneous Revenue	<u>47,845</u>	<u>47,845</u>	<u>90,374</u>	<u>42,529</u>	<u>150,095</u>
Total Revenues Before Transfers	<u>3,700,701</u>	<u>3,800,239</u>	<u>3,864,334</u>	<u>64,095</u>	<u>3,605,619</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>4,200,701</u>	<u>4,300,239</u>	<u>4,364,334</u>	<u>64,095</u>	<u>4,105,619</u>

City of Yuma, Colorado
Schedule of Expenditures
Budget and Actual
General Fund
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)
(Continued)

	<u>2022</u>			Final Budget Variance Positive (Negative)	<u>2021</u>
	Original Budget	Final Budget	Actual		Actual
Expenditures:					
General Government:					
Administration:					
Salaries	132,000	132,000	121,066	10,934	131,202
Retirement and fringe benefits	68,770	68,770	76,152	(7,382)	65,932
Insurance	2,600	2,600	1,205	1,395	2,296
Operating supplies	19,225	19,225	18,891	334	18,749
Audit and accounting	38,000	38,000	30,785	7,215	31,185
Travel and training	1,410	1,410	7,852	(6,442)	2,281
Reporting and recording	3,000	3,000	1,878	1,122	1,051
Utilities	7,200	7,200	5,813	1,387	6,743
Repairs and maintenance	15,500	15,500	14,880	620	12,481
COVID-19 Expenses	10,000	10,000	(619)	10,619	2,685
Capital outlay	1,000	1,000	1,960	(960)	-
County Treasurer fees	17,000	17,000	16,372	628	15,562
Attorney	95,200	95,200	67,182	28,018	88,251
Total Administration	<u>410,905</u>	<u>410,905</u>	<u>363,417</u>	<u>47,488</u>	<u>378,418</u>
Council:					
Salaries	1,920	1,920	1,940	(20)	1,920
Retirement and fringe benefits	390	390	286	104	299
Travel and training	10,000	10,000	6,014	3,986	390
Insurance	16,400	16,400	19,548	(3,148)	14,905
Other	8,500	8,500	2,181	6,319	17,800
Contingencies	30,000	30,000	17,232	12,768	18,488
Supplies	5,500	5,500	4,083	1,417	4,672
Downtown revitalization	-	-	3,000	(3,000)	-
Total Council	<u>72,710</u>	<u>72,710</u>	<u>54,284</u>	<u>18,426</u>	<u>58,474</u>
Elections	<u>12,000</u>	<u>12,000</u>	<u>9,302</u>	<u>2,698</u>	<u>2,584</u>
Total General Government	<u>495,615</u>	<u>495,615</u>	<u>427,003</u>	<u>68,612</u>	<u>439,476</u>
Judicial	<u>20,040</u>	<u>20,040</u>	<u>16,524</u>	<u>3,516</u>	<u>14,624</u>
Public Safety:					
Police and Public Safety:					
Salaries	657,424	657,424	601,579	55,845	486,431
Retirement and fringe benefits	269,000	269,000	225,300	43,700	186,489
Operating expenses	74,150	74,150	80,606	(6,456)	65,688
Gas and oil	13,500	13,500	21,417	(7,917)	13,860
Insurance	64,500	64,500	67,306	(2,806)	53,351
Utilities	19,000	19,000	16,613	2,387	16,140
Repairs and maintenance	14,500	14,500	27,836	(13,336)	17,888
Travel and training	7,000	7,000	6,643	357	10,921
Capital outlay	87,000	87,000	68,005	18,995	68,686
Total Police and Public Safety	<u>1,206,074</u>	<u>1,206,074</u>	<u>1,115,305</u>	<u>90,769</u>	<u>919,454</u>

City of Yuma, Colorado
Schedule of Expenditures
Budget and Actual
General Fund
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)
(Continued)

