
City of Yuma Arizona



Comprehensive Annual Financial Report



For the Fiscal Year Ended
June 30, 2014



City of Yuma
Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2014

Prepared by:

Finance Department

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About the Cover:

The City of Yuma celebrated its centennial year in 2014. One of the many events during the week-long celebration is shown on the lower cover with the dedication of a "Gateway to the Great Southwest" sign in downtown Yuma. The sign dedication event was conducted by the Honorable Janice K. Brewer, Governor of Arizona, and other dignitaries. The new sign is a modern version inspired by the original sign, also pictured, that once dominated the view down Main Street in Yuma's early days.

CITY COUNCIL

Douglas J. Nicholls, Mayor
Cody T. Beeson, Deputy Mayor
William Craft
Gary Knight
Leslie L. McClendon
Edward C. Thomas
Gary Wright

City Administration

Gregory K. Wilkinson
City Administrator

Ricky Rinehart
Deputy City Administrator

City Departments

City Attorney
Steven W. Moore

City Clerk
Lynda L. Bushong

Community Development
Laurie L. Lineberry

Finance
Donald (Pat) Wicks

Fire Department
Steven Irr, Chief

Human Resources
Jack Dodd

Information Technology
James L. Hamersley

Municipal Court
James F. Coil, Judge

Parks and Recreation
Deborah Wendt

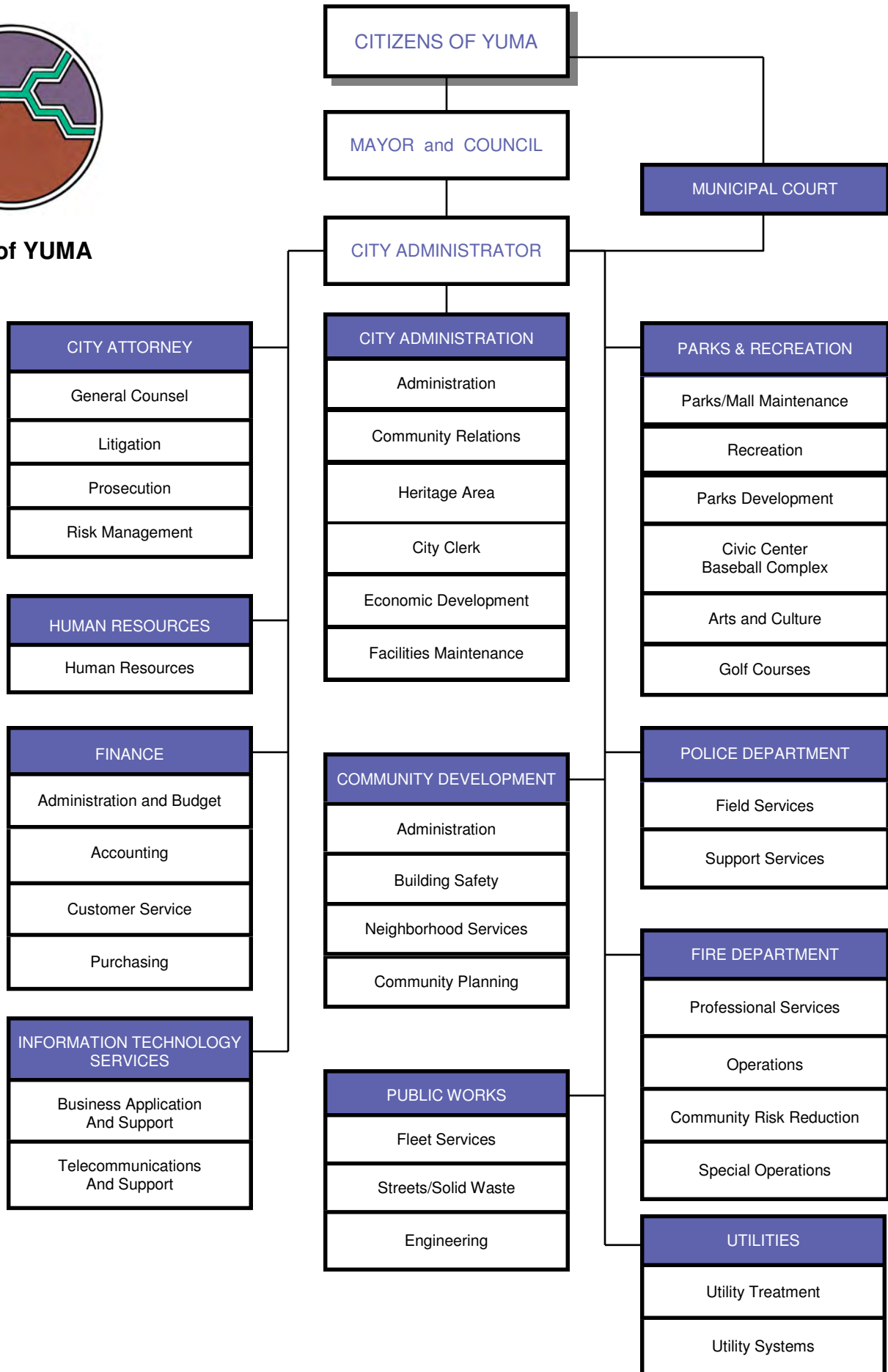
Police Department
John J. Lekan, Chief

Public Works
Joel Olea

Utilities
Jay Simonton



City of YUMA



City of Yuma, Arizona
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2014

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City of Yuma, Arizona
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INTRODUCTORY SECTION





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(928) 373-5087
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City of YUMA

October 16, 2014

To the Citizens, Honorable Mayor and City Council,
and City Administrator

The Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Yuma, Arizona for the fiscal year ended June 30, 2014. The report includes the independent auditors' report as required by City Charter Article XIII, Section 12, and by Arizona Revised Statutes, Section 9-481. The report is prepared in conformity with generally accepted accounting principles and standards set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the City. Management of the City is responsible for establishing and maintaining internal controls to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles as they apply to governmental units. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and, 2) the calculation of costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the enclosed data is accurate, in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Heinfeld, Meech & Co., P.C., a public accounting firm fully licensed and qualified to perform audits of local governments within the State of Arizona, have audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Yuma, Arizona for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that the City of Yuma's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports are available in the City's separately issued Single Audit Reporting Package.

This report has been prepared using the financial reporting requirements as outlined in GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This standard requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of *Management’s Discussion and Analysis (MD&A)*. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditors’ report.

PROFILE OF THE CITY OF YUMA

The City of Yuma was incorporated in 1914 and adopted its first charter in June of that year. Yuma is the economic hub and county seat of Yuma County. The City is located along the Colorado River in southwestern Arizona and is equidistant from the major population centers of Phoenix, Arizona and San Diego, California.

The City operates under a council-manager form of government. The City Council consists of six members elected at large for staggered four-year terms. The elected Mayor is the seventh voting member of council, who, along with the remaining council members is elected on a non-partisan basis. The City Council is responsible for passing ordinances, adopting the budget, appointing members of commissions and hiring the City Administrator. The City Administrator carries out the policies and ordinances of the City Council, oversees the day-to-day operations of the City and appoints the various department heads.

The City provides a full range of municipal services. These include public safety (police, fire and municipal court), street construction and maintenance, water and wastewater utility services, sanitation and residential refuse collection, parks, recreation and culture, planning and zoning, and general administrative and support services.

This CAFR includes the financial activity of the primary government, which includes several enterprise activities, as well as its blended component units. Component units are legally separate units for which the primary government is financially accountable. Blended component units, while legally separate, are part of the City’s operations and are combined within the report. The Yuma Municipal Property Corporation and the City of Yuma Employee Benefits Trust have been included in the reporting entity. Conversely, the report does not include the City of Yuma Housing Authority as the City is not financially accountable for the authority, nor does the City directly or indirectly rely upon or benefit from the financial activity of the authority.

ECONOMIC CONDITION AND OUTLOOK

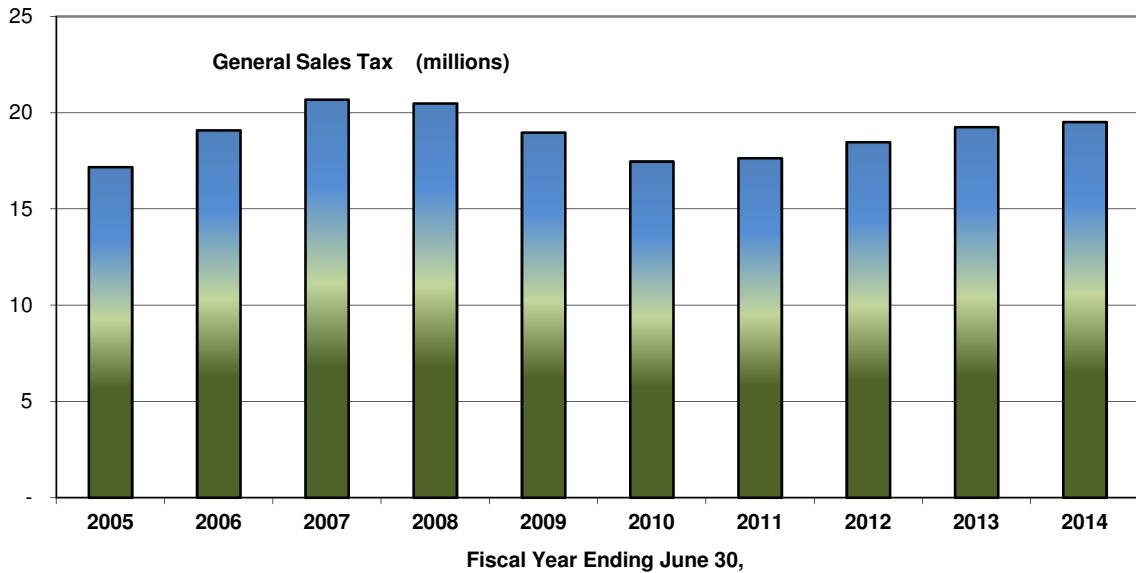
Industrial Expansion. Yuma’s economy is based primarily in agriculture, tourism and government, although further diversification continues. Agriculture remains the Yuma area’s dominant industry, producing more than \$1 billion in revenues annually¹. Several major agricultural companies maintain operations here. Their chief consumer products of packaged produce and salad mixes continue to be popular products for today’s convenience-minded customers. The Yuma area’s stable allocation of Colorado River water will assure that agriculture remains the foundation of Yuma’s economy.

The United States Marine Corps Air Station (MCAS) and United States Army Yuma Proving Ground (YPG) help provide economic stability. These two installations continue to be cornerstones in the military’s flight training and equipment testing programs. Both should survive any continued base closure efforts by the federal government. In fact, both installations are enjoying new construction and expansion to meet their needs into the 21st century. MCAS is the home of one of the first squadrons of the new Joint Strike Fighter, the new generation aircraft being adopted by all military services.

Although manufacturing currently accounts for less than 10% of countywide employment, the City’s partnership with the Greater Yuma Economic Development Corporation continues to attract attention to the area. Several companies have located or expanded operations in Yuma in recent years.

¹ Source: Greater Yuma Economic Development Corporation

Economic Growth. Yuma’s most reliable indicator of the condition of its economy is sales tax. The graph below reflects the last ten years of data. General sales tax saw an increase of 1.4% for fiscal year 2014. Tax data show that Retail Trade, annually the largest segment of the sales tax measure, continues to improve. For fiscal year 2014, Retail Trade showed an increase of 3.1% over 2013. Construction sales tax declined some (8.2)% for the year to offset some of the gains in retail; however, the data for the last six months of the fiscal year show a promising 4.4% increase. Projects at MCAS will continue into 2014 to be joined by major construction at Yuma Regional Medical Center. Overall, sales taxes are anticipated conservatively to grow 3% for fiscal year 2015.



Tourism. Yuma has enjoyed an influx of seasonal residents for decades. Visitors from throughout the United States and Canada continue to call Yuma their winter home. This contributes to the strengthening of sales tax collections.

LONG-TERM FINANCIAL PLANNING

Yuma Crossing National Heritage Area. Plans to restore, preserve and interpret the Yuma Crossing National Heritage area began more than thirty years ago and work continued throughout 2014 with the opening of Centennial Beach. This much-needed expansion of beach area along the Colorado River not only enhances the beauty of the river’s edge but provides access to the river for recreation. The river, once the primary reason for Yuma’s existence, was ignored for years as community growth and new development moved away from the riverfront. Awareness of the river’s importance has re-emerged, culminating in the establishment of the Yuma Crossing National Heritage Area in 2000, the first such National Heritage Area west of the Mississippi River.

During fiscal year 2014, city and Federal funding continues to manage and improve both the West and East Wetlands to restore natural vegetation and wildlife habitat, and improve recreational opportunities for area residents. The City will also continue its focus in developing historic and cultural activities in these areas as these are so important in meeting the Council’s goals in enriching the area’s cultural attributes. Progress in providing opportunities for local residents and in attracting employers to the area to diversify the economy is dependent on continuing these plans.

Downtown redevelopment. Revitalization of the downtown area is a vital component of management of the Heritage Area. The new hotel and conference center are cornerstones of the public/private partnership that is developing the river area. The recent completion of the Judge John M. Roll U.S. Courthouse will add to the economic vitality of the area.

FINANCIAL INFORMATION

Budgetary Controls. The annual budget serves as the foundation for City financial planning and control. The City maintains budgetary controls with the objectives to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the City Council. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Fund, Enterprise Funds, and three of the City's Internal Service Funds are included in the annual appropriated budget. As with the governmental funds, the City's proprietary funds are presented on a current financial resources basis to account for capital and debt-related expenditures. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. Encumbered amounts lapse at year-end. However, encumbrances generally are re-appropriated as part of the following year's budget. As demonstrated by the budgetary schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. In addition to budgetary schedules, Note I-E in the Notes to the Financial Statements beginning on page 33 describes in detail the budget process used by the City.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This is the thirty second consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. The report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another award.

I wish to express my sincere thanks to the employees of the Accounting Division for their dedicated service in preparing this report. Their work, along with those services provided by other members of the Finance Department, has made this report possible. The cooperation and assistance of the accounting firm of Heinfeld, Meech & Co., P.C., also contributed significantly to its production. Finally, I wish to thank the Mayor and Council, City Administrator, and the City Staff for their continued support.

Respectfully submitted,



Donald (Pat) Wicks, CPA
Finance Director



Government Finance Officers Association

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

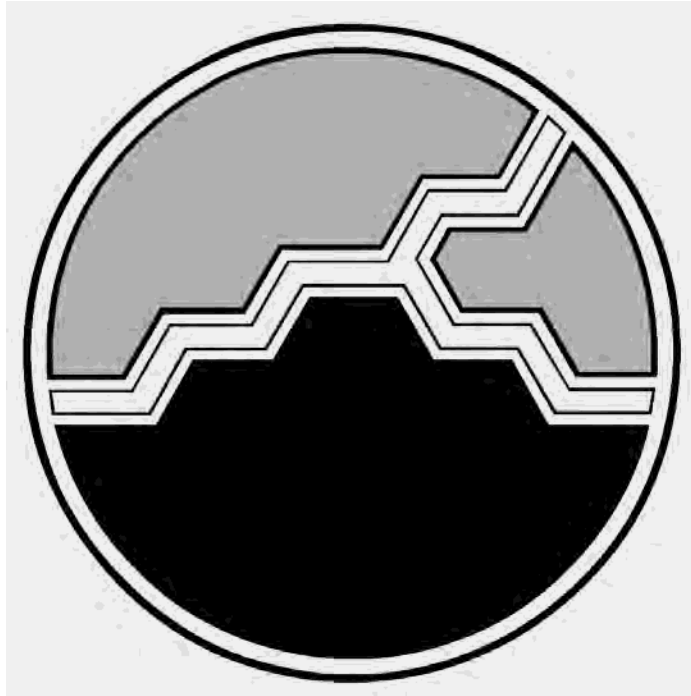
Presented to

**City of Yuma
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITOR’S REPORT

Honorable Mayor and Members of the City Council
City of Yuma, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Yuma, Arizona (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Yuma, Arizona, as of June 30, 2014, 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.

Change in Accounting Principle

As described in Note I-B, the City implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended June 30, 2014, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 15 and pension and budgetary comparison information on pages 54 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2014, on our consideration of City of Yuma, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Yuma, Arizona's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

October 16, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Required Supplementary Information)

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 June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the City's net position decreased by \$13.5 million for the fiscal year, governmental activities decreased by \$13.3 million while business-type activities of the City decreased \$0.2 million.
- The City's government-wide net position totaled \$475.7 million at June 30, 2014. Of this amount, \$87.3 million is available (unrestricted) to finance ongoing programs, \$40.4 million in governmental programs and \$46.9 million in business activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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.

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 of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the assets and outflows minus the liabilities and inflows reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the 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 (uncollected taxes and earned but unused vacation leave are two examples).

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 other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets, environmental health and protection, community design and development and parks, recreation and culture. The business-type activities of the City include water, wastewater, solid waste, radio communications and golf course operations.

The government-wide financial statements can be found on pages 20-21 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 local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

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 governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the three funds considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements beginning on page 64.

Major Governmental Funds:

General
City Road Tax
Debt Service

Nonmajor Governmental Funds:

Community Redevelopment
Capital Projects

Nonmajor Governmental Funds continued:

Local Transportation Assistance
Public Safety Tax
Highway User Revenue
Grants
Two Percent Tax
Yuma Mall Maintenance

The City adopts annual appropriated budgets for all of its governmental funds. Budgetary comparison statements have been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found starting on page 24 of this report.

Proprietary funds. The City of Yuma maintains two different types of proprietary 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 Water, Sewer, and Solid Waste Authority and for its Radio Communications and golf courses. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Yuma uses internal service funds to account for its equipment replacement and maintenance programs, liability insurance, and for its workers compensation and employee health insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Major Enterprise Funds:

Water Fund
Wastewater Fund

Nonmajor Enterprise Funds:

Solid Waste
Radio Communications
Desert Hills Golf Courses

Nonmajor Internal Service Funds:

Equipment Replacement
Equipment Maintenance
Insurance Reserve
Employee Benefits Trust
Workers Compensation

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements group major and nonmajor proprietary funds in a manner similar to governmental fund statements. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements, beginning on page 88.

The City adopts annual appropriated budgets for all of its proprietary funds with the exception of two internal service funds: Employee Benefits Trust and Workers Compensation. Budgetary comparison statements for the remaining proprietary funds are included within the report to demonstrate compliance with these budgets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The basic proprietary fund financial statements can be found on pages 28-30 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 31 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Yuma's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found starting on page 54 of this report.

The combining statements referred to earlier in connection with nonmajor governmental, proprietary and internal service funds are presented immediately following the required supplementary information on pensions and budgets. Combining and individual fund statements and schedules can be found starting on page 64.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Yuma, assets exceeded liabilities by \$475.7 million at the close of the fiscal year.

Net Position:	Governmental Activities		Business-type Activities		Total	
	June 30,					
	2013		2013		2013	
(millions)	2014	As restated	2014	As restated	2014	As restated
Current and other assets	\$ 86.0	\$ 92.1	\$ 76.3	\$ 73.2	\$ 162.3	\$ 165.3
Capital assets	300.8	316.0	310.1	321.9	610.9	637.9
Total assets	386.8	408.1	386.4	395.1	773.2	803.2
Long-term liabilities outstanding	114.6	122.9	165.6	173.9	280.2	296.8
Other liabilities	11.8	11.5	5.5	5.7	17.3	17.2
Total liabilities	126.4	134.4	171.1	179.6	297.5	314.0
Net position:						
Net Investment in capital assets	198.0	208.4	159.4	163.2	357.4	371.6
Restricted	22.0	22.4	9.0	9.0	31.0	31.4
Unrestricted	40.4	42.9	46.9	43.3	87.3	86.2
Total net position	\$ 260.4	\$ 273.7	\$ 215.3	\$ 215.5	\$ 475.7	\$ 489.2

The largest portion of the City of Yuma's net position reflects its investment in capital assets (e.g., land, buildings, machinery), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to pay these liabilities. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, including the City as a whole, as well as for its separate governmental and business-type activities. The same held true for the previous fiscal year. Net position dropped to \$475.7 million, down \$13.5 million from the prior year. Governmental activities decreased \$13.3 million while business-type activities decreased \$0.2 million. Capital asset acquisitions were lower than the depreciation expense this year attributing to the decrease in Capital assets in both governmental and business-type activities. Unrestricted net position are those assets available to finance programs in the upcoming fiscal year and would increase when the portion of taxes and other revenues exceed operating expenses but are not invested in capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Activities. Already noted was the statement of activities' purpose in presenting information in how the government's net position changed during the most recent fiscal year. A chart of changes in net position follows.

Changes in Net Position Fiscal Year Ended June 30, (millions)	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
		as restated		as restated		as restated
Revenues						
Program revenues:						
Charges for services	\$ 11.8	\$ 12.4	\$ 44.4	\$ 43.6	\$ 56.2	\$ 56.0
Operating grants and contributions	3.3	4.0	-	-	3.3	4.0
Capital grants and contributions	0.6	0.6	7.0	7.8	7.6	8.4
General revenues:						
Property taxes	9.4	9.5	-	-	9.4	9.5
Sales taxes	38.0	37.6	-	-	38.0	37.6
Franchise taxes	3.0	3.0	-	-	3.0	3.0
Intergovernmental, unrestricted	26.6	26.0	-	-	26.6	26.0
Unrestricted investment earnings	0.5	0.8	0.2	-	0.7	0.8
Total revenues	93.2	93.9	51.6	51.4	144.8	145.3
Expenses:						
General government	10.3	10.3	-	-	10.3	10.3
Public safety	46.6	43.0	-	-	46.6	43.0
Streets	25.3	15.0	-	-	25.3	15.0
Parks, recreation and culture	13.6	12.8	-	-	13.6	12.8
Environmental health and protection	0.1	0.2	-	-	0.1	0.2
Community design and development	5.1	5.1	-	-	5.1	5.1
Interest on long-term debt	4.8	5.8	-	-	4.8	5.8
Water	-	-	24.7	23.4	24.7	23.4
Wastewater	-	-	17.1	16.3	17.1	16.3
Solid Waste	-	-	3.1	3.2	3.1	3.2
Radio Communications	-	-	4.1	4.7	4.1	4.7
Golf courses	-	-	3.5	2.5	3.5	2.5
Total expenses	105.8	92.2	52.5	50.1	158.3	142.3
Transfers	(0.7)	(0.1)	0.7	0.1	-	-
Change in net position	\$ (13.3)	\$ 1.6	\$ (0.2)	\$ 1.4	\$ (13.5)	\$ 3.1

For the fiscal year, net position decreased \$13.5 million, with \$13.3 million of the decrease coming from governmental activities. The decrease in assets in governmental activities is related primarily to adjustments to capital assets for impairments from cancelling capital projects during the year. These asset impairments are reflected as Streets program expenses for the year, partially accounting for the increase in Streets expenses to \$25.3 million. The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenditures while its revenues include general taxes whose primary purpose is for the construction of those very assets or their related debt service (i.e., public safety or road sales taxes).

MANAGEMENT'S DISCUSSION AND ANALYSIS

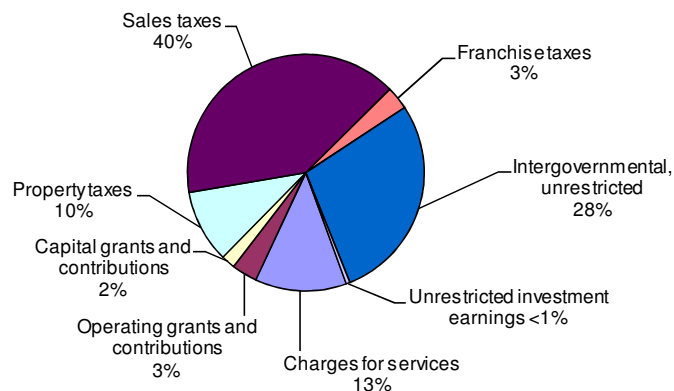
Governmental Activities

Revenues

Governmental activities revenues totaled \$93.2 million for fiscal year 2014, down from 2013, mostly in operational grants and contributions. Local sales taxes remain the largest revenue source for the City and are comprised of the 1% general sales tax along with a .5% road tax and a .2% public safety tax. State-shared revenues are the City's second largest revenue source. State-shared revenues include state sales tax, urban revenue sharing (income tax), auto in-lieu tax and highway user funds (gas tax). Sales taxes and state shared revenues account for 69.3% of governmental revenues for the year. Capital grants and contributions, the third segment of governmental activities revenues, include donations and capital asset contributions. Charges for services count building permits and inspections, fines, recreation fees, police services and civic center rental fees among its largest sources. The charges for services category amounts to 12.6% of governmental revenues. Property taxes represent 10.1% of governmental revenues. The large majority of property taxes are levied for general purposes with a small levy for downtown mall maintenance. No property taxes are levied for debt service. Various grants and contributions and franchise taxes account for most of the remaining governmental revenues. Some of the more significant changes in governmental activities revenues are noted:

- Sales taxes increased 1.4% from 2013 as the economy continues to improve.
- Intergovernmental revenues increased \$634 thousand or 2.4%. State-shared income taxes were anticipated to increase 6.4% but due to a census recalculation from 2010 only increased 1.6% from 2013, while state-shared gas tax increased 7.3%. State-shared sales taxes decreased by 1.2% due to the census recalculation.
- Charges for services decreased by \$591 thousand (4.8%) primarily from the Ambulance Service as FY2013 had three additional months of activity for the start up in FY2012.
- Property taxes decreased 1.6% to \$9.4 million as the City Council opted not to increase the property tax rate to completely offset a decline in assessed valuation.

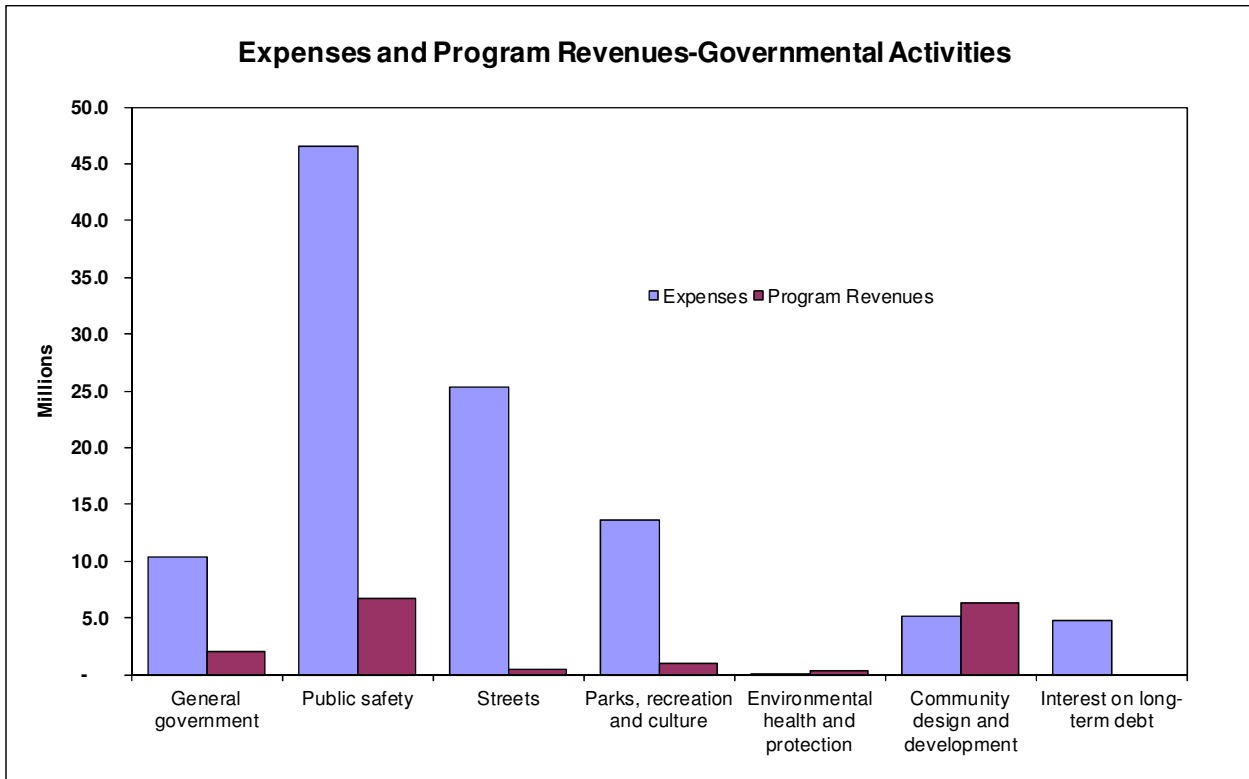
**Revenues-
Governmental Activities**



Expenses

Governmental expenses totaled \$105.8 million for the fiscal year. Of the expenses, 44% or \$46.6 million is related to public safety for police, fire and municipal court services. Parks, recreation and culture expenses amounted to \$13.6 million, or 12.9% and Streets was \$25.3 million, 23.9%, while environmental health and community design and development expenses amounted to 0.08% and 4.8% respectively. General government expenses came to \$10.3 million, or 9.7%. Interest on long-term debt was \$4.8 million, or 4.5% of governmental expenses. Overall, governmental activities expenses increased \$13.6 million over 2013, led by an increase in Streets expenditures of \$10.3 million, mainly due to adjustments to capital assets for impairments from cancelling capital projects.

MANAGEMENT’S DISCUSSION AND ANALYSIS



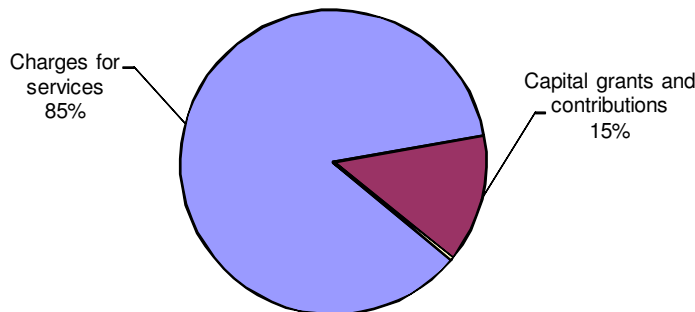
The chart above compares governmental activities with their respective program revenues, if any. Because the ultimate beneficiary of services of these types is often difficult to ascertain or the services apply to a broad spectrum of users (such as in fire protection), user fees are not created and general revenues provide the funding support for most of these services. Moreover, where ultimate users of the services are determinable, program revenues may generate only a portion of the funding, such as in recreation programs.

