

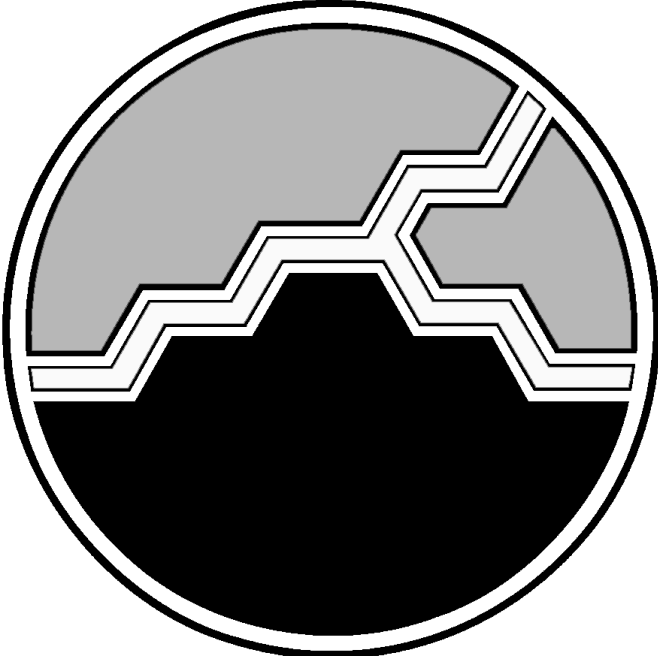


City of Yuma, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2015





City of Yuma
Arizona

**Comprehensive
Annual
Financial
Report**

For the Fiscal Year Ended
June 30, 2015

Prepared by:

Finance Department

Donald (Pat) Wicks, CPA
Director
Wendy Wrenn, CPA
Accounting Manager
Dana Alexander
Accounting Supervisor
Linda Johnson
Norma Sanchez
Eugene Sela
Accountants

About the Cover:

The morning sun breaks over the promontory forming the Yuma Crossing, at one time the only crossing of the Colorado River at flood and gateway to Arizona. Pictured is Gateway Park, one of a series of revitalization projects for the riverfront in Yuma.

Photo by City of Yuma Media Team.

CITY COUNCIL

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

Engineering
Joshua Scott

Finance
Donald (Pat) Wicks

Fire Department
Steven Irr, Chief

Human Resources
Ron Corbin

Information Technology
James L. Hamersley

Municipal Court
James F. Coil, Judge

Parks and Recreation
Deborah Wendt

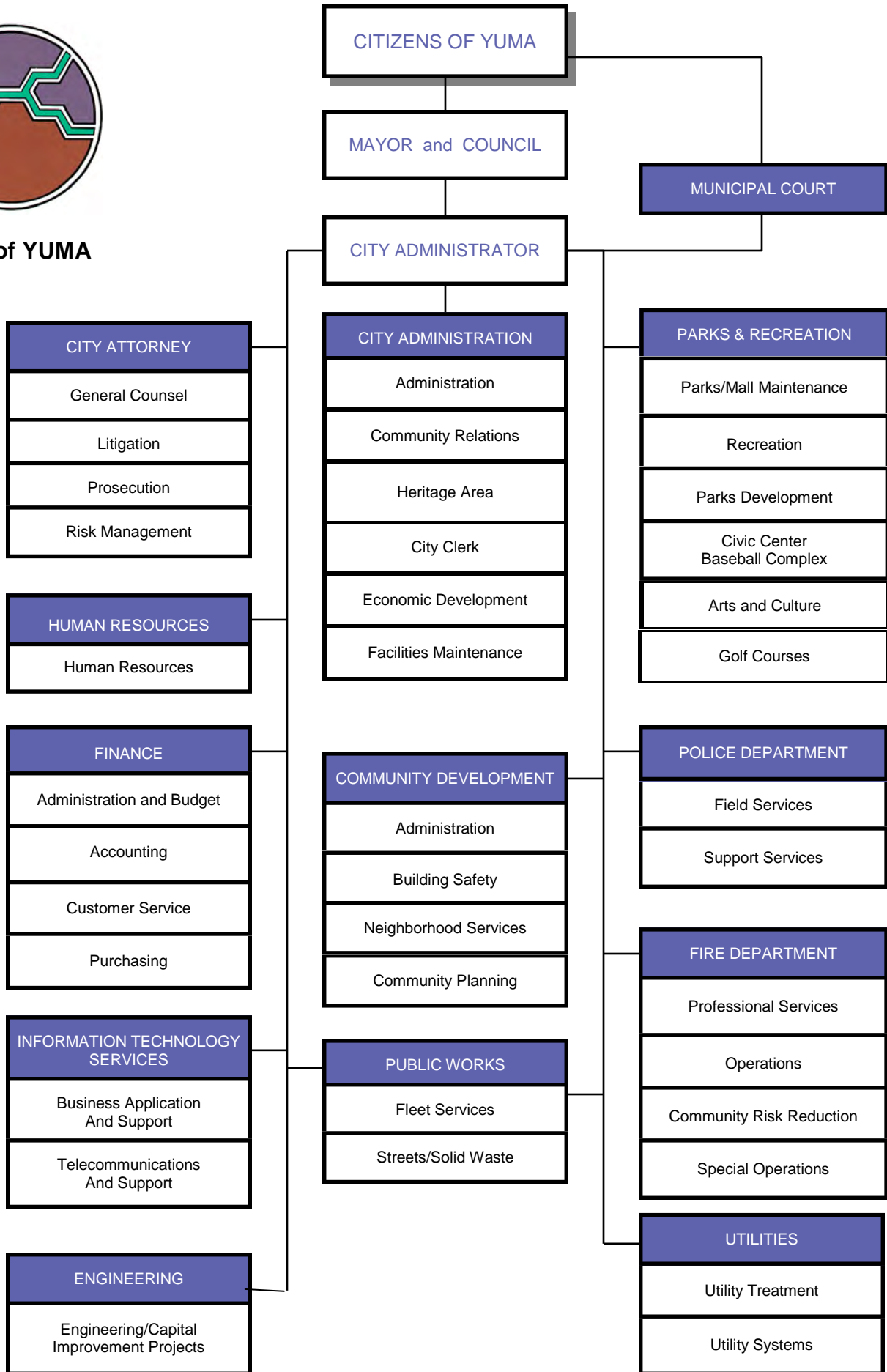
Police Department
John J. Lekan, Chief

Public Works
Joel Olea

Utilities
Jay Simonton



City of YUMA



City of Yuma, Arizona
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2015

TABLE OF CONTENTS

INTRODUCTORY SECTION

	Page
Letter of Transmittal from the Finance Director	v
Certificate of Achievement for Excellence in Financial Reporting	ix

FINANCIAL SECTION

Independent Auditors' Report	3
Management's Discussion and Analysis (Required Supplementary Information)	5

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position	20
Statement of Activities	21

FUND FINANCIAL STATEMENTS

Governmental Funds:

Balance Sheet	24
Reconciliation of the Balance Sheet-Governmental Funds to the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds to the Statement of Activities	27

Proprietary Funds:

Statement of Net Position	28
Statement of Revenues, Expenses and Changes in Fund Net Position	29
Statement of Cash Flows	30

NOTES TO THE FINANCIAL STATEMENTS	31
-----------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of Net Pension Liability-Cost-Sharing Pension Plans	66
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Agent Pension Plans	67
Schedule of Pension Contributions	69
Schedule of Agent OPEB Plans' Funding Progress	70
Budgetary Comparison Schedules-General Fund and Major Special Revenue Funds:	
General Fund	71
City Road Tax Fund	74
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	75

OTHER SUPPLEMENTARY INFORMATION

Combining Balance Sheet-Nonmajor Governmental Funds	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Nonmajor Governmental Funds	82
Budgetary Comparison Schedules:	
Major Governmental Funds Not Included In Required Supplementary Information - Debt Service Fund	84
Nonmajor Governmental Funds	
Capital Projects Fund	85
Local Transportation Assistance Special Revenue Fund	86
Public Safety Tax Special Revenue Fund	87
Highway User Revenue Fund	88
Grants Fund	89
Community Redevelopment Fund	90
Two Percent Tax Special Revenue Fund	91
Yuma Mall Maintenance Special Revenue Fund	92

City of Yuma, Arizona
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2015

TABLE OF CONTENTS

(Concluded)

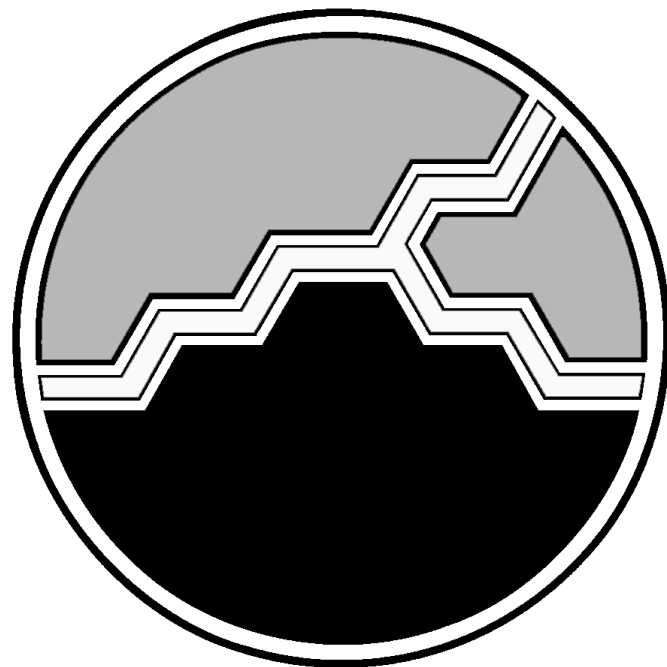
FINANCIAL SECTION (Concluded)

	Page
Nonmajor Proprietary Funds:	
Enterprise Funds:	
Combining Statement of Net Position	94
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	95
Combining Statement of Cash Flows	96
Budgetary Comparison Schedules:	
Water Enterprise Fund	97
Wastewater Enterprise Fund	98
Solid Waste Enterprise Fund	99
Radio Communication Enterprise Fund	100
Desert Hills Golf Course Enterprise Fund	101
Internal Service Funds:	
Combining Statement of Net Position	104
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	105
Combining Statement of Cash Flows	106
Budgetary Comparison Schedule - Equipment Replacement Internal Service Fund	107
Budgetary Comparison Schedule - Equipment Maintenance Internal Service Fund	108
Budgetary Comparison Schedule - Insurance Reserve Internal Service Fund	109
Budgetary Comparison Schedule - Workers Compensation Internal Service Fund	110

STATISTICAL SECTION

Net Position by Component - Last Ten Fiscal Years	114
Changes in Net Position - Last Ten Fiscal Years	115
Fund Balances of Governmental Funds - Last Ten Fiscal Years	117
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	118
Governmental Funds Tax Revenues by Source - Last Ten Fiscal Years	119
Governmental Funds Intergovernmental Shared Revenues - Last Ten Fiscal Years	120
Intergovernmental Revenues - Grants and Other - Last Ten Fiscal Years	121
Taxable Sales by Category - Last Ten Fiscal Years	122
Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years	123
Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	124
Ratio of General Bonded Debt to Assessed Value and General Bonded Debt per Capita - Last Ten Fiscal Years	125
Computation of Direct and Overlapping Debt	126
Legal Debt Margin Information	127
Schedule of Municipal Property Corporation Debt Service Requirements to Maturity and Coverage	128
Pledged Tax Collections - Last Ten Fiscal Years	129
Demographic and Economic Statistics - Last Ten Calendar Years	130
Principal Employers - Current Year and Nine Fiscal Years Ago	131
Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years	132
Operating Indicators by Function - Last Ten Fiscal Years	133
Capital Asset Statistics by Function - Last Ten Fiscal Years	134

INTRODUCTORY SECTION





FINANCE DEPARTMENT
One City Plaza
Yuma, Arizona 85364-1436
(928) 373-5087
Fax: (928) 373-5084