	2022			Final Budget Variance Positive (Negative)	2021
	Original Budget	Final Budget	Actual		Actual
Expenditures (continued):					
Public Safety - Fire Dept.:					
Salaries	5,445	5,445	3,165	2,280	4,645
Retirement and fringe benefits	15,500	15,500	12,517	2,983	13,566
Operating supplies	18,610	18,610	17,568	1,042	12,098
Travel and training	16,500	16,500	13,956	2,544	9,673
Insurance	11,500	11,500	7,486	4,014	10,185
Utilities	4,000	4,000	4,027	(27)	3,545
Repairs and maintenance	12,000	12,000	6,153	5,847	11,377
Capital outlay	44,000	44,000	33,334	10,666	67,166
Total Public Safety - Fire Dept.	127,555	127,555	98,206	29,349	132,255
Ambulance:					
Salaries	550,000	550,000	530,848	19,152	384,547
Retirement and fringe benefits	232,200	232,200	219,865	12,335	178,477
Operating	160,450	160,450	182,081	(21,631)	91,386
Capital outlay	6,000	6,000	3,412	2,588	111,046
Total Ambulance	948,650	948,650	936,206	12,444	765,456
Animal Care:					
Salaries	21,500	21,500	8,952	12,548	17,140
Retirement and fringe benefits	5,540	5,540	2,325	3,215	4,022
Operating	25,095	25,095	15,856	9,239	48,132
Total Animal Care	52,135	52,135	27,133	25,002	69,294
Total Public Safety	2,354,454	2,354,454	2,193,374	161,080	1,901,083
Highways and Streets:					
Public Works - Street:					
Salaries	115,200	115,200	111,569	3,631	185,438
Retirement and fringe benefits	45,200	45,200	31,174	14,026	82,246
Maintenance of condition	48,700	48,700	36,104	12,596	388,616
Travel and training	24,200	24,200	15,662	8,538	19,553
Supplies	18,500	18,500	8,758	9,742	11,991
Utilities	3,500	3,500	2,732	768	3,492
Insurance	16,000	16,000	15,908	92	16,048
Repairs and maintenance	15,000	15,000	18,866	(3,866)	359,238
Capital outlay	25,000	25,000	18,616	6,384	-
Total Public Works - Street	311,300	311,300	259,389	51,911	1,066,622
Shop Department:					
Salaries and contract services	37,500	37,500	33,412	4,088	26,202
Retirement and fringe benefits	19,960	19,960	17,141	2,819	14,764
Operating supplies	19,675	19,675	16,717	2,958	15,115
Insurance	5,500	5,500	4,826	674	4,227
Utilities	16,000	16,000	19,446	(3,446)	13,377
Repairs and maintenance	19,000	19,000	14,648	4,352	14,859
Travel and training	6,350	6,350	4,397	1,953	5,004
Total Shop Department	123,985	123,985	110,587	13,398	93,548
Total Highways and Streets	435,285	435,285	369,976	65,309	1,160,170
Airport:					
Salaries	12,000	12,000	9,639	2,361	15,505
Retirement and fringe benefits	6,140	6,140	5,452	688	6,546
Operating supplies	45,900	45,900	55,553	(9,653)	4,054
Repairs and maintenance	43,000	43,000	21,876	21,124	15,828
Insurance	4,000	4,000	4,510	(510)	3,696
Utilities	3,000	3,000	2,445	555	2,674
Capital outlay	15,000	15,000	125,257	(110,257)	394,971
Total Airport	129,040	129,040	224,732	(95,692)	443,274

City of Yuma, Colorado
Schedule of Expenditures
Budget and Actual
General Fund
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)
(Continued)