Business-type activities

Revenues

General revenues do not support the City’s business-type activities; thus, the largest source of revenues comes from charges for services. Of the \$44.4 million in charges for services, 83.9% comes from the City’s two utility operations, water and wastewater. The remaining charges are from solid waste, radio communications and the City’s two golf courses, Desert Hills and Desert Hills Par 3. The \$7.0 million in contributions are payments for capacity charges, development fees, and constructed additions to the City’s water and wastewater infrastructure by subdivision and other developers as well as grant funds for the radio communications fund. Finally, investment earnings make up less than 0.43% of revenues for the City’s business activities.

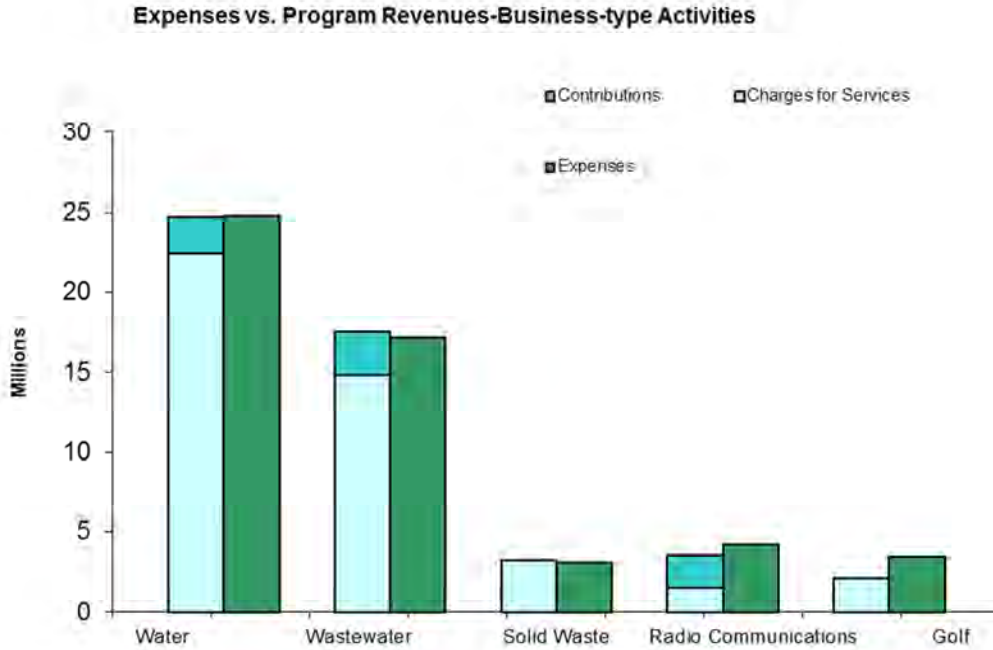
Revenues-Business-type Activities



MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses

Water and wastewater services account for 79.6% of the City's business-type activities with solid waste, radio communication and golf courses making up the remaining 20.4%. Water expenses amounted to \$24.7 million while wastewater expenses totaled \$17.1 million. Solid Waste, Radio Communications, and Desert Hills Golf Courses recorded expenses of \$3.1 million, \$4.1 million and \$3.5 million, respectively, for a total of \$10.7 million.



Because the City's business-type activities are supported by user charges, the chart above shows more reliance on program revenues. Moreover, for both water and wastewater, program revenues include capacity charges for new service and developer additions to the utility infrastructure.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental funds. The combined fund balances of governmental funds for the fiscal year ended June 30, 2014, is \$44.1 million, a decrease from 2013 of \$5.4 million. A review of some of the more significant funds follows.

General Fund

The fund balance of the General Fund decreased by \$1.9 million for the fiscal year. Revenues decreased by \$790 thousand. Sales taxes, the city's largest source of General Fund revenues, increased \$268 thousand (1.4%) to \$19.5 million as the local economy continues to improve after the recession. State-shared income taxes were anticipated to increase 6.4% but due to a census recalculation from 2010 only increased 1.6%, up \$150 thousand to \$9.65 million, while state-shared vehicle registration tax (auto lieu tax) increased 5.5% to \$3.1 million. State-shared sales taxes decreased \$92 thousand or 1.2% also due to a census recalculation from 2010. Total expenditures increased \$1.9 million, or 3.3%, to \$59.1 million. Most of the increase occurred in Public Safety expenditures, in part due to the City needing to use current staff operating ambulance services in an overtime status. Police overtime also exceeded anticipated overtime need.

City Road Tax Fund

This fund accounts for the one-half cent sales tax for use on the City's roadways in conjunction with HURF. The fund balance grew by \$1.6 million for the year. In the same manner as general sales tax in the General Fund, sales taxes increased in 2014 to \$9.75 million. Operational expenditures increased from 2013, as the fund had an increase in personnel expenditures due to engineering moving into the fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Service

Debt Service Fund expenditures remained at \$13.5 million per debt retirement schedules. Fund balance decreased due to service reserves accumulated in accordance with the development agreement for the Yuma Palms regional center no longer needed.

Highway User Revenue Fund (HURF)

This fund, which accounts for the expenditure of state-shared gasoline taxes, showed an increase in fund balance of \$0.5 million for the year. The City's portion of those taxes increased by 7% for the fiscal year to \$6.3 million. All maintenance expenditures for streets and retention basins are made in the HURF Fund. Expenditures decreased from 2013 by \$0.2 million to \$5.8 million.

Grants Fund

The City continues to receive much needed assistance from both the state and federal levels. During 2014, revenues decreased to \$2.4 million, due to grants completing early in the fiscal year. Again this year, Homeland Security was the primary source of grants, funding the Operation Stone Garden. In addition, the City of Yuma received funding from the Environmental Protection Agency for conducting community wide assessments at potential Brownfields sites contaminated with Petroleum or Hazardous Substances.

Community Redevelopment Fund

The City continued to utilize, in part, its Community Development Block Grant funding for eligible street infrastructure improvements and for affordable housing rehabilitation, and its U.S. Department of Housing and Urban Development Home Grant Programs to help with housing rehabilitation in the Yuma High revitalization area. Community Development Block Grant revenues increased to \$1.4 million for 2014.

Capital Projects Fund

The Capital Projects Fund's fund balance dropped to \$12.7 million this year as the city continued to expend the proceeds of the 2007 bond sale. Capital expenditures decreased in 2014 to \$4.8 million.

Proprietary funds. The City's enterprise funds posted an overall decrease in net position of \$0.2 million for the fiscal year ended June 30, 2014. Results were mixed between the various funds with the Wastewater, and Solid Waste Funds posting increases in net position while the Water, Radio Communications and Desert Hills Golf Course Funds showed the reverse.

Water Enterprise Fund

Operating revenues for the Water Fund increased by \$0.7 million or 3.2% for the year ending June 30, 2014. Operating expenses increased by 8.7% with attendant improvements coming on line. With these changes, operating income fell 25.8% to \$2.5 million. Capital contributions, increasing to \$2.3 million, kept the fund's net position to only a decrease of \$36,955.

Wastewater Enterprise Fund

The Wastewater Fund operating revenues increased 1.1% from fiscal 2013. Rate-based charges increased 1.1% to \$13.1 million. Operating expenses increased by 6.9% with income from operations decreasing to \$0.3 million. Capital contributions decreased by some \$1.5 million mostly due to the decrease of capacity charges for the Avenue B to C Colonia improvement district. Capital contributions led to the fund's net position increase of \$631,888.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Radio Communications

With the reclassification of the Radio Communications fund to an enterprise fund, federal grants for the Yuma Regional Communications System were classified in the fund. This includes intergovernmental revenues and expenses of \$1.9 million. Operating revenues increased 4.1% to \$3.5 million due to an increase in intergovernmental revenues and a decrease in other agencies communication product purchases through the YRCS. Operating expenses decreased 11% to \$4.2 million, with the fund's net position decreasing to \$3 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2014, can be found starting on page 55. A summary of that schedule follows:

	Budget		Actual	Variance with Final
	Original	Final		
Revenues and Transfers In				
Taxes	\$ 32,929,200	\$ 32,929,200	\$ 32,109,065	\$ (820,135)
Intergovernmental	21,097,788	21,097,788	20,299,664	(798,124)
Other	7,086,280	7,086,280	7,992,636	906,356
Transfers In	557,323	557,323	1,043,982	486,659
Total	61,670,591	61,670,591	61,445,347	(225,244)
Expenditures and Transfers Out				
Expenditures	58,787,897	58,962,897	59,092,324	(129,427)
Transfers Out	4,377,807	4,377,807	4,258,146	119,661
Total	63,165,704	63,340,704	63,350,470	(9,766)
Change in Fund Balance	\$ (1,495,113)	\$ (1,670,113)	\$ (1,905,123)	\$ (235,010)

General Fund revenues and transfers ended the year \$0.2 million under expectations. The census recalculation for 2010 accounted for \$0.7 million of this in state sales tax and state shared revenues, while building permits and fees decreased this by \$0.8 million. City Court Fines accounted for \$0.3 million of the shortfall. The important revenue source of city sales tax increased by 1.4%.

Expenditures for the fund came in at \$129,427 over budget due to overtime needed in excess of projections by the Ambulance Transport division. General Government, Parks and Recreation, and Community Development showed savings of \$0.3 million, \$0.5 million, and \$0.2 million respectfully. Savings in budget occurred in most departments with the City's drive to reduce expenditures throughout the year. The City continued to target all areas of expenditure reduction. Due to provisional positions added during the year, the General Fund's anticipated reduction of fund balance increased from a reduction of \$1.7 million to a reduction of \$1.9 million.

CAPITAL ASSETS

At June 30, 2014, the City of Yuma's investment in capital assets in both governmental and business-type activities amounted to \$610.9 million, net of depreciation. This includes land, buildings, equipment, and infrastructure (roadways and bridges). Capital assets for governmental activities decreased by 4.8% while business-type capital assets decreased by 3.7%. These changes included the following:

- The Avenue 3E Bridge widening project, a major link to Marine Corps Air Station-Yuma and to local agriculture cooling plants from Interstate 8, was completed.
- The 8th Avenue Road road construction project was completed.
- A number of major water and sewer lines were completed.
- Removing original infrastructure assets that were replaced in prior year – includes 24th street and 32nd street improvements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Change in Capital Assets

(In Millions)

	Governmental Activities			Business-type Activities			Total
	July 1, 2013	Net Additions/ Deletions	June 30, 2014	July 1, 2013	Net Additions/ Deletions	June 30, 2014	
Land	\$ 58.8	\$ -	\$ 58.8	\$ 10.6	\$ -	\$ 10.6	\$ 69.4
Buildings	90.9	1.2	92.1	164.7	-	164.7	256.8
Improvements	45.0	2.3	47.3	268.1	0.6	268.7	316.0
Infrastructure	257.9	(6.1)	251.8	-	-	-	251.8
Equipment	50.6	2.5	53.1	12.2	0.7	12.9	66.0
Construction in Progress	18.9	(12.2)	6.7	1.7	2.7	4.4	11.1
Accumulated Depreciation	(206.1)	(3.0)	(209.1)	(135.3)	(15.8)	(151.1)	(360.2)
Total	\$ 316.0	\$ (15.3)	\$ 300.7	\$ 322.0	\$ (11.8)	\$ 310.2	\$ 610.9

Additional information on capital assets can be found in Note II-E starting on page 41.

DEBT ADMINISTRATION

At June 30, 2014, after scheduled debt payments, governmental activity debt decreased to \$114.6 million while business activity debt decreased to \$165.6 million.

The state limits the amount a municipality may issue in general obligation debt to 20% of the City's secondary assessed valuation for combined water, wastewater, artificial light, parks, open space preserves, playgrounds and recreational facilities. Debt related to other projects is limited to 6% of the valuation. The current debt limitation for the former type is \$126.5 million. This City currently has no outstanding general obligation debt nor is there any debt outstanding for the other type of issuance.

The City's improvement district bonds were rated by Fitch Ratings as "A+". All other bonds are rated "AA-". The underlying ratings of Moody's Investor Services and Standard and Poor's are "Aa3" and "AA-", respectively. With the exception of the improvement district bond, all City bond issues are insured, and while the city enjoys higher ratings, the guarantors can no longer provide "AAA" rating as a result of ratings downgrades of the insurance companies.

A summary of the City's long-term debt follows. Additional information on the City's long-term debt can be found in Note II-G on pages 44-48.

Summary of Long-Term Debt

(Millions)

	Governmental activities		Business-type activities		Total	
	2014	as restated*	2014	as restated*	2014	as restated*
Yuma Municipal Property Corporation Bonds	\$ 105.0	\$ 112.2	\$ 106.8	\$ 110.3	\$ 211.7	\$ 222.5
Net Unamortized						
Premium/Issuance Costs	1.4	1.5	3.0	3.2	4.3	4.6
Improvement Districts	2.2	3.5	-	-	2.2	3.5
Contracts Payable	-	-	54.8	59.4	54.8	59.4
Compensated Absences	6.0	5.8	1.0	1.0	7.0	6.7
Total Long-Term Debt	\$ 114.6	\$ 122.9	\$ 165.6	\$ 173.9	\$ 280.2	\$ 296.8

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS

Yuma County's growth is sluggish but improving. The county grew by an estimated 4,040 residents to 200,870 with the City of Yuma representing 47.5% of the county's population. Since 2000, the City has grown by 28% to an estimated 90,660 for Census 2010. (City-reported errors provided to the Census Bureau were finally recorded during fiscal year 2013 and 2014). The City's economy is based on a triad of agriculture, tourism and military/government spending. Agribusiness continues to lead the economy, contributing well over \$3 billion annually. The area's 85,000-plus winter visitors add over \$500 million to the mix, while two prominent military installations infuse some \$300 million to the economy.

Property taxes are limited constitutionally in Arizona, so other local revenues make up the most significant reflectors of the condition of the economy. Sales tax, the City's primary source of general revenues, posted a 1.4% increase this year, compared to its historic growth rate of 7%. This still compares more than favorably to the large metropolitan areas of the state. For fiscal year 2015, General Fund revenues were projected with a 4.3% increase.

With sales tax statistics improving, the economy continues to strengthen. During 2014, the following major economic events occurred:

- The new F-35 Joint Strike Fighter began arriving in December 2012 and the new squadrons continue to grow. Additional construction projects necessitated by the new squadron continued into 2014.
- Yuma Regional Medical Center (YRMC) continues to expand its footprint and its services as new construction projects were completed. A new cancer center was completed in June followed by the opening of a new 3 level parking garage. In addition to the new cancer center, the hospital will be replacing its overburdened emergency room with a new, much-expanded facility.
- According to the Yuma Sun, "At \$5.3 billion, - which is bigger than 40 countries – Yuma's metropolitan area would rank 152 out of 195 countries."

Not all economic statistics reflect positive results; however, in that Yuma County continues to suffer what appear to be higher unemployment figures than most of the state, according to the Arizona Department of Economic Security (DES). Seasonal farm employment continues to skew this statistic. The City combats this problem as the largest contributor to the Greater Yuma Economic Development Corporation whose two-fold mission is to encourage new employers to the area and to assist local employers in their expansion efforts.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to familiarize our citizens, taxpayers and customers with the City's finances and to demonstrate the City's fiscal accountability for its operations. Questions concerning this report, or requests for additional financial information, should be directed to Mr. Donald (Pat) Wicks, Finance Director, One City Plaza, Yuma, AZ 85364, telephone (928) 373-5087. The reader may also visit the City's website at www.yumaaz.gov for an electronic version of this report.



BASIC FINANCIAL STATEMENTS



**GOVERNMENT-WIDE FINANCIAL
STATEMENTS**

City of Yuma, Arizona
Statement of Net Position
June 30, 2014

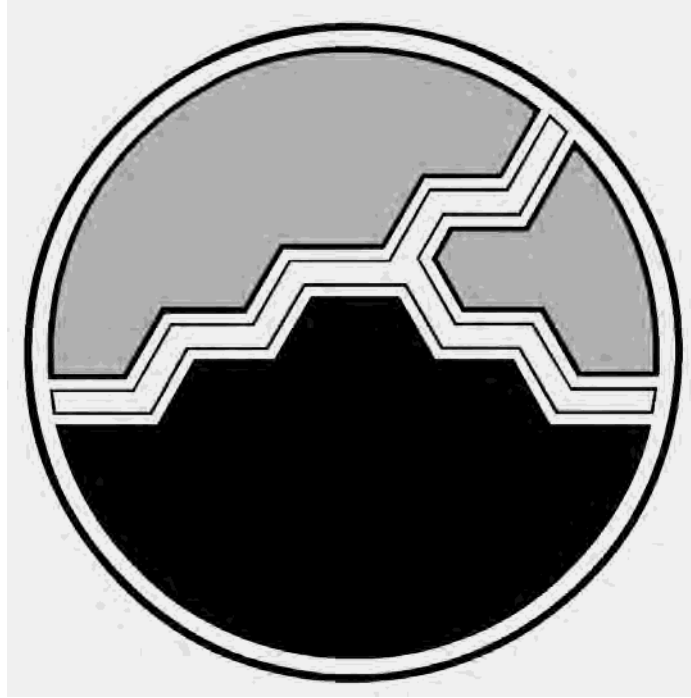
<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and Investments	\$ 70,981,488	\$ 68,939,924	\$ 139,921,412
Receivables, Net	12,633,534	7,907,934	20,541,468
Internal Balances	881,366	(881,366)	-
Inventory, at cost	668,315	292,831	961,146
Prepaid Items	838,060	41,105	879,165
Capital Assets:			
Non-depreciable	65,450,479	14,994,343	80,444,822
Depreciable, Net	<u>235,302,789</u>	<u>295,171,261</u>	<u>530,474,050</u>
Total Assets	<u>386,756,031</u>	<u>386,466,032</u>	<u>773,222,063</u>
 <u>Liabilities</u>			
Accounts Payable and Deposits	2,917,456	1,635,412	4,552,868
Accrued Liabilities	2,692,277	210,695	2,902,972
Accrued Interest Payable	2,421,390	3,580,095	6,001,485
Unearned Revenue	3,726,274	105,205	3,831,479
Noncurrent Liabilities:			
Due within one year			
Current portion of Accrued Compensated Absences	2,336,097	314,440	2,650,537
Current portion of Debt	7,765,000	8,544,841	16,309,841
Due in more than one year			
Accrued Compensated Absences	3,654,947	674,760	4,329,707
Debt	<u>100,835,784</u>	<u>156,056,761</u>	<u>256,892,545</u>
Total Liabilities	<u>126,349,225</u>	<u>171,122,209</u>	<u>297,471,434</u>
 <u>Net Position</u>			
Net Investment in capital assets	197,996,567	159,458,271	357,454,838
Restricted for:			
General government projects	96,208	-	96,208
Debt Service	2,249,696	9,009,138	11,258,834
Community Development	580,534	-	580,534
Streets	12,458,365	-	12,458,365
Public safety equipment and facilities	1,736,591	-	1,736,591
Parks, recreation and cultural facilities	4,870,656	-	4,870,656
Unrestricted	<u>40,418,189</u>	<u>46,876,414</u>	<u>87,294,603</u>
Total Net Position	<u>\$ 260,406,806</u>	<u>\$ 215,343,823</u>	<u>\$ 475,750,629</u>

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

City of Yuma, Arizona
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities:							
General Government	\$ 10,335,500	\$ 2,010,766	\$ -	\$ -	\$ (8,324,734)	\$ -	\$ (8,324,734)
Public Safety	46,584,692	5,035,470	1,644,441	-	(39,904,781)	-	(39,904,781)
Streets	25,264,719	-	-	489,105	(24,775,614)	-	(24,775,614)
Parks, Recreation and Culture	13,605,827	915,420	84,431	-	(12,605,976)	-	(12,605,976)
Environmental Health and Protection	89,483	-	257,356	64,489	232,362	-	232,362
Community Design and Development	5,166,707	3,808,241	1,318,614	23,675	(16,177)	-	(16,177)
Interest on Long-Term Debt	4,780,812	-	-	-	(4,780,812)	-	(4,780,812)
Total Governmental Activities	105,827,740	11,769,897	3,304,842	577,269	(90,175,732)	-	(90,175,732)
Business-type Activities:							
Water	24,762,052	22,377,397	-	2,314,013	-	(70,642)	(70,642)
Wastewater	17,072,747	14,849,072	-	2,746,813	-	523,138	523,138
Solid Waste	3,085,159	3,345,573	-	-	-	260,414	260,414
Radio Communications	4,153,369	1,566,197	-	1,983,116	-	(604,056)	(604,056)
Golf Courses	3,473,939	2,244,576	-	-	-	(1,229,363)	(1,229,363)
Total Business-type Activities	52,547,266	44,382,815	-	7,043,942	-	(1,120,509)	(1,120,509)
Total	\$ 158,375,006	\$ 56,152,712	\$ 3,304,842	\$ 7,621,211	(90,175,732)	(1,120,509)	(91,296,241)
General Revenues:							
Property taxes					9,450,907	-	9,450,907
Sales taxes					37,993,832	-	37,993,832
Franchise taxes					3,009,904	-	3,009,904
Intergovernmental, unrestricted					26,551,809	-	26,551,809
Unrestricted investment earnings					545,669	222,384	768,053
Total general revenues					77,552,121	222,384	77,774,505
Transfers					(730,234)	730,234	-
Total general revenues and transfers					76,821,887	952,618	77,774,505
Change in net position					(13,353,845)	(167,891)	(13,521,736)
Net position-beginning, as restated					273,760,651	215,511,714	489,272,365
Net position-ending					\$ 260,406,806	\$ 215,343,823	\$ 475,750,629

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



FUND FINANCIAL STATEMENTS

City of Yuma, Arizona

Balance Sheet

Governmental Funds

June 30, 2014

<u>Assets</u>	General	City Road Tax	Debt Service	Other Nonmajor Governmental Funds	Total
Cash and Investments	\$ 14,092,546	\$ 7,492,224	\$ 49,252	\$ 21,121,761	\$ 42,755,783
Cash with Fiscal Agents	-	-	9,853,629	-	9,853,629
Receivables, Net of Allowances for Uncollectibles:					
Accounts Receivable	3,022,561	33,580	8,183	1,265,699	4,330,023
Intergovernmental	2,485,477	594,458	-	2,512,483	5,592,418
Special Assessments	20,169	-	2,245,000	-	2,265,169
Delinquent Property Taxes	360,361	-	-	13,527	373,888
Accrued Interest	8,057	3,236	22	5,553	16,868
Due from Other Funds	2,464,914	-	-	-	2,464,914
Inventory, at cost	37,819	-	-	13,534	51,353
Prepaid Items	140,072	2,379	-	188	142,639
Total Assets and Other Debits	<u>\$ 22,631,976</u>	<u>\$ 8,125,877</u>	<u>\$ 12,156,086</u>	<u>\$ 24,932,745</u>	<u>\$ 67,846,684</u>
 <u>Liabilities</u>					
Accounts Payable	\$ 814,905	\$ 252,813	\$ -	\$ 1,007,999	\$ 2,075,717
Accrued Payroll, Taxes and Benefits Payable	1,035,548	36,577	-	100,533	1,172,658
Long-Term Debt - Current Portion	-	-	7,485,000	-	7,485,000
Due to Other Funds	-	-	-	722,653	722,653
Accrued Interest Payable	-	-	2,421,390	-	2,421,390
Deposits	423,081	26,233	-	8,949	458,263
Unearned Revenues	13,863	50	-	3,712,361	3,726,274
Total Liabilities	<u>2,287,397</u>	<u>315,673</u>	<u>9,906,390</u>	<u>5,552,495</u>	<u>18,061,955</u>
 <u>Deferred Inflows of Resources</u>					
Unavailable Revenues	<u>2,434,816</u>	<u>-</u>	<u>2,245,000</u>	<u>994,060</u>	<u>5,673,876</u>
 <u>Fund Balances:</u>					
Nonspendable:					
Inventory	37,819	-	-	13,534	51,353
Prepaid Items	140,072	2,379	-	188	142,639
Restricted for:					
General government projects	-	-	-	96,208	96,208
Debt Service	-	-	4,696	-	4,696
Streets	-	7,807,825	-	4,650,540	12,458,365
Public safety equipment and facilities	-	-	-	1,736,591	1,736,591
Parks, recreation and cultural facilities	-	-	-	4,870,656	4,870,656
Committed to:					
General government projects	-	-	-	2,845	2,845
Streets	-	-	-	3,279,444	3,279,444
Public safety equipment and facilities	-	-	-	1,232,387	1,232,387
Parks, recreation and cultural facilities	-	-	-	1,868,923	1,868,923
Sanitation facilities	-	-	-	378,910	378,910
Public works projects	-	-	-	255,964	255,964
Unassigned:	17,731,872	-	-	-	17,731,872
Total Fund Balances	<u>17,909,763</u>	<u>7,810,204</u>	<u>4,696</u>	<u>18,386,190</u>	<u>44,110,853</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 22,631,976</u>	<u>\$ 8,125,877</u>	<u>\$ 12,156,086</u>	<u>\$ 24,932,745</u>	<u>\$ 67,846,684</u>

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

City of Yuma, Arizona
 Reconciliation of the Balance Sheet-Governmental Funds to the Statement of Net Position
 June 30, 2014

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balances per the Balance Sheet-Governmental Funds:		\$	44,110,853
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			293,038,773
Revenues deferred to later years recognized in year levied in governmental activities.			5,673,876
Special Assessment/Loan Principal	3,225,533		
Property Tax	373,888		
Ambulance Billings	2,074,455		
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Compensated absences			(5,901,379)
MPC bonds payable			(97,495,000)
Improvement District #68			(2,245,000)
Net unamortized deferred charges or premiums are not recorded in the governmental funds			(1,375,784)
Net position of internal service funds that are used by management to charge the cost of equipment replacement and employee-related insurance to individual funds are included in governmental activities in the statement of net position			24,600,467
Net position - Governmental Activities per the Statement of Net Position			\$ 260,406,806

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

City of Yuma, Arizona
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	General	City Road Tax	Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 32,109,065	\$ 9,756,994	\$ -	\$ 8,558,852	\$ 50,424,911
Licenses and Permits	1,880,101	-	-	-	1,880,101
Intergovernmental	20,299,664	-	-	9,954,208	30,253,872
Charges for Services	4,302,462	3,821	-	2,780,193	7,086,476
Fines and Forfeitures	1,209,502	-	-	-	1,209,502
Special Assessments	-	-	1,183,000	-	1,183,000
Use of Money and Property	325,628	403,748	131,610	109,742	970,728
Contributions and Donations	-	-	-	88,347	88,347
Miscellaneous	274,943	7,596	-	173,395	455,934
Total Revenues	<u>60,401,365</u>	<u>10,172,159</u>	<u>1,314,610</u>	<u>21,664,737</u>	<u>93,552,871</u>
Expenditures:					
Current:					
General Government	8,686,538	-	-	277,238	8,963,776
Public Safety	39,408,092	586,869	-	2,942,939	42,937,900
Streets	-	2,237,530	-	5,354,549	7,592,079
Parks, Recreation and Culture	7,308,561	-	-	3,891,345	11,199,906
Environmental Health and Protection	-	-	-	72,459	72,459
Community Design and Development	3,495,936	-	-	1,599,911	5,095,847
Capital Outlay	193,197	65,891	-	750,573	1,009,661
Capital Projects:					
General Government	-	-	-	866,260	866,260
Public Safety	-	-	-	1,679,268	1,679,268
Streets	-	598,479	-	1,906,470	2,504,949
Parks, Recreation and Culture	-	65,113	-	2,243,660	2,308,773
Environmental Health and Safety	-	160,052	-	172,911	332,963
Debt Service					
Principal	-	-	8,700,000	-	8,700,000
Interest and Fiscal Agent Fees	-	-	4,877,431	7,700	4,885,131
Total Expenditures	<u>59,092,324</u>	<u>3,713,934</u>	<u>13,577,431</u>	<u>21,765,283</u>	<u>98,148,972</u>
Revenues Over/(Under) Expenditures	1,309,041	6,458,225	(12,262,821)	(100,546)	(4,596,101)
Other Financing Sources/(Uses):					
Transfers In	1,043,982	-	12,265,300	164,578	13,473,860
Transfers Out	(4,258,146)	(4,817,663)	(540,898)	(4,587,387)	(14,204,094)
Total Other Financing Sources/(Uses)	<u>(3,214,164)</u>	<u>(4,817,663)</u>	<u>11,724,402</u>	<u>(4,422,809)</u>	<u>(730,234)</u>
Net Change in Fund Balances	(1,905,123)	1,640,562	(538,419)	(4,523,355)	(5,326,335)
Fund Balances - Beginning	19,814,886	6,169,642	543,115	22,909,545	49,437,188
Fund Balances - Ending	<u>\$ 17,909,763</u>	<u>\$ 7,810,204</u>	<u>\$ 4,696</u>	<u>\$ 18,386,190</u>	<u>\$ 44,110,853</u>

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

City of Yuma, Arizona
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances-Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2014

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances-governmental funds	\$ (5,326,335)
Portions of revenues recorded on the statement of activities do not provide current financial resources and are not recorded as revenues in the funds:	
Property taxes revenue	(5,513)
Public safety ambulance revenue	634,994
Loan Payments are recorded as revenues in the funds. In the statement of activities, however, these amounts are recorded as a reduction in receivables:	
Community Redevelopment Loan Payments	(30,991)
Special Assessment Principal Payments	(1,183,000)
Governmental funds report capital outlays as expenditures. In the statement of activities, however, the cost of those assets is allocated over their useful lives as depreciation	
Depreciation recorded in statement of activities	(13,589,571)
Capital outlay expenditures reported as additions to assets:	
Capital outlay expenditures-governmental funds	8,701,874
Infrastructure maintenance expenditures recorded as capital outlay but not capitalized as asset additions	(538,705)
Governmental funds report debt principal service payments as expenditures. The reduction in liability is recorded on the statement of net position in the government-wide statements	
	8,700,000
Increase in compensated absences expense not recorded in governmental funds	(216,031)
The net effect of miscellaneous transactions involving capital assets (trades of land for rights-of-way) is to decrease net position.	(10,656,059)
Investment earnings of the internal service funds are general revenues on the statement of activities	84,910
Interest payments accrued in government-wide statements are not recorded in governmental activities until paid	104,319
Net revenues of internal service funds in excess of expenses reduce governmental activities expenses on the statement of activities	(149,351)
Contributions of infrastructure assets are not recorded as revenues in the governmental funds	115,614
Change in net position of governmental activities	\$ (13,353,845)