City of YUMA

December 11, 2015

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, 2015. 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, 2015, 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, 2015, 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

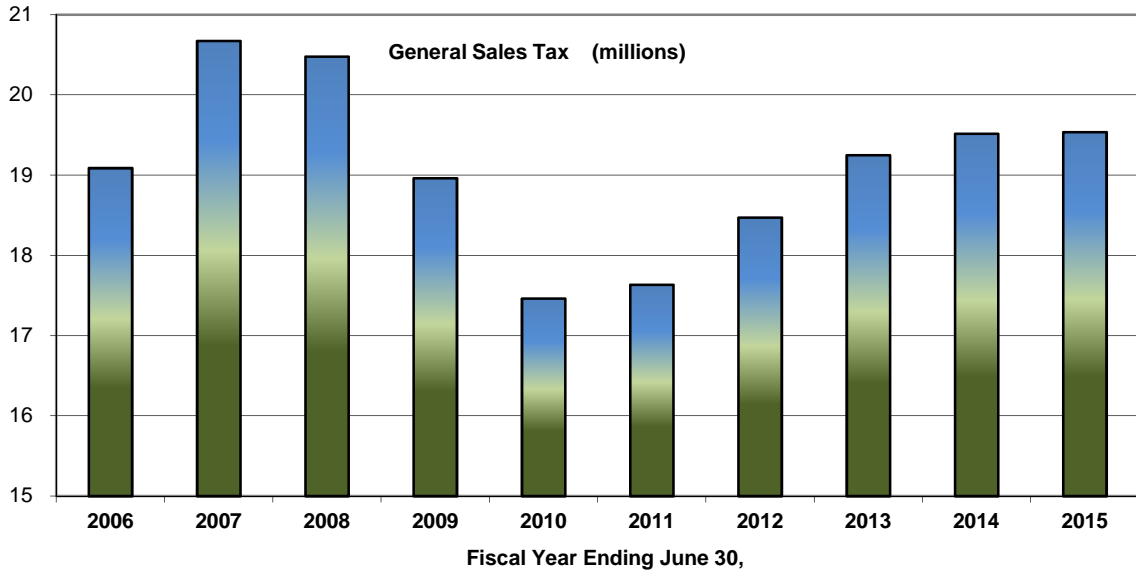
Industrial Expansion. Yuma’s economy is based primarily in agriculture, tourism and government, although further diversification continues. Agriculture remains the Yuma area’s dominant industry, producing more than \$3.2 billion in revenues annually¹. Several major agricultural companies maintain operations 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 0.1% for fiscal year 2015. Tax data show that Retail Trade, annually the largest segment of the sales tax measure, increased by 3.9% over 2014. Construction sales tax declined some (20.82)% for the year to offset some of the gains in retail. Projects at MCAS will continue into 2016 to be joined by continued construction at Yuma Regional Medical Center. Overall, sales taxes are anticipated conservatively to grow 3% for fiscal year 2016.



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 2015. 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 2015, 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 Judge John M. Roll U.S. Courthouse adds 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 34 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, 2014. This is the thirty third 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**

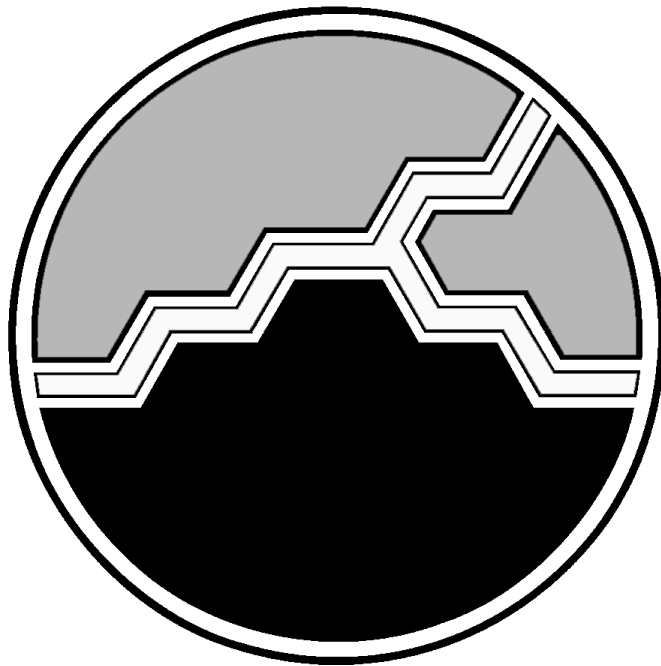
Presented to

**City of Yuma
Arizona**

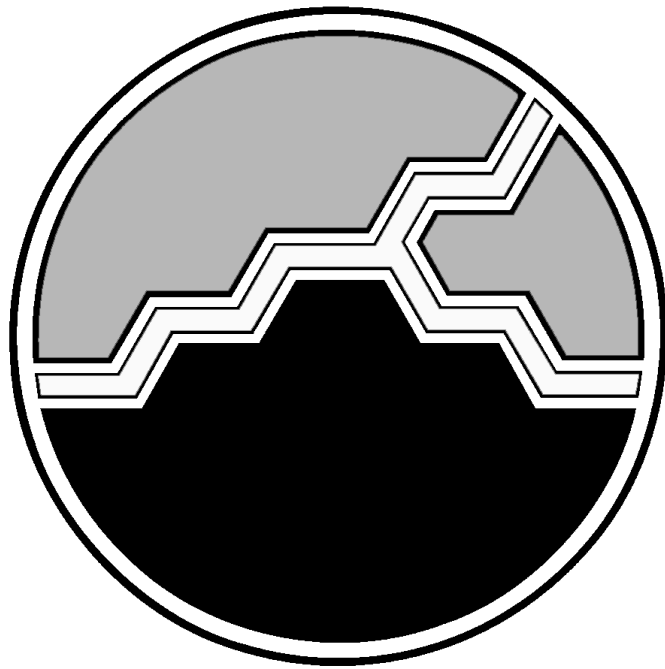
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

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, 2015, 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, 2015, 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. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended June 30, 2015, 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 budgetary comparison information, and net pension liability information, as listed in the table of contents, 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 Section 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 December 11, 2015, 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

December 11, 2015

"

"

.....

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, 2015. 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

- Implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, required the City to recognize the long-term obligation for pension benefits as a liability for the first time. This required the City to restate beginning net position in FY2015. This restatement decreased net position by \$115.5 million, governmental activities decreased by \$102.1 million while business-type activities of the City decreased by \$13.4 million.
- On a government-wide basis, the City's net position decreased by \$9.5 million for the fiscal year, governmental activities decreased by \$8.8 million while business-type activities of the City decreased \$0.7 million. \$5.9 million of this decrease was due to the new process of recognizing pension expense.
- The City's government-wide net position totaled \$350.7 million at June 30, 2015. Due to implementation of GASB pension statements, the City has a deficit unrestricted fund balance for the first time. This includes a deficit \$23.9 million available (unrestricted) to finance ongoing programs which is comprised of a deficit \$68.5 million in governmental programs and positive \$44.6 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

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 80.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 104.

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

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 66 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 80.

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 and deferred outflows exceeded liabilities and deferred inflows by \$350.7 million at the close of the fiscal year.

Net Position: (millions)	Governmental Activities		Business-type Activities		Total	
	June 30,					
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 87.0	\$ 86.0	\$ 81.1	\$ 76.3	\$ 168.1	\$ 162.3
Capital assets	291.1	300.8	296.1	310.1	587.2	610.9
Total assets	<u>378.1</u>	<u>386.8</u>	<u>377.2</u>	<u>386.4</u>	<u>755.3</u>	<u>773.2</u>
Pension	23.5	-	1.5	-	25.0	-
Total Deferred Outflows of Resources	<u>23.5</u>	<u>-</u>	<u>1.5</u>	<u>-</u>	<u>25.0</u>	<u>-</u>
Long-term liabilities outstanding	228.9	114.6	169.6	165.6	398.5	280.2
Other liabilities	13.4	11.8	5.7	5.5	19.1	17.3
Total liabilities	<u>242.3</u>	<u>126.4</u>	<u>175.3</u>	<u>171.1</u>	<u>417.6</u>	<u>297.5</u>
Pension	9.8	-	2.2	-	12.0	-
Total Deferred Inflows of Resources	<u>9.8</u>	<u>-</u>	<u>2.2</u>	<u>-</u>	<u>12.0</u>	<u>-</u>
Net position:						
Net Investment in capital assets	194.8	198.0	147.6	159.4	342.4	357.4
Restricted	23.2	22.0	9.0	9.0	32.2	31.0
Unrestricted	(68.5)	40.4	44.6	46.9	(23.9)	87.3
Total net position	<u>\$ 149.5</u>	<u>\$ 260.4</u>	<u>\$ 201.2</u>	<u>\$ 215.3</u>	<u>\$ 350.7</u>	<u>\$ 475.7</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 unable to report positive balances in all three categories of net position, as the City is reporting a deficit governmental unrestricted net position while its business-type net position is positive. The existence of such a deficit does not mean that the City is on the brink of financial disaster. This deficit is caused by long-term pension liabilities that are funded on a pay-as-you-go basis, for which the City appropriates resources each year as payments come due, rather than accumulating assets in advance. Net position dropped to \$350.7 million, down \$9.5 million from the prior year. Governmental activities decreased \$8.8 million while business-type activities decreased \$0.7 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. Pension reporting requirements accounted for \$6.0 million of the decrease in unrestricted net position of the Governmental 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	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for services	\$ 10.0	\$ 11.8	\$ 42.8	\$ 44.4	\$ 52.8	\$ 56.2
Operating grants and contributions	3.5	3.3	0.4	-	3.9	3.3
Capital grants and contributions	1.5	0.6	5.3	7.0	6.8	7.6
General revenues:						
Property taxes	9.7	9.4	-	-	9.7	9.4
Sales taxes	38.3	38.0	-	-	38.3	38.0
Franchise taxes	3.1	3.0	-	-	3.1	3.0
Intergovernmental, unrestricted	29.4	26.6	-	-	29.4	26.6
Unrestricted investment earnings	0.3	0.5	0.2	0.2	0.5	0.7
Total revenues	95.8	93.2	48.7	51.6	144.5	144.8
Expenses:						
General government	9.0	10.3	-	-	9.0	10.3
Public safety	55.8	46.6	-	-	55.8	46.6
Streets	15.0	25.3	-	-	15.0	25.3
Parks, recreation and culture	14.4	13.6	-	-	14.4	13.6
Environmental health and protection	0.2	0.1	-	-	0.2	0.1
Community design and development	4.4	5.1	-	-	4.4	5.1
Interest on long-term debt	4.5	4.8	-	-	4.5	4.8
Water	-	-	25.3	24.7	25.3	24.7
Wastewater	-	-	17.2	17.1	17.2	17.1
Solid Waste	-	-	3.1	3.1	3.1	3.1
Radio Communications	-	-	2.6	4.1	2.6	4.1
Golf courses	-	-	2.5	3.5	2.5	3.5
Total expenses	103.3	105.8	50.7	52.5	154.0	158.3
Increase/(Decrease) in net position before transfers	(7.5)	(12.6)	(2.0)	(0.9)	(9.5)	(13.5)
Transfers	(1.3)	(0.7)	1.3	0.7	-	-
Increase/(Decrease) in net position	(8.8)	(13.3)	(0.7)	(0.2)	(9.5)	(13.5)
Net Position - July 1	260.4	273.7	215.3	215.5	475.7	489.2
Effect of Change in Accounting Principle	(102.1)	-	(13.4)	-	(115.5)	-
Net Position - July 1, as restated	158.3	273.7	201.9	215.5	360.2	489.2
Net Position - June 30	\$ 149.5	\$ 260.4	\$ 201.2	\$ 215.3	\$ 350.7	\$ 475.7

For the fiscal year, net position decreased \$9.5 million, with \$8.8 million of the decrease coming from governmental activities. \$6.0 million of the decrease in governmental activities is due to the new process of reporting pension expense. 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