	<u>2022</u>			Final Budget Variance Positive (Negative)	<u>2021</u>
	Original Budget	Final Budget	Actual		Actual
Expenditures (continued):					
Culture and Recreation:					
Recreation and Pool:					
Salaries	109,500	109,500	103,278	6,222	97,912
Retirement and fringe benefits	41,125	41,125	39,203	1,922	33,938
Operating supplies	11,370	11,370	17,269	(5,899)	8,385
Insurance	5,000	5,000	4,195	805	3,359
Utilities	14,500	14,500	14,022	478	9,852
Repairs and maintenance	28,000	28,000	43,171	(15,171)	25,021
Travel and training	6,700	6,700	5,596	1,104	4,936
Programs and concessions	15,500	15,500	15,428	72	11,396
Total Recreation and Pool	<u>231,695</u>	<u>231,695</u>	<u>242,162</u>	<u>(10,467)</u>	<u>194,799</u>
Community Center:					
Salaries	53,000	53,000	20,506	32,494	37,022
Retirement and fringe benefits	11,780	11,780	8,446	3,334	8,304
Operating supplies and expenses	7,400	7,400	13,438	(6,038)	4,520
Repairs and maintenance	6,000	6,000	8,126	(2,126)	6,523
Insurance	5,000	5,000	3,946	1,054	3,687
Utilities	5,000	5,000	7,757	(2,757)	5,111
Capital outlay	-	-	2,204	(2,204)	1,199
Total Community Center	<u>88,180</u>	<u>88,180</u>	<u>64,423</u>	<u>23,757</u>	<u>66,366</u>
Parks:					
Salaries	44,500	44,500	43,763	737	35,523
Retirement and fringe benefits	18,750	18,750	17,597	1,153	14,941
Operating supplies	2,200	2,200	2,612	(412)	3,062
Mosquito control	2,000	2,000	-	2,000	-
Tree trimming	2,000	2,000	1,931	69	4,013
Fertilizer and chemicals	5,500	5,500	5,821	(321)	4,149
Travel and training	2,000	2,000	2,347	(347)	1,497
Insurance	3,000	3,000	2,451	549	1,877
Utilities	1,750	1,750	1,814	(64)	1,608
Repairs and maintenance	5,000	5,000	7,114	(2,114)	8,676
Total Parks	<u>86,700</u>	<u>86,700</u>	<u>85,450</u>	<u>1,250</u>	<u>75,346</u>
Library:					
Salaries	112,200	112,200	112,678	(478)	108,600
Retirement and fringe benefits	65,850	65,850	61,775	4,075	62,472
Operating supplies and magazines	40,700	40,700	38,873	1,827	23,304
Insurance	875	875	721	154	719
Utilities	4,000	4,000	2,872	1,128	2,893
Repairs and maintenance	4,200	4,200	1,409	2,791	1,258
Capital outlay	3,000	3,000	482	2,518	-
Books	10,000	10,000	10,017	(17)	9,992
Travel and training	1,250	1,250	442	808	100
Total Library	<u>242,075</u>	<u>242,075</u>	<u>229,269</u>	<u>12,806</u>	<u>209,338</u>
Total Culture and Recreation	<u>648,650</u>	<u>648,650</u>	<u>621,304</u>	<u>27,346</u>	<u>545,849</u>
Total Expenditures	<u>4,063,044</u>	<u>4,063,044</u>	<u>3,836,389</u>	<u>226,655</u>	<u>4,489,852</u>

City of Yuma, Colorado
Schedule of Revenues and Expenditures
Budget and Actual
Conservation Trust Fund
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	2022			Final Budget Variance Positive (Negative)	2021
	Original Budget	Final Budget	Actual		Actual
Revenues:					
State lottery funds	35,000	35,000	44,214	9,214	42,801
Interest	100	100	582	482	209
Total Revenues	<u>35,100</u>	<u>35,100</u>	<u>44,796</u>	<u>9,696</u>	<u>43,010</u>
Expenditures:					
Repairs and maintenance	20,000	20,000	4,780	15,220	12,508
Capital outlay	20,000	20,000	19,999	1	-
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>24,779</u>	<u>15,221</u>	<u>12,508</u>

City of Yuma
Schedule of Changes in Net Pension Asset / Liability
City of Yuma Volunteer Pension Fund
Last 10 Fiscal Years