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

City of Yuma, Arizona
Statement of Net Position
Proprietary Funds
June 30, 2014

Assets	Business-Type Activities-Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Wastewater Fund	Other Funds	Totals	Funds
Current Assets:					
Cash and Investments	\$ 15,526,645	\$ 16,607,841	\$ 1,564,194	\$ 33,698,680	\$ 18,372,076
Receivables, Net of Allowance for Uncollectibles:					
Accounts Receivable	3,889,471	2,273,703	532,791	6,695,965	48,724
Intergovernmental	208,315	213,208	772,686	1,194,209	2
Accrued Interest	6,228	11,130	402	17,760	6,442
Inventory, at cost	130,838	-	161,993	292,831	616,962
Prepaid Expenses	2,248	8,323	30,534	41,105	695,421
Total Unrestricted Current Assets	19,763,745	19,114,205	3,062,600	41,940,550	19,739,627
Restricted Assets:					
Cash and Investments:					
Cash with Fiscal Agents	11,845,914	3,538,390	-	15,384,304	-
Advancement for Future Expansion	5,180,174	14,223,999	-	19,404,173	-
Customer Deposits	452,767	-	-	452,767	-
Total Restricted Current Assets	17,478,855	17,762,389	-	35,241,244	-
Total Current Assets	37,242,600	36,876,594	3,062,600	77,181,794	19,739,627
Noncurrent Assets:					
Capital Assets:					
Land	1,867,721	8,726,156	-	10,593,877	219,610
Buildings	106,000,530	55,545,009	3,102,865	164,648,404	19,251
Improvements Other than Buildings	151,787,750	113,586,282	3,341,093	268,715,125	222,733
Equipment	2,717,684	1,904,085	8,296,633	12,918,402	27,590,505
Construction In Progress	3,482,385	918,081	-	4,400,466	-
Less Accumulated Depreciation	(84,031,728)	(56,408,326)	(10,670,616)	(151,110,670)	(20,337,604)
Total Capital Assets	181,824,342	124,271,287	4,069,975	310,165,604	7,714,495
Total Noncurrent Assets	181,824,342	124,271,287	4,069,975	310,165,604	7,714,495
Total Assets	219,066,942	161,147,881	7,132,575	387,347,398	27,454,122
Liabilities					
Current Liabilities Payable from Current Assets:					
Accounts Payable	378,581	363,173	342,317	1,084,071	383,476
Accrued Payroll and Related Taxes	93,386	70,193	47,116	210,695	18,623
Current Portion-Long-Term Contracts-Principal	48,991	222,894	-	271,885	-
Current Portion-Bonds Payable	2,887,500	862,500	-	3,750,000	-
Current Portion-Accrued Compensated Absences	142,283	98,082	74,075	314,440	27,380
Estimated Claims and Judgements	-	-	-	-	1,500,996
Due to Other Funds	-	-	-	-	1,742,261
Accrued Interest Payable	2,025,413	640,467	-	2,665,880	-
Unearned Revenue	-	-	85,252	85,252	-
Total Current Liabilities Payable from Current Assets	5,576,154	2,257,309	548,760	8,382,223	3,672,736
Current Liabilities Payable from Restricted Assets:					
Accounts Payable	79,095	879	-	79,974	-
Deposits	471,367	-	-	471,367	-
Unearned Revenue	-	19,953	-	19,953	-
Current Portion-Long-Term Contracts-Principal	2,296,395	2,226,561	-	4,522,956	-
Current Portion-Long-Term Contracts-Interest	534,963	379,252	-	914,215	-
Total Current Liabilities Payable from Restricted Assets	3,381,820	2,626,645	-	6,008,465	-
Total Current Liabilities	8,957,974	4,883,954	548,760	14,390,688	3,672,736
Noncurrent Liabilities:					
Long-Term Contracts Payable	27,262,791	22,752,439	-	50,015,230	-
Bonds Payable	79,313,850	23,691,150	-	103,005,000	-
Unamortized Premium/Insurance Costs	2,338,130	698,401	-	3,036,531	-
Accrued Compensated Absences	312,806	208,548	153,406	674,760	62,285
Total Noncurrent Liabilities	109,227,577	47,350,538	153,406	156,731,521	62,285
Total Liabilities	118,185,551	52,234,492	702,166	171,122,209	3,735,021
Net Position					
Net investment in capital assets	78,923,799	76,464,497	4,069,975	159,458,271	7,714,495
Restricted for:					
Debt Service	6,937,036	2,072,102	-	9,009,138	-
Unrestricted	15,020,556	30,376,790	2,360,434	47,757,780	16,004,606
Total Net Position	\$ 100,881,391	\$ 108,913,389	\$ 6,430,409	216,225,189	\$ 23,719,101
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				(881,366)	
Net position of business-type activities				\$ 215,343,823	

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

City of Yuma, Arizona
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities-Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Wastewater Fund	Other Funds	Totals	
Operating Revenues:					
Metered Water Sales	\$ 21,662,698	\$ -	\$ -	\$ 21,662,698	\$ -
Commercial Raw Water	145,964	-	-	145,964	-
Wastewater Charges	-	14,784,909	-	14,784,909	-
Meters, Connections and Services	367,297	28,013	-	395,310	-
Intergovernmental	97,529	-	1,983,116	2,080,645	-
Charges for Services	-	-	4,889,653	4,889,653	5,165,862
Green Fees and Concessions	-	-	1,943,036	1,943,036	-
Equipment Rental	-	-	286,537	286,537	1,845,650
Miscellaneous Charges	1,417	-	-	1,417	1,179,916
Total Operating Revenues	<u>22,274,905</u>	<u>14,812,922</u>	<u>9,102,342</u>	<u>46,190,169</u>	<u>8,191,428</u>
Operating Expenses:					
Operations and Maintenance	11,052,893	8,959,681	9,379,505	29,392,079	6,888,406
Depreciation	8,682,968	6,106,782	1,185,222	15,974,972	1,644,819
Total Operating Expenses	<u>19,735,861</u>	<u>15,066,463</u>	<u>10,564,727</u>	<u>45,367,051</u>	<u>8,533,225</u>
Operating Income/(Loss)	<u>2,539,044</u>	<u>(253,541)</u>	<u>(1,462,385)</u>	<u>823,118</u>	<u>(341,797)</u>
Non-Operating Revenues/(Expenses):					
Interest	76,153	139,164	7,066	222,383	84,910
Gain/(Loss) on Disposal of Assets	(10,330)	(3,790)	(1,266)	(15,386)	24,459
Interest and Fiscal Agent Fees	(4,995,861)	(2,000,981)	-	(6,996,842)	-
Miscellaneous Revenues	102,492	36,150	37,120	175,762	-
Total Non-Operating Revenues/(Expenses)	<u>(4,827,546)</u>	<u>(1,829,457)</u>	<u>42,920</u>	<u>(6,614,083)</u>	<u>109,369</u>
Income/(Loss) before Contributions and Transfers	(2,288,502)	(2,082,998)	(1,419,465)	(5,790,965)	(232,428)
Capital Contributions	2,314,013	2,746,813	-	5,060,826	-
Transfers In	-	-	845,643	845,643	-
Transfers Out	<u>(62,466)</u>	<u>(31,927)</u>	<u>(21,016)</u>	<u>(115,409)</u>	<u>-</u>
Change in Net Position	(36,955)	631,888	(594,838)	95	(232,428)
Net Position - Beginning, as restated	<u>100,918,346</u>	<u>108,281,501</u>	<u>7,025,247</u>		<u>23,951,529</u>
Net Position - Ending	<u>\$ 100,881,391</u>	<u>\$ 108,913,389</u>	<u>\$ 6,430,409</u>		<u>\$ 23,719,101</u>
Adjustment for consolidation of internal service fund activities related to enterprise funds				<u>(167,987)</u>	
Change in net position of business-type activities				<u>\$ (167,892)</u>	

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

City of Yuma, Arizona
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities-Enterprise Funds				Governmental
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
Cash Flow from Operating Activities:					
Cash Received from Customers	\$ 23,390,388	\$ 15,550,769	\$ 9,599,460	\$ 48,540,617	\$ 8,194,476
Cash Paid to Employees	(4,653,208)	(3,388,236)	(2,409,205)	(10,450,649)	(1,060,829)
Cash Paid to Suppliers	(6,086,612)	(5,360,896)	(7,047,075)	(18,494,583)	(2,448,340)
Cash Paid for Operating Expenses	-	-	-	-	(2,336,144)
Other Operating Activity Revenue	102,492	36,150	37,119	175,761	-
Net Cash Provided by Operating Activities	12,753,060	6,837,787	180,299	19,771,146	2,349,163
Cash Flows from Noncapital Financing Activities:					
Cash Received from Other Funds	-	-	845,642	845,642	775,048
Cash Paid to Other Funds	(62,466)	(31,927)	(21,016)	(115,409)	(1,113,364)
Net Cash Provided by/(Used for) Noncapital Financing Activities	(62,466)	(31,927)	824,626	730,233	(338,316)
Cash Flow from Capital and Related Financing Activities:					
Contributions of Capital	2,314,013	2,746,813	-	5,060,826	-
Acquisition and Construction of Assets	(3,652,524)	(161,767)	(763,250)	(4,577,541)	(2,429,188)
Proceeds from Sale of Capital Assets	-	-	-	-	94,111
Principal Payments on Bonds	(2,677,835)	(824,550)	-	(3,502,385)	-
WIFA - Contracted Loan	(2,345,386)	(2,370,953)	-	(4,716,339)	-
Interest and Fiscal Agent Fee Payments	(5,222,273)	(2,095,524)	-	(7,317,797)	-
Net Cash (Used for) Capital and Related Financing Activities	(11,584,005)	(2,705,981)	(763,250)	(15,053,236)	(2,335,077)
Cash Flows from Investing Activities:					
Receipt of Interest	76,245	141,544	7,765	225,554	87,969
Net Cash Provided by Investing Activities	76,245	141,544	7,765	225,554	87,969
Net Increase/(Decrease) in Cash and Cash Equivalents	1,182,834	4,241,423	249,440	5,673,697	(236,261)
Cash and Cash Equivalents, July 1	31,822,666	30,128,807	1,314,754	63,266,227	18,608,337
Cash and Cash Equivalents, June 30	<u>\$ 33,005,500</u>	<u>\$ 34,370,230</u>	<u>\$ 1,564,194</u>	<u>\$ 68,939,924</u>	<u>\$ 18,372,076</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:					
Operating Income/(Loss)	\$ 2,539,044	\$ (253,541)	\$ (1,462,385)	\$ 823,118	\$ (341,797)
Adjustments to Reconcile Operating Income/(Loss)					
Depreciation and Amortization Expense	8,682,968	6,106,782	1,185,222	15,974,972	1,644,819
(Increase)/Decrease in Accounts Receivable	1,076,203	726,615	488,291	2,291,109	489,100
(Increase)/Decrease in Inventories	86,676	-	4,593	91,269	127,164
(Increase) in Deposits	2,400	-	-	2,400	-
(Increase)/Decrease in Prepaid Items	7,056	(6,311)	(7,297)	(6,552)	(57,700)
Increase/(Decrease) in Accounts Payable	172,237	192,254	(110,424)	254,067	25,741
Increase/(Decrease) in Accrued Payroll and Related Taxes	48,644	24,866	36,353	109,863	(4,241)
Increase/(Decrease) in Due from Other Gov't Units	-	-	745	745	-
(Decrease) in Claims Incurred but Not Reported	-	-	-	-	466,077
Increase/(Decrease) in Customer Dep/Unearned Rev	35,340	10,972	8,082	54,394	-
Other Operating Activity Revenue	102,492	36,150	37,119	175,761	-
Total Adjustments	10,214,016	7,091,328	1,642,684	18,948,028	2,690,960
Net Cash Provided by Operating Activities	<u>\$ 12,753,060</u>	<u>\$ 6,837,787</u>	<u>\$ 180,299</u>	<u>\$ 19,771,146</u>	<u>\$ 2,349,163</u>
Noncash Transactions Affecting Financial Position					
Purchase of Assets with Vendor Provided Financing	\$ 75,842	\$ -	\$ -	\$ 75,842	\$ -
Total Noncash Transactions Affecting Financial Position	<u>\$ 75,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,842</u>	<u>\$ -</u>

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Yuma (City) was incorporated April 14, 1914 under Arizona Revised Statute (A.R.S.) Title 9, Chapter 9, Section 101, and adopted its first charter on June 11, 1914. The City presently operates under a charter that was last amended on January 2, 2002. The Charter provides for a Council-Manager form of government and provides such services as are authorized by the Charter. Among these services are general government services, public safety (police and fire), parks, recreation, culture, streets, environmental health and protection, and community design and development.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. With respect to proprietary activities, the City has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB [Financial Accounting Standards Board] and AICPA Pronouncements*. This statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that was included in pronouncements issued by the FASB, by the Accounting Principles Board and by the American Institute of Certified Public Accountants (AICPA) on or before November 30, 1989. The following is a summary of the more significant policies.

A. Reporting Entity

The City is a municipal entity governed by an elected mayor and council. As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations, and so data from these units are combined with data of the City, the primary government. The component units presented have a June 30 year-end.

Blended Component Units

Yuma Municipal Property Corporation. The Yuma Municipal Property Corporation's board members are appointed by the City Council. The Corporation was formed to finance the acquisition of certain improvements such as the Yuma Civic and Convention Center, Baseball Complex and Desert Hills Golf Course. The Corporation was also used to finance the acquisition of three public safety buildings (the police headquarters, a fire station and the Municipal Court facility) and Public Works facilities, along with a clubhouse for the municipal golf course and the new Municipal Complex. The Corporation conducts no business other than with the City and that business is solely the retirement of debt related to the aforementioned acquisitions. Complete financial statements may be obtained at the City of Yuma, City Clerk's Office, One City Plaza, Yuma, AZ 85364.

City of Yuma Employee Benefits Trust. The City of Yuma Employee Benefits Trust is responsible for providing health insurance for the City employees. The City Council appoints the Trust's Board of Directors. The Trust provides services entirely to the City and therefore has been included as an Internal Service Fund as of June 30, 1997 in accordance with the criteria established in GASB Statement No. 14, *The Financial Reporting Entity*. Complete financial statements may be obtained at the City of Yuma Employee Benefit Trust's administrative offices, One City Plaza, Yuma, AZ 85364.

B. Accounting Pronouncements

During the year ended June 30, 2014, the City implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also clarifies that debt issuance costs, except any portion related to prepaid insurance costs, should be recognized as an expense in the period incurred. The City of Yuma has reclassified debt issuance costs and restated the prior year. See note II-L for the restatement of Net Position.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
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C. Accounting Pronouncements Issued But Not Yet Adopted

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, issued June 2012, will be effective for the City of Yuma beginning with its fiscal year ending June 30, 2015. This statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement is intended to enhance accountability and transparency through revised and new note disclosures and required supplementary information. The City's management has not yet determined the effect this statement will have on the financial statements.

D. Government-wide and fund financial statements

The government-wide financial statements report financial information on all the activities of the City of Yuma and its component units. These financial statements include the Statement of Net Position and the Statement of Activities, a statement showing changes in net position. Most interfund activities have been removed from these statements to avoid duplicating the information, with some exceptions such as proprietary fund sales to governmental funds (i.e., water bills paid by a governmental fund). Eliminating these transactions would distort both the measurement of income generated in serving proprietary customers as well as the direct cost of governmental functions serving the citizenry. In these government-wide statements, governmental activities, normally supported by taxes and intergovernmental revenues, are separated from business-type activities that rely on fees and charges for services.

The statement of activities presents direct expenses of a given function or segment and the degree to which these expenses are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who use or directly benefit from the services of the function; and 2) grants and contributions that are restricted to the operational or capital needs of a particular function. Taxes and other revenues that are identifiable with a particular function or segment are reported as general revenues.

In addition to government-wide presentations, fund financial statements are provided for all governmental and proprietary funds. The financial statements are segregated by their respective significance to City operations with individual major governmental and proprietary funds separated from nonmajor funds (aggregate nonmajor financial activity is reported as a column on the major funds presentation for both governmental and proprietary funds). The City uses GASB Statement No. 34 to determine which funds are to be presented as major funds. In addition to those minimum requirements, the City will, from time to time, include within its major funds presentations of other funds, that because of their significance, preclude aggregate reporting outside the basic financial statements.

The City of Yuma reports the following funds:

GOVERNMENTAL FUNDS

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those for which another fund is required or used.

City Road Tax Fund – This fund accounts for the collection and expenditure of a local one-half percent transaction privilege tax approved by voters in 1994 for maintenance and construction of roadways.

Debt Service Fund – This fund accounts for and reports financial resources for the payment of long-term debt principal, interest, and related costs of the City of Yuma Municipal Property Corporation, a blended component unit, and Special Assessment Improvement Districts. Pledged excise tax and other revenues are transferred to this fund along with property owner's revenue for payments of long-term bonded debt.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
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Other Nonmajor Governmental Funds – Other nonmajor governmental funds of the City of Yuma are aggregated and are presented in a combining statement in the Other Supplementary Information section. These include the Highway Users Revenue, Grants, Community Redevelopment, Local Transportation Assistance, Public Safety Tax, Two Percent Tax, and Yuma Mall Maintenance Special Revenue Funds along with the Capital Projects Funds.

PROPRIETARY FUNDS

Water Fund – The operations of the City’s drinking water treatment and distribution system are accounted for in this enterprise fund.

Wastewater Fund – This enterprise fund accounts for the City’s wastewater collection and treatment system.

Other Nonmajor Enterprise Funds – Other nonmajor enterprise funds of the City of Yuma are aggregated along with the major enterprise funds and are also presented in a combining statement in the Other Supplementary Information section. These funds include the Solid Waste, Radio Communications, and Desert Hills Golf Course Funds.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. They are also presented in the aggregate with major enterprise funds and are included in a combining internal service fund presentation in the Other Supplementary Information section. Because they service primarily governmental funds, they are not included within the business-type activities of the Statement of Net Position. Rather, they are combined with the governmental activities on that statement. Moreover, because of their essentially duplicative nature in accounting for their operations (revenues of the internal service funds are expenses of the operating funds), the operations of the internal service funds have been eliminated from the operations of the Statement of Activities. Internal service funds include the Equipment Replacement, Equipment Maintenance, Insurance Reserve, Workers Compensation and Employee Benefits Trust Funds.

E. Measurement focus and basis of accounting

The government-wide financial statements, as well as the proprietary fund financial statements, use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Property taxes are recognized as revenue in the year levied. Grants are recognized as revenue when all eligibility requirements are met and the underlying expenses have been recorded.

Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable *and* available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period (within 60 days). Grant revenues are recognized when all eligibility requirements are met, not necessarily when received. Grant monies that have been received but are as yet unearned are carried forward as unearned revenue. However, earned but not yet received grant monies are recognized as revenue and carried forward as receivables. This practice is defined and supported by GASB Statement 33, as it pertains to “government-mandated nonexchange transactions,” paragraphs 19-25. Expenditures are recorded when the liability is incurred with the exception of debt service. Debt service expenditures are recorded when the payment is due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Property taxes, along with franchise taxes, licenses and sales taxes are susceptible to accrual and have been recognized as revenues of the current period. Delinquent property taxes and property taxes for which there is an enforceable legal claim as of the fiscal year, but which were levied to finance operations of the subsequent fiscal year, have been recorded as unavailable revenue. Grants and similar awards received before the eligibility requirements are met are recorded as unearned revenue. Receivables that will not be collected within the available period have also been reported as unavailable revenue on the governmental fund financial statements. All other revenue items are considered measurable and available only when cash is received.

City of Yuma, Arizona
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Proprietary funds classify revenues and expenses as operating or nonoperating items. Operating revenues and expenses relate to the fund's ongoing operations in providing goods and services. Operating revenues for the City's proprietary funds are customer charges for sales and services. Operating expenses include the cost of sales or services, administrative expenses and depreciation. All other revenues and expenses are classified as nonoperating revenues and expenses.

F. Budget Information

1) The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- i. On or before the first Monday in June, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- ii. Two public hearings are held prior to the budget's final adoption in order to obtain taxpayer comments.
- iii. On or before the third Monday in August, the budget is legally enacted through passage of an ordinance.
- iv. At any time during the fiscal year, the City Administrator may transfer part or all of any unencumbered appropriation balance among programs within a fund. Upon written request by the City Administrator, the Council may, by ordinance, transfer part or all of any unencumbered appropriation balance from one fund to another.
- v. Formal budgetary integration is employed as a management control device during the fiscal year for all funds with legally adopted budgets (only the Workers Compensation and Employee Benefits Trust Internal Service Funds are not budgeted). Appropriations not expended at fiscal year end lapse.
- vi. Budgetary amounts include those as originally adopted, and as amended by Council or City Administrator through the end of the fiscal year. Arizona State Statute does not allow supplemental budgets.
- vii. Expenditures incurred during the fiscal year may not legally exceed the publicly published budget. The maximum legal expenditure permitted for the fiscal year is the total adopted budget.

2) Budgetary Reporting and Budgetary Basis of Accounting:

The City has opted to display budgetary information schedules in a manner similar to its adopted budget; therefore, the information is displayed outside its basic financial statements. Budgetary comparisons are presented for the General Fund and the major Special Revenue Funds in the Required Supplementary Information section. Budgetary comparisons for the Debt Service Fund, the Capital Projects Fund, the nonmajor governmental funds and the proprietary funds are presented in the Other Supplementary Information sections. For proprietary funds, the budgetary comparison includes reconciliation to the accrual-based operating statements.

G. Assets, Liabilities and Fund Equity Disclosures

1) Transactions between Funds:

Interfund transactions consisting of identified services performed for other funds or costs billed to other funds are treated as expenditures in the fund receiving the services and as a reimbursement reducing expenditures in the fund performing the services. Exceptions to this include: (1) sales of water and wastewater treatment are treated as revenue by the Enterprise Fund, radio and software annual maintenance fees are treated as revenue by the Enterprise Fund and expenses in the governmental funds, and in-lieu property taxes are recorded as revenues in the General Fund and expenses in the Enterprise Funds; (2) transfers are made in certain other funds to shift resources from a fund legally required to receive revenue to a fund authorized to expend the revenue; and (3) charges for services of the Internal Service Funds are recorded as expenditures in the funds receiving the service. For purposes of government-wide presentation, these latter transactions are eliminated.

City of Yuma, Arizona
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2) Cash and Investments:

Cash balances of the City's funds are pooled and invested by the City. The policy of the City is to invest public funds in a manner which provides the maximum security of principal invested, conforms to all applicable State statutes and City ordinances, delivers the highest yield, and meets the City's daily cash flows. Income earned or loss arising from the investment of the pooled cash is allocated on a monthly basis to the individual funds based upon average daily balance. The City considers short-term investments (including restricted assets) in the State of Arizona Local Government Investment Pool (LGIP), mutual fund-money market, U.S. Treasury bills and notes with original maturities of three months or less at acquisition date to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the City reports its investments at fair value based on quoted market information obtained from fiscal agents or other sources.

3) Inventories and Prepaid Items:

Inventories consist primarily of expendable supplies held for consumption. Prepaid items represent services for which payment is made in advance. Both inventories and prepaid items are accounted for using the consumption method; therefore, expenditures are recorded at the time inventories are used or the services incurred. Inventories are maintained on a perpetual inventory basis, verified through annual physical counts, and valued using the weighted average method. Nonspendable governmental fund balance for both inventories and prepaid items indicate that a portion of fund balance is not available for future expenditures.

4) Grants Revenue:

The City follows the policy that, grants and similar items are recognized as revenue or contributed revenue as soon as all eligibility requirements imposed by the provider have been met.

5) Unbilled Accounts Receivable:

The City records as receivables and as revenues the amount of water sales, sewer service charges and commercial refuse collection charges accrued but unbilled at fiscal year end. At June 30, 2014, the estimated amounts of unbilled revenues for the Water, Wastewater and Solid Waste Enterprise Funds are \$2,305,228, \$1,317,057, and \$295,748, respectively.

6) Capital Assets:

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets include property, plant, equipment and infrastructure (e.g., roads, bridges and similar items) and are defined as assets with an individual cost of more than \$5,000 and a useful life exceeding one year. These assets are valued at cost or estimated historical cost if original cost is not available. Gifts or contributions are stated at fair market value at the date received. Depreciation and amortization have been provided over the estimated useful lives using the group life method on a straight-line basis and the following useful lives:

Buildings	33 to 100 years	Infrastructure	35 years
Improvements	20 to 50 years	Equipment	2 to 50 years

For proprietary fund assets constructed with bond proceeds, interest costs have been capitalized, net of interest revenue. Gains or losses are recognized when assets are retired from service or are otherwise disposed.

7) Contributions:

Contributions, as shown in the Enterprise Funds, represent sub-dividers' costs of installing water and sewer mains, water service connections installed at the customers' expense, transfers of equipment from other City funds, and contributions from customers to defray future expansion costs.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

8) Long-term obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as insurance premiums, are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or bond discount. Bond insurance premium costs are reported as unamortized discounts and amortized over the life of the debt.

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

9) Fund Balance Policies:

In the fund financial statements, fund balance is reported in classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications of fund balance are Nonspendable, Restricted, Committed, Assigned, and Unassigned. Nonspendable and Restricted fund balances represent the restricted classifications and Committed, Assigned, and Unassigned represent the unrestricted classifications.

Nonspendable fund balance includes amounts that cannot be spent because either 1) it is not in a spendable form, such as inventory or prepaid items or 2) it is legally or contractually required to be maintained intact. Restricted fund balance is comprised of externally (outside the City) enforceable limitations imposed by creditors, grantors, contributors, laws and regulations of other governments, or laws through constitutional provisions or enabling legislation (changes in City Charter). Committed fund balance includes self-imposed limitations adopted at the highest level of decision making authority, namely, City Council. City Council approval, through adoption of an ordinance, is required to commit resources or to rescind the commitment. Assigned fund balance represents limitations imposed by management. Assigned fund balance items are submitted by the Finance Director for approval/nonapproval by the City Administrator. Unassigned fund balance represents the residual net resources in excess of the other classifications. The General Fund is the only fund that can report a positive unassigned fund balance and any governmental fund can report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for specific expenditures, unrestricted resources are considered spent before restricted resources. Within unrestricted resources, committed and assigned are considered spent (if available) before unassigned amounts.

H. Revenues, Expenditures, Expenses and Other Disclosures

1) Property Tax Revenue Recognition:

Yuma County is responsible for billing and collecting property taxes. Collections by the County in one month are remitted to the City in the next month. For government-wide presentation, revenues equal the taxes levied for the fiscal year. No allowance for uncollectible taxes has been recorded as the City's experience shows that after five years the amount uncollected represents less than one-half percent of the original levy. For governmental fund statement purposes, revenues are recorded as received, with the exception of taxes collected within 60 days by the County Treasurer and reported as current year revenues (County Treasurer collections for June of the current fiscal year). Delinquent property taxes (collections of noncurrent years) are recorded similarly. The balance of delinquent taxes is recorded in the property tax receivable account with a corresponding entry to the unavailable revenue account.

City of Yuma, Arizona
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2) Compensated Absences:

The City's administrative regulations provide permanent City employees with general and major illness leave in varying amounts based on years of service. In addition, employees may accrue hours worked on holidays for absences or payment in the future. General leave vests with the employee as it is earned. General and holiday leave with related benefits for the governmental funds, \$5,048,519, and for the internal service funds, \$69,088, are recorded in the governmental activities column of the government-wide financial statements. The amounts of general and holiday leave pay and related benefits attributable to the Water, Wastewater, Solid Waste, Radio Communications, and Desert Hills Enterprise Funds are \$368,203, \$247,181, \$75,980, \$37,418 and \$74,038, respectively, and are recorded in those funds and in the business-type activities of the government-wide statements and accrued as earned.

Major illness leave benefits provided for ordinary sick pay are not vested with the employee. Unused benefits are payable only upon the death or retirement of the employee. At June 30, 2014, the amount accumulated in sick pay and related benefits is \$7,827,505, including \$103,459 attributable to Internal Service Funds and \$1,331,609 to Enterprise Funds. Under GASB Statement No. 16, *Accounting for Compensated Absences*, the City uses the "termination payment" method to determine its provision for major illness leave liability. The portion of the major illness leave liability related to governmental fund types, \$852,859, is reported within the governmental activities column of the government-wide financial statements, as current amounts of that liability have been determined to be immaterial and are not recorded within the respective governmental funds. The provision for probable future major illness leave and related benefits attributable to the Equipment Maintenance and Insurance Reserve Internal Service Funds is \$18,781 and \$1,797, respectively, and Water, Wastewater, Solid Waste, Radio Communications, and Desert Hills Golf Course Enterprise Funds of \$86,886, \$59,449, \$16,005, \$5,704 and \$18,336, respectively, are recorded in those funds and are accrued as earned.

I. Investment Income

Investment income is composed of interest and net changes in the fair value of applicable investments.

J. Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

II. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

The City maintains a cash and investments pool that is available to all funds. Each fund's portion of the cash and investment pool is shown in the accompanying balance sheet as "Cash and Investments", including the portion listed under "Restricted Assets". The City also records cash and investments, held by fiscal agents, which are restricted by bond indenture requirements for the payment of principal and interest at the end of the fiscal year.

Deposits

At June 30, 2014, the City's deposits had a carrying value of \$8,401,779 and a bank balance of \$9,404,271. The difference represents outstanding checks and other reconciling items. The main City checking account is fully collateralized and is disclosed with investments. All pledged bank collateral for demand deposits are held by an independent institution outside the bank's holding company.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City's deposits may not be covered. The City requires all demand deposits be covered by federal depository

City of Yuma, Arizona
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insurance or by pledged collateral held by the financial institution's trust department in the name of the City at 102% of market value. At June 30, 2014, there are no deposits exposed to custodial credit risk. Cash on hand at June 30, 2014, included petty cash and change funds balances of \$28,251 which are included as money market funds below.

Investments

The City adheres to State Law and its adopted Investment Policy to invest public funds in a manner which will provide the maximum security of principal invested while providing the highest yield which will also meet the daily cash flow needs of the City. Per GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the City reports certain money market investments with a remaining maturity of one year or less at time of purchase at amortized cost instead of fair value. The difference between the fair value and amortized value for June 30, 2014, is \$25.

The City's investment balances at June 30, 2014, were as follows:

Investment Type	Fair Value	Investment Maturities in Years			
		< 1 Year	1-2 Years	2-3 Years	3-5 Years
US Treasury Notes/Bills	\$ 5,001,406	\$ 3,001,016	\$ 2,000,390	\$ -	\$ -
Commercial Paper	11,047,241	11,047,241	-	-	-
US Agencies:					
Federal Farm Credit Bank	2,003,630	-	2,003,630	-	-
Federal Home Loan Bank	14,008,818	6,006,674	2,000,676	4,000,690	2,000,778
Federal Home Loan Mtg. Corp.	14,004,932	4,004,030	4,003,298	5,997,604	-
Federal National Mtg. Assoc.	12,997,472	5,008,240	1,999,062	3,995,538	1,994,632
Money Market Funds	39,431,822	39,431,822	-	-	-
Wells Fargo-Bus Market Fund	15,122,353	15,122,353	-	-	-
State Investment Pool 5	17,873,734	17,873,734	-	-	-
Total Value	<u>\$ 131,491,409</u>	<u>\$ 101,495,110</u>	<u>\$ 12,007,056</u>	<u>\$ 13,993,832</u>	<u>\$ 3,995,410</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy reduces exposure to investment credit risk by limiting authorized securities to the following:

1. Obligations of the United States Government, its agencies and instrumentalities, excluding mortgage-backed securities;
2. Fully insured or collateralized certificates of deposit and other evidence of deposit at banks and savings and loan associations;
3. Bankers acceptances issued by the ten largest domestic banks;
4. Commercial paper rated A-1/P-1;
5. Repurchase agreements whose underlying collateral consists of the foregoing, provided a signed PSA Master Repurchase Agreement is on file with the counter party bank or broker/dealer;
6. Money Market Funds whose portfolio consists of the foregoing;
7. The State of Arizona Local Government Investment Pool.