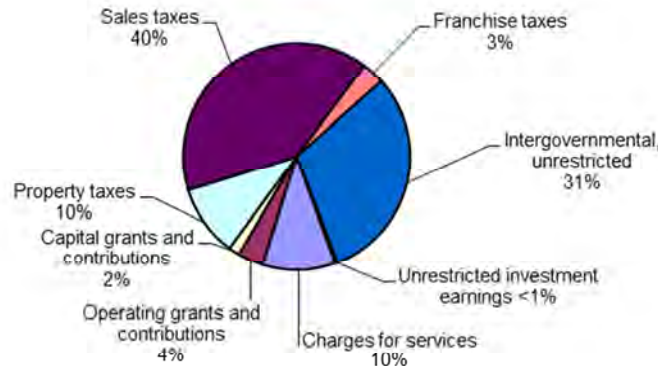
Governmental Activities

Revenues

Governmental activities revenues totaled \$95.8 million for fiscal year 2015, an increase of \$2.6 million from 2014, mostly in State Shared Revenues. 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 70.1% 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 10.4% 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:

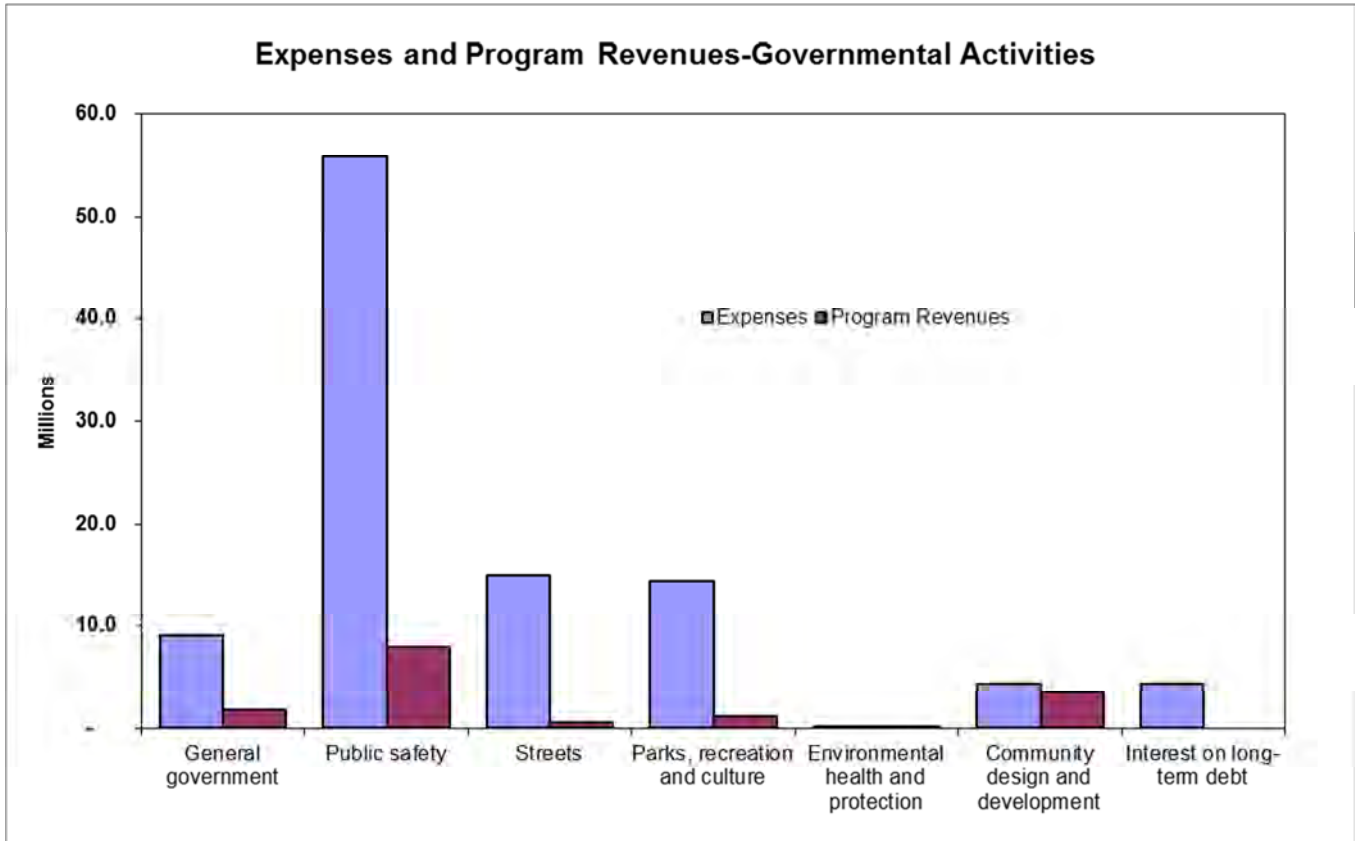
- Sales taxes increased 0.1% from 2014, reflecting a slight improvement over last year that was mitigated by a lesser improvement in construction sales taxes.
- Intergovernmental revenues increased \$2.9 million or 10.8%. State-shared income taxes were anticipated to increase 8.6% but due to the census recalculation from 2010 that occurred in 2014 the increase was 13.7% from 2014, while state-shared gas tax increased 10.1%. State-shared sales taxes increased by 10.4% due in part to the census recalculation in 2014.
- Charges for services decreased by \$1.7 million (14.7%) primarily from a decrease of Capital Projects being completed utilizing Developer Deposits.
- Property taxes increased 2.1% to \$9.7 million as the City Council allowed the property tax rate to increase slightly to offset a small decrease in assessed valuation.

Revenues-
Governmental Activities



Expenses

Governmental expenses totaled \$103.3 million for the fiscal year. Of the expenses, 54% or \$55.8 million is related to public safety for police, fire and municipal court services. Parks, recreation and culture expenses amounted to \$14.4 million, or 13.9% and Streets was \$15.0 million, 14.5%, while environmental health and community design and development expenses amounted to 0.2% and 4.3% respectively. General government expenses came to \$9.0 million, or 8.7%. Interest on long-term debt was \$4.5 million, or 4.4% of governmental expenses. Overall, governmental activities expenses decreased \$2.5 million from 2014, led by an increase in Public Safety of \$9.2 million (mainly due to an increase in pension) and a decrease in Streets expenditures of \$10.3 million (adjustments to capital assets for impairments from cancelling capital projects that occurred in 2014).



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.

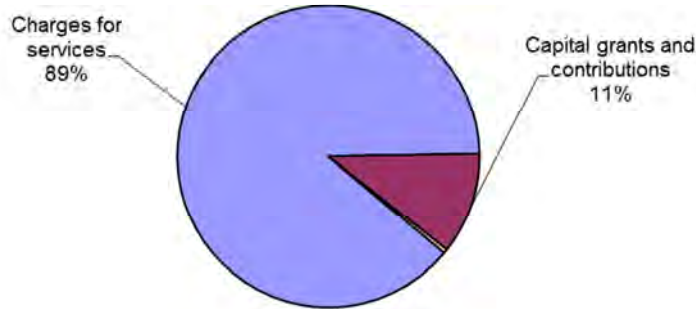
Business-type activities

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 \$42.8 million in charges for services, 83.8% 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 \$5.7 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 water, wastewater and radio communications funds. Finally, investment earnings make up 0.33% of revenues for the City's business activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

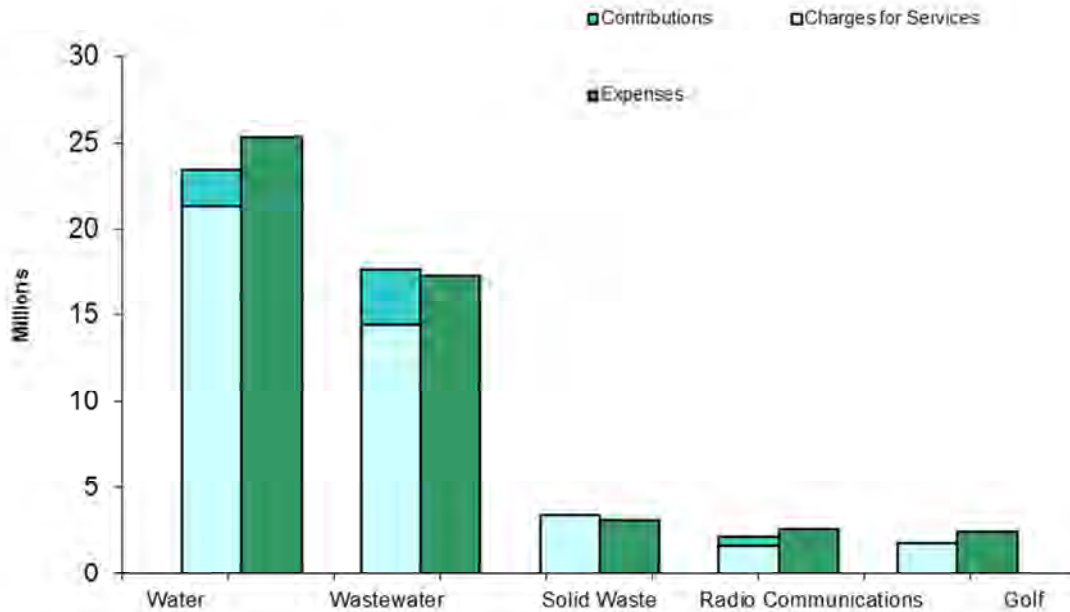
Revenues-Business-type Activities



Expenses

Water and wastewater services account for 83.8% of the City's business-type activities with solid waste, radio communication and golf courses making up the remaining 16.2%. Water expenses amounted to \$25.3 million while wastewater expenses totaled \$17.2 million. Solid Waste, Radio Communications, and Desert Hills Golf Courses recorded expenses of \$3.1 million, \$2.6 million and \$2.5 million, respectively, for a total of \$8.2 million.

Expenses vs. Program Revenues-Business-type Activities



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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental funds. The combined fund balances of governmental funds for the fiscal year ended June 30, 2015, is \$45.6 million, an increase from 2014 of \$1.5 million. A review of some of the more significant funds follows.

General Fund

The fund balance of the General Fund decreased by \$418 thousand for the fiscal year. Revenues increased by \$3.3 million. Sales taxes, the city's largest source of General Fund revenues, increased \$20 thousand (0.1%) to \$19.5 million as a 20% decrease in construction partially offset a robust 4% increase in retail sales. State-shared income taxes were anticipated to increase 8.6% but due to the census recalculation from 2010 that occurred in 2014 the increase was 13.7% from 2014, up \$1.3 million to \$11.0 million. State-shared vehicle registration tax (auto lieu tax) increased 5.2% to \$3.3 million. State-shared sales taxes increased \$777 thousand or 10.4% also due to a census recalculation occurring in 2014. Total expenditures increased \$762 thousand, or 1.3%, to \$59.9 million. Most of the increase occurred in Public Safety expenditures, in part due to the City again needing to use current staff operating ambulance services in an overtime status. Public Safety Retirement contributions were also increased this year.

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 \$1.1 million for the year. In the same manner as general sales tax in the General Fund, sales taxes increased in 2015 to \$9.77 million. Operational expenditures increased from 2014, due to some street projects being completed.

Debt Service

Debt Service Fund expenditures decreased \$1.0 million to \$12.6 million due to a debt issue with the final maturities of District 67 in FY 2014. The City is in the process of refunding the three 2007 debt issues to secure a reduction in interest rates. The refunding, along with a new debt issue, will occur in the second quarter of FY 2016.

Highway User Revenue Fund (HURF)

This fund, which accounts for the expenditure of state-shared gasoline taxes, showed an increase in fund balance of \$1.8 million for the year, increasing to \$2.7 million. The City's portion of those taxes increased by 10% for the fiscal year to \$6.9 million. All maintenance expenditures for streets and retention basins are made in the HURF Fund. Expenditures decreased from 2014 by \$0.8 million to \$5.0 million.