Measurement period ending December 31,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability								
Service Cost	1,771	1,762	1,762	1,436	1,436	1,628	1,628	1,114
Interest on the Total Pension Liability	21,550	21,549	21,431	18,600	18,577	18,393	18,376	18,528
Benefit Changes	-	-	-	51,075	-	-	-	-
Difference between Expected and Actual Experience	-	(1,743)	-	(4,692)	-	(6,457)	-	(1,781)
Assumption Changes	-	-	-	12,788	-	7,900	-	-
Benefit Payments	(21,600)	(21,510)	(21,530)	(20,875)	(18,575)	(19,238)	(20,300)	(19,975)
Net Change in Total Pension Liability	<u>1,721</u>	<u>58</u>	<u>1,663</u>	<u>58,332</u>	<u>1,438</u>	<u>2,226</u>	<u>(296)</u>	<u>(2,114)</u>
Total Pension Liability - Beginning	<u>317,602</u>	<u>317,544</u>	<u>315,881</u>	<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>319,323</u>	<u>317,602</u>	<u>317,544</u>	<u>315,881</u>	<u>257,549</u>	<u>256,111</u>	<u>253,885</u>	<u>254,181</u>
Plan Fiduciary Net Position								
Employer Contributions	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Pension Plan Net Investment Income	110,844	87,238	86,234	237	79,967	28,028	9,544	33,003
Benefit Payments	(21,600)	(21,510)	(21,530)	(20,875)	(18,575)	(19,238)	(20,300)	(19,975)
Pension Plan Administrative Expense	(9,711)	(7,993)	(11,286)	(10,540)	(11,421)	(1,110)	(1,978)	(1,143)
State of Colorado supplemental discretionary payment	18,000	-	9,000	9,000	9,000	9,000	8,780	8,739
Net Change in Plan Fiduciary Net Position	<u>107,533</u>	<u>67,735</u>	<u>72,418</u>	<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>749,455</u>	<u>681,720</u>	<u>609,302</u>	<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>856,988</u>	<u>749,455</u>	<u>681,720</u>	<u>609,302</u>	<u>621,480</u>	<u>552,509</u>	<u>525,829</u>	<u>519,783</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u>(537,665)</u>	<u>(431,853)</u>	<u>(364,176)</u>	<u>(293,421)</u>	<u>(363,931)</u>	<u>(296,398)</u>	<u>(271,944)</u>	<u>(265,602)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	268.38%	235.97%	214.69%	192.89%	241.31%	215.73%	207.11%	204.49%
Covered Employee Payroll	N/A	N/A	N/A	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	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000
Actual contribution**	<u>19,000</u>	<u>19,000</u>	<u>19,000</u>	<u>19,000</u>	<u>19,000</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
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Actuarially determined contribution	\$ 19,000	\$ 19,000	\$ 18,780	\$ 18,739	
Actual contribution**	<u>19,000</u>	<u>19,000</u>	<u>18,780</u>	<u>18,739</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
City's covered payroll	N/A	N/A	N/A	N/A	
Actual contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	

* Information is only available beginning in fiscal year 2014.

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

The accompanying notes are an integral part of these financial statements

City of Yuma
Notes to the Required Supplementary Information
Volunteer Pension Plan
December 31, 2022

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 *

<u>Measurement period ending December 31,</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's portion of the net pension asset	0.047854%	0.051878%	0.051070%	0.052832%	0.061362%
City's proportionate share of the net pension (asset) liability	\$ (259,337)	\$ (112,627)	\$ (28,883)	\$ 66,794	\$ (88,279)
City's covered payroll	\$ 369,690	\$ 416,740	\$ 342,683	\$ 333,750	\$ 358,967
City's proportionate share of the net pension asset as a percentage of its covered payroll	-70.15%	-27.03%	-8.43%	20.01%	-24.59%
Plan fiduciary net position as a percentage of the total pension asset	116.20%	106.70%	101.90%	95.20%	106.30%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
City's portion of the net pension asset	0.061889%	0.063715%	0.056683%	0.07144%	
City's proportionate share of the net pension (asset) liability	\$ (22,363)	\$ 1,123	\$ 63,971	\$ 63,876	
City's covered payroll	\$ 316,785	\$ 300,334	\$ 266,271	\$ 310,265	
City's proportionate share of the net pension asset as a percentage of its covered payroll	-7.06%	0.37%	24.02%	20.59%	
Plan fiduciary net position as a percentage of the total pension asset	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

The accompanying notes are an integral part of these financial statements

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 36,743	\$ 31,440	\$ 33,335	\$ 27,614	\$ 26,875
Contributions in relation to the statutorily required contribution	<u>(36,743)</u>	<u>(31,440)</u>	<u>(33,335)</u>	<u>(27,614)</u>	<u>(26,875)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 408,256	\$ 369,690	\$ 416,740	\$ 342,683	\$ 333,750
Contributions as a percentage of covered payroll	9.00%	8.50%	8.00%	8.06%	8.05%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily required contribution	\$ 28,714	\$ 25,339	\$ 24,710	\$ 20,392	\$ 24,821
Contributions in relation to the statutorily required contribution	<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>
City's covered payroll	\$ 358,967	\$ 316,785	\$ 300,334	\$ 266,271	\$ 310,265
Contributions as a percentage of covered payroll	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, 2022

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, 2018 Actuarial Valuation are as Follows:

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rate 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.