At June 30, 2014, all investments, with the exception of the State Investment Pool, are rated AAA or A-1 by Standard and Poor's and Aaa or P-1 by Moody's. The State Investment Pool 5 was rated AAA/s1+ by Standard and Poor's at year end.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The City reduces this risk by diversifying its investment portfolio. Diversification strategies are established and monitored on a monthly basis. The allowed diversification standard and actual percentage at year end by security type and issuer are as follows:

City of Yuma, Arizona
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	Maximum %	Actual %
U. S. Treasuries and securities having principal and interest guaranteed by the U.S. Government	100%	3.80%
U. S. Government agencies, instrumentalities and government sponsored enterprises	No more than 80%	32.71%
Fully insured or collateralized CD's	No more than 30%	0%
Banker's Acceptances	No more than 25%	0%
A-1/P-1 Commercial Paper.....	No more than 35%	8.40%
Maximum per issuer.....	10% of total C. P	0%
Repurchase Agreements.....	100%	0%
Money Market Funds.....	100%	41.49%
State Investment Pool	100%	13.60%

Interest Rate Risk

Interest Rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with State law and its investment policy, the City sets a maximum maturity on any investment of five years. Unless matched to a specific requirement, no more than 25% of the portfolio may have maturities greater than three years. There are no investments with maturities greater than five years, and there are no holdings with a stated maturity beyond five years. The portfolio at June 30, 2014, had a weighted average maturity of 425 days. The policy does not set a maximum for this measurement.

Custodial Credit Risk

The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City reduces exposure to custodial credit risk in its safekeeping and collateralization policies. All security transactions are conducted on a delivery versus payment basis and are held by a third party custodian, in the City of Yuma's name. The custodian is required to issue a safekeeping receipt listing the specific instrument, rate, and maturity. Although there were no certificate of deposit or repurchase agreements at June 30, the collateralization level of at least 102% of market value is required for these securities.

B. Property Tax

The City's property tax is levied by the Yuma County Treasurer on or before the third Monday in August based upon the previous January 1 full cash value as determined by the Yuma County Assessor. Under Arizona law, two assessed valuations are used. One is for primary taxes (used to fund operating expenditures) and the other is for secondary taxes (used to meet general obligation debt service requirements). The primary tax levy is limited to a two percent increase over the previous year with adjustments for growth and annexation. Secondary taxes are tied to the annual debt service requirements of voter-approved general obligation bonds. Taxes are due in two equal installments on October 1 and March 1 following the levy date and are delinquent on the first day of November and May, respectively. Liens are filed when taxes are delinquent for two years. Assessed values, levies and collections for fiscal year 2012-13 (Tax Year 2012) and fiscal year 2013-14 (Tax Year 2013), follow:

	Tax Year 2012	Tax Year 2013
Primary Assessed Valuation	\$ 602,696,459	\$ 547,206,239
Primary Tax Rate	1.5787	1.9962
Primary Tax Levy	\$ 9,514,752	\$ 10,923,330
Secondary Assessed Valuation	\$ 625,801,724	\$ 632,734,838
Secondary Tax Rate/Levy	None	None
Current Tax Collections	\$ 9,143,721	\$ 9,107,069
Delinquent Tax Collections	\$ 351,550	\$ 232,787
Delinquent Taxes Outstanding as of June 30	\$ 375,542	\$ 360,361

City of Yuma, Arizona
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C. Accounts Receivable

Receivable balances are stated net of an allowance for doubtful accounts. Within the Solid Waste Enterprise Fund, an allowance account is established to record the estimated uncollectible refuse collection billings. Within the Water and Wastewater Enterprise Funds, allowance accounts have been established to record estimated uncollectible water and wastewater billings. No allowance account has been made for other types of receivables. The balances of these accounts are as follows:

	Accounts	Intergovern- mental	Special Assessment	Delinquent Property Taxes	Accrued Interest	Total
General	\$ 3,022,561	\$ 2,485,477	\$ 20,169	\$ 360,361	\$ 8,057	\$ 5,896,625
City Road Tax	33,580	594,458	-	-	3,236	631,274
Debt Service	8,183	-	2,245,000	-	22	2,253,205
Water	3,889,471	208,315	-	-	6,228	4,104,014
Wastewater	2,273,703	213,208	-	-	11,130	2,498,041
Other Funds-Governmental	1,265,699	2,512,483	-	13,527	5,553	3,797,262
Other Funds-Enterprise	532,791	772,686	-	-	402	1,305,879
Internal Service	48,724	2	-	-	6,442	55,168
Total	\$ 11,074,712	\$ 6,786,629	\$ 2,265,169	\$ 373,888	\$ 41,070	\$ 20,541,468
	Allowance Amount					
	2014	2013				
Enterprise Funds:						
Solid Waste	\$ 8,642	\$ 16,153				
Water	117,379	197,833				
Wastewater	71,010	120,823				

D. Due from Other Governments (Intergovernmental Receivables)

Amounts due from other government units at June 30, 2014, are as follows:

	Agencies				Total
	Federal	State	County	Local	
Governmental Funds					
Major Funds					
General	\$ -	\$ 1,988,765	\$ 218,306	\$ 278,406	\$ 2,485,477
City Road Tax	-	594,458	-	-	594,458
Non-major Funds					
Highway User Revenue	-	575,014	16,991	-	592,005
Public Safety Tax	-	237,702	-	-	237,702
Mall Maintenance	-	-	7,966	-	7,966
Grants	579,655	15,280	-	-	594,935
Community Redevelopment	418,359	-	-	-	418,359
Capital Projects	-	308,846	-	352,670	661,516
Enterprise Funds:					
Major Funds					
Water	207,623	692	-	-	208,315
Wastewater	126,321	52,731	-	34,156	213,208
Non-major Funds					
Solid Waste	-	1,148	-	-	1,148
Radio Communications	740,386	15	400	30,299	771,100
Desert Hills Golf Course	-	438	-	-	438
Internal Service Funds					
Equipment Maintenance	-	2	-	-	2
Total	\$ 2,072,344	\$ 3,775,091	\$ 243,663	\$ 695,531	\$ 6,786,629

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

E. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2014, follows:

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
Capital Assets Not Being Depreciated:				
Land	\$ 58,765,206	\$ 2,827	\$ -	\$ 58,768,033
Construction in Progress	18,942,714	3,018,786	15,279,054	6,682,446
Total Capital Assets Not Being Depreciated	<u>77,707,920</u>	<u>3,021,613</u>	<u>15,279,054</u>	<u>65,450,479</u>
Other Capital Assets:				
Buildings	90,921,878	1,214,042	27,152	92,108,768
Improvements	45,020,687	2,308,773	-	47,329,460
Infrastructure	257,932,660	7,171,252	13,305,216	251,798,696
Equipment	50,536,566	6,720,054	4,094,575	53,162,045
Total Other Capital Assets	<u>444,411,791</u>	<u>17,414,121</u>	<u>17,426,943</u>	<u>444,398,969</u>
Less Accumulated Depreciation for:				
Buildings	31,506,685	2,968,372	-	34,475,057
Improvements	31,539,516	2,772,238	-	34,311,754
Infrastructure	103,987,614	6,420,573	9,108,107	101,300,080
Equipment	39,103,528	3,073,208	3,167,447	39,009,289
Total Accumulated Depreciation	<u>206,137,343</u>	<u>15,234,391</u>	<u>12,275,554</u>	<u>209,096,180</u>
Other Capital Assets, Net	<u>238,274,448</u>	<u>2,179,730</u>	<u>5,151,389</u>	<u>235,302,789</u>
Total Capital Assets, Governmental Activities	<u>\$ 315,982,368</u>	<u>\$ 5,201,343</u>	<u>\$ 20,430,443</u>	<u>\$ 300,753,268</u>

Government activities capital assets net of accumulated depreciation at June 30, 2014, include:

General Capital Assets, Net	\$ 293,038,773
Internal Service Fund Capital Assets, Net	7,714,495
Total	<u>\$ 300,753,268</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,424,641
Public Safety	3,266,037
Parks, Recreation, and Culture	2,373,493
Environmental Health and Protection	28,304
Community Design and Development	54,779
Streets	6,535,964
Assets held by Internal Service Funds are charged based on usage of assets	1,551,173
Total	<u>\$ 15,234,391</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

Business-type activities:

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
Capital Assets Not Being Depreciated:				
Land	\$ 10,593,877	\$ -	\$ -	\$ 10,593,877
Construction in Progress	1,721,752	2,678,714	-	4,400,466
Total Capital Assets Not Being Depreciated	12,315,629	2,678,714	-	14,994,343
Other Capital Assets:				
Buildings	164,648,404	-	-	164,648,404
Improvements	268,154,479	560,647	-	268,715,126
Equipment	12,202,282	933,210	217,091	12,918,401
Total Other Capital Assets	445,005,165	1,493,857	217,091	446,281,931
Less Accumulated Depreciation for:				
Buildings	11,525,841	3,301,159	-	14,827,000
Improvements	114,783,538	11,483,580	-	126,267,118
Equipment	9,028,023	1,190,234	201,705	10,016,552
Total Accumulated Depreciation	135,337,402	15,974,973	201,705	151,110,670
Other Capital Assets, Net	309,667,763	(14,481,116)	15,386	295,171,261
Total Capital Assets, Business-type activities	\$321,983,392	\$ (11,802,402)	\$ 15,386	\$310,165,604

Depreciation was charged to programs as follows:

Water	\$ 8,682,969
Wastewater	6,106,782
Solid Waste	32,016
Radio Communications	975,973
Golf courses	177,233
Total	\$ 15,974,973

Construction in progress is comprised mainly of water projects (waterline replacements and water transmission lines) and wastewater projects (wastewater treatment plant upgrades and improvements, and collection facilities).

Impaired Capital Assets

A number of capital improvement projects under design or limited construction were cancelled during the year. Accordingly, the assets previously recorded as Construction in Progress were written down and recorded as Streets program expenses through the Statement of Activities – Governmental Activities. For the fiscal year, these asset adjustments amounted to \$7,614,364.

F. Retirement Plans

The City has adopted GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* as amended by GASB Statement No. 50, *Pension Disclosures*, which requires the following disclosures.

Plan Descriptions - The City contributes to the three plans described below. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor and health insurance premium benefits.

The Arizona State Retirement System (ASRS) administers a cost-sharing multiple-employer defined benefit pension plan that covers general employees of the City. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

The Public Safety Personnel Retirement System (PSPRS) is an agent multiple-employer defined benefit pension plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five-member board, known as The Fund Manager, and 167 local boards, according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The Elected Officials Retirement Plan (EORP) is a cost-sharing multiple-employer defined benefit pension plan that covers elected officials and judges of certain state and local governments. The EORP is governed by The Fund Manager of PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 3.

Each plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report may be obtained by writing or calling the applicable plan.

<u>ASRS</u>	<u>PSPRS and EORP</u>
3300 North Central Avenue	3010 E Camelback Rd., Ste 200
P.O. Box 33910	Phoenix, AZ 85016
Phoenix, AZ 85067-3910	
(602) 240-2200 or (800) 621-3778	(602) 255-5575

Funding Policy - The Arizona State Legislature establishes and may amend active plan members' and the City's contribution rate.

Cost-sharing plans - For the year ended June 30, 2014, active ASRS members and the City were required by statute to contribute at the actuarially determined rate of 11.54 percent (11.3 percent retirement and 0.24 percent long-term disability for members and 10.65 percent retirement, 0.65 percent health and 0.24 percent long-term disability for the City) of the members' annual covered payroll. The City's contributions to ASRS for the years ended June 30, 2014, 2013, and 2012, were \$3,125,940, \$2,982,796, and \$2,929,058, respectively, which were equal to the required contributions for the year. In addition, active EORP members and the City were required by statute to contribute 13 percent and 23.5 percent, respectively, of the members' annual covered payroll. The City's contributions to EORP for the years ended June 30, 2014, 2013, and 2012, were \$77,548, \$89,132, and \$80,694, respectively, which were equal to the required contributions for the year.

Agent plans - For the year ended June 30, 2014, active PSPRS members were required by statute to contribute 10.35 percent of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 30.92 percent for police and 37.21 percent for fire.

Funded Status and Funding Progress – Funding progress of the two agent plans as of June 30, 2013, the most recent valuation, appears below.

	<u>Actual Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funding Liability (Excess)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Liability as Percentage of Payroll</u>
POLICE	\$ 43,890,713	\$ 74,136,630	\$ 30,245,917	59.2%	\$ 10,013,175	302.1%
FIRE	30,236,758	60,655,630	30,418,872	49.8%	7,295,392	417.0%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Annual Pension Cost - The City's pension cost for the two agent plans for the year ended June 30, 2013 (the date of the most recent actuarial report), follows:

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

	Police	Fire
Contribution Rates	30.92%	37.21%
Annual Pension Cost	\$2,557,576	\$2,133,677
Contributions Made	\$2,557,576	\$2,133,677
Actuarial Valuation Date	June 30, 2013	June 30, 2013
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	7.85%	7.85%
Projected Salary Increases	4.5%-8.5%	4.5%-8.5%
Inflation Projection	4.5%	4.5%
Cost-of-Living Adjustments	None	None
Amortization Method	Level Percent-of-pay closed	Level Percent-of-pay closed
Remaining Amortization Period	23 years (underfunded)	23 years (underfunded)
Asset Valuation Method	Smoothed market	Smoothed market

Trend Information - Information for each of the agent plans as of the most recent actuarial valuations follows:

		Pension Cost	Contributed	Pension
POLICE	2011	\$ 2,115,546	100.0%	\$ -
	2012	2,237,780	100.0%	-
	2013	2,557,576	100.0%	-
FIRE	2011	1,787,905	100.0%	-
	2012	1,881,117	100.0%	-
	2013	2,133,677	100.0%	-

G. Noncurrent Liabilities

The following changes occurred in noncurrent liabilities during the fiscal year ended June 30, 2014:

	Balance July 1, 2013 (as restated)	Additions	Retirements	Balance June 30, 2014	Due Within One Year
Governmental activities:					
Yuma Municipal Property Corporation	\$112,165,000	\$ -	\$ 7,185,000	\$ 104,980,000	\$ 7,485,000
Improvement District #67	950,000	-	950,000	-	-
Improvement District #68	2,510,000	-	265,000	2,245,000	280,000
Unamortized Discount/Issuance Costs	(170,232)	-	(18,203)	(152,029)	-
Unamortized Premium	1,650,335	-	122,522	1,527,813	-
Compensated Absences	5,779,580	531,215	319,751	5,991,044	2,336,097
Total Governmental Activity					
Noncurrent Liabilities	<u>\$122,884,683</u>	<u>\$ 531,215</u>	<u>\$ 8,824,070</u>	<u>\$ 114,591,828</u>	<u>\$10,101,097</u>
Business-type activities:					
Yuma Municipal Property Corporation	\$ 110,340,000	\$ -	\$ 3,585,000	\$ 106,755,000	\$ 3,750,000
Unamortized Discount/Issuance Costs	(295,092)	-	(15,531)	(279,561)	-
Unamortized Premium	3,500,318	-	184,227	3,316,091	-
Contracts Payable	59,443,795	-	4,633,723	54,810,072	4,794,841
Compensated Absences	937,661	100,274	48,735	989,200	314,440
Total Business-type Activity					
Noncurrent Liabilities	<u>\$173,926,682</u>	<u>\$ 100,274</u>	<u>\$ 8,436,154</u>	<u>\$ 165,590,802</u>	<u>\$ 8,859,281</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2014

The City has adopted GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. The following disclosures are due in part to that statement.

Contracts Payable

Business-type activities – During fiscal year 2004, the City began construction of major additions to its utility infrastructure, including additional water and wastewater treatment plants. Financing for these additions comes from the Arizona Water Infrastructure Financing Authority (WIFA) in the form of 20-year loan contracts. The city pledged each system’s net revenues as collateral for the debt.

Bonded Debt - Excluding Refunded Debt

The following is a description of bonded indebtedness at June 30, 2014. In each instance, all bonds have been issued. For each issue, a number of covenants and restrictions are included in the bond indentures. The City is in compliance with these covenants and restrictions.

Special Assessment Bonds – Special assessment bonds are issued by the City on behalf of improvement districts created by property owners for a specific purpose. Property owners in the designated districts agree to be assessed for the principal and interest costs of repaying the bonds. As trustee for improvement districts, the City is responsible for collecting the assessments levied against the owners of the property within the improvement districts and for disbursing these amounts to retire the bonds issued to finance the improvements. Special assessment bonds are secured by liens against the property within each district. In the event of delinquency, the City may secure payment of the bonds through sale of the property. All activity related to these bonds is recorded in the City’s Debt Service Fund.

Municipal Property Corporation Bonds – In 1970, the City created the Municipal Property Corporation to finance the acquisition or construction of various City projects. Bonds are issued by the corporation and are repaid through unrestricted revenues, primarily excise taxes, by the City. For each issue, the City has pledged its excise tax collections as follows: *Excise Taxes* – transaction privilege taxes, license fees and franchise fees, along with transaction privilege taxes, income taxes and excise taxes imposed by the State and distributed to the City (except public safety and special sales taxes); *Public Safety Taxes* – a special two-tenths of one percent (.2%) privilege license tax approved by qualified voters in 1994 for public safety and criminal justice facilities and communication equipment; and *Special Sales Taxes* – a special two percent (2%) privilege license tax approved by qualified voters in 1993 on the gross proceeds of sales or gross income from the business of bars, restaurants and hotels. For each bond series, the corresponding pledged tax was:

<u>Issue</u>	<u>Pledged Tax</u>	<u>Project(s) funded</u>
2003 – Series A	Excise and Public Safety Taxes	Refunding 1995 issue
2003 – Series B	Excise Taxes	Art Center/Fire Station construction
2007 – Series B	Excise and Special Sales Taxes	Pool/water park/public safety facilities
2007 – Series D	Excise and Special Sales Taxes	Streets projects
2010 – Series B	Excise Taxes	Refunding 2001 issue

In addition to, or in lieu of, excise taxes, the City may use other operational revenues to repay the debt, as budgeted in each fund. These include payments from the Water, Wastewater, Solid Waste and Desert Hills Golf Course Enterprise Funds, and Highway User Revenue Special Revenue Fund, as determined by the projects acquired or constructed by the debt proceeds.

The Municipal Property Corporation issued a Utility Series in 2007. The water and wastewater system’s net revenues were pledged as collateral for this issue as additional parity obligations.

<u>Issue</u>	<u>Pledged Revenues</u>	<u>Project(s) funded</u>
2007 – Series Utilities	Net Utility System Revenues	Water treatment plant/water distribution

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

For the year ended June 30, 2014, the pledged revenues described above amounted to \$68,395,039 for governmental activities and \$42,502,612 for business-type activities. The bonded debt collateralized by such revenues is presented below. Total future pledged revenues are not determinable for comparison to total collateralized debt; however, for the year ended June 30, 2014, debt service for governmental activities totaled \$13,577,431 and for business-type activities \$15,710,379, or 20% and 37% of pledged revenues, respectively.

Summary of Bonded Debt

	Interest Rate	Issue Date	Maturity Date	Authorized and Issued	Outstanding	Net Unamortized Premium/ (discount)
Yuma Municipal Property Corporation Bonds:						
2003 - Series A Refunding	4.21%	2/18/2003	2015	14,640,000	3,050,000	-
2003 - Series B Refunding	3.67%	2/18/2003	2015	2,905,000	575,000	-
2003 - Series B Addition	4.18%	2/18/2003	2022	9,000,000	5,065,000	(7,051)
2007 - Series B	4.50%	11/20/2007	2027	30,785,000	23,705,000	(144,978)
2007 - Series D	4.50%	11/20/2007	2027	61,100,000	47,070,000	1,170,455
2007 - Series Utilities	4.50%	11/20/2007	2032	127,925,000	106,755,000	3,036,530
2010 - Series B Refunding	4.23%	6/29/2010	2025	29,530,000	25,515,000	357,358
Total MPC Bonds				275,885,000	211,735,000	4,412,314
Total Bonds Authorized and Issued				\$ 275,885,000	\$ 211,735,000	\$ 4,412,314

Legal Debt Margin

Under Arizona's Constitution, outstanding general obligation bonded debt for combined water, sewer, artificial light, parks, open space preserves, playgrounds and recreational facilities may not exceed 20% of a City's net secondary assessed valuation. Outstanding general obligation debt for all other purposes may not exceed 6% of a City's net secondary assessed valuation. The legal borrowing capacity of the City of Yuma at June 30, 2014, follows:

	<u>Water, Etc. (20%)</u>	<u>All Other (6%)</u>
Secondary Assessed Valuation	\$632,734,838	
Legal Limit	\$ 126,546,968	\$ 37,964,090
Outstanding G.O. Debt	-	-
Available Debt Margin	\$ 126,546,968	\$ 37,964,090

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

Annual Debt Service Requirements to Maturity

BONDS AND IMPROVEMENT DISTRICTS

July 1	Improvement District No. 68 Bonds			MPC Bonds 2003 Series		
	Principal	Interest	Total	Principal	Interest	Total
2014	280,000	105,515	385,515	470,000	224,973	694,973
2015	290,000	92,355	382,355	490,000	207,347	697,347
2016	305,000	78,725	383,725	515,000	182,847	697,847
2017	320,000	64,390	384,390	535,000	157,098	692,098
2018	335,000	49,350	384,350	560,000	134,628	694,628
2019	350,000	33,605	383,605	585,000	110,828	695,828
2020	365,000	17,155	382,155	610,000	85,672	695,672
2021	-	-	-	635,000	58,833	693,833
2022	-	-	-	665,000	30,258	695,258
	<u>\$ 2,245,000</u>	<u>\$ 441,095</u>	<u>\$ 2,686,095</u>	<u>\$ 5,065,000</u>	<u>\$ 1,192,484</u>	<u>\$ 6,257,484</u>
	MPC Bonds 2003 Refunding 1995A			MPC Bonds 2003 Refunding 1995B		
2014	1,490,000	119,765	1,609,765	280,000	25,250	305,250
2015	1,560,000	62,400	1,622,400	295,000	14,750	309,750
	<u>\$ 3,050,000</u>	<u>\$ 182,165</u>	<u>\$ 3,232,165</u>	<u>\$ 575,000</u>	<u>\$ 40,000</u>	<u>\$ 615,000</u>
	MPC Bonds 2007 Series Utility			MPC Bonds 2007 Series B		
2014	3,750,000	5,239,138	8,989,138	1,280,000	1,015,770	2,295,770
2015	3,920,000	5,089,138	9,009,138	1,335,000	964,570	2,299,570
2016	4,095,000	4,893,138	8,988,138	1,390,000	911,170	2,301,170
2017	4,270,000	4,688,388	8,958,388	1,445,000	855,570	2,300,570
2018	4,440,000	4,453,538	8,893,538	1,505,000	797,770	2,302,770
2019	4,620,000	4,231,538	8,851,538	1,565,000	737,570	2,302,570
2020	4,810,000	4,000,538	8,810,538	1,630,000	674,970	2,304,970
2021	5,015,000	3,802,125	8,817,125	1,700,000	606,510	2,306,510
2022	5,225,000	3,551,375	8,776,375	1,770,000	534,260	2,304,260
2023	5,450,000	3,290,125	8,740,125	1,850,000	458,150	2,308,150
2024	5,685,000	3,017,625	8,702,625	1,930,000	365,650	2,295,650
2025	5,930,000	2,733,375	8,663,375	2,010,000	281,212	2,291,212
2026	6,190,000	2,436,875	8,626,875	2,100,000	193,275	2,293,275
2027	6,460,000	2,127,375	8,587,375	2,195,000	98,775	2,293,775
2028	6,745,000	1,844,750	8,589,750	-	-	-
2029	7,050,000	1,507,500	8,557,500	-	-	-
2030	7,365,000	1,155,000	8,520,000	-	-	-
2031	7,695,000	786,750	8,481,750	-	-	-
2032	8,040,000	402,000	8,442,000	-	-	-
	<u>\$ 106,755,000</u>	<u>\$ 59,250,291</u>	<u>\$ 166,005,291</u>	<u>\$ 23,705,000</u>	<u>\$ 8,495,222</u>	<u>\$ 32,200,222</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

BONDS AND IMPROVEMENT DISTRICTS

July 1	MPC Bonds 2007 Series D			MPC Bonds 2010 Refunding 2001		
	Principal	Interest	Total	Principal	Interest	Total
2014	2,540,000	2,251,425	4,791,425	1,425,000	1,100,082	2,525,082
2015	2,655,000	2,149,825	4,804,825	1,465,000	1,057,331	2,522,331
2016	2,760,000	2,043,625	4,803,625	1,840,000	1,013,381	2,853,381
2017	2,870,000	1,905,625	4,775,625	1,910,000	939,781	2,849,781
2018	2,985,000	1,762,125	4,747,125	2,010,000	844,282	2,854,282
2019	3,110,000	1,612,875	4,722,875	2,110,000	743,781	2,853,781
2020	3,240,000	1,457,375	4,697,375	2,210,000	638,281	2,848,281
2021	3,375,000	1,323,725	4,698,725	2,305,000	549,881	2,854,881
2022	3,520,000	1,154,975	4,674,975	2,400,000	454,800	2,854,800
2023	3,670,000	978,975	4,648,975	2,500,000	352,800	2,852,800
2024	3,825,000	795,475	4,620,475	2,610,000	240,300	2,850,300
2025	3,995,000	604,225	4,599,225	2,730,000	122,850	2,852,850
2026	4,170,000	404,475	4,574,475	-	-	-
2027	4,355,000	195,975	4,550,975	-	-	-
	<u>\$ 47,070,000</u>	<u>\$ 18,640,700</u>	<u>\$ 65,710,700</u>	<u>\$ 25,515,000</u>	<u>\$ 8,057,550</u>	<u>\$ 33,572,550</u>

CONTRACTS PAYABLE

July 1	WIFA Loan #920069-03			WIFA Loan #910043-03		
	Principal	Interest	Total	Principal	Interest	Total
2014	535,184	182,316	717,500	2,449,455	834,435	3,283,890
2015	552,904	164,596	717,500	2,530,557	753,333	3,283,890
2016	571,210	146,290	717,500	2,614,343	669,547	3,283,890
2017	590,123	127,377	717,500	2,700,904	582,986	3,283,890
2018	609,662	107,838	717,500	2,790,331	493,559	3,283,890
2019	629,848	87,652	717,500	2,882,719	401,171	3,283,890
2020	650,702	66,798	717,500	2,978,166	305,724	3,283,890
2021	672,247	45,253	717,500	3,076,773	207,117	3,283,890
2022	694,505	22,995	717,500	3,178,645	105,245	3,283,890
	<u>\$ 5,506,385</u>	<u>\$ 951,116</u>	<u>\$ 6,457,501</u>	<u>\$ 25,201,894</u>	<u>\$ 4,353,115</u>	<u>\$ 29,555,009</u>

WIFA Loan #920088-04

2014	1,810,202	904,299	2,714,502
2015	1,878,121	836,380	2,714,502
2016	1,948,588	765,913	2,714,502
2017	2,021,699	692,802	2,714,502
2018	2,097,554	616,948	2,714,502
2019	2,176,254	538,248	2,714,502
2020	2,257,907	456,595	2,714,502
2021	2,342,623	371,878	2,714,502
2022	2,430,519	283,983	2,714,502
2023	2,521,712	192,790	2,714,502
2024	2,616,614	98,174	2,714,788
	<u>\$ 24,101,793</u>	<u>\$ 5,758,012</u>	<u>\$ 29,859,805</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

H. Interfund Transfers

<i>Transfers Out</i>			<i>Transfers In</i>		
Governmental funds - major funds:					
General Fund	Radio Comm	\$ 245,643	General Fund	Two Percent Tax	\$ 503,084
	Mall Maintenance	109,578		Debt Service	540,898
	Debt Service	3,902,925	Debt Service	General Fund	3,902,925
City Road Tax	Debt Service	4,817,663		HURF	101,592
Debt Service	General Fund	540,898		Public Safety Tax	2,957,711
				Water	62,466
				Wastewater	31,927
				Solid Waste	21,016
				City Road Tax	4,817,663
				Capital Projects	370,000
Nonmajor funds:					
Public Safety Tax	Debt Service	2,957,711	Mall Maintenance	General Fund	109,578
Two Percent	General Fund	503,084	Comm Redevelopment	Two Percent Tax	55,000
	Community Redevelopment	55,000			
	Desert Hills Golf Course	600,000			
HURF	Debt Service	101,592			
Capital Improvement	Debt Service	370,000			
		<u>14,204,094</u>			
Total Governmental Activities			Total Governmental Activities		<u>13,473,860</u>
Enterprise funds:					
Solid Waste	Debt Service	21,016	Radio Comm	General Fund	245,643
Water	Debt Service	62,466	Desert Hills Golf Course	Two Percent Tax	600,000
Wastewater	Debt Service	31,927			
	Total Enterprise Funds	<u>115,409</u>		Total Enterprise Funds	<u>845,643</u>
	<i>Total Transfers Out</i>	<u>\$ 14,319,503</u>		<i>Total Transfers In</i>	<u>\$ 14,319,503</u>

The majority of the transfers listed above are for debt service requirements and are recognizable by the fund from which the transfer is made. This includes Enterprise Fund transfers to debt service as the majority of the related bond debt service is governmental in nature and is recorded in the Debt Service Fund rather than within the Enterprise Funds. As for the remaining transfers, they include operating subsidies from the Two Percent Tax Fund to the General Fund (\$503,084 per a riverfront development agreement), to the Community Redevelopment Fund (\$55,000 for land exchange) and to the Desert Hills Golf Course Fund (\$600,000 for capital improvements).