Grants Fund

The City continues to receive much needed assistance from both the state and federal levels. During 2015, revenues increased to \$3.5 million, due to receiving new grants. 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. Community Development Block Grant revenues decreased to \$0.9 million for 2015.

Capital Projects Fund

The Capital Projects Fund's fund balance dropped to \$12.1 million this year as the city continued to expend the proceeds of the 2007 bond sale. Capital expenditures decreased in 2015 to \$3.4 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary funds. The City's enterprise funds posted an overall decrease in net position of \$0.7 million for the fiscal year ended June 30, 2015. Results were mixed between the various funds with the Wastewater, Solid Waste, and Desert Hills Golf Course Funds posting increases in net position while the Water, and Radio Communications Funds showed the reverse.

Water Enterprise Fund

Operating revenues for the Water Fund decreased by \$962 thousand or 4.3% for the year ending June 30, 2015. Operating expenses increased by 3.6% with attendant improvements coming on line. With these changes, operating income fell 65.6% to \$874 thousand. Capital contributions, decreasing to \$2.0 million, led to the fund's net position decrease of \$1.8 million.

Wastewater Enterprise Fund

The Wastewater Fund operating revenues decreased 2.6% from fiscal 2014. Rate-based charges increased 3.2% to \$12.7 million. Operating expenses increased by 1.3% with loss from operations decreasing to \$0.8 million. Capital contributions, increasing to \$3.2 million, increased the fund's net position by \$605,427.

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 \$478 thousand. Operating revenues decreased 51% to \$1.7 million due to a decrease in intergovernmental revenues and an increase in other agencies communication product purchases through the YRCS. Operating expenses decreased 36.8% to \$2.6 million, with the fund's net position decreasing to \$2.3 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2015, can be found starting on page 71. A summary of that schedule follows:

	Budget		Actual	Variance with Final
	Original	Final		
Revenues and Transfers In				
Taxes	\$ 33,394,028	\$ 33,394,028	\$ 32,383,378	\$ (1,010,650)
Intergovernmental	22,595,815	22,595,815	22,576,129	(19,686)
Other	7,725,530	7,725,530	8,718,710	993,180
Transfers In	125,780	125,780	425,272	299,492
Total	63,841,153	63,841,153	64,103,489	262,336
Expenditures and Transfers Out				
Expenditures	63,214,388	63,214,336	59,854,075	3,360,261
Transfers Out	4,369,885	4,369,885	4,667,008	(297,123)
Total	67,584,273	67,584,221	64,521,083	3,063,138
Change in Fund Balance	\$ (3,743,120)	\$ (3,743,068)	\$ (417,594)	\$ 3,325,474

General Fund revenues and transfers ended the year \$0.3 million over expectations. Ambulance billing collections, police services, and building permits accounted for \$0.4 million, \$0.3 million, and \$0.2 million of the increase, respectively, while City Sales Tax and Auto-in-Lieu Tax decreased this by \$0.7 million and \$0.2 million, respectively. Transfers occurring from recovery of expenditures to cover payroll and from Equipment Replacement Fund to cover projects accounted for \$0.3 million of the excess. The important revenue source of city sales tax increased by 0.1%.

Expenditures for the fund came in at \$3,360,261 below budget mostly due to contingency budget not being used. General Government, Parks and Recreation, and Community Development showed savings of \$2.9 million, \$0.5 million, and \$0.6 million respectively. Public Safety exceeded budget by \$0.6 million due to overtime needed in

MANAGEMENT'S DISCUSSION AND ANALYSIS

excess of projections by the Ambulance Transport division. 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 the department's diligence, the General Fund's anticipated reduction of fund balance decreased from a reduction of \$3.7 million to a reduction of \$0.4 million.

CAPITAL ASSETS

At June 30, 2015, the City of Yuma's investment in capital assets in both governmental and business-type activities amounted to \$587.2 million, net of depreciation. This includes land, buildings, equipment, and infrastructure (roadways and bridges). Capital assets for governmental activities decreased by 3.2% while business-type capital assets decreased by 4.5%. These changes included the following:

- Improvements to Police department building were completed.
- The Catalina Road, 32nd Street to 4th Avenue construction project was completed.
- A number of major water and sewer lines were completed.
- A number of land sales and swaps were finalized this year.
- The largest decrease was due to less new assets being acquired and/or constructed than depreciation expense on existing assets.

Change in Capital Assets

(In Millions)

	Governmental Activities			Business-type Activities			Total
	July 1, 2014	Net Additions/ Deletions	June 30, 2015	July 1, 2014	Net Additions/ Deletions	June 30, 2015	
Land	\$ 58.8	\$ (0.9)	\$ 57.9	\$ 10.6	\$ -	\$ 10.6	\$ 68.5
Buildings	92.1	0.3	92.4	164.7	(0.1)	164.6	257.0
Improvements	47.3	0.2	47.5	268.7	0.3	269.0	316.5
Infrastructure	251.8	0.6	252.4	-	-	-	252.4
Equipment	53.1	1.5	54.6	12.9	0.3	13.2	67.8
Construction in Progress	6.7	3.0	9.7	4.4	0.7	5.1	14.8
Accumulated Depreciation	(209.1)	(14.3)	(223.4)	(151.1)	(15.3)	(166.4)	(389.8)
Total	\$ 300.7	\$ (9.6)	\$ 291.1	\$ 310.2	\$ (14.1)	\$ 296.1	\$ 587.2

Additional information on capital assets can be found in Note II-E starting on page 42.

DEBT ADMINISTRATION

At June 30, 2015, after scheduled debt payments, governmental activity debt increased to \$228.8 million while business activity debt decreased to \$169.6 million. The increase is due to recognizing the City's long-term obligation for pension benefits as a liability for the first time. Additional information on the City's long-term pension liabilities can be found in Note II-G on pages 48-59.

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 \$123.1 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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-F on pages 44-47.

Summary of Long-Term Debt

(Millions)

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Yuma Municipal Property Corporation Bonds	\$ 97.5	\$ 105.0	\$ 103.0	\$ 106.8	\$ 200.5	\$ 211.7
Net Unamortized Premium/Issuance Costs	1.3	1.4	2.9	3.0	4.0	4.3
Improvement Districts	2.0	2.2	-	-	2.0	2.2
Contracts Payable	-	-	50.0	54.8	50.0	54.8
Total Long-Term Debt	\$ 100.7	\$ 108.6	\$ 155.9	\$ 164.6	\$ 256.6	\$ 273.2

ECONOMIC FACTORS

Yuma County's growth is sluggish but improving. The county grew by an estimated 2,377 residents to 203,247 with the City of Yuma representing 46% of the county's population. Since 2000, the City has grown by 3% to an estimated 93,400 for 2014 (the most recent available). 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 0.1% increase this year, compared to its historic growth rate of 7%. For fiscal year 2016, General Fund revenues were projected with a 3.2% increase.

With sales tax statistics improving, the economy continues to strengthen. During 2015, the following major economic events occurred:

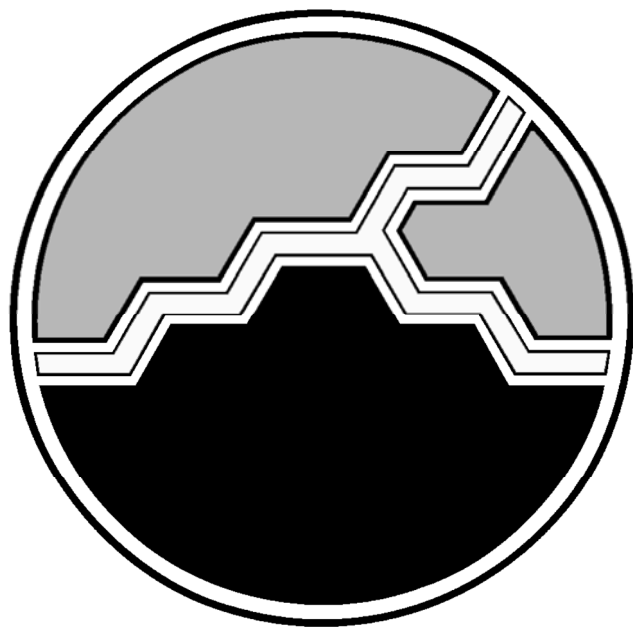
- The new F-35 Joint Strike Fighter began arriving in December 2012 and the new squadrons continue to grow. Additional construction projects necessitated by the new squadron continued into 2015.
- Yuma Regional Medical Center (YRMC) continues to expand its footprint and its services as new construction projects continue. The hospital is replacing its overburdened emergency room with a new, much-expanded facility which should complete during fiscal 2016.