2. 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.

3. 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, 2022
(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 *

Measurement period ending December 31,	2021	2020	2019	2018	2017
City's proportion of the net pension liability	0.2080%	0.2062%	0.2122%	0.2071%	0.1792%
City's proportionate share of the net pension (asset) liability	(178,303)	1,074,409	1,552,089	2,603,947	1,995,031
City's covered payroll	\$ 1,535,240	\$ 1,442,119	\$ 1,461,097	\$ 1,358,237	\$ 1,129,448
City's proportionate share of the net pension liability as a percentage of its covered payroll	-11.61%	74.50%	106.23%	191.72%	176.64%
Plan fiduciary net position as a percentage of the total pension liability	101.49%	90.88%	86.26%	75.96%	79.37%
	2016	2015	2014		
City's proportion of the net pension liability	0.1656%	0.1740%	0.1725%		
City's proportionate share of the net pension liability	2,236,471	1,916,410	1,546,295		
City's covered payroll	\$ 1,003,461	\$ 987,575	\$ 944,828		
City's proportionate share of the net pension liability as a percentage of its covered payroll	222.88%	194.05%	163.70%		
Plan fiduciary net position as a percentage of the total pension liability	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 228,263	\$ 204,353	\$ 188,186	\$ 185,304	\$ 172,256
Contributions in relation to the contractually required contribution	<u>\$ 228,263</u>	<u>\$ 204,353</u>	<u>\$ 188,186</u>	<u>\$ 185,304</u>	<u>\$ 172,256</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,690,680	\$ 1,535,240	\$ 1,442,119	\$ 1,461,097	\$ 1,358,237
Contributions as a percentage of covered payroll	13.50%	13.31%	13.05%	12.68%	12.68%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Contractually required contribution	\$ 143,327	\$ 127,292	\$ 125,279	\$ 119,867	
Contributions in relation to the contractually required contribution	<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>	
City's covered payroll	\$ 1,129,448	\$ 1,003,461	\$ 987,575	\$ 944,828	
Contributions as a percentage of covered payroll	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.0160%	0.0156%	0.0162%	0.0161%	0.0139%
City's proportionate share of the net OPEB liability	138,307	148,071	182,646	218,492	180,880
City's covered payroll	1,535,240	1,442,119	1,461,097	1,358,237	1,129,448
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	9.01%	10.27%	12.50%	16.09%	16.01%
Plan fiduciary net position as a percentage of the total OPEB liability	39.40%	32.78%	24.49%	17.03%	17.53%
	<u>2016</u>				
City's proportion of the net OPEB liability	0.0127%				
City's proportionate share of the net OPEB liability	164,770				
City's covered payroll	1,003,461				
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.42%				
Plan fiduciary net position as a percentage of the total OPEB liability	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 City's Other Post-Employment Benefits Contributions
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 17,245	\$ 15,659	\$ 14,709	\$ 14,903	\$ 13,854
Contributions in relation to the contractually required contribution	<u>\$ (17,245)</u>	<u>\$ (15,659)</u>	<u>\$ (14,709)</u>	<u>\$ (14,903)</u>	<u>\$ (13,854)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,690,680	\$ 1,535,240	\$ 1,442,119	\$ 1,461,097	\$ 1,358,237
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%
	<u>2017</u>	<u>2016</u>			
Contractually required contribution	\$ 11,525	\$ 10,235			
Contributions in relation to the contractually required contribution	<u>\$ (11,525)</u>	<u>\$ (10,235)</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>			
City's covered payroll	\$ 1,129,448	\$ 1,003,461			
Contributions as a percentage of covered payroll	1.02%	1.02%			

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

City of Yuma
Notes to Required Supplementary Information
PERA – Local Government Trust Fund
December 31, 2022

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, 2019 actuarial valuation:

- The price inflation assumption was lowered from 2.4 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.5 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the Local Government Divisions (Members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State and Local Government Division Trust Funds was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
 - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 or older, with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2019 Contingent Survivor Table, adjusted as follows:
 - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
 - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a head-count weighted basis.

2. Changes since the December 31, 2018 actuarial valuation:

- The assumption used to value the AI cap benefit provision was changed from 1.50 percent to 1.25 percent.

3. 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.

City of Yuma
Notes to Required Supplementary Information
PERA – Local Government Trust Fund
December 31, 2022
(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, 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.