Interfund activity is eliminated within the governmental activities column of the Statement of Activities. Only transfers between governmental and business-type activities appear on that statement. The net transfers of \$730,234 are for debt service (\$115,409), Radio Maintenance \$245,643 and a CIP project funded by Two Percent Tax \$600,000.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

I. Interfund Receivables and Payables

Interfund balances at June 30, 2014, follow:

Interfund Payable	Interfund Receivable Major Funds
Nonmajor Governmental Funds:	General
Public Safety Tax Fund	\$ 109,156
Community Redevelopment Fund	235,815
Grants Fund	374,376
Yuma Mall Maintenance Fund	3,306
Internal Service Funds:	
Equipment Maintenance	967,213
Workers Compensation	775,048
Total Receivable	\$ 2,464,914

Because they serve primarily governmental funds, the interfund activity noted above in the Internal Service Equipment Maintenance and Workers Compensation Funds are combined within the governmental activities for government-wide reporting. As such, the interfund activity is eliminated in the governmental activities column of the Statement of Net Position. The internal balances amount appearing on that statement, \$881,366, represents net balances allocated to business-type activities for consolidation of internal service funds net profits.

J. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; job-related illnesses and injuries to employees; and natural disasters. The City purchases commercial insurance for Property Insurance, Public Employee Fidelity Bonds, Crime Insurance, Excess Workers Compensation, and Miscellaneous Insurance (i.e. surety bonds, special event insurance as needed, and fine arts coverage.) The City retains all the risk not covered by commercial carriers and has effectively managed risk through various employee education and prevention programs. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City provides health benefits to its employees and their dependents through the Yuma Area Benefit Consortium (trust). The trust is comprised of four participating entities and provides benefits through a self-funding trust agreement with its members. The consortium purchases insurance for claims in excess of \$100,000 per individual per plan year. A third-party administrator provides claim processing and record keeping services. The City is responsible for paying premiums while employees must contribute for costs of dependent coverage. The trust sets rates through projection of claims cost and administrative expenses, along with a determination of sufficient fund balance to maintain rate stability and trust integrity. Should the Consortium become insolvent or otherwise unable to discharge its liabilities, the participating entities shall be assessed a pro rata share. This assessment may not exceed the amount of each participating entity's annual contribution. Benefit payments to beneficiaries are limited to the amount in the trust. Should the assessment not yield sufficient funds to pay outstanding claims, the trust's obligation to pay claims is limited to the amount in the trust after assessment and the trustees and the participating entities have no further obligation of any type.

The City uses two Internal Service Funds, Insurance Reserve Fund and Workers Compensation Fund, to account for the financing of its risk of loss relating to claims. Charges assessed to the funds are based on historical claims, exposure to risk, and funding necessary reserves. Annually, the City estimates the liabilities for unpaid claims using a historical cost information method. Claims and expenses are recognized when it is probable that a loss has been incurred, and the amount of the loss can be reasonably estimated. Claims accounted for include, reported and paid claims, reported but unpaid claims, and incurred but not reported (IBNR) claims. The funds' claims liabilities are presented below.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

Fiscal Year	Insurance Reserve Fund				Workers Compensation Fund			
	Beginning of Year Liability	Claims and Changes In Estimates	Claim Payments	End of Year Liability	Beginning of Year Liability	Claims and Changes In Estimates	Claim Payments	End of Year Liability
2013-14	\$ 65,546	\$ 348,487	\$ 342,232	\$ 71,801	\$ 969,373	\$ 1,508,300	\$ 1,048,478	\$ 1,429,195
2012-13	72,477	249,826	256,757	65,546	1,248,076	91,717	370,420	969,373
2011-12	60,112	528,959	516,594	72,477	998,021	1,484,491	1,234,436	1,248,076

K. Construction Commitments

The City has active construction projects as of June 30, 2014. At year-end the government's commitments with contractors for specific projects are as follows:

Construction Commitments	Original Contract	Spent to Date	Remaining Commitment
Parks & Recreation	\$ 2,689,118	\$ 2,325,608	\$ 363,510
Water System	177,829	76,765	101,064
	<u>\$ 2,866,947</u>	<u>\$ 2,402,373</u>	<u>\$ 464,574</u>

L. Issuance Cost & Loan Revenue Restatement – Water, Wastewater, Government-Wide

Per GASB Statement No. 65, debt issuance costs, other than prepaid insurance costs, should be recognized as an expense in the period incurred. The City of Yuma has been amortizing the issuance costs on the 2003, 2007 and 2010 debt issues. The 2003B, 2007B, 2007D, and 2010B debt issues are reported in the government-wide Statement of Net Position as a portion of Debt. The 2007 Utility debt issue is reported on the Statement of Net Position Proprietary Funds with Unamortized Premium/Insurance Costs.

In addition, the City of Yuma has Special Assessment and CDBG Loan amounts offset in the Governmental Funds by Deferred Inflows of Resources at the time of the original transaction. Using the economic resources measurement focus and accrual basis of accounting, these amounts should have been recorded as additions to net assets on the Statement of Net Position – Governmental Activities.

For the fiscal year ended June 30, 2014, prior year balances have been restated as follows:

	Statement of Activities Governmental Activities	Water Fund	Wastewater Fund
Net position, June 30, 2013, as previously reported	\$ 269,894,895		
Restating Issuance Costs per GASB 65	(573,768)		
Restating Special Assessment Revenues	3,428,000		
Restating CDBG Loan Revenues	1,011,524		
Net position, July 1, 2013, as restated	<u>\$ 273,760,651</u>		
	Statement of Activities Business-type Activities	Water Fund	Wastewater Fund
Net position, June 30, 2013, as previously reported	\$ 215,721,579	\$ 101,079,942	\$ 108,329,769
Restating Issuance Costs per GASB 65	(209,865)	(161,596)	(48,268)
Net position, July 1, 2013, as restated	<u>\$ 215,511,714</u>	<u>\$ 100,918,346</u>	<u>\$ 108,281,501</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

M. Deficits in Fund Equity

At June 30, 2014, no funds, as shown in the basic financial statements, were in a deficit position. The Equipment Maintenance and Workers Compensation Internal Service Funds, as shown in the Combining Statement of Net Position in Other Supplementary Information, have deficit balances of \$57,696 and \$278,514, respectively, at June 30, 2014. The City intends to adjust its internal charges in future fiscal years to eliminate these deficits.

III. CONTINGENT LIABILITIES

A. Pending Litigation

The City is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations. It is the opinion of the City management, based on the advice of the City Attorney, that such matters will not have a material adverse effect on the City's financial position at June 30, 2014.

B. Compliance

The City participates in federally-funded and state-funded programs administered by various government agencies. The programs included in these financial statements may be subject to program compliance and/or financial monitoring by the granting agency or its representatives. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time.

**REQUIRED SUPPLEMENTARY
INFORMATION**

**Schedule of Funding Progress
Public Safety Personnel Retirement System**

	Actual Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Payroll
POLICE						
2011	\$ 43,968,517	\$ 64,818,702	\$ 20,850,185	67.8%	\$ 9,350,250	223.0%
2012	43,985,939	71,320,513	27,334,574	61.7%	9,175,414	297.9%
2013	43,890,713	74,136,630	30,245,917	59.2%	10,013,175	302.1%
FIRE						
2011	30,253,905	52,542,833	22,288,928	57.6%	5,973,174	373.2%
2012	30,455,972	57,516,428	27,060,456	53.0%	6,560,746	412.5%
2013	30,236,758	60,655,630	30,418,872	49.8%	7,295,392	417.0%

Note: 2013 is the most recent actuarial valuation report available.

City of Yuma, Arizona
 Budgetary Comparison Schedule
 General Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 13,986,007	\$ 13,986,007	\$ 19,814,886	\$ 5,828,879
Resources (inflows):				
Taxes:				
Property Tax - Primary	9,500,000	9,500,000	9,107,069	(392,931)
Property Tax - Delinquent	325,000	325,000	232,786	(92,214)
City Sales Tax	19,792,000	19,792,000	19,517,306	(274,694)
Public Enterprise In-Lieu	242,000	242,000	242,000	-
Franchise Tax	3,070,200	3,070,200	3,009,904	(60,296)
Total Taxes	<u>32,929,200</u>	<u>32,929,200</u>	<u>32,109,065</u>	<u>(820,135)</u>
Licenses:				
Business Licenses	290,000	290,000	250,365	(39,635)
Liquor Licenses	31,750	31,750	32,560	810
Building Permits	1,003,500	1,003,500	1,492,399	488,899
Alcohol Permits	10,000	10,000	9,482	(518)
Animal Licenses	100,000	100,000	95,295	(4,705)
Total Licenses	<u>1,435,250</u>	<u>1,435,250</u>	<u>1,880,101</u>	<u>444,851</u>
Intergovernmental:				
Sales Tax - State	7,833,710	7,833,710	7,507,882	(325,828)
State Revenue Sharing	10,114,498	10,114,498	9,656,745	(457,753)
Auto Lieu Tax	3,149,580	3,149,580	3,111,124	(38,456)
Other Governmental Charges	-	-	23,913	23,913
Total Intergovernmental	<u>21,097,788</u>	<u>21,097,788</u>	<u>20,299,664</u>	<u>(798,124)</u>
Charges for Services:				
Building Inspection Fees	255,650	255,650	544,566	288,916
Developer Charges	-	-	10,861	10,861
Recreation Fees	495,550	495,550	513,535	17,985
Police Services	510,000	510,000	700,597	190,597
Fire Ambulance Services	2,500,000	2,500,000	2,490,377	(9,623)
Other Charges	2,000	2,000	42,526	40,526
Total Charges for Services	<u>3,763,200</u>	<u>3,763,200</u>	<u>4,302,462</u>	<u>539,262</u>
Fines and Forfeitures:				
City Court Fines	1,527,000	1,527,000	1,209,502	(317,498)
Total Fines and Forfeitures	<u>1,527,000</u>	<u>1,527,000</u>	<u>1,209,502</u>	<u>(317,498)</u>
Use of Money and Property:				
Interest	52,000	52,000	99,738	47,738
Rental Receipts	137,830	137,830	225,890	88,060
Total Use of Money and Property	<u>189,830</u>	<u>189,830</u>	<u>325,628</u>	<u>135,798</u>
Miscellaneous				
Sales of Surplus Property	-	-	33,541	33,541
Other	171,000	171,000	241,402	70,402
Total Miscellaneous	<u>171,000</u>	<u>171,000</u>	<u>274,943</u>	<u>103,943</u>
Total Revenues	<u>61,113,268</u>	<u>61,113,268</u>	<u>60,401,365</u>	<u>(711,903)</u>
Transfers In	<u>557,323</u>	<u>557,323</u>	<u>1,043,982</u>	<u>486,659</u>
Amounts Available for Appropriation	<u>75,656,598</u>	<u>75,656,598</u>	<u>81,260,233</u>	<u>5,603,635</u>

Continued on next page

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 General Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (outflows):				
General Government:				
Mayor and Council	216,812	286,812	264,746	22,066
Elections	120,000	105,000	104,891	109
City Administrator	639,761	587,207	593,231	(6,024)
Strategic Communications	583,898	538,969	459,686	79,283
Neighborhood Services	557,323	557,323	503,084	54,239
Economic Development	346,907	346,907	333,199	13,708
Facilities Maintenance	903,012	973,012	923,991	49,021
General Government	1,919,626	1,875,126	1,850,022	25,104
City Clerk	266,759	266,921	268,725	(1,804)
City Attorney	1,079,391	1,079,391	1,079,033	358
City Prosecutor	246,934	246,934	227,069	19,865
Finance-Administration	338,869	338,869	297,996	40,873
Accounting	1,006,747	982,247	914,715	67,532
Customer Services	109,513	116,013	96,772	19,241
Information Technology Services	2,666,861	2,666,861	2,536,227	130,634
Purchasing	426,825	426,825	408,215	18,610
Human Resources	932,541	947,041	960,618	(13,577)
Intragovernmental Charges	(3,135,682)	(3,135,682)	(3,135,682)	-
Total General Government Operating Expenditures	9,226,095	9,205,774	8,686,538	519,236
Capital Outlay	-	173,567	155,229	18,338
Total General Government Expenditures	9,226,095	9,379,341	8,841,767	537,574
Public Safety:				
Police Administration - Field Operations	17,486,608	17,473,897	18,024,577	(550,680)
Police Animal Control	712,068	712,068	678,113	33,955
Police Support Services	2,093,808	2,093,808	2,048,963	44,845
Police Communication Center	1,981,144	1,981,195	1,988,250	(7,055)
Police 911 Administration	5	5	-	5
Fire Administration	768,754	768,754	830,227	(61,473)
Fire Training	424,463	424,463	414,186	10,277
Fire Suppression	9,362,883	9,362,883	9,757,244	(394,361)
Fire Suppression - Ambulance	2,323,098	2,323,098	2,746,181	(423,083)
Community Risk Reduction	308,157	308,157	304,515	3,642
Facilities Maintenance	1,213,110	1,201,610	1,036,166	165,444
Fire Special Operations	38,431	53,195	43,290	9,905
Municipal Court	1,506,372	1,536,372	1,536,380	(8)
Total Public Safety Operating Expenditures	38,218,902	38,239,506	39,408,092	(1,168,586)
Capital Outlay	24,764	22,660	12,779	9,881
Total Public Safety Expenditures	38,243,666	38,262,166	39,420,871	(1,158,705)

Continued on next page

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 General Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Parks, Recreation and Culture:				
Parks and Recreation Administration	543,573	543,573	512,020	31,553
Parks Maintenance	4,306,362	4,315,062	4,287,960	27,102
Parks Development	156,071	152,771	136,877	15,894
Recreation Administration	605,922	605,922	534,186	71,736
Senior Adult Activities	68,106	61,106	46,189	14,917
Adult Activities	215,315	215,315	207,862	7,453
Youth Activities	228,853	228,853	258,625	(29,772)
Aquatics	367,994	362,994	326,536	36,458
Yuma Readiness Center	78,453	78,453	65,437	13,016
Facilities Maintenance	1,266,212	1,207,712	1,149,825	57,887
Intragovernmental Charges	(216,956)	(216,959)	(216,956)	(3)
Total Parks, Recreation and Culture Operating Expenditures	7,619,905	7,554,802	7,308,561	246,241
Capital Outlay	-	6,600	14,924	(8,324)
Total Parks, Recreation and Culture Expenditures	7,619,905	7,561,402	7,323,485	237,917
Community Design and Development:				
Community Development Administration	416,669	416,669	395,187	21,482
Development Engineering	402,563	402,563	321,296	81,267
Planning and Building Safety	2,350,097	2,350,097	2,217,652	132,445
Neighborhood Services	182,552	244,306	221,794	22,512
Heritage Area Development	335,351	335,351	340,007	(4,656)
Total Community Design and Development Operating Expenditures	3,687,231	3,748,985	3,495,936	253,049
Capital Outlay	11,000	11,000	10,265	735
Total Community Design and Development Expenditures	3,698,231	3,759,985	3,506,201	253,784
Total Operating Expenditures	58,752,133	58,749,067	58,899,127	(150,060)
Capital Outlay	35,764	213,827	193,197	20,630
Total Expenditures	58,787,897	58,962,894	59,092,324	(129,430)
Transfers Out	4,377,807	4,377,807	4,258,146	119,661
Total Charges to Appropriations	63,165,704	63,340,701	63,350,470	(9,769)
Budgetary Fund Balance, June 30	\$ 12,490,894	\$ 12,315,897	\$ 17,909,763	\$ 5,593,866
				Concluded

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 City Road Tax Fund
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,630,380	\$ 5,630,380	\$ 6,169,642	\$ 539,262
Resources (inflows):				
Taxes				
Special Road Sales Tax	9,894,180	9,894,180	9,756,994	(137,186)
Use of Money and Property				
Rent	405,853	405,853	365,455	(40,398)
Interest	10,000	10,000	38,293	28,293
Charges For Services				
Developer Charges	-	-	3,821	3,821
Miscellaneous				
Other	2,000	2,000	7,596	5,596
Total Revenues	<u>10,312,033</u>	<u>10,312,033</u>	<u>10,172,159</u>	<u>(139,874)</u>
Amounts Available for Appropriation	<u>15,942,413</u>	<u>15,942,413</u>	<u>16,341,801</u>	<u>399,388</u>
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Traffic Signals, Signs, and Striping	754,599	706,759	586,869	119,890
Streets				
Engineering	1,879,053	1,876,753	1,328,393	548,360
Street Maintenance	382,774	382,774	244,926	137,848
Pathways and Trails	161,468	161,468	139,693	21,775
Right-Of-Way Management	448,247	498,387	524,518	(26,131)
Capital Outlay	100,500	100,500	65,891	34,609
Capital Projects				
Parks, Recreation and Culture	327,854	327,854	65,113	262,741
Streets	3,155,797	3,155,797	598,479	2,557,318
Environmental, Health and Safety	85,000	91,000	160,052	(69,052)
Total Expenditures	<u>7,295,292</u>	<u>7,301,292</u>	<u>3,713,934</u>	<u>3,587,358</u>
Transfers Out	<u>4,816,508</u>	<u>4,816,508</u>	<u>4,817,663</u>	<u>(1,155)</u>
Total Charges to Appropriations	<u>12,111,800</u>	<u>12,117,800</u>	<u>8,531,597</u>	<u>3,586,203</u>
Budgetary Fund Balance, June 30	<u>\$ 3,830,613</u>	<u>\$ 3,824,613</u>	<u>\$ 7,810,204</u>	<u>\$ 3,985,591</u>

See accompanying notes to this schedule

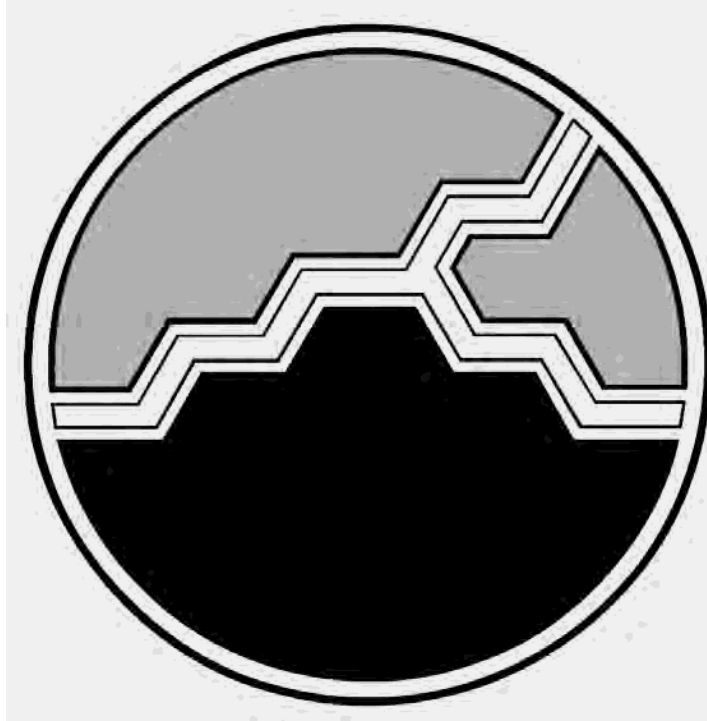
City of Yuma, Arizona
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2014

A. Budgetary Reporting and Budgetary Basis of Accounting

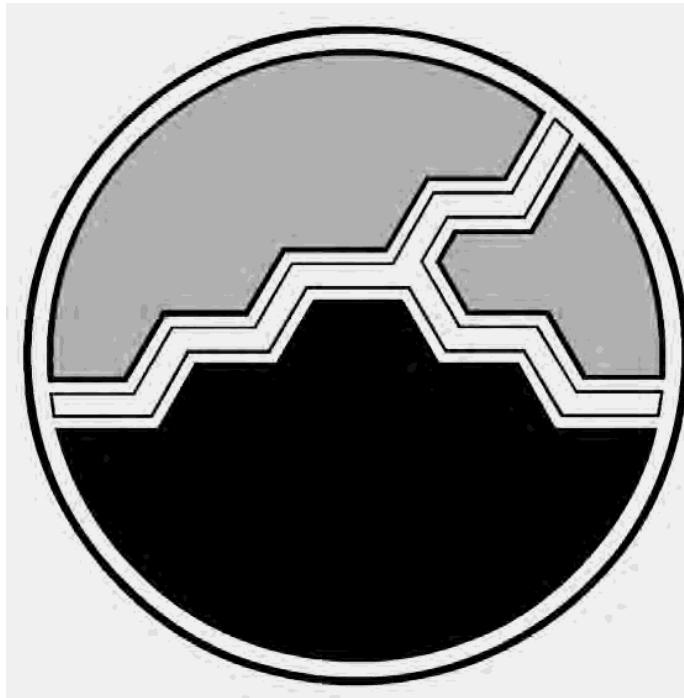
Budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP), with the exception of the Enterprise Funds and Internal Service Funds for which budgets are adopted. As such, reconciliations between budgetary schedules and financial statements are not necessary for governmental funds. For Enterprise Funds and Internal Service Funds, expenditures related to debt service and to capital acquisition are budgeted in the same manner as governmental funds. Depreciation is not budgeted. Reconciliations from budgetary schedules and financial statements of these funds are presented on the face of the respective budgetary statements.

B. Excess of Expenditures Over Appropriations

The City's expenditures exceeded appropriations in four funds. General Fund Expenditures exceeded appropriations by \$129,427 due to overtime needed in excess of projections by the new Ambulance Transport division. The Debt Service Fund had expenditures exceed appropriations by \$969,651 due to the final year of District 67 debt payments not being budgeted. Restructuring of the Restaurant staffing levels caused expenditures within the Desert Hills Golf Course fund to exceed appropriations by \$204,625. The Equipment Maintenance Fund had expenditures exceed appropriations by \$128,269 after providing unplanned repair services during the year with attendant auto parts purchases. In each case, the fund was not significantly impaired by the excess expenditures.



**OTHER SUPPLEMENTARY
INFORMATION**



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds account for the proceeds of special revenue sources that are used to finance projects or activities as required by law or contractual agreements.

Local Transportation Assistance To record the receipts and uses of monies originating from Arizona Lottery sales. These monies are restricted to transportation uses.

Public Safety Tax To account for the two-tenths percent sales tax designated for public safety and criminal justice facilities and equipment.

Highway Users Revenue. To account for the state-shared gasoline taxes designated for maintenance and construction of roadways.

Grants Fund. The Grant Fund accounts for all of the federal and state grants provided to the City with the exception of the grants received for the Yuma Regional Communication System (recorded in Radio Communications Enterprise Fund), the Water Fund (recorded in Water Enterprise Fund), the Community Development Block Grant, and the Economic Development grant.

Community Redevelopment Fund This fund accounts for the financial activities of Community Development Block Grant and the Economic Development Grant.

Two Percent Tax To record the financial activities of the Two Percent Special Revenue Excise Tax on hotel, motel, restaurant and bar sales. This tax can finance the operations of the Art Center, the Civic and Convention Center, Baseball Complex, Golf Courses, the Yuma Crossing Area and Convention and Tourism.

Yuma Mall Maintenance To record the special maintenance levy for the Yuma Downtown Mall District. The assessment supports cleaning, maintenance, landscaping and utility costs of common areas. Costs in excess of the assessment are financed by a transfer from the General Fund.

Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources to be used for acquisition or construction of capital facilities and other capital assets (other than those financed by General, Special Revenue, or Proprietary Funds).

City of Yuma, Arizona
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

<u>Assets</u>	Special Revenue			
	Local Transportation Assistance	Public Safety Tax	Highway Users Revenue	Grants
Cash and Investments	\$ 144	\$ -	\$ 482,713	\$ 293,244
Receivables (Net of Allowances for Uncollectibles):				
Accounts Receivable	-	-	8,649	-
Intergovernmental	-	237,702	592,005	594,935
Delinquent Property Taxes	-	-	-	-
Accrued Interest	-	683	33	66
Inventory, at cost	-	-	-	-
Prepaid Items	-	-	188	-
Total Assets	<u>\$ 144</u>	<u>\$ 238,385</u>	<u>\$ 1,083,588</u>	<u>\$ 888,245</u>
 <u>Liabilities</u>				
Liabilities:				
Accounts Payable	\$ -	\$ 163	\$ 163,150	\$ 195,316
Accrued Payroll, Taxes and Benefits Payable	-	149	38,771	20,496
Due to Other Funds	-	109,156	-	374,376
Deposits	-	-	-	-
Unearned Revenues	-	124,075	-	298,057
Total Liabilities	<u>-</u>	<u>233,543</u>	<u>201,921</u>	<u>888,245</u>
 <u>Deferred Inflows of Resources</u>				
Unavailable Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>Fund Balances:</u>				
Nonspendable:				
Inventory	-	-	-	-
Prepaid Items	-	-	188	-
Restricted for:				
General government projects	-	-	-	-
Streets	-	-	881,479	-
Public safety equipment and facilities	-	4,842	-	-
Recreation facilities	-	-	-	-
Committed to:				
General government projects	-	-	-	-
Public safety equipment and facilities	-	-	-	-
Parks, recreation and cultural facilities	-	-	-	-
Streets	144	-	-	-
Sanitation facilities	-	-	-	-
Public works projects	-	-	-	-
Total Fund Balances	<u>144</u>	<u>4,842</u>	<u>881,667</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 144</u>	<u>\$ 238,385</u>	<u>\$ 1,083,588</u>	<u>\$ 888,245</u>

Special Revenue				Total
Community Redevelopment	Two Percent Tax	Yuma Mall Maintenance	Capital Projects	Nonmajor Governmental Funds
\$ -	\$ 4,964,420	\$ -	\$ 15,381,240	\$ 21,121,761
989,441	139,709	461	127,439	1,265,699
418,359	-	7,966	661,516	2,512,483
-	-	13,527	-	13,527
-	2,104	-	2,667	5,553
-	13,534	-	-	13,534
-	-	-	-	188
<u>\$ 1,407,800</u>	<u>\$ 5,119,767</u>	<u>\$ 21,954</u>	<u>\$ 16,172,862</u>	<u>\$ 24,932,745</u>
\$ 181,826	\$ 182,037	\$ 3,669	\$ 281,838	\$ 1,007,999
8,926	30,739	1,452	-	100,533
235,815	-	3,306	-	722,653
-	8,949	-	-	8,949
700	110,060	-	3,179,469	3,712,361
<u>427,267</u>	<u>331,785</u>	<u>8,427</u>	<u>3,461,307</u>	<u>5,552,495</u>
<u>980,533</u>	<u>-</u>	<u>13,527</u>	<u>-</u>	<u>994,060</u>
-	13,534	-	-	13,534
-	-	-	-	188
-	-	-	96,208	96,208
-	-	-	3,769,061	4,650,540
-	-	-	1,731,749	1,736,591
-	4,774,448	-	96,208	4,870,656
-	-	-	2,845	2,845
-	-	-	1,232,387	1,232,387
-	-	-	1,868,923	1,868,923
-	-	-	3,279,300	3,279,444
-	-	-	378,910	378,910
-	-	-	255,964	255,964
<u>-</u>	<u>4,787,982</u>	<u>-</u>	<u>12,711,555</u>	<u>18,386,190</u>
<u>\$ 1,407,800</u>	<u>\$ 5,119,767</u>	<u>\$ 21,954</u>	<u>\$ 16,172,862</u>	<u>\$ 24,932,745</u>

City of Yuma, Arizona
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue			
	Local Transportation Assistance	Public Safety Tax	Highway User Revenue	Grants
Revenues:				
Taxes	\$ -	\$ 3,901,471	\$ -	\$ -
Intergovernmental	-	-	6,276,058	2,297,672
Charges for Services	-	-	-	-
Use of Money and Property	1	36,233	1,274	594
Contributions/Donations	-	-	-	88,347
Miscellaneous	-	46	94,281	-
Total Revenues	<u>1</u>	<u>3,937,750</u>	<u>6,371,613</u>	<u>2,386,613</u>
Expenditures:				
Current:				
General Government	-	-	-	79,270
Public Safety	-	1,113,248	395,492	1,434,199
Streets	-	-	5,354,549	-
Parks, Recreation and Culture	-	-	-	68,833
Environmental Health and Protection	-	-	61,934	10,525
Community Design and Development	-	-	-	-
Capital Outlay	-	474,556	-	211,653
Capital Projects				
General Government	-	-	-	374,493
Public Safety	-	-	-	-
Streets	-	-	-	136,011
Parks, Recreation and Culture	-	-	-	71,629
Environmental, Health and Safety	-	-	-	-
Debt Service:				
Interest and Fiscal Agent Fees	-	-	-	-
Total Expenditures	<u>-</u>	<u>1,587,804</u>	<u>5,811,975</u>	<u>2,386,613</u>
Revenues Over/(Under) Expenditures	1	2,349,946	559,638	-
Other Financing Sources/(Uses):				
Transfers In	-	-	-	-
Transfers Out	-	(2,957,711)	(101,592)	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(2,957,711)</u>	<u>(101,592)</u>	<u>-</u>
Net Changes in Fund Balances	1	(607,765)	458,046	-
Fund Balances, Beginning	<u>143</u>	<u>612,607</u>	<u>423,621</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 144</u>	<u>\$ 4,842</u>	<u>\$ 881,667</u>	<u>\$ -</u>