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, 2015

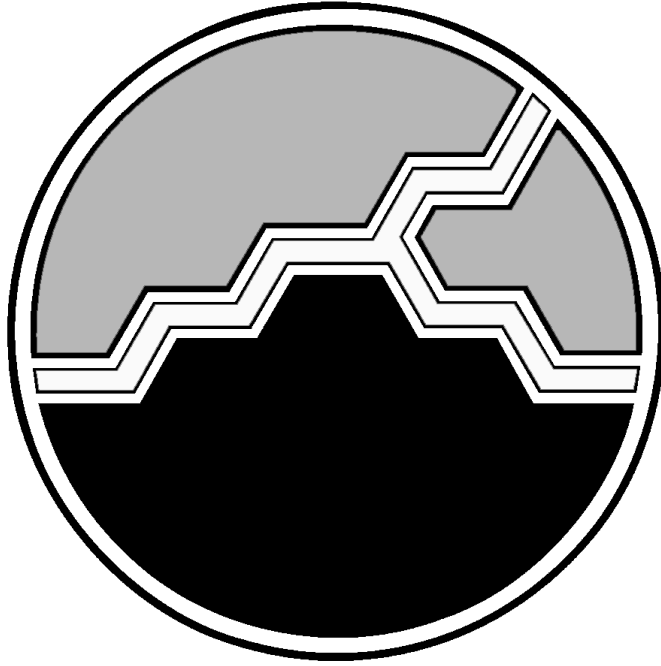
<u>Assets</u>	Governmental Activities	Business-type Activities	Total
Cash and Investments	\$ 72,752,068	\$ 75,588,439	\$ 148,340,507
Receivables, Net	11,449,105	6,267,291	17,716,396
Internal Balances	1,054,311	(1,054,311)	-
Inventory, at cost	904,034	271,181	1,175,215
Prepaid Items	834,998	24,690	859,688
Capital Assets:			
Non-depreciable	67,628,503	15,658,741	83,287,244
Depreciable, Net	<u>223,453,311</u>	<u>280,410,558</u>	<u>503,863,869</u>
Total Assets	<u>378,076,330</u>	<u>377,166,589</u>	<u>755,242,919</u>
<u>Deferred Outflows of Resources</u>			
Pension Contributions ASRS - Current Year	2,285,074	860,679	3,145,753
Pension Contributions PSPRS Police - Current Year	3,301,671	-	3,301,671
Pension Contributions PSPRS Fire - Current Year	2,608,314	-	2,608,314
Other Pension Items ASRS	1,710,194	644,147	2,354,341
Other Pension Items PSPRS Police	8,384,392	-	8,384,392
Other Pension Items PSPRS Fire	<u>5,246,367</u>	<u>-</u>	<u>5,246,367</u>
Total Deferred Outflows of Resources	<u>23,536,012</u>	<u>1,504,826</u>	<u>25,040,838</u>
<u>Liabilities</u>			
Accounts Payable and Deposits	3,680,655	1,873,116	5,553,771
Accrued Liabilities	3,659,906	244,522	3,904,428
Accrued Interest Payable	2,274,290	3,421,725	5,696,015
Unearned Revenue	3,817,459	131,162	3,948,621
Noncurrent Liabilities:			
Due within one year			
Current portion of Accrued Compensated Absences	2,441,442	322,388	2,763,830
Current portion of Debt	8,090,000	8,881,581	16,971,581
Due in more than one year			
Accrued Compensated Absences	3,881,122	691,549	4,572,671
Pension	121,787,295	12,674,356	134,461,651
Debt	<u>92,641,464</u>	<u>147,006,483</u>	<u>239,647,947</u>
Total Liabilities	<u>242,273,633</u>	<u>175,246,882</u>	<u>417,520,515</u>
<u>Deferred Inflows of Resources</u>			
Pension Investments ASRS - Projection/Actual difference	5,884,354	2,216,354	8,100,708
Pension Investments PSPRS Police - Projection/Actual diff	1,701,076	-	1,701,076
Pension Investments PSPRS Fire - Projection/Actual diff	1,172,781	-	1,172,781
Other Pension Items ASRS	49,835	18,770	68,605
Other Pension Items PSPRS Police	46,282	-	46,282
Other Pension Items PSPRS Fire	<u>960,482</u>	<u>-</u>	<u>960,482</u>
	<u>9,814,810</u>	<u>2,235,124</u>	<u>12,049,934</u>
<u>Net Position</u>			
Net Investment in capital assets	194,762,675	147,572,962	342,335,637
Restricted for:			
General government projects	50,000	-	50,000
Debt Service	1,969,016	9,009,138	10,978,154
Community Development	977,266	-	977,266
Road Maintenance and Construction	14,518,177	-	14,518,177
PS Police equipment and facilities	853,252	-	853,252
PS Fire equipment and facilities	283,362	-	283,362
Parks, recreation and cultural facilities	4,571,673	-	4,571,673
Unrestricted	<u>(68,461,522)</u>	<u>44,607,309</u>	<u>(23,854,213)</u>
Total Net Position	<u>\$ 149,523,899</u>	<u>\$ 201,189,409</u>	<u>\$ 350,713,308</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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities:							
General Government	\$ 9,055,630	\$ 1,796,718	\$ 3,203	\$ -	\$ (7,255,709)	\$ -	\$ (7,255,709)
Public Safety	55,785,391	4,600,450	2,494,281	853,396	(47,837,264)	-	(47,837,264)
Streets	14,964,544	-	9,991	552,895	(14,401,658)	-	(14,401,658)
Parks, Recreation and Culture	14,363,861	1,080,510	64,157	-	(13,219,194)	-	(13,219,194)
Environmental Health and Protection	178,064	-	5,599	74,454	(98,011)	-	(98,011)
Community Design and Development	4,438,795	2,561,587	941,585	-	(935,623)	-	(935,623)
Interest on Long-Term Debt	4,462,040	-	-	-	(4,462,040)	-	(4,462,040)
Total Governmental Activities	103,248,325	10,039,265	3,518,816	1,480,745	(88,209,499)	-	(88,209,499)
Business-type Activities:							
Water	25,258,675	21,379,861	79,178	1,976,796	-	(1,822,840)	(1,822,840)
Wastewater	17,253,009	14,478,165	14,130	3,199,607	-	438,893	438,893
Solid Waste	3,070,315	3,373,369	-	-	-	303,054	303,054
Radio Communications	2,622,537	1,745,377	356,647	121,567	-	(398,946)	(398,946)
Golf Courses	2,518,070	1,794,282	-	-	-	(723,788)	(723,788)
Total Business-type Activities	50,722,606	42,771,054	449,955	5,297,970	-	(2,203,627)	(2,203,627)
Total	\$ 153,970,931	\$ 52,810,319	\$ 3,968,771	\$ 6,778,715	(88,209,499)	(2,203,627)	(90,413,126)
General Revenues:							
Property taxes					9,650,395	-	9,650,395
Sales taxes					38,283,305	-	38,283,305
Franchise taxes					3,095,540	-	3,095,540
Intergovernmental, unrestricted					29,440,840	-	29,440,840
Unrestricted investment earnings					268,650	165,210	433,860
Total general revenues					80,738,730	165,210	80,903,940
Transfers					(1,323,456)	1,323,456	-
Total general revenues and transfers					79,415,274	1,488,666	80,903,940
Change in net position					(8,794,225)	(714,961)	(9,509,186)
Net position-beginning, as restated					158,318,124	201,904,370	360,222,494
Net position-ending					\$ 149,523,899	\$ 201,189,409	\$ 350,713,308

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



FUND FINANCIAL STATEMENTS

City of Yuma, Arizona

Balance Sheet

Governmental Funds

June 30, 2015

<u>Assets</u>	General	City Road Tax	Debt Service	Other Nonmajor Governmental Funds	Total
Cash and Investments	\$ 14,611,845	\$ 8,527,323	\$ 50,194	\$ 22,233,028	\$ 45,422,390
Cash with Fiscal Agents	-	-	10,028,112	-	10,028,112
Receivables, Net of Allowances for Uncollectibles:					
Accounts Receivable	2,151,252	33,112	-	1,494,679	3,679,043
Intergovernmental	2,208,355	477,987	-	2,491,059	5,177,401
Special Assessments	20,169	-	1,965,000	-	1,985,169
Delinquent Property Taxes	401,957	-	-	6,368	408,325
Accrued Interest	11,097	5,684	-	8,554	25,335
Due from Other Funds	2,120,554	-	-	-	2,120,554
Inventory, at cost	32,678	-	-	14,205	46,883
Prepaid Items	111,403	2,850	-	2,952	117,205
Total Assets and Other Debits	<u>\$ 21,669,310</u>	<u>\$ 9,046,956</u>	<u>\$ 12,043,306</u>	<u>\$ 26,250,845</u>	<u>\$ 69,010,417</u>
 <u>Liabilities</u>					
Accounts Payable	\$ 872,335	\$ 74,916	\$ -	\$ 1,250,804	\$ 2,198,055
Accrued Payroll, Taxes and Benefits Payable	1,253,220	41,480	-	143,395	1,438,095
Long-Term Debt - Current Portion	-	-	7,800,000	-	7,800,000
Due to Other Funds	-	-	-	896,178	896,178
Accrued Interest Payable	-	-	2,274,290	-	2,274,290
Deposits	405,214	15,075	-	9,749	430,038
Unearned Revenues	14,840	-	-	3,739,082	3,753,922
Total Liabilities	<u>2,545,609</u>	<u>131,471</u>	<u>10,074,290</u>	<u>6,039,208</u>	<u>18,790,578</u>
 <u>Deferred Inflows of Resources</u>					
Unavailable Revenues	<u>1,631,532</u>	<u>-</u>	<u>1,965,000</u>	<u>983,866</u>	<u>4,580,398</u>
 <u>Fund Balances:</u>					
Nonspendable:					
Inventory	32,678	-	-	14,205	46,883
Prepaid Items	111,403	2,850	-	2,952	117,205
Spendable					
Restricted	-	8,912,635	4,016	11,363,829	20,280,480
Committed	-	-	-	7,846,785	7,846,785
Unassigned	17,348,088	-	-	-	17,348,088
Total Fund Balances	<u>17,492,169</u>	<u>8,915,485</u>	<u>4,016</u>	<u>19,227,771</u>	<u>45,639,441</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 21,669,310</u>	<u>\$ 9,046,956</u>	<u>\$ 12,043,306</u>	<u>\$ 26,250,845</u>	<u>\$ 69,010,417</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, 2015

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

Total Fund Balances per the Balance Sheet-Governmental Funds:		\$	45,639,441
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			283,719,067
Revenues deferred to later years recognized in year levied in governmental activities.			
Special Assessment/Loan Principal	2,942,497		
Property Tax	408,326		
Ambulance Billings	<u>1,229,575</u>		
			4,580,398
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Compensated absences			(6,242,707)
Pension Liability			(108,066,093)
MPC bonds payable			(89,695,000)
Improvement District #68			(1,965,000)
Net unamortized deferred charges or premiums are not recorded in the governmental funds			(1,271,464)
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			<u>22,825,257</u>
Net position - Governmental Activities per the Statement of Net Position		\$	<u><u>149,523,899</u></u>

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, 2015

	General	City Road Tax	Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 32,383,378	\$ 9,766,802	\$ -	\$ 8,840,929	\$ 50,991,109
Licenses and Permits	1,857,646	-	-	-	1,857,646
Intergovernmental	22,576,129	-	-	10,374,834	32,950,963
Charges for Services	5,243,742	1,259	-	1,600,993	6,845,994
Fines and Forfeitures	1,161,809	-	-	-	1,161,809
Special Assessments	-	-	280,000	-	280,000
Use of Money and Property	232,564	236,420	99,068	75,061	643,113
Contributions and Donations	-	-	-	1,021,774	1,021,774
Miscellaneous	222,949	180,377	-	151,408	554,734
Total Revenues	63,678,217	10,184,858	379,068	22,064,999	96,307,142
Expenditures:					
Current:					
General Government	7,487,053	-	-	78,787	7,565,840
Public Safety	41,347,442	697,350	-	3,647,496	45,692,288
Streets	-	3,143,501	-	4,574,850	7,718,351
Parks, Recreation and Culture	7,674,663	-	-	4,442,359	12,117,022
Environmental Health and Protection	-	-	-	70,443	70,443
Community Design and Development	3,131,214	-	-	1,156,302	4,287,516
Capital Outlay	213,703	52,902	-	853,395	1,120,000
Capital Projects:					
General Government	-	-	-	619,812	619,812
Public Safety	-	-	-	696,443	696,443
Streets	-	330,261	-	1,250,202	1,580,463
Parks, Recreation and Culture	-	2,159	-	1,435,612	1,437,771
Environmental Health and Safety	-	47,114	-	-	47,114
Debt Service					
Principal	-	-	8,080,000	-	8,080,000
Interest and Fiscal Agent Fees	-	-	4,566,359	-	4,566,359
Total Expenditures	59,854,075	4,273,287	12,646,359	18,825,701	95,599,422
Revenues Over/(Under) Expenditures	3,824,142	5,911,571	(12,267,291)	3,239,298	707,720
Other Financing Sources/(Uses):					
Transfers In	425,272	144	12,266,611	1,723,996	14,416,023
Transfers Out	(4,667,008)	(4,806,434)	-	(4,121,714)	(13,595,156)
Total Other Financing Sources/(Uses)	(4,241,736)	(4,806,290)	12,266,611	(2,397,718)	820,867
Net Change in Fund Balances	(417,594)	1,105,281	(680)	841,580	1,528,587
Fund Balances - Beginning	17,909,763	7,810,204	4,696	18,386,191	44,110,854
Fund Balances - Ending	\$ 17,492,169	\$ 8,915,485	\$ 4,016	\$ 19,227,771	\$ 45,639,441

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, 2015

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

Net change in fund balances-governmental funds	\$ 1,528,587
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	34,438
Public safety ambulance revenue	(844,880)
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	(2,490)
Special Assessment Principal Payments	(280,000)
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	(14,096,665)
Capital outlay expenditures reported as additions to assets:	
Capital outlay expenditures-governmental funds	5,501,603
Infrastructure maintenance expenditures recorded as capital outlay but not capitalized as asset additions	(132,643)
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	
	8,080,000
Increase in compensated absences expense not recorded in governmental funds	
	(341,329)
Governmental funds report pension contributions as expenditures. GASB68 requires the actual pension expense to be recorded on government-wide statements. In addition, contributions for current year are recorded as deferred outflows of resources in government-wide statements. This amount is the net difference between the amounts.	
	(5,977,410)
The net effect of miscellaneous transactions involving capital assets (trades of land for rights-of-way) is to decrease net position.	
	(1,104,271)
Investment earnings of the internal service funds are general revenues on the statement of activities	
	47,927
Internal Service fund transfers are eliminated on statement of activities as they are combined with governmental. Statement of activities only shows transfers between governmental and business-type activities	
	(2,144,323)
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	
	321,186
Contributions of infrastructure assets are not recorded as revenues in the governmental funds	
	511,726
Change in net position of governmental activities	\$ (8,794,225)