5. 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, 2022
(continued)

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

A. Changes to assumptions or other inputs (continued)

6. 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.

SUPPLEMENTARY INFORMATION

City of Yuma, Colorado
Schedule of Revenues and Expenditures
Budget and Actual
Capital Projects Fund - Other
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	<u>2022</u>			Final Budget Variance Positive (Negative)	<u>2021</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Sales tax allocation	700,000	700,000	834,330	134,330	1,056,023
Donations and other income	-	-	-	-	208
Interest	1,000	1,000	14,562	13,562	3,108
Total Revenues	<u>701,000</u>	<u>701,000</u>	<u>848,892</u>	<u>147,892</u>	<u>1,059,339</u>
Expenditures:					
Capital outlay	200,000	200,000	1,523	198,477	5,980
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>1,523</u>	<u>198,477</u>	<u>5,980</u>
Other Financing Sources (Uses):					
Transfers out	-	-	-	-	(338,000)
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(338,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>501,000</u>	<u>501,000</u>	<u>847,369</u>	<u>(346,369)</u>	<u>715,359</u>

City of Yuma, Colorado
Schedule of Revenues and Expenditures
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	2022			Final Budget Variance Positive (Negative)	2021
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Pledged sales tax revenue	-	-	-	-	15,693
Interest	-	-	-	-	7
Total Revenues	-	-	-	-	15,700
Expenditures:					
Principal	-	-	-	-	445,000
Interest	-	-	-	-	4,161
Total Expenditures	-	-	-	-	449,161
Other Financing Sources (Uses):					
Operating transfers out	-	-	-	-	338,000
Total Other Financing Sources (Uses)	-	-	-	-	338,000
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	-	-	-	-	(95,461)

City of Yuma, Colorado
Schedule of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual
With Reconciliation to GAAP Basis
Electric Fund
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	<u>2022</u>			Final Budget Variance Positive (Negative)	<u>2021</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Commercial charges	1,650,000	1,650,000	1,683,695	33,695	1,671,140
Residential charges	1,250,000	1,250,000	1,241,828	(8,172)	1,227,943
Other	82,500	82,500	78,077	(4,423)	89,915
Interest revenue	2,000	2,000	9,170	7,170	2,699
Transfer from other funds	46,000	46,000	46,000	-	46,000
Total Revenues	<u>3,030,500</u>	<u>3,030,500</u>	<u>3,058,770</u>	<u>28,270</u>	<u>3,037,697</u>
Expenditures:					
Electricity purchased	1,900,000	1,900,000	1,749,120	150,880	1,683,637
Repairs and maintenance	199,000	199,000	44,889	154,111	126,671
Supplies	23,050	23,050	19,528	3,522	16,680
Benefits and payroll taxes	143,000	143,000	130,314	12,686	123,701
Salaries	320,000	320,000	300,192	19,808	283,869
Insurance	17,000	17,000	15,300	1,700	15,133
Utilities	16,000	16,000	18,825	(2,825)	13,569
Legal	10,000	10,000	-	10,000	-
Capital outlay	205,000	205,000	190,313	14,687	37,980
Other	12,800	12,800	14,344	(1,544)	11,594
Transfers to other funds	500,000	500,000	500,000	-	500,000
Total Expenditures and Transfers	<u>3,345,850</u>	<u>3,345,850</u>	<u>2,982,825</u>	<u>363,025</u>	<u>2,812,834</u>
Excess (Deficiency) of Revenues Over Expenditures and Transfers Budget (Non-GAAP Basis)	<u>(315,350)</u>	<u>(315,350)</u>	<u>75,945</u>	<u>391,295</u>	<u>224,863</u>
Reconciliation to GAAP Basis:					
Depreciation			(145,935)		(145,469)
Bad debt			(258)		(627)
Capitalized assets			50,728		27,779
Net Income - GAAP Basis			<u>(19,520)</u>		<u>106,546</u>