Special Revenue				Total
Community Redevelopment	Two Percent Tax	Yuma Mall Maintenance	Capital Projects	Nonmajor Governmental Funds
\$ -	\$ 4,576,061	\$ 81,320	\$ -	\$ 8,558,852
1,342,289	-	-	38,189	9,954,208
-	468,760	-	2,311,433	2,780,193
-	28,462	-	43,178	109,742
-	-	-	-	88,347
30,991	43,249	4,409	419	173,395
<u>1,373,280</u>	<u>5,116,532</u>	<u>85,729</u>	<u>2,393,219</u>	<u>21,664,737</u>
-	197,968	-	-	277,238
-	-	-	-	2,942,939
-	-	-	-	5,354,549
-	3,822,512	-	-	3,891,345
-	-	-	-	72,459
1,404,604	-	195,307	-	1,599,911
23,676	40,688	-	-	750,573
-	139,850	-	351,917	866,260
-	-	-	1,679,268	1,679,268
-	14,097	-	1,756,362	1,906,470
-	1,343,622	-	828,409	2,243,660
-	-	-	172,911	172,911
-	-	-	7,700	7,700
<u>1,428,280</u>	<u>5,558,737</u>	<u>195,307</u>	<u>4,796,567</u>	<u>21,765,283</u>
(55,000)	(442,205)	(109,578)	(2,403,348)	(100,546)
55,000	-	109,578	-	164,578
-	(1,158,084)	-	(370,000)	(4,587,387)
<u>55,000</u>	<u>(1,158,084)</u>	<u>109,578</u>	<u>(370,000)</u>	<u>(4,422,809)</u>
-	(1,600,289)	-	(2,773,348)	(4,523,355)
-	6,388,271	-	15,484,903	22,909,545
<u>\$ -</u>	<u>\$ 4,787,982</u>	<u>\$ -</u>	<u>\$ 12,711,555</u>	<u>\$ 18,386,190</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 504,492	\$ 504,492	\$ 543,115	\$ 38,623
Resources (inflows):				
Special Assessments:				
Principal Payments	280,000	280,000	1,183,000	903,000
Use of Money and Property:				
Interest	105,515	105,515	131,610	26,095
Total Revenues	<u>385,515</u>	<u>385,515</u>	<u>1,314,610</u>	<u>929,095</u>
Transfers In	<u>12,256,162</u>	<u>12,256,162</u>	<u>12,265,300</u>	<u>9,138</u>
Amounts Available for Appropriation	<u>13,146,169</u>	<u>13,146,169</u>	<u>14,123,025</u>	<u>976,856</u>
Charges to Appropriations (outflows):				
Debt Service:				
Bond Principal	7,765,000	7,765,000	8,700,000	(935,000)
Bond Interest	4,842,780	4,842,780	4,866,581	(23,801)
Fiscal Agent Fees	-	-	10,850	(10,850)
Total Expenditures	<u>12,607,780</u>	<u>12,607,780</u>	<u>13,577,431</u>	<u>(969,651)</u>
Transfers Out	<u>-</u>	<u>-</u>	<u>540,898</u>	<u>(540,898)</u>
Total Charges to Appropriations	<u>12,607,780</u>	<u>12,607,780</u>	<u>14,118,329</u>	<u>(1,510,549)</u>
Budgetary Fund Balance, June 30	<u>\$ 538,389</u>	<u>\$ 538,389</u>	<u>\$ 4,696</u>	<u>\$ (533,693)</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Capital Projects Fund
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 16,710,692	\$ 16,710,692	\$ 15,484,903	\$ (1,225,789)
Resources (inflows):				
Intergovernmental				
Arizona Department of Transportation	-	-	38,189	38,189
Charges for Services				
Developer Charges	3,324,037	3,324,037	2,311,433	(1,012,604)
Use of Money and Property				
Interest	22,900	22,900	43,178	20,278
Miscellaneous	7,419,962	7,419,962	419	(7,419,543)
Total Revenues	10,766,899	10,766,899	2,393,219	(8,373,680)
Amounts Available for Appropriation	27,477,591	27,477,591	17,878,122	(9,599,469)
Charges to Appropriations (outflows):				
Capital Outlay:				
General Government	8,594,000	8,269,000	351,917	7,917,083
Public Safety	986,000	2,167,102	1,679,268	487,834
Streets	6,156,112	5,868,112	1,756,362	4,111,750
Parks, Recreation and Culture	2,546,712	1,605,610	828,409	777,201
Environmental Health and Safety	-	373,000	172,911	200,089
Total Expenditures	18,282,824	18,282,824	4,788,867	13,493,957
Debt Service:				
Fiscal Agent Fees	-	-	7,700	(7,700)
Total Expenditures	18,282,824	18,282,824	4,796,567	13,486,257
Transfers Out	-	-	370,000	(370,000)
Total Charges to Appropriations	18,282,824	18,282,824	5,166,567	13,116,257
Budgetary Fund Balance, June 30	\$ 9,194,767	\$ 9,194,767	\$ 12,711,555	\$ 3,516,788

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Local Transportation Assistance Special Revenue Fund
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 143	\$ 143	\$ 143	\$ -
Resources (inflows):				
Use of Money and Property				
Interest	-	-	1	1
Total Revenues	-	-	1	1
Amounts Available for Appropriation	143	143	144	1
Charges to Appropriations (outflows):				
Current:				
Total Charges to Appropriations	-	-	-	-
Budgetary Fund Balance, June 30	\$ 143	\$ 143	\$ 144	\$ 1

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Public Safety Tax Special Revenue Fund
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 744,007	\$ 744,007	\$ 612,607	\$ (131,400)
Resources (inflows):				
Taxes				
Public Safety Sales Tax	3,956,000	3,956,000	3,901,471	(54,529)
Charges for Services	-	-	-	
Use of Money and Property				
Rent	-	-	28,793	28,793
Interest	5,000	5,000	7,440	2,440
Miscellaneous				
Other	-	-	46	46
Total Revenues	<u>3,961,000</u>	<u>3,961,000</u>	<u>3,937,750</u>	<u>(23,250)</u>
Amounts Available for Appropriation	<u>4,705,007</u>	<u>4,705,007</u>	<u>4,550,357</u>	<u>(154,650)</u>
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Police Support Services	456,192	456,192	456,140	52
Fire Support Services	548,579	548,579	557,379	(8,800)
Facility Maintenance	156,500	156,500	99,729	56,771
Capital Outlay	500,000	500,000	474,556	25,444
Total Expenditures	<u>1,661,271</u>	<u>1,661,271</u>	<u>1,587,804</u>	<u>73,467</u>
Transfers Out	<u>2,953,213</u>	<u>2,953,213</u>	<u>2,957,711</u>	<u>(4,498)</u>
Total Charges to Appropriations	<u>4,614,484</u>	<u>4,614,484</u>	<u>4,545,515</u>	<u>68,969</u>
Budgetary Fund Balance, June 30	<u>\$ 90,524</u>	<u>\$ 90,524</u>	<u>\$ 4,842</u>	<u>\$ (85,682)</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Highway User Revenue Fund
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 711,568	\$ 711,568	\$ 423,621	\$ (287,947)
Resources (inflows):				
Intergovernmental				
State Gasoline Tax	6,399,000	6,399,000	6,276,058	(122,942)
Use of Money and Property				
Interest	1,000	1,000	1,274	274
Miscellaneous				
Other	42,000	42,000	94,281	52,281
Total Revenues	<u>6,442,000</u>	<u>6,442,000</u>	<u>6,371,613</u>	<u>(70,387)</u>
Amounts Available for Appropriation	<u>7,153,568</u>	<u>7,153,568</u>	<u>6,795,234</u>	<u>(358,334)</u>
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Traffic Signals, Signs, and Striping	443,567	464,567	395,492	69,075
Streets				
Street Maintenance	3,039,620	3,011,120	2,652,698	358,422
Street Lighting	835,200	906,600	954,035	(47,435)
Street Sweeping	412,247	412,247	393,985	18,262
Storm Drain Maintenance	380,530	365,530	226,128	139,402
Curbs, Gutters, and Sidewalks	379,925	369,925	314,517	55,408
Retention Basin Maintenance	1,073,296	1,034,396	813,186	221,210
Environmental Health				
Code Enforcement	81,052	81,052	61,934	19,118
Total Expenditures	<u>6,645,437</u>	<u>6,645,437</u>	<u>5,811,975</u>	<u>833,462</u>
Transfers Out	<u>101,374</u>	<u>101,374</u>	<u>101,592</u>	<u>(218)</u>
Total Charges to Appropriations	<u>6,746,811</u>	<u>6,746,811</u>	<u>5,913,567</u>	<u>833,244</u>
Budgetary Fund Balance, June 30	<u>\$ 406,757</u>	<u>\$ 406,757</u>	<u>\$ 881,667</u>	<u>\$ 474,910</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Grants Fund
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	1,417,659	2,227,671	2,230,556	2,885
State Government	207,957	316,251	63,952	(252,299)
County Government	-	3,165	3,164	(1)
Budget Authority Reserve	8,508,115	6,768,881	-	(6,768,881)
Use of Money and Property				
Interest	-	-	594	594
Contributions/Donations	208,457	233,804	88,347	(145,457)
Total Revenues	<u>10,342,188</u>	<u>9,549,772</u>	<u>2,386,613</u>	<u>(7,163,159)</u>
Amounts Available for Appropriation	<u>10,342,188</u>	<u>9,549,772</u>	<u>2,386,613</u>	<u>(7,163,159)</u>
Charges to Appropriations (outflows):				
Current:				
General Government	219,886	223,886	79,270	144,616
Public Safety	5,121,991	3,807,078	1,434,199	2,372,879
Parks, Recreation and Culture	267,700	257,619	68,833	188,786
Environmental Health and Protection	288,500	288,500	10,525	277,975
Capital Outlay	36,000	389,578	211,653	177,925
Capital Projects				
General Government	755,413	755,413	374,493	380,920
Streets	4,408,113	4,408,113	136,011	4,272,102
Parks, Recreation and Culture	812,700	812,700	71,629	741,071
Total Expenditures	<u>11,910,303</u>	<u>10,942,887</u>	<u>2,386,613</u>	<u>8,556,274</u>
Total Charges to Appropriations	<u>11,910,303</u>	<u>10,942,887</u>	<u>2,386,613</u>	<u>8,556,274</u>
Budgetary Fund Balance, June 30	<u>\$ (1,568,115)</u>	<u>\$ (1,393,115)</u>	<u>\$ -</u>	<u>\$ 1,393,115</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Community Redevelopment Fund
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	1,474,565	1,666,981	1,342,289	(324,692)
Miscellaneous				
Loan Repayments	17,500	17,500	30,991	13,491
Other	70,000	70,000	-	(70,000)
Total Revenues	<u>1,562,065</u>	<u>1,754,481</u>	<u>1,373,280</u>	<u>(381,201)</u>
Transfers In	-	-	55,000	55,000
Amounts Available for Appropriation	<u>1,562,065</u>	<u>1,754,481</u>	<u>1,428,280</u>	<u>(326,201)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development	1,562,065	1,725,481	1,404,604	320,877
Capital Outlay	-	29,000	23,676	5,324
Total Expenditures	<u>1,562,065</u>	<u>1,754,481</u>	<u>1,428,280</u>	<u>326,201</u>
Total Charges to Appropriations	<u>1,562,065</u>	<u>1,754,481</u>	<u>1,428,280</u>	<u>326,201</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Two Percent Tax Special Revenue Fund
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,337,816	\$ 5,337,816	\$ 6,388,271	\$ 1,050,455
Resources (inflows):				
Taxes				
Two Percent Tax	4,468,337	4,468,337	4,576,061	107,724
Use of Money and Property				
Rents and Concessions	276,960	276,960	358,636	81,676
Recreation Fees	71,150	71,150	110,124	38,974
Interest	12,800	12,800	28,462	15,662
Miscellaneous				
Other	55,010	55,010	43,249	(11,761)
Total Revenues	<u>4,884,257</u>	<u>4,884,257</u>	<u>5,116,532</u>	<u>232,275</u>
Amounts Available for Appropriation	<u>10,222,073</u>	<u>10,222,073</u>	<u>11,504,803</u>	<u>1,282,730</u>
Charges to Appropriations (outflows):				
Current:				
Parks, Recreation and Culture				
Administration	181,174	181,174	167,803	13,371
Outside Agencies	840,000	840,000	840,000	-
Civic and Convention Center	968,801	968,801	919,055	49,746
Baseball Complex	539,580	536,280	500,965	35,315
Art Center	620,858	620,858	576,768	44,090
Heritage Events	95,433	95,433	96,793	(1,360)
Facilities Maintenance	813,335	804,435	721,128	83,307
General Government	193,927	193,927	197,968	(4,041)
Capital Outlay	89,500	101,700	40,688	61,012
Capital Projects:				
General Government	341,986	297,986	139,850	158,136
Parks, Recreation and Culture	1,312,509	1,356,509	1,343,622	12,887
Streets	-	-	14,097	(14,097)
Total Expenditures	<u>5,997,102</u>	<u>5,997,102</u>	<u>5,558,737</u>	<u>438,365</u>
Transfers Out	<u>1,157,323</u>	<u>1,157,323</u>	<u>1,158,084</u>	<u>(761)</u>
Total Charges to Appropriations	<u>7,154,425</u>	<u>7,154,425</u>	<u>6,716,821</u>	<u>437,604</u>
Budgetary Fund Balance, June 30	<u>\$ 3,067,648</u>	<u>\$ 3,067,648</u>	<u>\$ 4,787,982</u>	<u>\$ 1,720,334</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Yuma Mall Maintenance Special Revenue Fund
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Taxes				
Mall Assessments	100,000	100,000	77,632	(22,368)
Property Tax - Delinquent	-	-	3,688	3,688
Miscellaneous				
Other	3,900	3,900	4,409	509
Total Revenues	<u>103,900</u>	<u>103,900</u>	<u>85,729</u>	<u>(18,171)</u>
Transfers In	<u>108,910</u>	<u>108,910</u>	<u>109,578</u>	<u>668</u>
Amounts Available for Appropriation	<u>212,810</u>	<u>212,810</u>	<u>195,307</u>	<u>(17,503)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development				
Mall Maintenance	212,810	212,810	195,307	17,503
Total Expenditures	<u>212,810</u>	<u>212,810</u>	<u>195,307</u>	<u>17,503</u>
Total Charges to Appropriations	<u>212,810</u>	<u>212,810</u>	<u>195,307</u>	<u>17,503</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for activities that are financed and operated in a manner similar to private businesses. The intent of the City Council is that the costs of providing the goods or services be recovered primarily through user charges. Enterprise funds are designed so that creditors, legislators and the general public can evaluate the performance of the municipal enterprise on the same basis as commercial enterprises in the same industry.

Solid Waste To record the financial activities of the city-owned and operated residential garbage collection service.

Radio Communication To record the financial activities of the Radio Communication Fund.

Desert Hills Golf Course To account for the financial activity of the operation of the Desert Hills and Desert Hills Par 3 Municipal Golf Courses.

City of Yuma, Arizona
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2014

<u>Assets</u>	Enterprise Funds			Total Nonmajor Proprietary Funds
	Solid Waste	Radio Communication	Desert Hills Golf Course	
Current Assets:				
Cash and Investments	\$ 1,382,329	\$ 122,867	\$ 58,998	\$ 1,564,194
Receivables, Net of Allowance for Uncollectibles:				
Accounts Receivable	516,631	-	16,160	532,791
Intergovernmental	1,148	771,100	438	772,686
Accrued Interest	402	-	-	402
Inventory, at cost	-	98,002	63,991	161,993
Prepaid Expenses	-	30,534	-	30,534
Total Current Assets	1,900,510	1,022,503	139,587	3,062,600
Noncurrent Assets:				
Capital Assets:				
Buildings	-	-	3,102,865	3,102,865
Improvements Other than Buildings	50,738	-	3,290,355	3,341,093
Equipment	329,725	7,646,742	320,166	8,296,633
Gross Capital Assets	380,463	7,646,742	6,713,386	14,740,591
Less Accumulated Depreciation	(284,415)	(5,526,791)	(4,859,410)	(10,670,616)
Capital Assets Net of Depreciation	96,048	2,119,951	1,853,976	4,069,975
Total Noncurrent Assets	96,048	2,119,951	1,853,976	4,069,975
Total Assets	1,996,558	3,142,454	1,993,563	7,132,575
Liabilities				
Current Liabilities:				
Accounts Payable	212,901	88,708	40,708	342,317
Accrued Payroll and Related Taxes	13,509	10,279	23,328	47,116
Current Portion-Accrued				
Compensated Absences	22,530	18,590	32,955	74,075
Unearned Revenue	-	8,305	76,947	85,252
Total Current Liabilities Payable from Current Assets	248,940	125,882	173,938	548,760
Noncurrent Liabilities:				
Accrued Compensated Absences	69,455	24,532	59,419	153,406
Total Long-Term Liabilities	69,455	24,532	59,419	153,406
Total Liabilities	318,395	150,414	233,357	702,166
Net Position				
Net investment in capital assets	96,048	2,119,951	1,853,976	4,069,975
Unrestricted (deficit)	1,582,115	872,089	(93,770)	2,360,434
Total Net Position	\$ 1,678,163	\$ 2,992,040	\$ 1,760,206	\$ 6,430,409

City of Yuma, Arizona
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Proprietary Funds
For the Year Ended June 30, 2014

	Enterprise Funds			Total Nonmajor Proprietary Funds
	Solid Waste	Radio Communication	Desert Hills Golf Course	
Operating Revenues:				
Intergovernmental	\$ -	\$ 1,983,116	\$ -	\$ 1,983,116
Charges for Services	3,325,247	1,564,406	-	4,889,653
Green Fees	-	-	1,143,932	1,143,932
Cart and Club Rental	-	-	286,537	286,537
Pro Shop Sales	-	-	247,177	247,177
Restaurant Sales	-	-	551,927	551,927
Total Operating Revenues	<u>3,325,247</u>	<u>3,547,522</u>	<u>2,229,573</u>	<u>9,102,342</u>
Operating Expenses:				
Operations and Maintenance	2,920,277	3,175,815	3,283,413	9,379,505
Depreciation and Amortization	32,016	975,972	177,234	1,185,222
Total Operating Expenses	<u>2,952,293</u>	<u>4,151,787</u>	<u>3,460,647</u>	<u>10,564,727</u>
Operating Income/(Loss)	<u>372,954</u>	<u>(604,265)</u>	<u>(1,231,074)</u>	<u>(1,462,385)</u>
Non-Operating Revenues/(Expenses):				
Interest	5,012	1,193	861	7,066
Gain/(Loss) on Disposal of Assets	-	(1,266)	-	(1,266)
Miscellaneous Revenues	20,326	1,791	15,003	37,120
Net Non-Operating Revenues	<u>25,338</u>	<u>1,718</u>	<u>15,864</u>	<u>42,920</u>
Income/(Loss) before Transfers	398,292	(602,547)	(1,215,210)	(1,419,465)
Transfers In	-	245,643	600,000	845,643
Transfers Out	<u>(21,016)</u>	<u>-</u>	<u>-</u>	<u>(21,016)</u>
Change in Net Position	377,276	(356,904)	(615,210)	(594,838)
Net Position-beginning	<u>1,300,887</u>	<u>3,348,944</u>	<u>2,375,416</u>	<u>7,025,247</u>
Net Position-ending	<u>\$ 1,678,163</u>	<u>\$ 2,992,040</u>	<u>\$ 1,760,206</u>	<u>\$ 6,430,409</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2014

	Enterprise Funds			Total Nonmajor Proprietary Funds
	Solid Waste	Radio Communication	Desert Hills Golf Course	
Cash Flow from Operating Activities:				
Cash Received from Customers	\$ 3,498,876	\$ 3,881,001	\$ 2,219,583	\$ 9,599,460
Cash Paid to Employees	(765,786)	(393,076)	(1,250,343)	(2,409,205)
Cash Paid to Suppliers	(2,005,824)	(3,049,063)	(1,992,188)	(7,047,075)
Other Operating Activity Revenue	20,326	1,791	15,002	37,119
Net Cash Provided by/(used for) Operating Activities	<u>747,592</u>	<u>440,653</u>	<u>(1,007,946)</u>	<u>180,299</u>
Cash Flows from Noncapital Financing Activities:				
Cash Received from Other Funds	-	245,642	600,000	845,642
Cash Paid to Other Funds	(21,016)	-	-	(21,016)
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>(21,016)</u>	<u>245,642</u>	<u>600,000</u>	<u>824,626</u>
Cash Flow from Capital and Related Financing Activities:				
Acquisition and Construction of Assets	-	(763,250)	-	(763,250)
Net Cash Used for Capital and Related Financing Activities	<u>-</u>	<u>(763,250)</u>	<u>-</u>	<u>(763,250)</u>
Cash Flows from Investing Activities:				
Receipt of Interest	5,014	1,621	1,130	7,765
Net Cash Provided by Investing Activities	<u>5,014</u>	<u>1,621</u>	<u>1,130</u>	<u>7,765</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	731,590	(75,334)	(406,816)	249,440
Cash and Cash Equivalents, July 1	<u>650,739</u>	<u>198,201</u>	<u>465,814</u>	<u>1,314,754</u>
Cash and Cash Equivalents, June 30	<u>\$ 1,382,329</u>	<u>\$ 122,867</u>	<u>\$ 58,998</u>	<u>\$ 1,564,194</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(used for) Operating Activities:				
Operating Income/(Loss)	\$ 372,954	\$ (604,265)	\$ (1,231,074)	\$ (1,462,385)
Adjustments to Reconcile Operating Income/(Loss)				
Depreciation and Amortization Expense	32,016	975,972	177,234	1,185,222
(Increase)Decrease in Accounts Receivables	173,629	325,174	(10,512)	488,291
(Increase)/Decrease in Inventories	-	-	4,593	4,593
(Increase)Decrease in Prepaid Items	389	(7,686)	-	(7,297)
Increase/(Decrease) in Accounts Payable	142,943	(271,351)	17,984	(110,424)
Increase(decrease) in Accrued Wages and Taxes Payable	5,335	12,713	18,305	36,353
Increase(Decrease) in Due from Other Gov't Units	-	-	745	745
Increase(decrease) in Unearned Revenue	-	8,305	(223)	8,082
Other Operating Activity Revenue	20,326	1,791	15,002	37,119
Total Adjustments	<u>374,638</u>	<u>1,044,918</u>	<u>223,128</u>	<u>1,642,684</u>
Net Cash Provided by/(used for) Operating Activities	<u>\$ 747,592</u>	<u>\$ 440,653</u>	<u>\$ (1,007,946)</u>	<u>\$ 180,299</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Water Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Inside City	\$ 18,495,235	\$ 18,495,235	\$ 19,398,860	\$ 903,625
Outside City	2,191,745	2,191,745	2,263,838	72,093
Commercial Raw Water	160,000	160,000	145,964	(14,036)
Meters, Connections and Services	276,000	276,000	367,297	91,297
Capital Contributions:				
System Development	75,000	75,000	105,480	30,480
Capacity Rights	1,000,000	1,000,000	2,208,533	1,208,533
Intergovernmental				
Federal Government	-	100,000	97,529	(2,471)
Interest	12,900	12,900	76,153	63,253
Miscellaneous	108,500	108,500	103,909	(4,591)
Total Revenues	<u>22,319,380</u>	<u>22,419,380</u>	<u>24,767,563</u>	<u>2,348,183</u>
Amounts Available for Appropriation	<u>22,319,380</u>	<u>22,419,380</u>	<u>24,767,563</u>	<u>2,348,183</u>
Charges to Appropriations (outflows):				
Current:				
Administration	2,191,130	2,191,130	2,002,015	189,115
Treatment	6,702,112	6,682,012	5,809,393	872,619
Water Transmission	1,599,793	1,596,193	1,610,666	(14,473)
Customer Services	1,243,037	1,241,037	1,144,482	96,555
Water Transfer	80,502	80,502	16,801	63,701
Laboratory	283,078	263,078	197,999	65,079
Facilities Maintenance	314,853	314,853	111,408	203,445
Environmental Health and Protection	-	100,000	97,530	2,470
Infrastructure Maintenance	-	-	62,599	(62,599)
Capital Outlay:				
Capital Outlay	26,500	72,200	44,179	28,021
Capital Projects	4,670,300	4,670,300	3,208,132	1,462,168
Debt Service:				
Principal Retirement	5,232,873	5,232,873	5,232,886	(13)
Interest and Fiscal Agent Fees	5,086,794	5,086,794	5,125,757	(38,963)
Total Expenditures	<u>27,430,970</u>	<u>27,530,970</u>	<u>24,663,847</u>	<u>2,867,123</u>
Transfers Out	62,332	62,332	62,466	(134)
Total Charges to Appropriations	<u>27,493,302</u>	<u>27,593,302</u>	<u>24,726,313</u>	<u>2,866,989</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (5,173,922)</u>	<u>\$ (5,173,922)</u>	41,250	<u>\$ 5,215,172</u>
Reconciliation to Change in Net Position:				
Capital Outlay			44,179	
Capital Projects			3,208,132	
Principal Retirement			5,232,886	
Amortization of Debt Insurance Premium Costs			141,855	
Amortization of Bond Premium			(11,959)	
Loss on Disposal of Assets			(10,330)	
Depreciation and Amortization			(8,682,968)	
Change in Net Position			<u>\$ (36,955)</u>	

NOTE: This exhibit is prepared on the modified accrual basis to correspond with the City's budget practices. It is not intended to present the operations in accordance with generally accepted accounting principles.

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Wastewater Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Inside City	\$ 11,692,900	\$ 11,692,900	\$ 12,052,963	\$ 360,063
Outside City	910,000	910,000	1,085,066	175,066
Contractual/Industrial Services	1,744,000	1,744,000	1,646,880	(97,120)
Meters, Connections and Services	15,500	15,500	28,013	12,513
Capital Contributions:				
Capacity Rights	3,250,000	3,250,000	2,590,632	(659,368)
Wastewater Interceptor	115,000	115,000	135,567	20,567
Wastewater Trunk Line Charges	15,000	15,000	20,614	5,614
Interest	32,300	32,300	139,164	106,864
Miscellaneous	29,180	29,180	36,150	6,970
Total Revenues	<u>17,803,880</u>	<u>17,803,880</u>	<u>17,735,049</u>	<u>(68,831)</u>
Amounts Available for Appropriation	<u>17,803,880</u>	<u>17,803,880</u>	<u>17,735,049</u>	<u>(68,831)</u>
Charges to Appropriations (outflows):				
Current:				
Administration	1,332,341	1,332,341	1,226,581	105,760
Treatment	6,567,360	6,525,360	5,950,488	574,872
Pretreatment	433,572	433,572	385,048	48,524
Collection	1,107,621	1,105,221	1,097,793	7,428
Laboratory	264,414	264,414	179,523	84,891
Facilities Maintenance	177,277	177,277	110,681	66,596
Infrastructure Maintenance	-	-	9,567	(9,567)
Capital Outlay:				
Capital Outlay	235,000	279,400	125,783	153,617
Capital Projects	1,211,000	1,211,000	31,229	1,179,771
Debt Service:				
Principal Retirement	3,311,955	3,311,955	3,311,955	-
Interest and Fiscal Agent Fees	2,039,437	2,039,437	2,039,781	(344)
Total Expenditures	<u>16,679,977</u>	<u>16,679,977</u>	<u>14,468,429</u>	<u>2,211,548</u>
Transfers Out	<u>32,867</u>	<u>32,867</u>	<u>31,927</u>	<u>940</u>
Total Charges to Appropriations	<u>16,712,844</u>	<u>16,712,844</u>	<u>14,500,356</u>	<u>2,212,488</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ 1,091,036</u>	<u>\$ 1,091,036</u>	<u>3,234,693</u>	<u>\$ 2,143,657</u>
Reconciliation to Change in Net Position:				
Capital Outlay			125,783	
Capital Projects			31,229	
Principal Retirement			3,311,955	
Amortization of Debt Insurance Premium Costs			38,800	
Loss on Disposal of Assets			(3,790)	
Depreciation and Amortization			(6,106,782)	
Change in Net Position			<u>\$ 631,888</u>	

NOTE: This exhibit is prepared on the modified accrual basis to correspond with the City's budget practices. It is not intended to present the operations in accordance with generally accepted accounting principles.

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Solid Waste Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Charges for Service				
Collection Fees	\$ 3,049,000	\$ 3,049,000	\$ 3,325,247	\$ 276,247
Interest	1,400	1,400	5,012	3,612
Miscellaneous				
Other	5,200	5,200	20,326	15,126
Total Revenues	<u>3,055,600</u>	<u>3,055,600</u>	<u>3,350,585</u>	<u>294,985</u>
Amounts Available for Appropriation	<u>3,055,600</u>	<u>3,055,600</u>	<u>3,350,585</u>	<u>294,985</u>
Charges to Appropriations (outflows):				
Current:				
Environmental Health and Protection				
Residential Services	2,780,623	2,780,623	2,568,633	211,990
Uncontained Waste	344,083	344,083	296,124	47,959
Recycling	102,809	102,809	55,520	47,289
Total Expenditures	<u>3,227,515</u>	<u>3,227,515</u>	<u>2,920,277</u>	<u>307,238</u>
Transfers Out	20,971	20,971	21,016	(45)
Total Charges to Appropriations	<u>3,248,486</u>	<u>3,248,486</u>	<u>2,941,293</u>	<u>307,193</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (192,886)</u>	<u>\$ (192,886)</u>	<u>409,292</u>	<u>\$ 602,178</u>
Reconciliation to Change in Net Position:				
Depreciation and Amortization			<u>(32,016)</u>	
Change in Net Position			<u>\$ 377,276</u>	

NOTE: This exhibit is prepared on the modified accrual basis to correspond with the City's budget practices. It is not intended to present the operations in accordance with generally accepted accounting principles.

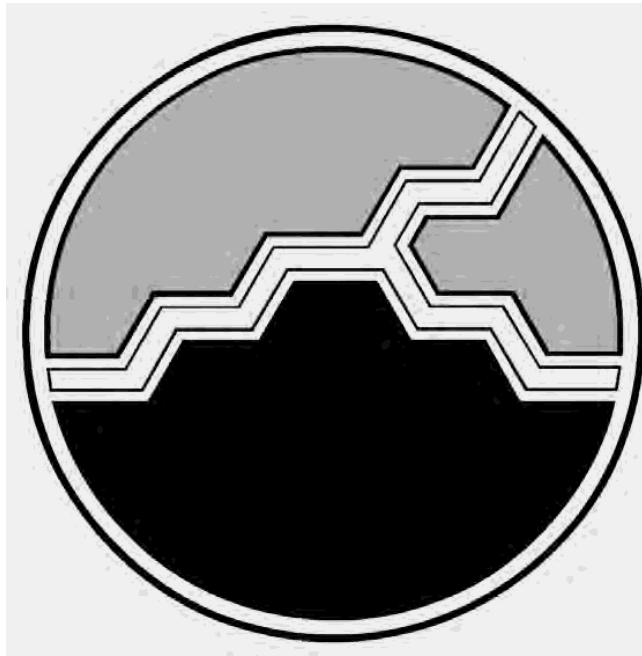
City of Yuma, Arizona
 Budgetary Comparison Schedule
 Radio Communication Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Charges for Service				
Radio Equipment Fees	1,087,389	1,087,389	1,564,406	477,017
Intergovernmental				
Federal Government	3,705,375	4,194,375	1,957,281	(2,237,094)
State Government	123,894	123,894	25,835	(98,059)
Budget Authority Reserve	7,749,000	7,749,000	-	(7,749,000)
Use of Money and Property				
Interest	1,400	1,400	1,193	(207)
Miscellaneous				
Other	500,000	500,000	1,791	(498,209)
Total Revenues	<u>13,167,058</u>	<u>13,656,058</u>	<u>3,550,506</u>	<u>(10,105,552)</u>
Transfers In	-	-	245,643	245,643
Amounts Available for Appropriation	<u>13,167,058</u>	<u>13,656,058</u>	<u>3,796,149</u>	<u>(9,859,909)</u>
Charges to Appropriations (outflows):				
Current:				
Environmental Health				
Radio Communications	1,758,566	1,769,566	1,936,216	(166,650)
Public Safety	1,210,473	1,710,473	1,239,599	470,874
Capital Outlay				
Capital Outlay	2,790,798	2,790,798	763,249	2,027,549
Capital Projects	7,749,000	7,749,000	-	7,749,000
Total Expenditures	<u>13,508,837</u>	<u>14,019,837</u>	<u>3,939,064</u>	<u>10,080,773</u>
Total Charges to Appropriations	<u>13,508,837</u>	<u>14,019,837</u>	<u>3,939,064</u>	<u>10,080,773</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (341,779)</u>	<u>\$ (363,779)</u>	<u>\$ (142,915)</u>	<u>\$ 220,864</u>
Reconciliation to Change in Net Position:				
Capital Outlay			763,249	
Loss on Disposal of Assets			(1,266)	
Depreciation and Amortization			(975,972)	
Change in Net Position			<u>\$ (356,904)</u>	

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Desert Hills Golf Course Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Green Fees	\$ 1,144,500	\$ 1,144,500	\$ 1,143,932	\$ (568)
Cart and Club Rental	315,951	315,951	286,537	(29,414)
Pro Shop Sales	264,000	264,000	247,177	(16,823)
Restaurant Sales	528,600	528,600	551,927	23,327
Interest	1,000	1,000	861	(139)
Miscellaneous	375	375	15,003	14,628
Total Revenues	<u>2,254,426</u>	<u>2,254,426</u>	<u>2,245,437</u>	<u>(8,989)</u>
Transfers In	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Amounts Available for Appropriation	<u>2,854,426</u>	<u>2,854,426</u>	<u>2,845,437</u>	<u>(8,989)</u>
Charges to Appropriations (outflows):				
Current:				
Maintenance	1,847,733	1,802,383	1,671,115	131,268
Concession	646,171	584,435	617,064	(32,629)
Restaurant	584,884	620,706	929,195	(308,489)
Facility Maintenance	-	71,264	66,039	5,225
Total Expenditures	<u>3,078,788</u>	<u>3,078,788</u>	<u>3,283,413</u>	<u>(204,625)</u>
Total Charges to Appropriations	<u>3,078,788</u>	<u>3,078,788</u>	<u>3,283,413</u>	<u>(204,625)</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (224,362)</u>	<u>\$ (224,362)</u>	<u>(437,976)</u>	<u>\$ (213,614)</u>
Reconciliation to Change in Net Assets:				
Depreciation and Amortization			<u>(177,234)</u>	
Change in Net Assets			<u>\$ (615,210)</u>	

NOTE: This exhibit is prepared on the modified accrual basis to correspond with the City's budget practices. It is not intended to present the operations in accordance with generally accepted accounting principles.



INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments of the City and to other governmental units, on a cost-reimbursement basis.

Equipment Replacement To account for the associated costs of purchasing vehicles and equipment for rental to other departments.

Equipment Maintenance To record the financial activity of fleet maintenance operations.

Insurance Reserve To record the financial activity related to insurance and risk retention for liability and casualty issues.

Employee Benefits Trust To record the financial activity of a self-funded insurance trust fund that covers eligible employees and dependent health, life, and dental claims.

Workers Compensation To record the financial activity of a self-funded worker's compensation insurance trust fund.

City of Yuma, Arizona
Combining Statement of Net Position
Internal Service Funds
June 30, 2014

Assets	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Current Assets:						
Cash and Investments	\$ 14,895,901	\$ -	\$ 1,359,985	\$ 278,317	\$ 1,837,873	\$ 18,372,076
Accounts Receivable	-	8,470	39,359	-	895	48,724
Intergovernmental Receivable	-	2	-	-	-	2
Accrued Interest	5,943	-	390	-	109	6,442
Inventory, at cost	-	616,962	-	-	-	616,962
Prepaid Items	-	30	590,603	-	104,788	695,421
Total Current Assets	<u>14,901,844</u>	<u>625,464</u>	<u>1,990,337</u>	<u>278,317</u>	<u>1,943,665</u>	<u>19,739,627</u>
Noncurrent Assets:						
Capital Assets:						
Land	-	219,610	-	-	-	219,610
Buildings	-	19,251	-	-	-	19,251
Improvements Other than Buildings	-	222,733	-	-	-	222,733
Equipment	27,367,495	223,010	-	-	-	27,590,505
Less Accumulated Depreciation	(20,125,336)	(212,268)	-	-	-	(20,337,604)
Total Noncurrent Assets	<u>7,242,159</u>	<u>472,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,714,495</u>
Total Assets	<u>22,144,003</u>	<u>1,097,800</u>	<u>1,990,337</u>	<u>278,317</u>	<u>1,943,665</u>	<u>27,454,122</u>
Liabilities						
Liabilities:						
Current Liabilities:						
Accounts Payable	6,826	90,529	268,185	-	17,936	383,476
Accrued Payroll, Taxes and Benefits Payable	-	17,043	1,580	-	-	18,623
Current Portion-Accrued Compensated Absences	-	24,607	2,773	-	-	27,380
Estimated Claims and Judgements	-	-	71,801	-	1,429,195	1,500,996
Due to Other Funds	-	967,213	-	-	775,048	1,742,261
Total Current Liabilities Payable	<u>6,826</u>	<u>1,099,392</u>	<u>344,339</u>	<u>-</u>	<u>2,222,179</u>	<u>3,672,736</u>
Noncurrent Liabilities:						
Accrued Compensated Absences	-	56,104	6,181	-	-	62,285
Total Long-Term Liabilities	<u>-</u>	<u>56,104</u>	<u>6,181</u>	<u>-</u>	<u>-</u>	<u>62,285</u>
Total Liabilities	<u>6,826</u>	<u>1,155,496</u>	<u>350,520</u>	<u>-</u>	<u>2,222,179</u>	<u>3,735,021</u>
Net Position						
Net investment in capital assets	7,242,159	472,336	-	-	-	7,714,495
Unrestricted (deficit)	14,895,018	(530,032)	1,639,817	278,317	(278,514)	16,004,606
Total Net Position	<u>\$ 22,137,177</u>	<u>\$ (57,696)</u>	<u>\$ 1,639,817</u>	<u>\$ 278,317</u>	<u>\$ (278,514)</u>	<u>\$ 23,719,101</u>

City of Yuma, Arizona
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2014

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Operating Revenues:						
Charges For Services	\$ -	\$ 3,425,673	\$ 1,740,189	\$ -	\$ -	\$ 5,165,862
Contributions						
City	-	-	-	-	1,161,395	1,161,395
Equipment Rental	1,845,650	-	-	-	-	1,845,650
Miscellaneous	206	4,928	2,143	-	11,244	18,521
Total Operating Revenues	<u>1,845,856</u>	<u>3,430,601</u>	<u>1,742,332</u>	<u>-</u>	<u>1,172,639</u>	<u>8,191,428</u>
Operating Expenses:						
Claims Incurred	-	-	342,232	-	1,048,478	1,390,710
Premiums to Insurance Carriers	-	-	583,212	-	154,538	737,750
Administration	451,098	3,843,532	431,046	-	34,270	4,759,946
Depreciation	1,617,580	27,239	-	-	-	1,644,819
Total Operating Expenses	<u>2,068,678</u>	<u>3,870,771</u>	<u>1,356,490</u>	<u>-</u>	<u>1,237,286</u>	<u>8,533,225</u>
Operating Income/(Loss)	<u>(222,822)</u>	<u>(440,170)</u>	<u>385,842</u>	<u>-</u>	<u>(64,647)</u>	<u>(341,797)</u>
Non-Operating Revenue/(Expenses):						
Interest	78,619	-	5,148	1,306	(163)	84,910
Gain on the Sale of Assets	24,459	-	-	-	-	24,459
Total Non-Operating Revenues	<u>103,078</u>	<u>-</u>	<u>5,148</u>	<u>1,306</u>	<u>(163)</u>	<u>109,369</u>
Income/(Loss) before Transfers	<u>(119,744)</u>	<u>(440,170)</u>	<u>390,990</u>	<u>1,306</u>	<u>(64,810)</u>	<u>(232,428)</u>
Change in Net Position	<u>(119,744)</u>	<u>(440,170)</u>	<u>390,990</u>	<u>1,306</u>	<u>(64,810)</u>	<u>(232,428)</u>
Net Position, Beginning	<u>22,256,921</u>	<u>382,474</u>	<u>1,248,827</u>	<u>277,011</u>	<u>(213,704)</u>	<u>23,951,529</u>
Net Position, Ending	<u>\$ 22,137,177</u>	<u>\$ (57,696)</u>	<u>\$ 1,639,817</u>	<u>\$ 278,317</u>	<u>\$ (278,514)</u>	<u>\$ 23,719,101</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Cash Flows from Operating Activities:						
Cash Received from Customers	\$ 1,845,856	\$ 3,432,104	\$ 1,743,536	\$ -	\$ 1,172,980	\$ 8,194,476
Cash Paid to Employees	-	(984,388)	(76,441)	-	-	(1,060,829)
Cash Paid to Suppliers	-	(2,448,247)	-	(93)	-	(2,448,340)
Cash Paid For Operating Expenses	(451,098)	-	(1,081,273)	-	(803,773)	(2,336,144)
Net Cash Flows Provided by/(Used for) Operating Activities	1,394,758	(531)	585,822	(93)	369,207	2,349,163
Cash Flows from Noncapital Financing Activities:						
Cash Received from Other Funds	-	-	-	-	775,048	775,048
Cash Paid to Other Funds	-	-	-	-	(1,113,364)	(1,113,364)
Net Cash Flows Provided by/(Used for) Noncapital Financing Activities	-	-	-	-	(338,316)	(338,316)
Cash Flows from Capital and Related Financing Activities:						
Proceeds from Sale of Capital Assets	60,668	420	-	-	-	61,088
Payments for Capital Acquisitions	(2,429,188)	-	-	-	-	(2,429,188)
Net Cash Flows Used for Capital and Related Financing Activities	(2,368,520)	420	-	-	-	(2,368,100)
Cash Flows from Investing Activities:						
Receipt of Interest	81,725	29	5,014	1,474	(273)	87,969
Net Cash Flows Provided by Investing Activities	81,725	29	5,014	1,474	(273)	87,969
Net Increase/(Decrease) in Cash and Cash Equivalents	(892,037)	(82)	590,836	1,381	30,618	(269,284)
Cash and Cash Equivalents, July 1	15,787,938	82	769,149	276,936	1,807,255	18,641,360
Cash and Cash Equivalents, June 30	<u>\$ 14,895,901</u>	<u>\$ -</u>	<u>\$ 1,359,985</u>	<u>\$ 278,317</u>	<u>\$ 1,837,873</u>	<u>\$ 18,372,076</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Operating Income/(Loss)	\$ (222,822)	\$ (440,170)	\$ 385,842	\$ -	\$ (64,647)	\$ (341,797)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation Expense	1,617,580	27,239	-	-	-	1,644,819
(Increase)/Decrease in Accounts Receivable	-	487,555	1,204	-	341	489,100
(Increase)/Decrease in Inventory	-	127,164	-	-	-	127,164
(Increase)/Decrease in Prepaid Items	-	90	(44,961)	-	(12,829)	(57,700)
Increase/(Decrease) in Accounts Payable	-	(198,168)	237,482	(93)	(13,480)	25,741
Increase/(Decrease) in Payroll Liabilities	-	(4,241)	-	-	-	(4,241)
Increase/(Decrease) in Claims Incurred but Not Reported	-	-	6,255	-	459,822	466,077
Total Adjustments	1,617,580	439,639	199,980	(93)	433,854	2,690,960
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 1,394,758</u>	<u>\$ (531)</u>	<u>\$ 585,822</u>	<u>\$ (93)</u>	<u>\$ 369,207</u>	<u>\$ 2,349,163</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Equipment Replacement Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Charges for Services	\$ 1,845,647	\$ 1,845,647	\$ 1,845,650	\$ 3
Interest	37,000	37,000	78,619	41,619
Miscellaneous	-	-	206	206
Total Revenues	<u>1,882,647</u>	<u>1,882,647</u>	<u>1,924,475</u>	<u>41,828</u>
Amounts Available for Appropriation	<u>1,882,647</u>	<u>1,882,647</u>	<u>1,924,475</u>	<u>41,828</u>
Charges to Appropriations (outflows):				
Current				
Administration	7,344	7,344	451,098	(443,754)
Capital Outlay	4,048,187	4,028,187	2,419,198	1,608,989
Total Expenditures	<u>4,055,531</u>	<u>4,035,531</u>	<u>2,870,296</u>	<u>1,165,235</u>
Total Charges to Appropriations	<u>4,055,531</u>	<u>4,035,531</u>	<u>2,870,296</u>	<u>1,165,235</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ (2,172,884)</u>	<u>\$ (2,152,884)</u>	<u>(945,821)</u>	<u>\$ 1,207,063</u>
Reconciliation to Change in Net Position:				
Capital Outlay			2,419,198	
Gain on Sale of Assets			24,459	
Depreciation and Amortization			(1,617,580)	
Change in Net Position			<u>\$ (119,744)</u>	

NOTE: This exhibit is prepared on the modified accrual basis to correspond with the City's budget practices. It is not intended to present the operations in accordance with generally accepted accounting principles.

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Equipment Maintenance Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Charges for Services	\$ 3,625,673	\$ 3,625,673	\$ 3,425,673	\$ (200,000)
Miscellaneous	-	-	4,928	4,928
Interest	100	100	-	(100)
Total Revenues	<u>3,625,773</u>	<u>3,625,773</u>	<u>3,430,601</u>	<u>(195,172)</u>
Amounts Available for Appropriation	<u>3,625,773</u>	<u>3,625,773</u>	<u>3,430,601</u>	<u>(195,172)</u>
Charges to Appropriations (outflows):				
Current				
Administration	3,715,263	3,715,263	3,843,532	(128,269)
Total Expenditures	<u>3,715,263</u>	<u>3,715,263</u>	<u>3,843,532</u>	<u>(128,269)</u>
Total Charges to Appropriations	<u>3,715,263</u>	<u>3,715,263</u>	<u>3,843,532</u>	<u>(128,269)</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ (89,490)</u>	<u>\$ (89,490)</u>	<u>(412,931)</u>	<u>\$ (323,441)</u>
Reconciliation to Change in Net Position:				
Depreciation and Amortization			(27,239)	
Change in Net Position			<u>\$ (440,170)</u>	

NOTE: This exhibit is prepared on the modified accrual basis to correspond with the City's budget practices. It is not intended to present the operations in accordance with generally accepted accounting principles.

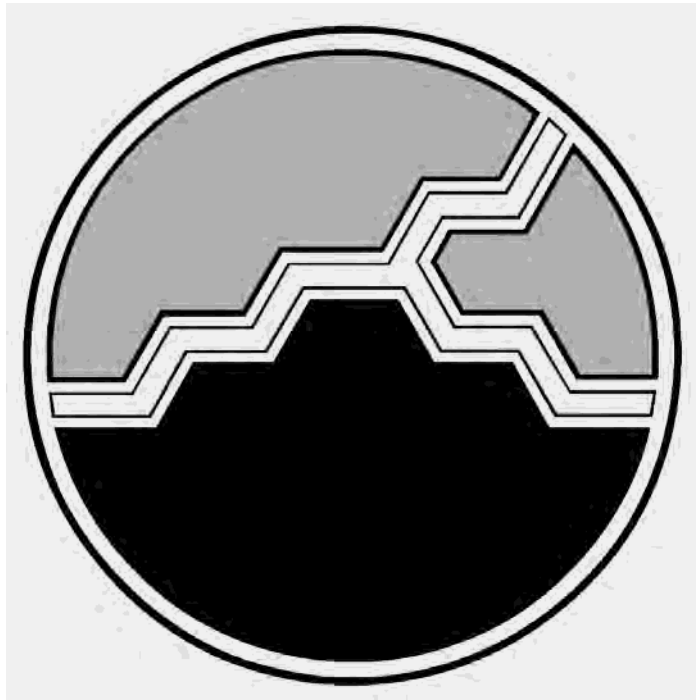
City of Yuma, Arizona
 Budgetary Comparison Schedule
 Insurance Reserve Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2014

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Charges for Services	\$ 1,740,190	\$ 1,740,190	\$ 1,740,189	\$ (1)
Miscellaneous	25,000	25,000	2,143	(22,857)
Interest	1,000	1,000	5,148	4,148
Total Revenues	<u>1,766,190</u>	<u>1,766,190</u>	<u>1,747,480</u>	<u>(18,710)</u>
Amounts Available for Appropriation	<u>1,766,190</u>	<u>1,766,190</u>	<u>1,747,480</u>	<u>(18,710)</u>
Charges to Appropriations (outflows):				
Current				
Premiums to Insurance Carriers	585,116	585,116	583,212	1,904
Claims Incurred	247,000	247,000	342,232	(95,232)
Administration	951,432	951,432	431,046	520,386
Total Expenditures	<u>1,783,548</u>	<u>1,783,548</u>	<u>1,356,490</u>	<u>427,058</u>
Total Charges to Appropriations	<u>1,783,548</u>	<u>1,783,548</u>	<u>1,356,490</u>	<u>427,058</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ (17,358)</u>	<u>\$ (17,358)</u>	<u>\$ 390,990</u>	<u>\$ 408,348</u>
Reconciliation to Change in Net Position:				
Change in Net Position			<u>\$ 390,990</u>	

NOTE: This exhibit is prepared on the modified accrual basis to correspond with the City's budget practices. It is not intended to present the operations in accordance with generally accepted accounting principles.



STATISTICAL SECTION



STATISTICAL SECTION

This part of the City of Yuma's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall

Contents	Page
Financial Trends	98
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	106
These schedules contain information to help the reader assess the City's most significant local revenue source - sales tax.	
Debt Capacity	108
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.	
Demographic and Economic Information	114
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take	
Operating Information	117
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the respective year.

City of Yuma, Arizona

**Net Position by Component
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
									As restated	
Governmental activities										
Net investment in capital assets	\$ 111,268	\$ 130,176	\$ 160,214	\$ 169,403	\$ 129,228	\$ 192,145	\$ 196,837	\$ 209,377	\$ 208,428	\$ 197,997
Restricted	330	24,820	12,991	17,952	70,389	14,762	15,773	24,835	22,456	19,166
Unrestricted	57,707	42,605	43,638	45,354	38,439	40,261	44,357	36,851	39,115	43,244
Total governmental activities net position	<u>\$ 169,305</u>	<u>\$ 197,601</u>	<u>\$ 216,844</u>	<u>\$ 232,709</u>	<u>\$ 238,056</u>	<u>\$ 247,168</u>	<u>\$ 256,967</u>	<u>\$ 271,063</u>	<u>\$ 269,999</u>	<u>\$ 260,407</u>
Business-type activities										
Net investment in capital assets	\$ 105,944	\$ 119,734	\$ 154,054	\$ 151,032	\$ 158,367	\$ 160,883	\$ 166,782	\$ 164,295	\$ 163,246	\$ 159,458
Restricted	-	-	-	151	1,952	3,754	5,556	7,357	9,009	9,009
Unrestricted	27,122	26,569	7,587	24,079	27,344	29,027	31,699	37,842	43,362	46,877
Total business-type activities net position	<u>\$ 133,066</u>	<u>\$ 146,303</u>	<u>\$ 161,641</u>	<u>\$ 175,262</u>	<u>\$ 187,663</u>	<u>\$ 193,664</u>	<u>\$ 204,037</u>	<u>\$ 209,494</u>	<u>\$ 215,617</u>	<u>\$ 215,344</u>
Primary government										
Net investment in capital assets	\$ 217,212	\$ 249,910	\$ 314,268	\$ 320,435	\$ 287,595	\$ 353,028	\$ 363,619	\$ 373,672	\$ 371,674	\$ 357,455
Restricted	330	24,820	12,991	18,103	72,341	18,516	21,329	32,192	31,465	28,175
Unrestricted	84,829	69,174	51,225	69,433	65,783	69,288	76,056	74,693	82,477	90,121
Total primary government net position	<u>\$ 302,371</u>	<u>\$ 343,904</u>	<u>\$ 378,485</u>	<u>\$ 407,971</u>	<u>\$ 425,719</u>	<u>\$ 440,832</u>	<u>\$ 461,004</u>	<u>\$ 480,557</u>	<u>\$ 485,616</u>	<u>\$ 475,751</u>

City of Yuma, Arizona

Changes in Net Position
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 7,117	\$ 9,124	\$ 10,919	\$ 11,875	\$ 11,559	\$ 10,563	\$ 9,684	\$ 12,534	\$ 10,345	\$ 10,335
Public Safety	30,707	33,057	36,067	38,511	41,080	39,224	40,232	41,735	43,051	46,585
Streets	9,061	12,326	13,384	18,943	15,966	13,969	14,536	12,741	14,980	25,265
Parks, Recreation and Culture	9,841	12,173	15,400	14,353	16,282	13,863	13,804	14,226	12,787	13,606
Environmental Health and Protection	3,608	3,410	2,098	4,604	4,969	4,905	1,538	804	156	89
Community Design and Development	5,438	6,529	6,791	5,807	5,486	4,981	5,007	4,521	5,134	5,167
Interest on Long-Term Debt	3,042	2,899	2,948	5,331	6,592	6,291	5,803	5,461	5,153	4,781
Total governmental activities expenses	<u>68,814</u>	<u>79,518</u>	<u>87,607</u>	<u>99,424</u>	<u>101,934</u>	<u>93,796</u>	<u>90,604</u>	<u>92,022</u>	<u>91,606</u>	<u>105,828</u>
Business-type activities:										
Water	11,456	13,010	14,562	18,389	20,754	20,277	20,555	23,353	23,227	24,762
Wastewater	8,750	10,403	11,538	13,270	13,859	13,673	13,882	16,191	16,165	17,073
Solid Waste	-	-	-	-	-	-	2,902	2,948	3,213	3,085
Radio Communications	-	-	-	-	-	-	-	-	4,663	4,153
Golf Courses	2,514	2,641	2,676	2,889	2,819	2,496	2,377	2,403	2,469	3,474
Total business-type activities expenses	<u>22,720</u>	<u>26,054</u>	<u>28,776</u>	<u>34,548</u>	<u>37,432</u>	<u>36,446</u>	<u>39,716</u>	<u>44,895</u>	<u>49,737</u>	<u>52,547</u>
Total primary government expenses	<u>\$ 91,534</u>	<u>\$ 105,572</u>	<u>\$ 116,383</u>	<u>\$ 133,972</u>	<u>\$ 139,366</u>	<u>\$ 130,242</u>	<u>\$ 130,320</u>	<u>\$ 136,917</u>	<u>\$ 141,343</u>	<u>\$ 158,375</u>
Program Revenues										
Governmental activities:										
Charges for Services										
Building Inspection Fees	\$ 1,023	\$ 1,019	\$ 985	\$ 710	\$ 390	\$ 384	\$ 333	\$ 307	\$ 413	\$ 545
Developer Charges	3,995	3,520	4,517	6,657	4,911	2,674	4,369	1,589	1,419	2,326
Ambulance Services	-	-	-	-	-	-	-	477	3,830	2,490
Police Services	605	698	805	764	865	821	471	567	617	701
Other Charges	8,768	8,968	8,407	8,916	7,607	7,491	6,936	5,775	6,082	5,708
Operating Grants and Contributions	3,568	2,840	2,661	2,294	1,807	3,659	4,968	3,965	3,980	3,305
Capital Grants and Contributions	1,747	5,679	5,341	5,000	4,783	5,944	3,245	19,145	1,744	577
Total governmental activities program revenues	<u>19,706</u>	<u>22,724</u>	<u>22,716</u>	<u>24,341</u>	<u>20,363</u>	<u>20,973</u>	<u>20,322</u>	<u>31,825</u>	<u>18,085</u>	<u>15,652</u>
Business-type activities:										
Charges for Services										
Metered Water Sales	12,297	14,797	17,522	21,027	22,463	21,651	21,598	20,710	21,233	21,809
Wastewater Charges	8,000	9,081	10,387	13,126	13,372	13,699	14,854	14,485	14,625	14,785
Radio Communications	-	-	-	-	-	-	-	-	1,714	1,564
Solid Waste Charges	-	-	-	-	-	-	3,147	3,266	3,301	3,325
Green Fees and Concessions	1,994	2,191	2,189	2,140	2,027	1,964	1,890	1,919	2,152	2,230
Other Charges	1,221	1,393	1,390	1,181	1,098	1,041	961	775	562	670
Capital Grants and Contributions	11,657	11,025	11,249	8,874	9,924	3,969	7,391	9,071	7,776	7,044
Total business-type activities program revenues	<u>35,169</u>	<u>38,487</u>	<u>42,737</u>	<u>46,348</u>	<u>48,884</u>	<u>42,324</u>	<u>49,841</u>	<u>50,226</u>	<u>51,363</u>	<u>51,427</u>
Total primary government program revenues	<u>\$ 54,875</u>	<u>\$ 61,211</u>	<u>\$ 65,453</u>	<u>\$ 70,689</u>	<u>\$ 69,247</u>	<u>\$ 63,297</u>	<u>\$ 70,163</u>	<u>\$ 82,051</u>	<u>\$ 69,448</u>	<u>\$ 67,079</u>

Continued on next page

City of Yuma, Arizona

Changes in Net Position
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (expense)/revenue										
Governmental activities	\$ (49,109)	\$ (56,794)	\$ (64,891)	\$ (75,083)	\$ (81,571)	\$ (72,823)	\$ (70,282)	\$ (60,197)	\$ (73,521)	\$ (90,176)
Business-type activities	12,449	12,434	13,961	11,800	11,452	5,878	10,125	5,331	1,626	(1,120)
Total primary government net expense	<u>\$ (36,659)</u>	<u>\$ (44,361)</u>	<u>\$ (50,930)</u>	<u>\$ (63,283)</u>	<u>\$ (70,119)</u>	<u>\$ (66,945)</u>	<u>\$ (60,157)</u>	<u>\$ (54,866)</u>	<u>\$ (71,895)</u>	<u>\$ (91,296)</u>

General Revenues and Other Changes in Net Position

Governmental activities:										
Property taxes	\$ 6,076	\$ 6,832	\$ 7,430	\$ 8,250	\$ 8,856	\$ 9,498	\$ 9,986	\$ 10,099	\$ 9,549	\$ 9,451
Sales taxes	32,795	36,557	39,616	39,478	36,857	34,177	34,644	36,304	37,624	37,994
Franchise taxes	2,105	3,116	2,678	2,893	3,013	3,010	3,002	3,059	3,043	3,010
Shared revenues	25,462	28,226	30,558	32,788	31,330	28,239	25,379	23,936	25,917	26,552
Grants and contributions not restricted to specific programs	1,673	7,826	115	2,600	3,895	5,776	5,929	-	-	-
Unrestricted investment earnings	1,370	2,190	4,097	4,842	2,872	1,139	1,001	930	796	545
Gain from sale of fixed assets	307	348	-	-	-	-	259	-	-	-
Transfers	(2,124)	(4)	(363)	(96)	95	95	126	(37)	(122)	(730)
Total governmental activities	<u>67,664</u>	<u>85,091</u>	<u>84,131</u>	<u>90,755</u>	<u>86,918</u>	<u>81,934</u>	<u>80,326</u>	<u>74,291</u>	<u>76,807</u>	<u>76,822</u>
Business-type activities:										
Investment earnings	691	798	1,016	1,916	1,045	217	130	89	26	222
Transfers	2,124	4	363	96	(95)	(95)	(126)	37	122	730
Total business-type activities	<u>2,815</u>	<u>802</u>	<u>1,379</u>	<u>2,012</u>	<u>950</u>	<u>122</u>	<u>4</u>	<u>126</u>	<u>148</u>	<u>952</u>
Total primary government	<u>\$ 70,479</u>	<u>\$ 85,893</u>	<u>\$ 85,510</u>	<u>\$ 92,767</u>	<u>\$ 87,868</u>	<u>\$ 82,056</u>	<u>\$ 80,330</u>	<u>\$ 74,417</u>	<u>\$ 76,955</u>	<u>\$ 77,774</u>

Change in Net Position

Governmental activities	\$ 18,553	\$ 28,296	\$ 19,243	\$ 15,865	\$ 5,347	\$ 9,112	\$ 10,044	\$ 14,095	\$ 3,391	\$ (13,354)
Business-type activities	15,264	13,236	15,338	13,620	12,402	6,000	10,128	5,457	1,669	(168)
Total primary government	<u>\$ 33,817</u>	<u>\$ 41,532</u>	<u>\$ 34,581</u>	<u>\$ 29,485</u>	<u>\$ 17,749</u>	<u>\$ 15,112</u>	<u>\$ 20,172</u>	<u>\$ 19,552</u>	<u>\$ 5,060</u>	<u>\$ (13,522)</u>

Concluded

City of Yuma, Arizona

**Fund Balances of Governmental Funds
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 296	\$ 614	\$ 309	\$ 277	\$ 262	\$ 156	\$ -	\$ -	\$ -	\$ -
Unreserved	19,704	21,125	19,893	18,608	15,493	18,796	-	-	-	-
Nonspendable	-	-	-	-	-	-	103	169	187	178
Committed	-	-	-	-	-	-	2,383	1,864	935	-
Assigned	-	-	-	-	-	-	88	868	-	-
Unassigned	-	-	-	-	-	-	19,060	15,655	18,693	17,732
Total General Fund	\$20,000	\$21,739	\$20,202	\$18,885	\$15,755	\$18,952	\$21,634	\$18,556	\$19,815	\$17,910
All other										
Governmental funds										
Reserved	\$ 339	\$ 535	\$ 513	\$ 543	\$ 552	\$ 553	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	17,036	19,908	12,892	8,791	6,876	7,848	-	-	-	-
Capital projects funds	1,104	5,976	926	67,732	47,349	31,267	-	-	-	-
Nonspendable	-	-	-	-	-	-	141	18	19	16
Restricted	-	-	-	-	-	-	2,388	24,834	22,456	19,167
Committed	-	-	-	-	-	-	34,441	11,235	7,252	7,018
Assigned	-	-	-	-	-	-	2,037	633	-	-
Total all other governmental funds	\$18,479	\$26,418	\$14,331	\$77,066	\$54,777	\$39,668	\$39,007	\$36,720	\$29,727	\$26,201

Notes: For FY 2011 GASB Statement No 54 was implemented. See Note I-E, Sec 9 of the Notes to Basic Financial Statements.