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

City of Yuma, Arizona
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-Type Activities-Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
Assets					
Current Assets:					
Cash and Investments	\$ 15,882,749	\$ 19,144,110	\$ 3,312,611	\$ 38,339,470	\$ 17,301,566
Receivables, Net of Allowance for Uncollectibles:					
Accounts Receivable	3,201,204	1,900,638	459,584	5,561,426	164,070
Intergovernmental	2,871	185,569	488,337	676,777	5
Accrued Interest	9,318	18,518	1,252	29,088	9,757
Inventory, at cost	114,754	-	156,427	271,181	857,151
Prepaid Expenses	11,047	2,564	11,079	24,690	717,793
Total Unrestricted Current Assets	<u>19,221,943</u>	<u>21,251,399</u>	<u>4,429,290</u>	<u>44,902,632</u>	<u>19,050,342</u>
Restricted Assets:					
Cash and Investments:					
Cash with Fiscal Agents	11,919,758	3,560,447	-	15,480,205	-
Advancement for Future Expansion	6,737,409	14,564,016	-	21,301,425	-
Customer Deposits	467,339	-	-	467,339	-
Total Restricted Current Assets	<u>19,124,506</u>	<u>18,124,463</u>	<u>-</u>	<u>37,248,969</u>	<u>-</u>
Total Current Assets	<u>38,346,449</u>	<u>39,375,862</u>	<u>4,429,290</u>	<u>82,151,601</u>	<u>19,050,342</u>
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	151,995,253	113,679,097	3,341,093	269,015,443	222,733
Equipment	2,726,462	2,021,243	8,435,159	13,182,864	27,762,985
Construction In Progress	3,528,007	1,536,857	-	5,064,864	-
Less Accumulated Depreciation	(92,650,594)	(62,228,824)	(11,556,735)	(166,436,153)	(20,861,832)
Total Capital Assets	<u>173,467,379</u>	<u>119,279,538</u>	<u>3,322,382</u>	<u>296,069,299</u>	<u>7,362,747</u>
Total Noncurrent Assets	<u>173,467,379</u>	<u>119,279,538</u>	<u>3,322,382</u>	<u>296,069,299</u>	<u>7,362,747</u>
Total Assets	<u>211,813,828</u>	<u>158,655,400</u>	<u>7,751,672</u>	<u>378,220,900</u>	<u>26,413,089</u>
Deferred Outflows of Resources					
Pension Contributions - Current Year	406,746	289,724	164,209	860,679	-
Other Pension Items	304,416	216,835	122,896	644,147	-
Total Deferred Outflows of Resources	<u>711,162</u>	<u>506,559</u>	<u>287,105</u>	<u>1,504,826</u>	<u>-</u>
Liabilities					
Current Liabilities Payable from Current Assets:					
Accounts Payable	328,804	611,428	324,135	1,264,367	1,052,562
Accrued Payroll and Related Taxes	111,973	84,870	47,679	244,522	23,212
Current Portion-Long-Term Contracts-Principal	50,613	230,274	-	280,887	-
Current Portion-Bonds Payable	3,018,400	901,600	-	3,920,000	-
Current Portion-Accrued Compensated Absences	154,356	105,811	62,221	322,388	26,272
Estimated Claims and Judgements	-	-	-	-	2,198,599
Due to Other Funds	-	-	-	-	1,224,376
Accrued Interest Payable	1,966,852	619,527	-	2,586,379	-
Unearned Revenue	-	-	99,109	99,109	63,537
Total Current Liabilities Payable from Current Assets	<u>5,630,998</u>	<u>2,553,510</u>	<u>533,144</u>	<u>8,717,652</u>	<u>4,588,558</u>
Current Liabilities Payable from Restricted Assets:					
Accounts Payable	63,779	51,231	-	115,010	-
Deposits	493,739	-	-	493,739	-
Unearned Revenue	10,968	21,085	-	32,053	-
Current Portion-Long-Term Contracts-Principal	2,380,411	2,300,283	-	4,680,694	-
Current Portion-Long-Term Contracts-Interest	492,955	342,391	-	835,346	-
Total Current Liabilities Payable from Restricted Assets	<u>3,441,852</u>	<u>2,714,990</u>	<u>-</u>	<u>6,156,842</u>	<u>-</u>
Total Current Liabilities	<u>9,072,850</u>	<u>5,268,500</u>	<u>533,144</u>	<u>14,874,494</u>	<u>4,588,558</u>
Noncurrent Liabilities:					
Long-Term Contracts Payable	24,831,766	20,221,883	-	45,053,649	-
Bonds Payable	78,503,684	23,449,150	-	101,952,834	-
Pension Liability	5,989,745	4,266,478	2,418,133	12,674,356	-
Accrued Compensated Absences	333,444	208,765	149,340	691,549	53,585
Total Noncurrent Liabilities	<u>109,658,639</u>	<u>48,146,276</u>	<u>2,567,473</u>	<u>160,372,388</u>	<u>53,585</u>
Total Liabilities	<u>118,731,489</u>	<u>53,414,776</u>	<u>3,100,617</u>	<u>175,246,882</u>	<u>4,642,143</u>
Deferred Inflows of Resources					
Pension Investments - Projection/Actual difference	1,047,422	746,075	422,857	2,216,354	-
Other Pension Items	8,870	6,319	3,581	18,770	-
Total Deferred Inflows of Resources	<u>1,056,292</u>	<u>752,394</u>	<u>426,438</u>	<u>2,235,124</u>	<u>-</u>
Net Position					
Net investment in capital assets	70,941,784	73,308,796	3,322,382	147,572,962	7,362,747
Restricted for:					
Debt Service	6,937,036	2,072,102	-	9,009,138	-
Unrestricted	14,858,389	29,613,891	1,189,340	45,661,620	14,408,199
Total Net Position	<u>\$ 92,737,209</u>	<u>\$ 104,994,789</u>	<u>\$ 4,511,722</u>	<u>202,243,720</u>	<u>\$ 21,770,946</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				(1,054,311)	
Net position of business-type activities				<u>\$ 201,189,409</u>	

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, 2015

	Business-Type Activities-Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Water Fund	Wastewater Fund	Other Funds		
Operating Revenues:					
Metered Water Sales	\$ 20,400,050	\$ -	\$ -	\$ 20,400,050	\$ -
Commercial Raw Water	132,253	-	-	132,253	-
Wastewater Charges	-	14,400,001	-	14,400,001	-
Meters, Connections and Services	780,910	30,158	-	811,068	-
Charges for Services	-	-	5,090,368	5,090,368	4,875,513
Green Fees and Concessions	-	-	1,518,690	1,518,690	-
Equipment Rental	-	-	270,335	270,335	1,558,976
Miscellaneous Charges	-	-	-	-	2,327,005
Total Operating Revenues	21,313,213	14,430,159	6,879,393	42,622,765	8,761,494
Operating Expenses:					
Operations and Maintenance	11,820,634	9,373,974	7,278,453	28,473,061	6,745,709
Depreciation	8,618,866	5,888,973	886,119	15,393,958	1,793,152
Total Operating Expenses	20,439,500	15,262,947	8,164,572	43,867,019	8,538,861
Operating Income/(Loss)	873,713	(832,788)	(1,285,179)	(1,244,254)	222,633
Non-Operating Revenues/(Expenses):					
Interest	65,164	92,583	7,465	165,212	47,927
Gain/(Loss) on Disposal of Assets	-	(6,240)	-	(6,240)	(74,392)
Interest and Fiscal Agent Fees	(4,790,987)	(1,885,415)	-	(6,676,402)	-
Federal Grants	79,178	-	356,647	435,825	-
State Grants	-	14,130	-	14,130	-
Miscellaneous Revenues	66,648	48,006	33,635	148,289	-
Total Non-Operating Revenues/(Expenses)	(4,579,997)	(1,736,936)	397,747	(5,919,186)	(26,465)
Income/(Loss) before Contributions and Transfers	(3,706,284)	(2,569,724)	(887,432)	(7,163,440)	196,168
Capital Contributions	1,976,796	3,199,607	121,567	5,297,970	-
Transfers In	-	-	1,432,606	1,432,606	-
Transfers Out	(63,373)	(24,456)	(21,321)	(109,150)	(2,144,323)
Change in Net Position	(1,792,861)	605,427	645,420	(542,014)	(1,948,155)
Net Position - Beginning, as restated	94,530,070	104,389,362	3,866,302		23,719,101
Net Position - Ending	\$ 92,737,209	\$ 104,994,789	\$ 4,511,722		\$ 21,770,946
Adjustment for consolidation of internal service fund activities related to enterprise funds				(172,945)	
Change in net position of business-type activities				\$ (714,959)	

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, 2015

	Business-Type Activities-Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
Cash Flow from Operating Activities:					
Cash Received from Customers	\$ 22,235,526	\$ 14,818,777	\$ 7,244,173	\$ 44,298,476	\$ 8,639,264
Cash Paid to Employees	(5,066,367)	(3,784,115)	(2,216,423)	(11,066,905)	(1,101,462)
Cash Paid to Suppliers	(6,758,033)	(5,261,370)	(5,070,555)	(17,089,958)	(2,345,920)
Cash Paid for Operating Expenses	-	-	-	-	(2,063,837)
Other Operating Activity Revenue	66,648	48,006	33,634	148,288	-
Net Cash Provided by Operating Activities	<u>10,477,774</u>	<u>5,821,298</u>	<u>(9,171)</u>	<u>16,289,901</u>	<u>3,128,045</u>
Cash Flows from Noncapital Financing Activities:					
Cash Received from Other Funds	-	-	1,432,606	1,432,606	175,700
Cash Paid to Other Funds	(63,373)	(24,456)	(21,321)	(109,150)	(2,919,372)
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>(63,373)</u>	<u>(24,456)</u>	<u>1,411,285</u>	<u>1,323,456</u>	<u>(2,743,672)</u>
Cash Flow from Capital and Related Financing Activities:					
Contributions of Capital	1,976,795	3,199,607	121,567	5,297,969	-
Federal Grants	79,178	-	356,647	435,825	-
State Grants	-	14,130	-	14,130	-
Acquisition and Construction of Assets	(276,355)	(903,461)	(138,526)	(1,318,342)	(1,674,118)
Proceeds from Sale of Capital Assets	-	-	-	-	174,623
Principal Payments on Bonds	(2,801,861)	(862,500)	-	(3,664,361)	-
WIFA - Contracted Loan	(2,431,025)	(2,449,455)	-	(4,880,480)	-
Interest and Fiscal Agent Fee Payments	(5,021,453)	(1,982,015)	-	(7,003,468)	-
Net Cash (Used for) Capital and Related Financing Activities	<u>(8,474,721)</u>	<u>(2,983,694)</u>	<u>339,688</u>	<u>(11,118,727)</u>	<u>(1,499,495)</u>
Cash Flows from Investing Activities:					
Receipt of Interest	62,074	85,195	6,615	153,884	44,612
Net Cash Provided by Investing Activities	<u>62,074</u>	<u>85,195</u>	<u>6,615</u>	<u>153,884</u>	<u>44,612</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	2,001,754	2,898,343	1,748,417	6,648,514	(1,070,510)
Cash and Cash Equivalents, July 1	33,005,501	34,370,230	1,564,194	68,939,925	18,372,076
Cash and Cash Equivalents, June 30	<u>\$ 35,007,255</u>	<u>\$ 37,268,573</u>	<u>\$ 3,312,611</u>	<u>\$ 75,588,439</u>	<u>\$ 17,301,566</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:					
Operating Income/(Loss)	\$ 873,713	\$ (832,788)	\$ (1,285,179)	\$ (1,244,254)	\$ 222,633
Adjustments to Reconcile Operating Income/(Loss)					
Depreciation and Amortization Expense	8,618,866	5,888,973	886,119	15,393,958	1,793,152
(Increase)/Decrease in Accounts Receivable	891,761	400,704	357,499	1,649,964	(33,885)
(Increase)/Decrease in Inventories	16,084	-	5,567	21,651	(240,190)
(Increase) in Deposits	1,950	-	-	1,950	-
(Increase)/Decrease in Prepaid Items	(8,798)	5,758	19,454	16,414	(22,372)
Increase/(Decrease) in Accounts Payable	(39,674)	311,824	(11,549)	260,601	655,387
Increase/(Decrease) in Accrued Payroll and Related Taxes	51,298	22,622	(15,357)	58,563	(7,820)
Increase/(Decrease) in Due from Other Gov't Units	-	-	57	57	-
(Decrease) in Claims Incurred but Not Reported	-	-	-	-	697,603
Increase/(Decrease) in Customer Dep/Unearned Rev	22,372	(12,087)	7,223	17,508	63,537
Increase/(Decrease) in Pension Exp/Def Outflows/Inflow	(16,446)	(11,714)	(6,640)	(34,800)	-
Other Operating Activity Revenue	66,648	48,006	33,634	148,288	-
Total Adjustments	<u>9,604,061</u>	<u>6,654,086</u>	<u>1,276,008</u>	<u>17,534,155</u>	<u>2,905,412</u>
Net Cash Provided by Operating Activities	<u>\$ 10,477,774</u>	<u>\$ 5,821,298</u>	<u>\$ (9,171)</u>	<u>\$ 16,289,901</u>	<u>\$ 3,128,045</u>
Noncash Transactions Affecting Financial Position					
Purchase of Assets with Vendor Provided Financing	\$ 61,391	\$ -	\$ -	\$ 61,391	\$ -
Total Noncash Transactions Affecting Financial Position	<u>\$ 61,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,391</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, 2015

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 November 8, 2011. 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, 2015, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB Statement No. 68, as amended by GASB Statement No. 71, 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 of

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

Yuma has restated the prior year for pension liability for the three retirement plans - Arizona State Retirement System (ASRS) and Public Safety Personnel Retirement System (PSPRS) for Police and for Fire. See note II-L for restatement of Net Position.