City of Yuma, Colorado
Schedule of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual
With Reconciliation to GAAP Basis
Water Fund
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	<u>2022</u>			Final Budget Variance Positive (Negative)	<u>2021</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Other	-	-	3,090	-	8,523
Grants	-	3,860	3,860	-	-
Interest revenue	250	250	2,548	-	824
Tap fees	-	-	6,500	6,500	25,025
Water sales	730,000	730,000	775,498	45,498	752,517
Total Revenues	<u>730,250</u>	<u>734,110</u>	<u>791,496</u>	<u>51,998</u>	<u>786,889</u>
Expenditures:					
Repairs and maintenance	618,000	618,000	80,103	537,897	48,679
Supplies	41,300	41,300	9,127	32,173	14,954
Benefits and payroll taxes	120,600	120,600	99,074	21,526	98,092
Salaries	174,500	174,500	157,616	16,884	173,863
Insurance	16,000	16,000	15,372	628	14,461
Gas and oil	8,000	8,000	4,788	3,212	4,991
Utilities	21,000	21,000	20,990	10	21,114
Contributions to other governments	20,000	20,000	17,620	2,380	17,620
Capital outlay	25,000	25,000	471,813	(446,813)	39,446
Long-term maintenance	200,000	200,000	-	200,000	-
Other	11,250	11,250	12,822	(1,572)	10,928
Transfers to other funds	24,000	24,000	24,000	-	24,000
Total Expenditures and Transfers	<u>1,279,650</u>	<u>1,279,650</u>	<u>913,325</u>	<u>366,325</u>	<u>468,148</u>
Excess (Deficiency) of Revenues Over Expenditures and Transfers Budget (Non-GAAP Basis)	<u>(549,400)</u>	<u>(545,540)</u>	<u>(121,829)</u>	<u>418,323</u>	<u>318,741</u>
Reconciliation to GAAP Basis:					
Depreciation			(208,550)		(209,072)
Bad debt			(37)		(500)
Capitalized assets			472,416		-
Gain (loss) of sale of assets			-		700
Net Income - GAAP Basis			<u>142,000</u>		<u>109,869</u>

City of Yuma, Colorado
Schedule of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual
With Reconciliation to GAAP Basis
Sewer Fund
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	<u>2022</u>			Final Budget Variance Positive (Negative)	<u>2021</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Other	-	-	1,043	1,043	4,971
Grants	95,000	95,000	-	(95,000)	-
Interest revenue	350	350	3,944	3,594	1,002
Tap fees	-	-	3,360	3,360	34,496
Sewer charges	770,000	770,000	788,121	18,121	765,666
Total Revenues	<u>865,350</u>	<u>865,350</u>	<u>796,468</u>	<u>(68,882)</u>	<u>806,135</u>
Expenditures:					
Repairs and maintenance	336,000	336,000	130,636	205,364	85,698
Supplies	14,500	14,500	11,156	3,344	11,294
Benefits and payroll taxes	114,600	114,600	95,835	18,765	95,744
Salaries	174,500	174,500	165,044	9,456	171,749
Insurance	14,000	14,000	12,483	1,517	11,763
Gas and oil	8,000	8,000	7,729	271	4,993
Utilities	4,000	4,000	3,276	724	2,955
Capital outlay	255,000	255,000	74,731	180,269	22,379
Engineering consultant	70,000	70,000	13,087	56,913	4,265
Other	21,250	21,250	20,089	1,161	19,159
Transfer to (from) other fund	22,000	22,000	22,000	-	22,000
Total Expenditures and Transfers	<u>1,033,850</u>	<u>1,033,850</u>	<u>556,066</u>	<u>477,784</u>	<u>451,999</u>
Excess (Deficiency) of Revenues Over Expenditures and Transfers Budget (Non-GAAP Basis)	<u>(168,500)</u>	<u>(168,500)</u>	<u>240,402</u>	<u>408,902</u>	<u>354,136</u>
Reconciliation to GAAP Basis:					
Depreciation			(197,301)		(197,613)
Bad debt			(49)		(349)
Capitalized assets			74,731		21,825
Net Income - GAAP Basis			<u>117,783</u>		<u>177,999</u>