City of Yuma, Arizona

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 41,078	\$ 46,474	\$ 49,686	\$ 50,503	\$ 48,569	\$ 46,561	\$ 47,606	\$ 49,450	\$ 50,282	\$ 50,425
Licenses and permits	3,416	3,836	2,845	2,068	1,363	1,413	1,292	1,288	1,723	1,880
Intergovernmental	30,729	36,044	37,916	39,238	37,064	36,984	32,510	33,173	30,780	30,254
Charges for services	7,937	7,737	8,804	11,599	8,913	7,007	7,055	4,160	7,293	7,086
Fines and forfeitures	806	863	1,039	1,143	1,238	1,437	1,484	1,550	1,526	1,210
Special Assessments	-	649	679	914	949	817	1,039	1,089	1,134	1,183
Use of money and property	1,971	2,809	4,374	5,358	3,309	1,752	1,665	1,365	819	971
Contributions and donations	84	80	78	65	97	85	77	47	69	88
Miscellaneous	1,152	548	624	633	1,646	763	2,442	493	1,053	456
Total revenues	<u>87,173</u>	<u>99,040</u>	<u>106,045</u>	<u>111,521</u>	<u>103,148</u>	<u>96,819</u>	<u>95,170</u>	<u>92,615</u>	<u>94,679</u>	<u>93,553</u>
Expenditures										
General government	5,033	7,185	7,641	9,723	9,575	7,740	6,969	9,451	9,409	8,964
Public Safety	29,296	31,862	35,014	37,874	37,908	35,234	36,285	38,475	40,769	42,938
Streets	4,899	5,626	7,155	8,913	9,716	8,195	8,186	7,945	7,662	7,592
Parks, Recreation and Culture	8,534	9,727	11,022	11,547	11,857	10,619	10,171	10,688	10,964	11,200
Environmental Health and Protection	3,014	3,365	3,551	4,757	4,781	4,480	1,556	733	104	72
Community Design and Development	5,344	6,422	6,698	5,726	5,370	4,870	4,899	4,458	5,134	5,096
Capital Outlay	21,151	22,688	41,449	51,148	35,734	25,249	13,659	12,666	11,792	8,702
Debt Service										
Principal	3,447	4,209	3,837	8,312	7,075	6,315	7,680	8,010	8,350	8,700
Interest and fiscal agent fees	3,032	2,890	2,939	5,885	6,646	6,764	5,858	5,516	5,209	4,885
Total expenditures	<u>83,750</u>	<u>93,974</u>	<u>119,306</u>	<u>143,885</u>	<u>128,662</u>	<u>109,466</u>	<u>95,263</u>	<u>97,942</u>	<u>99,393</u>	<u>98,149</u>
Excess of revenues over (under) expenditures	3,423	5,066	(13,261)	(32,364)	(25,514)	(12,647)	(93)	(5,327)	(4,714)	(4,596)
Other financing sources (uses)										
Proceeds from long-term debt	-	3,875	-	93,686	-	30,017	-	-	-	-
Sale of real property	307	742	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow	-	-	-	-	-	(29,378)	-	-	-	-
Transfers in	20,219	25,016	38,410	29,685	16,213	14,564	14,675	14,522	12,772	13,474
Transfers out	(23,398)	(25,021)	(38,773)	(29,589)	(16,118)	(14,468)	(14,548)	(14,559)	(12,893)	(14,204)
Total other financing sources (uses)	<u>(2,872)</u>	<u>4,612</u>	<u>(363)</u>	<u>93,782</u>	<u>95</u>	<u>735</u>	<u>127</u>	<u>(37)</u>	<u>(121)</u>	<u>(730)</u>
Net change in fund balances	<u>\$ 551</u>	<u>\$ 9,678</u>	<u>\$ 13,624</u>	<u>\$ 61,418</u>	<u>\$ 25,419</u>	<u>\$ (11,912)</u>	<u>\$ 34</u>	<u>\$ 5,364</u>	<u>\$ (4,835)</u>	<u>\$ (5,326)</u>
Debt service as a percentage of noncapital expenditures	10.4%	10.0%	8.7%	15.3%	14.8%	15.5%	16.6%	15.9%	15.5%	15.2%

City of Yuma, Arizona

**Governmental Funds Tax Revenues by Source
Last Ten Fiscal Years**

Fiscal Year	Property Tax	General Sales Tax	City Road Sales Tax	Public Safety Sales Tax	Two Percent Tax	Utility Franchise	Public Enterprise In-Lieu	Mall District Levy	Total
2005	6,084,442	17,165,647	8,581,364	3,431,379	3,374,350	2,105,116	242,000	93,863	41,078,161
2006	6,699,038	19,087,873	9,542,314	3,815,628	3,866,902	3,116,225	244,610	101,821	46,474,411
2007	7,278,233	20,672,520	10,334,503	4,132,396	4,232,008	2,678,454	244,610	113,345	49,686,069
2008	8,026,861	20,479,641	10,238,080	4,093,839	4,424,358	2,893,077	242,000	105,394	50,503,250
2009	8,545,562	18,961,780	9,479,279	3,790,422	4,383,419	3,013,453	242,000	154,174	48,570,089
2010	9,256,633	17,461,635	8,729,333	3,490,546	4,253,079	3,009,794	242,000	117,798	46,560,818
2011	9,740,940	17,635,454	8,816,228	3,525,292	4,425,556	3,001,939	242,000	218,925	47,606,334
2012	9,944,517	18,470,938	9,233,899	3,692,304	4,665,296	3,058,634	242,000	142,151	49,449,739
2013	9,495,271	19,248,864	9,622,796	3,847,810	4,652,121	3,043,054	252,413	119,403	50,281,732
2014	9,339,855	19,517,306	9,756,994	3,901,471	4,576,061	3,009,904	242,000	81,320	50,424,911

City of Yuma, Arizona
Governmental Funds Intergovernmental Shared Revenues
Last Ten Fiscal Years

Fiscal Year	Sales Tax	Revenue Sharing	Auto In-Lieu	Highway Users	Local Transportation Assistance	Grants and Others*	Total
2005	7,196,762	7,141,392	3,067,961	7,627,177	428,520	5,230,199	30,692,011
2006	8,292,930	8,133,573	3,391,236	7,980,673	427,528	7,818,092	36,044,032
2007	8,437,831	10,079,129	3,476,885	8,137,895	425,850	7,357,643	37,915,233
2008	8,183,395	12,518,215	3,518,863	8,144,889	423,058	6,448,868	39,237,288
2009	7,105,468	13,355,612	3,445,491	7,029,312	394,161	5,734,617	37,064,661
2010	6,553,759	11,530,342	3,302,490	6,626,027	226,308	8,744,867	36,983,793
2011	6,856,996	8,692,400	3,250,436	6,503,532	75,764	7,131,364	32,510,492
2012	7,272,049	7,854,670	3,108,562	5,700,428	-	9,237,197	33,172,906
2013	7,600,328	9,506,288	2,948,529	5,862,202	-	4,862,601	30,779,948
2014	7,507,882	9,656,745	3,111,124	6,276,058	-	3,702,063	30,253,872

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*See 'Intergovernmental Revenues - Grants and Others' for detail information.

City of Yuma, Arizona

**Intergovernmental Revenues - Grants and Other
Last Ten Fiscal Years**

Fiscal Year	Federal					State of Arizona					Total
	Justice	Interior	Housing/Urban Development (CDBG)	Other HUD	Other	Parks	Commerce	Transportation	Other	Local Government	
2005	1,233,650	465,209	594,924	80,301	2,485,908	79,123	-	-	291,084	-	5,230,199
2006	925,898	1,404,369	1,044,705	251,898	3,264,509	120,555	13,000	376,323	388,547	28,288	7,818,092
2007	524,591	417,782	1,334,775	-	4,090,532	432,498	130,213	233,689	59,422	134,141	7,357,643
2008	1,001,408	621,480	899,272	-	1,335,165	505,838	1,844,645	214,649	26,411	-	6,448,868
2009	583,702	1,469,327	1,121,334	-	2,176,628	-	297,024	5,393	81,210	-	5,734,617
2010	252,169	1,446,751	1,167,310	-	5,336,400	5,607	1,840	-	533,859	931	8,744,867
2011	271,296	741,740	1,059,135	255,855	4,165,343	-	-	-	637,996	-	7,131,364
2012	373,294	635,092	786,120	87,292	2,501,119	5,125	-	2,893,392	1,588,327	367,436	9,237,197
2013	459,826	726,689	1,207,608	-	1,855,100	10,400	296,263	240,044	66,670	-	4,862,601
2014	700,071	64,489	1,249,005	93,283	1,465,997	10,000	-	62,592	29,549	27,077	3,702,063

City of Yuma, Arizona

**Taxable Sales by Category
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Mining	\$ 1	\$ 3	\$ 25	\$ 155	\$ 6	\$ 82	\$ 6	\$ 44	\$ 20	\$ 24
Construction	228,801	235,643	254,740	249,315	207,592	118,996	121,132	190,490	190,260	174,693
Manufacturing	53,176	60,054	57,632	59,931	48,964	44,764	50,676	38,167	50,539	43,626
Transportation, Communications, and Utilities	145,454	173,224	186,420	207,693	206,089	207,112	197,764	194,646	197,687	206,056
Wholesale Trade	29,635	35,498	34,732	22,480	33,785	35,334	42,580	38,720	36,578	39,897
Retail Trade	925,936	1,024,886	1,088,053	1,089,001	1,001,579	962,699	973,426	987,416	1,036,092	1,068,106
Restaurants and Bars	123,683	143,594	157,866	162,560	162,404	157,024	160,742	168,358	172,056	174,309
Finance, Insurance and Real Estate	97,875	117,161	143,725	132,593	115,857	116,046	123,876	129,208	129,208	131,450
Hotels and Other Lodging Accommodation	34,930	37,333	39,360	33,642	36,093	29,502	29,507	33,368	32,054	29,049
Services	44,921	48,639	58,050	52,012	50,858	43,356	45,208	45,804	51,404	49,649
Arts, Entertainment, Government and All Others Not Specified	31,963	32,542	46,423	38,503	32,743	31,055	18,434	20,670	22,871	34,656
	<u>\$ 1,716,375</u>	<u>\$ 1,908,577</u>	<u>\$ 2,067,026</u>	<u>\$ 2,047,885</u>	<u>\$ 1,895,970</u>	<u>\$ 1,745,970</u>	<u>\$ 1,763,351</u>	<u>\$ 1,846,891</u>	<u>\$ 1,918,769</u>	<u>\$ 1,951,516</u>
City direct sales tax rate	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%
									Revised	

Source: Arizona Department of Revenue

Note: During fiscal 2004, the Department of Revenue implemented a new collection system with a revised reporting scheme. Accordingly, certain classifications have been combined for comparison purposes.

City of Yuma, Arizona

**Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>City Sales Tax Rate</u>	<u>City Hospitality Sales Tax Rate</u>	<u>Yuma County</u>	<u>Arizona State</u>
2005	1.70%	2.00%	1.60%	5.60%
2006	1.70%	2.00%	1.60%	5.60%
2007	1.70%	2.00%	1.10%	5.60%
2008	1.70%	2.00%	1.10%	5.60%
2009	1.70%	2.00%	1.10%	5.60%
2010	1.70%	2.00%	1.10%	6.60%
2011	1.70%	2.00%	1.10%	6.60%
2012	1.70%	2.00%	1.10%	6.60%
2013	1.70%	2.00%	1.10%	5.60%
2014	1.70%	2.00%	1.112%	5.60%

Source: Arizona Department of Revenue

City of Yuma, Arizona

**Ratio of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Municipal Property Corporation Bonds	Special Assessment Bonds	Long-term Contracts Payable	Municipal Property Corporation Bonds	General Obligation Bonds	Long-term Contracts Payable			
2005	-	60,420,000	7,280,000	1,723,000	-	9,575,000	61,072,113	140,070,113	3.67%	773
2006	-	57,765,000	10,475,000	924,000	-	8,585,000	74,110,111	151,859,111	3.73%	810
2007	-	55,035,000	9,765,000	117,000	-	7,535,000	84,154,117	156,606,117	3.63%	822
2008	-	144,100,000	8,820,000	-	127,925,000	6,420,000	80,379,511	367,644,511	7.89%	1,892
2009	-	136,850,000	7,840,000	-	123,090,000	5,250,000	76,473,462	349,503,462	7.22%	1,808
2010	-	130,955,000	6,815,000	-	120,130,000	4,040,000	72,431,684	334,371,684	6.69%	1,708
2011	-	125,665,000	5,745,000	-	117,025,000	2,765,000	68,249,441	319,449,441	6.03%	1,623
2012	-	119,055,000	4,625,000	-	113,765,000	1,420,000	63,921,846	302,786,846	5.56%	1,507
2013	-	112,165,000	3,460,000	-	110,340,000	-	59,443,795	285,408,795	5.29%	1,427
2014	-	104,980,000	2,245,000	-	106,755,000	-	54,810,083	268,790,083	NA	NA

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

*See the Schedule of Demographic and Economic Statistics on page 114 for personal income and population data.

City of Yuma, Arizona

**Ratio of General Bonded Debt to Assessed Value and General Bonded Debt Per Capita
Last Ten Fiscal Years**

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<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>General Obligation Debt (Business-type Activities)</u>	<u>Ratio of General Bonded Debt to Assessed Value</u>	<u>General Bonded Debt per Capita</u>
2005	86,070	329,526,546	9,575,000	2.9%	111
2006	88,775	367,376,807	8,585,000	2.3%	97
2007	92,160	468,531,273	7,535,000	1.6%	82
2008	93,212	572,280,942	6,420,000	1.1%	69
2009	93,719	699,754,765	5,250,000	0.8%	56
2010	90,660	747,149,498	4,040,000	0.5%	45
2011	Revised 91,359	733,033,525	2,765,000	0.4%	30
2012	Revised 93,814 *	666,827,282	1,420,000	0.2%	15
2013	Revised 93,013 *	625,801,724	-	0.0%	-
2014	Revised 91,923 *	632,734,838	-	0.0%	-

Source: Yuma County Assessor

U.S. Department of Commerce

* Estimated projections by US Dept of Commerce

NOTE: General obligation debt issued for utility system improvements is paid through user charges. No property taxes are levied for this purpose.

City of Yuma, Arizona

**Computation of Direct and Overlapping Debt
June 30, 2014**

Jurisdiction	Debt Outstanding	Allocable to City of Yuma	
		Percent	Amount
City of Yuma	\$ 268,790,083	100.00%	\$ 268,790,083
Yuma County	7,216,000	50.90%	3,672,944
Yuma County Jail District	6,020,000	50.90%	3,064,180
Yuma County Library District	44,310,000	50.90%	22,553,790
Yuma County Special Assessment District	3,369,878	50.90%	1,715,268
Yuma County Community College District	59,940,000	50.90%	30,509,460
Yuma Union High School District No. 70	22,135,000	55.00%	12,174,250
Yuma Union High School District No. 70	17,190,000	55.00%	9,454,500
Yuma School District No. 13	9,915,000	65.00%	<u>6,444,750</u>
Total Overlapping Debt			<u><u>\$ 89,589,142</u></u>

Source: Yuma County Finance Department
 Yuma County Assessor's Office
 Arizona Western College
 (School district percent estimated)

Note: Valuation applicable percentage obtained from Yuma County Treasurer's Office

City of Yuma, Arizona

**Legal Debt Margin Information
June 30, 2014
(amounts expressed in thousands)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit										
Water, Sewer, Lights, Parks (20%)	\$ 65,905	\$ 73,475	\$ 572,281	\$ 114,456	\$ 139,951	\$ 149,430	\$ 146,607	\$ 133,365	\$ 125,160	\$ 126,547
All Others (6%)	19,772	22,043	114,456	34,337	41,985	44,829	43,982	40,010	37,548	37,964
Total net debt applicable to limit										
Water, Sewer, Lights, Parks (20%)	9,575	8,585	7,535	6,420	5,250	4,040	2,765	1,420	-	-
All Others (6%)	-	-	-	-	-	-	-	-	-	-
Legal debt margin										
Water, Sewer, Lights, Parks (20%)	\$ 57,320	\$ 67,890	\$ 86,171	\$ 108,036	\$ 134,701	\$ 145,390	\$ 143,842	\$ 131,945	\$ 125,160	\$ 126,547
All Others (6%)	19,772	22,043	28,112	34,337	41,985	44,829	-	40,010	37,548	37,964
Total net debt applicable to the limit as a percentage of debt limit										
Water, Sewer, Lights, Parks (20%)	14.53%	11.68%	1.32%	5.61%	3.75%	2.70%	1.89%	1.06%	0.00%	0.00%
All Others (6%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2014

		General Obligation Bonds	
		Water, Sewer, Lights, Parks (20%)	All Others (6%)
2013 Tax Year Secondary Assessed Valuation	\$ 632,735	\$ 126,547	\$ 37,964
Outstanding General Obligation Debt: Project 1997		-	-
Total General Obligation Debt		-	-
		<u>\$ 126,547</u>	<u>\$ 37,964</u>

(1) Under the Arizona Constitution, cities may issue General Obligation Bonds for purposes of water, sewer, artificial light and parks, open space preserves, playgrounds and recreational facilities up to an amount not exceeding 20% of secondary assessed valuation.

(2) Under the Arizona Constitution, cities may issue General Obligation Bonds for all purposes other than those listed in (1) above up to an amount not to exceed 6% of secondary assessed valuation.

City of Yuma, Arizona

Schedule of Municipal Property Corporation Debt Service Requirements to Maturity and Coverage

	<i>Series 2007, 2003 Refunding 1995, and 2010 Refunding 2001 Covenants</i>					2007 Series Utilities	
	2003 Ref	2003 Ref	2010B Ref	2007	2007		
	1995A	1995B	2001B	Series B	Series D		
2013-14 Pledged Taxes	\$ 54,061,984	\$ 50,160,513	\$ 50,160,513	\$ 50,160,513	\$ 59,917,507	\$ -	
2013-14 Net Revenue	-	-	-	-	-	22,490,038	
Total Taxes/Net Revenue	<u>\$ 54,061,984</u>	<u>\$ 50,160,513</u>	<u>\$ 50,160,513</u>	<u>\$ 50,160,513</u>	<u>\$ 59,917,507</u>	<u>\$ 22,490,038</u>	
2014-15 Debt related to pledge:						Total	
2003 Ref 1995 Series A	\$ 1,622,400	\$ -	\$ -	\$ -	\$ -	\$ 1,622,400	\$ -
2003 Ref 1995 Series B	-	309,750	-	-	-	309,750	-
2003 Series B	-	697,347	-	-	-	697,347	-
2007 Series B	-	-	-	2,299,570	-	2,299,570	-
2010 Series B	-	-	2,522,331	-	-	2,522,331	-
Total Series A-B						<u>7,451,398</u>	
2007 Series D (highest year)	-	-	-	-	4,804,825	4,804,825	-
WIFA Loans (Parity Obligations)	-	-	-	-	-	-	6,715,892
2007 Series Utilities	-	-	-	-	-	-	9,009,138
Total Debt	<u>\$ 1,622,400</u>	<u>\$ 1,007,097</u>	<u>\$ 2,522,331</u>	<u>\$ 2,299,570</u>	<u>\$ 4,804,825</u>	<u>\$ 12,256,223</u>	<u>\$ 15,725,030</u>
Coverage	33.3	49.8	19.9	21.8	12.5		1.4
Required Coverage	4.0	3.0	3.0	3.0	1.5		1.2
<i>Collective Coverage</i>							
Total 2013-14 Taxes/Net Revenue	<u>\$ 54,061,984</u>	<u>\$ 50,160,513</u>	<u>\$ 50,160,513</u>	<u>\$ 50,160,513</u>	<u>\$ 59,917,507</u>		<u>\$ 22,490,038</u>
Total 2014-15 Debt	<u>\$ 7,451,398</u>	<u>\$ 7,451,398</u>	<u>\$ 7,451,398</u>	<u>\$ 7,451,398</u>	<u>\$ 12,256,223</u>		<u>\$ 15,725,030</u>
Coverage	7.3	6.7	6.7	6.7	4.9		1.4
Required Coverage	4.0	3.0	3.5	3.0	3.0		1.2

2003A, 2003B, 2007B, 2003B Refunding and 2010B Refunding Series: Bond covenants require that each series cover both its related debt and the collective debt for the succeeding year. For **2007D Series**, coverage requirements are measured against the maximum annual debt service.

2007 Series Utilities: Net Revenue is comprised of all income, monies, and receipts from ownership and operation of utility system to include interest income minus operation and maintenance expenses.

City of Yuma, Arizona

Pledged Tax Collections
Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Local Taxes										
Sales Tax (1%)	\$ 17,165,647	\$ 19,087,873	\$ 20,672,520	\$ 20,479,641	\$ 18,961,780	\$ 17,461,635	\$ 17,635,454	\$ 18,470,938	\$ 19,248,864	\$ 19,517,306
Franchise Fee	2,347,116	3,360,835	2,923,064	3,135,077	3,255,453	3,251,794	3,243,939	3,058,634	3,043,054	3,009,904
Intergovernmental Revenues:										
State Revenue Sharing	7,141,392	8,133,573	10,079,129	12,518,215	13,355,612	11,530,342	8,692,400	7,854,670	9,506,288	9,656,745
State Sales Tax	7,196,762	8,292,930	8,437,831	8,183,395	7,105,468	6,553,759	6,856,996	7,272,049	7,600,328	7,507,882
Auto In-Lieu Tax	3,067,961	3,391,236	3,476,885	3,518,863	3,445,491	3,302,490	3,250,436	3,108,562	2,948,529	3,111,124
Emergency Services and Other	36,573	28,288	112,747	133,560	189,929	44,700	55,745	34,252	37,974	23,913
Licenses:										
Business Licenses	300,290	300,596	315,968	332,122	319,631	315,580	302,668	288,133	261,323	250,365
Liquor Licenses	32,965	36,600	38,880	34,700	35,715	34,130	35,131	31,670	32,955	32,560
Fees for Services:										
Building Permits and Inspection Fees	4,096,137	4,508,571	3,465,837	2,401,049	1,386,593	1,435,276	1,319,507	1,170,037	1,751,071	2,036,965
Recreation Fees	431,931	453,273	485,647	546,680	563,437	628,264	609,192	546,940	478,911	513,535
Police Services and Other Public Safety Fees	647,381	774,246	1,335,542	1,852,400	1,226,013	1,447,064	603,253	1,043,802	4,447,101	3,190,974
Use of Money and Property:										
Investment Income	318,886	556,095	1,038,848	1,021,862	504,146	166,500	108,396	53,277	14,717	99,738
Fines, Forfeitures and Penalties:										
City Court Fines	805,772	863,316	1,038,871	1,143,006	1,237,672	1,436,928	1,484,105	1,549,889	1,526,176	1,209,502
<i>Total Series B Pledged Taxes</i>	<u>43,588,813</u>	<u>49,787,432</u>	<u>53,421,769</u>	<u>55,300,570</u>	<u>51,586,940</u>	<u>47,608,462</u>	<u>44,197,222</u>	<u>44,482,853</u>	<u>50,897,291</u>	<u>50,160,513</u>
Additional Series A Pledged Taxes										
City Public Safety Taxes (.2%)	3,431,379	3,815,628	4,132,396	4,093,839	3,790,422	3,490,546	3,525,292	3,692,304	3,847,810	3,901,471
<i>Total Series A Pledged Taxes</i>	<u>47,020,192</u>	<u>53,603,060</u>	<u>57,554,165</u>	<u>59,394,409</u>	<u>55,377,362</u>	<u>51,099,008</u>	<u>47,722,514</u>	<u>48,175,157</u>	<u>54,745,101</u>	<u>54,061,984</u>
Additional Series C Pledged Taxes										
City Special Taxes (2%)	3,374,350	3,866,902	4,232,008	4,424,358	4,383,419	4,253,079	4,425,556	4,665,296	4,652,121	4,576,061
<i>Total Series C Pledged Taxes</i>	<u>46,963,163</u>	<u>53,654,334</u>	<u>57,653,777</u>	<u>59,724,928</u>	<u>55,970,359</u>	<u>51,861,541</u>	<u>48,622,778</u>	<u>49,148,149</u>	<u>55,549,412</u>	<u>54,736,574</u>
Additional Series D Pledged Taxes										
City Road Tax (.5%)	8,581,364	9,542,314	10,334,503	10,238,080	9,479,279	8,729,333	8,816,228	9,233,899	9,622,796	9,756,994
<i>Total Series D Pledged Taxes</i>	<u>\$ 52,170,177</u>	<u>\$ 59,329,746</u>	<u>\$ 63,756,272</u>	<u>\$ 65,538,650</u>	<u>\$ 61,066,219</u>	<u>\$ 56,337,795</u>	<u>\$ 53,013,450</u>	<u>\$ 53,716,752</u>	<u>\$ 60,520,087</u>	<u>\$ 59,917,507</u>
 <i>Gross Excise Tax Pledged Revenues</i>	 <u>\$ 58,975,906</u>	 <u>\$ 67,012,276</u>	 <u>\$ 72,120,676</u>	 <u>\$ 74,056,847</u>	 <u>\$ 69,240,060</u>	 <u>\$ 64,081,420</u>	 <u>\$ 60,964,298</u>	 <u>\$ 62,074,352</u>	 <u>\$ 69,020,018</u>	 <u>\$ 68,395,039</u>

The Series C Pledged Taxes consist of the Excise Taxes and the City Special Taxes.
The Series D Pledged Taxes consist of the Excise Taxes and the City Road Tax.

City of Yuma, Arizona

**Demographic and Economic Statistics
Last Ten Calendar Years**

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Building Permits			
					Commercial		Residential	
					No.	Value	No.	Value
2004	176,083	3,563,282	20	15.60%	1,300	146,866,298	942	153,018,563
2005	181,277	3,814,418	21	16.00%	1,022	97,832,497	1,655	202,887,750
2006	187,555	4,074,587	22	14.70%	1,057	229,391,979	1,568	148,285,471
2007	190,557	4,320,000	23	13.90%	1,141	105,194,398	801	61,578,063
2008	194,322	4,661,000	24	17.10%	740	101,217,617	972	50,218,987
2009	193,299	4,840,484	25	21.30%	510	17,348,000	748	48,260,000
2010	195,751	4,994,489	26	26.30%	546	33,118,172	759	40,924,654
2011	196,830	5,300,165	27	27.10%	610	52,240,172	782	26,660,688
2012	200,870	5,441,761	27	28.40%	325	19,892,725	787	24,553,421
2013	200,022	5,399,670	27	28.70%	21	28,859,856	378	61,650,122

Note: Unemployment rate and population presented represents the Yuma Metropolitan Statistical Area and it reflects revised inputs, reestimation, and new statewide controls through 2013.

Source: U.S. Department of Commerce Bureau of Economic Analysis
 U.S. Department of Labor Bureau of Labor Statistics
 Building permits: Department of Community Development (calendar year basis)

City of Yuma, Arizona

**Principal Employers
Current Year and Nine Fiscal Years Ago**

Employer	2004			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Marine Corps Air Station	6,043	1	9.67%		1	0.00%
U. S. Army Yuma Proving Ground	1,176	5	1.88%	2,319	3	3.55%
Yuma Regional Medical Center	1,500	2	2.40%	2,010	2	3.07%
Yuma School District #1	1,200	4	1.92%	1,543	5	2.36%
Yuma County	1,100	6	1.76%	1,349	4	2.06%
United States Border Patrol			-	950	8	1.45%
Walmart			- *	975	7	1.49%
Yuma Union High School District	690	10	1.10%	1,019	6	1.56%
City of Yuma	864	9	1.38%	901	9	1.38%
Quechan Paradise Casino			-	765	10	1.17%
Growers Company	1,500	2	2.40%			
Salyer American Fresh	1,000	7	1.60%			
Total			24.11%			18.10%

Source: Greater Yuma Economic Development Corporation/Employers

Note: Figures presented represent the Yuma Metropolitan Statistical Area. Data for 2014 is not available.

Walmart and Quechan Paradise Casino added in for 2010 due to Salyer and Growers dropping from list.

*Estimated-data not reported

City of Yuma, Arizona

Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	195	208	226	228	241	235	192	201	192	198
Public Safety										
Police	237	252	267	269	266	267	239	249	258	259
Fire	105	110	122	122	122	133	129	131	125	125
Public Works										
Engineering	30	32	37	44	44	41	33	32	32	24
Maintenance	50	52	51	47	56	56	46	46	46	52
Solid Waste	15	15	16	16	17	17	13	13	13	13
Water	59	64	73	75	76	80	73	73	76	76
Wastewater	45	48	52	52	47	51	49	49	52	52
Parks and recreation	128	136	141	145	133	133	116	116	116	117
Total	864	917	985	998	1,002	1,013	890	910	910	916

City of Yuma, Arizona

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Calls for service*	86,802	88,013	87,797	81,347	84,332	83,226	76,232	NA	76,080	89,027
Case reports*	16,644	17,019	15,281	13,746	13,740	13,434	13,535	NA	14,651	12,855
Fire										
Number of calls answered*	10,032	10,094	10,862	11,455	11,045	11,565	12,067	12,037	12,664	12,529
Inspections*	1,774	1,850	2,030	2,059	2,322	745	864	NA	1,399	1,460
Streets										
Streets slurry sealed (miles)	24	19	9	22	11	2	15	10	24	30
Solid Waste										
Refuse collected (tons)	33,003	33,965	34,938	34,919	33,996	33,288	32,638	32,177	32,010	26,650
Parks and recreation										
Ramada rentals	3,285	3,122	3,247	3,160	2,673	2,519	2,554	2,327	2,551	2,097
Water										
Connections	24,831	25,971	26,686	27,174	27,622	28,058	28,984	29,009	27,396	29,361
Daily treatment capacity (million gallons)	45.0	48.0	48.0	48.0	60.0	64.0	65.0	65.0	65.0	65.0
Annual quantity processed (billion gallons)	9.1	9.3	9.5	9.5	8.2	7.5	8.4	8.3	8.1	7.1
Wastewater										
Daily processing capacity (million gallons)	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6

Source: Various city departments.

Note: Indicators are not available for the general government function.

*Numbers presented are for calendar year.

Due to a software conversion in 2013 the water connection data isn't fully verified

City of Yuma, Arizona

**Capital Asset Statistics by Function
Last Ten Fiscal Years**

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Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police stations	1	1	1	1	1	1	1	1	2	2
Police vehicles	127	134	143	150	163	164	163	156	172	179
Fire stations	6	6	6	6	6	6	6	6	6	6
Streets										
Streets (miles)	361	361	361	361	384	389	395	420	421	442
Streetlights	5,042	5,298	5,303	5,375	5,463	5,606	5,750	5,753	5,764	6,757
Traffic Signals	36	38	40	42	42	49	50	50	79	79
Solid Waste										
Collection trucks	10	12	13	13	13	13	13	11	11	11
Parks and Recreation										
Parks acreage	553	578	592	607	607	607	607	607	607	620
Parks/Athletic Fields	25	25	27	32	79*	79	79	79	79	80
Swimming pools	3	3	3	3	4	4	4	4	4	4
Tennis courts	1	1	1	1	2	9	9	9	9	9
Community centers	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (miles)	448	470	493	501	501	507	520	525	525	527
Fire hydrants	2,850	3,000	3,150	3,267	3,400	3,438	3,450	3,573	3,646	3,754
Wastewater										
Sanitary sewers (miles)	275	290	310	320	320	342	340	341	350	350
Manholes										5,318

Sources: Various city departments.

Note: No capital asset indicators are available for the general government function.

*Change in the inventory of athletic fields from counting athletic complexes versus individual fields.