C. 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.

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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

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.

D. 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.

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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

E. 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 Employee Benefits Trust Internal Service Funds is 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.

F. 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.

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

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, 2015, the estimated amounts of unbilled revenues for the Water, Wastewater and Solid Waste Enterprise Funds are \$1,872,524, \$1,162,885, and \$298,886, 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.

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

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) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10) 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, and Unassigned. Nonspendable and Restricted fund balances represent the restricted classifications and Committed 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. 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 is considered spent (if available) before unassigned amounts.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented in the following table.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

	General	City Road Tax	Debt Service	Other Nonmajor Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Inventory	\$ 32,678	\$ -	\$ -	\$ 14,205	\$ 46,883
Prepaid Items	111,403	2,850	-	2,952	117,205
Restricted for:					
General government projects	-	-	-	50,000	50,000
Debt Service	-	-	4,016	-	4,016
Road Maintenance and Construction	-	8,912,635	-	5,605,542	14,518,177
PS-Police equipment and facilities	-	-	-	853,252	853,252
PS-Fire equipment and facilities	-	-	-	283,362	283,362
Parks, recreation and cultural facilities	-	-	-	4,571,673	4,571,673
Committed to:					
General government projects	-	-	-	15,929	15,929
Road Maintenance and Construction	-	-	-	3,567,633	3,567,633
PS-Police equipment and facilities	-	-	-	1,156,581	1,156,581
PS-Fire equipment and facilities	-	-	-	477,439	477,439
Parks, recreation and cultural facilities	-	-	-	2,184,452	2,184,452
Sanitation facilities	-	-	-	379,943	379,943
Public works projects	-	-	-	64,808	64,808
Unassigned:	17,348,088	-	-	-	17,348,088
Total Fund Balances	<u>\$17,492,169</u>	<u>\$8,915,485</u>	<u>\$ 4,016</u>	<u>\$ 19,227,771</u>	<u>\$ 45,639,441</u>

G. 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.

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, \$5,360,461, and for the internal service funds, \$60,730, 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 \$399,337, \$254,802, \$76,572, \$46,755 and \$50,527, 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, 2015, the amount accumulated in sick pay and related benefits is \$7,942,470, including \$101,054 attributable to Internal Service Funds and

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

\$1,379,825 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, \$882,246, 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 \$17,462 and \$1,665, respectively, and Water, Wastewater, Solid Waste, Radio Communications, and Desert Hills Golf Course Enterprise Funds of \$88,465, \$59,773, \$14,345, \$9,043 and \$14,318, respectively, are recorded in those funds and are accrued as earned.

H. Investment Income

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

I. 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, 2015, the City’s deposits had a carrying value of \$7,296,368 and a bank balance of \$7,956,193. 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 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, 2015, there are no deposits exposed to custodial credit risk. Cash on hand at June 30, 2015, included petty cash and change funds balances of \$35,075 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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

The City's investment balances at June 30, 2015, were as follows:

Investment Type	Fair Value	Investment Maturities in Years		
		< 1 Year	1-2 Years	2-3 Years
US Treasury Notes/Bills	\$ 7,655,175	\$ 2,002,032	\$ 5,653,143	\$ -
Commercial Paper	19,889,962	19,889,962	-	-
US Agencies:				
Federal Farm Credit Bank	2,000,800	2,000,800	-	-
Federal Home Loan Bank	15,994,004	4,000,046	6,003,018	5,990,940
Federal Home Loan Mtg. Corp.	15,992,256	2,001,140	5,991,658	7,999,458
Federal National Mtg. Assoc.	1,997,330	-	1,997,330	-
Money Market Funds	32,936,867	32,936,867	-	-
Wells Fargo-Bus Market Fund	20,505,518	20,505,518	-	-
State Investment Pool 5	24,037,153	24,037,153	-	-
Total Value	<u>\$ 141,009,065</u>	<u>\$107,373,518</u>	<u>\$19,645,149</u>	<u>\$ 13,990,398</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, 2015, 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:

	Maximum %	Actual %
U. S. Treasuries and securities having principal and interest guaranteed by the U.S. Government	100%	5.43%
U. S. Government agencies, instrumentalities and government sponsored enterprises	No more than 80%	25.52%
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%	14.10%
Maximum per issuer.....	10% of total C. P	0%
Repurchase Agreements.....	100%	0%
Money Market Funds.....	100%	37.90%
State Investment Pool	100%	17.05%

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

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, 2015, had a weighted average maturity of 378 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 2013-14 (Tax Year 2013) and fiscal year 2014-15 (Tax Year 2014), follow:

	Tax Year 2013	Tax Year 2014
Primary Assessed Valuation	\$ 547,206,239	\$ 525,837,088
Primary Tax Rate	1.9962	1.8281
Primary Tax Levy	\$ 10,923,330	\$ 9,612,828
Secondary Assessed Valuation	\$ 632,734,838	\$ 615,552,203
Secondary Tax Rate/Levy	None	None
Current Tax Collections	\$ 9,107,069	\$ 9,307,197
Delinquent Tax Collections	\$ 232,787	\$ 201,717
Delinquent Taxes Outstanding as of June 30	\$ 360,361	\$ 401,957

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:

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

	Accounts	Intergovern- mental	Special Assessment	Delinquent Property Taxes	Accrued Interest	Total
General	\$ 2,151,252	\$ 2,208,355	\$ 20,169	\$ 401,957	\$ 11,097	\$ 4,792,830
City Road Tax	33,112	477,987	-	-	5,684	516,783
Debt Service	-	-	1,965,000	-	-	1,965,000
Water	3,201,204	2,871	-	-	9,318	3,213,393
Wastewater	1,900,638	185,569	-	-	18,518	2,104,725
Other Funds-Governmental	1,494,679	2,491,059	-	6,368	8,554	4,000,660
Other Funds-Enterprise	459,584	488,337	-	-	1,252	949,173
Internal Service	164,070	5	-	-	9,757	173,832
Total	\$ 9,404,539	\$ 5,854,183	\$ 1,985,169	\$ 408,325	\$ 64,180	\$ 17,716,396

Allowance Amount

2015	2014
------	------

Enterprise Funds:	
Solid Waste	\$ 11,946 \$ 8,642
Water	82,535 117,379
Wastewater	53,316 71,010

D. Due from Other Governments (Intergovernmental Receivables)

Amounts due from other government units at June 30, 2015, are as follows:

	Agencies				
	Federal	State	County	Local	Total
Governmental Funds					
Major Funds					
General	\$ -	\$ 1,816,987	\$ 190,423	\$ 200,945	\$ 2,208,355
City Road Tax	-	471,366	6,621	-	477,987
Non-major Funds					
Highway User Revenue	-	631,921	-	-	631,921
Public Safety Tax	-	188,482	-	-	188,482
Two Percent Tax	-	165,392	-	-	165,392
Mall Maintenance	-	-	9,745	-	9,745
Grants	600,641	20,221	-	-	620,862
Community Redevelopment	213,141	-	-	-	213,141
Capital Projects	-	308,846	-	352,670	661,516
Enterprise Funds:					
Major Funds					
Water	2,068	803	-	-	2,871
Wastewater	113,045	14,130	-	58,394	185,569
Non-major Funds					
Solid Waste	-	1,679	-	-	1,679
Radio Communications	347,885	3	1,625	136,764	486,277
Desert Hills Golf Course	-	381	-	-	381
Internal Service Funds					
Equipment Maintenance	-	5	-	-	5
Total	\$ 1,276,780	\$ 3,620,216	\$ 208,414	\$ 748,773	\$ 5,854,183

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

E. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2015, follows:

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Capital Assets Not Being Depreciated:				
Land	\$ 58,768,033	\$ 234,310	\$ 1,135,646	\$ 57,866,697
Construction in Progress	6,682,446	3,811,072	731,712	9,761,806
Total Capital Assets Not Being Depreciated	<u>65,450,479</u>	<u>4,045,382</u>	<u>1,867,358</u>	<u>67,628,503</u>
Other Capital Assets:				
Buildings	92,108,768	294,084	-	92,402,852
Improvements	47,329,460	136,791	-	47,466,251
Infrastructure	251,798,696	814,242	218,378	252,394,560
Equipment	53,162,045	3,262,970	1,817,389	54,607,626
Total Other Capital Assets	<u>444,398,969</u>	<u>4,508,087</u>	<u>2,035,767</u>	<u>446,871,289</u>
Less Accumulated Depreciation for:				
Buildings	34,475,057	2,962,745	-	37,437,802
Improvements	34,311,754	2,642,567	-	36,954,321
Infrastructure	101,300,080	6,562,954	-	107,863,034
Equipment	39,009,289	3,723,716	1,570,184	41,162,821
Total Accumulated Depreciation	<u>209,096,180</u>	<u>15,891,982</u>	<u>1,570,184</u>	<u>223,417,978</u>
Other Capital Assets, Net	<u>235,302,789</u>	<u>(11,383,895)</u>	<u>465,583</u>	<u>223,453,311</u>
Total Capital Assets, Governmental Activities	<u>\$ 300,753,268</u>	<u>\$ (7,338,513)</u>	<u>\$ 2,332,941</u>	<u>\$ 291,081,814</u>

Government activities capital assets net of accumulated depreciation at June 30, 2015, include:

General Capital Assets, Net	\$ 283,719,067
Internal Service Fund Capital Assets, Net	<u>7,362,747</u>
Total	<u>\$ 291,081,814</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,388,667
Public Safety	3,617,381
Parks, Recreation, and Culture	2,206,841
Environmental Health and Protection	106,937
Community Design and Development	176,654
Streets	6,602,350
Assets held by Internal Service Funds are charged based on usage of assets	<u>1,793,152</u>
Total	<u>\$ 15,891,982</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

Business-type activities:

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Capital Assets Not Being Depreciated:				
Land	\$ 10,593,877	\$ -	\$ -	\$ 10,593,877
Construction in Progress	4,400,466	964,716	300,318	5,064,864
Total Capital Assets Not Being Depreciated	<u>14,994,343</u>	<u>964,716</u>	<u>300,318</u>	<u>15,658,741</u>
Other Capital Assets:				
Buildings	164,648,404	-	-	164,648,404
Improvements	268,715,126	300,317	-	269,015,443
Equipment	12,918,401	355,495	91,032	13,182,864
Total Other Capital Assets	<u>446,281,931</u>	<u>655,812</u>	<u>91,032</u>	<u>446,846,711</u>
Less Accumulated Depreciation for:				
Buildings	14,827,000	3,301,158	-	18,128,158
Improvements	126,267,118	11,211,704	-	137,478,822
Equipment	10,016,552	897,415	84,794	10,829,173
Total Accumulated Depreciation	<u>151,110,670</u>	<u>15,410,277</u>	<u>84,794</u>	<u>166,436,153</u>
Other Capital Assets, Net	<u>295,171,261</u>	<u>(14,754,465)</u>	<u>6,238</u>	<u>280,410,558</u>
Total Capital Assets, Business-type activities	<u>\$310,165,604</u>	<u>\$ (13,789,749)</u>	<u>\$ 306,556</u>	<u>\$296,069,299</u>

Depreciation was charged to programs as follows:

Water	\$ 8,618,866
Wastewater	5,905,292
Solid Waste	32,017
Radio Communications	686,868
Golf courses	167,234
Total	<u>\$ 15,410,277</u>

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).