City of Yuma, Colorado
Schedule of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual
With Reconciliation to GAAP Basis
Sanitation Fund
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	<u>2022</u>			Final Budget Variance Positive (Negative)	<u>2021</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Other	-	-	4,074	4,074	2,085
Interest revenue	200	200	475	275	211
Sanitation charges	440,156	440,156	449,175	9,019	441,484
Total Revenues	<u>440,356</u>	<u>440,356</u>	<u>453,724</u>	<u>13,368</u>	<u>443,780</u>
Expenditures:					
Recycling expenses	13,000	13,000	10,868	2,132	9,619
Landfill expense	95,000	95,000	84,862	10,138	85,157
Repairs and maintenance	28,000	48,738	43,891	4,847	48,517
Supplies	30,050	30,050	22,073	7,977	33,155
Benefits and payroll taxes	95,950	95,950	88,704	7,246	95,466
Salaries	139,000	139,000	134,661	4,339	160,071
Insurance	12,000	12,000	10,432	1,568	8,549
Gas and oil	25,500	25,500	34,173	(8,673)	24,213
Utilities	2,000	2,000	1,164	836	1,758
Capital outlay	-	-	18,993	(18,993)	-
Other	10,650	10,650	12,871	(2,221)	11,643
Total Expenditures and Transfers	<u>451,150</u>	<u>471,888</u>	<u>462,692</u>	<u>9,196</u>	<u>478,148</u>
Excess (Deficiency) of Revenues Over Expenditures and Transfers Budget (Non-GAAP Basis)	<u>(10,794)</u>	<u>(31,532)</u>	<u>(8,968)</u>	<u>22,564</u>	<u>(34,368)</u>
Reconciliation to GAAP Basis:					
Depreciation			(61,585)		(92,896)
Bad debt			(21)		(223)
Capitalized assets			18,993		-
Net Income - GAAP Basis			<u>(51,581)</u>		<u>(127,487)</u>

City of Yuma, Colorado
Schedule of Additions and Deductions
Budget and Actual
Pension Trust Fund
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	2022			Final Budget Variance Positive (Negative)	2021
	Original Budget	Final Budget	Actual		Actual
Additions:					
City contributions	10,000	10,000	10,000	-	10,000
State contributions	9,000	9,000	9,000	-	9,000
Net investment gain	-	-	(79,063)	79,063	101,133
Total Additions	<u>19,000</u>	<u>19,000</u>	<u>(60,063)</u>	<u>79,063</u>	<u>120,133</u>
Deductions:					
Benefits	24,000	24,000	21,870	2,130	21,600
Total Deductions	<u>24,000</u>	<u>24,000</u>	<u>21,870</u>	<u>2,130</u>	<u>21,600</u>

City of Yuma
Notes to the Required Supplementary Information
PERA – Local Government Trust Fund
December 31, 2022

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

A. Changes to assumptions or other inputs

1. Changes since the December 31, 2019 actuarial valuation:

Changes since the December 31, 2019 to the HCTF actuarial valuation are the same as the changes to the LGDTF noted in Note I.A.1 above.

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.

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Yuma
		YEAR ENDING : December 2022
This Information From The Records Of the City of Yuma	Prepared By: Phone:	Karma Wells

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)	-
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	175,928
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	20,037
2. General fund appropriations	541,473	b. Snow and ice removal	3,519
3. Other local imposts (from page 2)	84,516	c. Other	
4. Miscellaneous local receipts (from page 2)	22,459	d. Total (a. through c.)	23,556
5. Transfers from toll facilities		4. General administration & miscellaneous	43,010
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	557,653
a. Bonds - Original Issues		6. Total (1 through 5)	800,147
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	-	a. Interest	
7. Total (1 through 6)	648,448	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	-
C. Receipts from State government (from page 2)	151,699	2. Notes:	
D. Receipts from Federal Government (from page 2)	-	a. Interest	
E. Total receipts (A.7 + B + C + D)	800,147	b. Redemption	
		c. Total (a. + b.)	-
		3. Total (1.c + 2.c)	-
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	800,147

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				-
1. Bonds (Refunding Portion)				
B. Notes (Total)				-

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		800,147	800,147		-

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2022	
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		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	22,459
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	84,516	g. Other Misc. Receipts	
6. Total (1. through 5.)	84,516	h. Other	
c. Total (a. + b.)	84,516	i. Total (a. through h.)	22,459
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	135,669	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	16,030	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	16,030	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	151,699	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs			-
b. Engineering Costs			-
c. Construction:			
(1). New Facilities			-
(2). Capacity Improvements			-
(3). System Preservation			-
(4). System Enhancement & Operation			-
(5). Total Construction (1) + (2) + (3) + (4)		-	-
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		-	-
			(Carry forward to page 1)
Notes and Comments:			