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

F. Noncurrent Liabilities

The following changes occurred in noncurrent liabilities during the fiscal year ended June 30, 2015:

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
Governmental activities:					
Yuma Municipal Property Corporation	\$ 104,980,000	\$ -	\$ 7,485,000	\$ 97,495,000	\$ 7,800,000
Improvement District #68	2,245,000	-	280,000	1,965,000	290,000
Unamortized Discount/Insurance Costs	(152,029)	-	(18,202)	(133,827)	-
Unamortized Premium	1,527,813	-	122,522	1,405,291	-
Pension	102,088,683	19,698,612	-	121,787,295	-
Compensated Absences	5,991,044	919,911	588,391	6,322,564	2,441,441
Total Governmental Activity					
Noncurrent Liabilities	<u>\$ 216,680,511</u>	<u>\$20,618,523</u>	<u>\$ 8,457,711</u>	<u>\$ 228,841,323</u>	<u>\$ 10,531,441</u>
Business-type activities:					
Yuma Municipal Property Corporation	\$ 106,755,000	\$ -	\$ 3,750,000	\$ 103,005,000	\$ 3,920,000
Unamortized Discount/Insurance Costs	(279,561)	-	(15,531)	(264,030)	-
Unamortized Premium	3,316,091	-	184,228	3,131,863	-
Contracts Payable	54,810,072	-	4,794,841	50,015,231	4,961,582
Pension	13,439,453	-	765,097	12,674,356	-
Compensated Absences	989,200	147,346	122,609	1,013,937	322,388
Total Business-type Activity					
Noncurrent Liabilities	<u>\$ 179,030,255</u>	<u>\$ 147,346</u>	<u>\$ 9,601,244</u>	<u>\$ 169,576,357</u>	<u>\$ 9,203,970</u>

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, 2015. 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,

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2015

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

For the year ended June 30, 2015, the pledged revenues described above amounted to \$71,862,963 for governmental activities and \$41,285,485 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, 2015, debt service for governmental activities totaled \$12,646,359 and for business-type activities \$15,726,680, or 18% and 38% of pledged revenues, respectively.

Summary of Bonded Debt

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding</u>	<u>Net Unamortized Premium/ (discount)</u>
Yuma Municipal Property Corporation Bonds:						
2003 - Series A Refunding	4.21%	2/18/2003	2015	\$ 14,640,000	\$ 1,560,000	\$ -
2003 - Series B Refunding	3.67%	2/18/2003	2015	2,905,000	295,000	-
2003 - Series B Addition	4.18%	2/18/2003	2022	9,000,000	4,595,000	-
2007 - Series B	4.50%	11/20/2007	2027	30,785,000	22,425,000	(133,827)
2007 - Series D	4.50%	11/20/2007	2027	61,100,000	44,530,000	1,080,420
2007 - Series Utilities	4.50%	11/20/2007	2032	127,925,000	103,005,000	2,867,833
2010 - Series B Refunding	4.23%	6/29/2010	2025	29,530,000	24,090,000	324,871
Total MPC Bonds				275,885,000	200,500,000	4,139,297
Total Bonds Authorized and Issued				\$ 275,885,000	\$ 200,500,000	\$ 4,139,297

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

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, 2015, follows:

	Water, Etc. (20%)	All Other (6%)
Secondary Assessed Valuation	\$615,552,203	
Legal Limit	\$ 123,110,441	\$ 36,933,132
Outstanding G.O. Debt	-	-
Available Debt Margin	\$ 123,110,441	\$ 36,933,132

Annual Debt Service Requirements to Maturity

BONDS AND IMPROVEMENT DISTRICTS

	Principal	Interest	Total	Principal	Interest	Total
July 1						
	Improvement District No. 68 Bonds			MPC Bonds 2003 Series		
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
	\$ 1,965,000	\$ 335,580	\$ 2,300,580	\$ 4,595,000	\$ 967,511	\$ 5,562,511
	MPC Bonds 2003 Refunding 1995A			MPC Bonds 2003 Refunding 1995B		
2015	1,560,000	62,400	1,622,400	295,000	14,750	309,750
	\$ 1,560,000	\$ 62,400	\$ 1,622,400	\$ 295,000	\$ 14,750	\$ 309,750
	MPC Bonds 2007 Series Utility			MPC Bonds 2007 Series B		
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	-	-	-
	\$ 103,005,000	\$ 54,011,153	\$ 157,016,153	\$ 22,425,000	\$ 7,479,452	\$ 29,904,452

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

BONDS AND IMPROVEMENT DISTRICTS

July 1	MPC Bonds 2007 Series D			MPC Bonds 2010 Refunding 2001		
	Principal	Interest	Total	Principal	Interest	Total
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>\$ 44,530,000</u>	<u>\$ 16,389,275</u>	<u>\$ 60,919,275</u>	<u>\$ 24,090,000</u>	<u>\$ 6,957,468</u>	<u>\$ 31,047,468</u>

CONTRACTS PAYABLE

July 1	WIFA Loan #920069-03			WIFA Loan #910043-03		
	Principal	Interest	Total	Principal	Interest	Total
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>\$ 4,971,201</u>	<u>\$ 768,800</u>	<u>\$ 5,740,001</u>	<u>\$ 22,752,439</u>	<u>\$ 3,518,681</u>	<u>\$ 26,271,119</u>

WIFA Loan #920088-04			
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>\$ 22,291,591</u>	<u>\$ 4,853,713</u>	<u>\$ 27,145,303</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

G. Pensions and Other Postemployment Benefits

The City has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which requires the following disclosures.

Plan Descriptions - The City contributes to four plans, three of which are described below. The Arizona Elected Officials Retirement Plan is not described because of its relative insignificance to the City's financial statements. The plans are component units of the State of Arizona.

At June 30, 2015, the City reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Net pension liabilities	\$ 121,787,295	\$ 12,674,356	\$134,461,651
Deferred outflows of resources	23,536,012	1,504,826	25,040,838
Deferred inflows of resources	9,814,810	2,235,124	12,049,934
Pension expense	14,172,470	825,878	14,998,348

Arizona State Retirement System

Plan Description – City employees not covered by the other pension plans described below or the Elected Official Retirement Plan participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its Web site at www.azasrs.gov.

Benefits Provided – The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

ASRS	Retirement	
	Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* any years age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2015, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.6 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 11.6 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. In addition, the City was required by statute to contribute at the actuarially determined rate of 9.57 percent (9.31 percent for retirement, 0.20 percent for health insurance premium benefit, and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the City in positions that would typically be filled by an employee who contributes to the ASRS. The City's contributions to the pension plan for the year ended June 30, 2015 were \$3,145,752. The City's contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

ASRS	Health Benefit Supplement Fund	Long-Term Disability Fund
Year ended June 30		
2015	\$ 168,848	\$ 34,420
2014	167,318	67,587
2013	179,356	66,840

During fiscal year 2015, the City paid for ASRS pension and OPEB contributions as follows: 55 percent from the General Fund, 26.49 percent from major funds, and 18.51 percent from other funds.

Pension Liability – At June 30, 2015, the City reported a liability of \$46,324,403 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014.

The City's reported liability at June 30, 2015, decreased by \$5,816,110 from the City's prior year liability of \$52,140,513 because of changes in the ASRS' net pension liability and the City's proportionate share of that liability. The ASRS' publicly available financial report provides details on the change in the net pension liability.

The City's proportion of the net pension liability was based on \$14,796,602,153. The City's proportion measured as of June 30, 2014, was 0.313075 percent, which was a decrease of 0.000565 from its proportion measured as of June 30, 2013.

Pension Expense and Deferred Outflows/Inflows of Resources – For the year ended June 30, 2015, the City recognized pension expense for ASRS of \$3,018,560. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,354,342	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	8,100,708
Changes in proportion and differences between city contributions and proportionate share of contributions	-	68,606
City contributions subsequent to the measurement date	3,145,752	-
Total	<u>\$ 5,500,094</u>	<u>\$ 8,169,314</u>

The \$3,145,752 reported as deferred outflows of resources related to ASRS pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pension will be recognized in pension expense as follows:

Year ending June 30	
2016	\$ (1,031,379)
2017	(1,031,379)
2018	(1,727,038)
2019	(2,025,176)
2020	-
Thereafter	-

Actuarial Assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

ASRS	
Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3-6.75%
Inflation	3%
Permanent benefit increase	included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

ASRS	Target	Long-Term
Asset Class	Allocation	Expected Real Rate of Return
Equity	63%	7.03%
Fixed Income	25%	3.20%
Real estate	8%	4.75%
Commodities	4%	4.50%
Total	<u>100%</u>	

Discount Rate – The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the ASRS Net pension Liability to Changes in the Discount Rate – The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate.

ASRS	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City's proportionate share of the net pension liability	\$ 58,551,670	\$ 46,324,403	\$ 39,690,497

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in a separately issued ASRS financial report.

Public Safety Personnel Retirement System

Plan Description – City public safety personnel who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent plans). A seven-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The PSPRS issue publicly available financial reports that include their financial statements and required supplementary information. The reports are available on the PSPRS Web site at www.psprs.com.

Benefits Provided – The PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

PSPRS	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Retirement and Disability		
Years of service and age required to receive benefit	20 years any age 15 years age 62	25 years and age 52.5
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 months of last 20 years
Benefit percent		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years not to exceed 80%	2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor Benefit		
Retired Members	80% of retired member's pension benefit	
Active Members	80% of accidental disability retirement or 100% of average monthly compensation if death was the result of injuries received on the job	

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Employees Covered by Benefit Terms – At June 30, 2015, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Police	PSPRS Fire
Inactive employees or beneficiaries currently receiving benefits	102	72
Inactive employees entitled to but not yet receiving benefits	29	8
Active employees	168	105
Total	299	185

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

Contributions and Annual OPEB Cost – State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2015, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police	PSPRS Fire
Active members--Pension City	11.05%	11.05%
Pension	30.25%	36.85%
Health insurance premium benefit	1.32%	1.60%

For the agent plans, the City's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2015, were:

FY2015	PSPRS Police	PSPRS Fire
Pension Contributions made	\$ 3,301,671	\$ 2,608,314
Health Insurance Premium Benefit		
Annual OPEB cost	144,073	120,263
Contributions made	144,073	120,263

During fiscal year 2015, the City paid for PSPRS pension and OPEB contributions as follows: 97.32 percent from the General Fund, 2.68 percent from other funds.

Pension Liability (Asset) – At June 30, 2015, the City reported the following net pension liabilities:

	Net Pension Liability
PSPRS Police	\$ 47,423,155
PSPRS Fire	40,714,094

The net pension liabilities (and asset) were measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The total pension liabilities as of June 30, 2014, reflect the following changes of benefit terms and actuarial assumptions.

- In February 2014, the Arizona Supreme Court affirmed a Superior Court ruling that a 2011 law that changed the mechanism for funding permanent benefit increases was unconstitutional. As a result, CORP plans changed benefit terms to reflect the prior mechanism for funding permanent benefit increases and revised actuarial assumptions to explicitly value future permanent benefit increases.
- The wage growth actuarial assumption was decreased from 4.5 percent to 4.0 percent.

Pension Actuarial Assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

PSPRS - Pension

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Discount rate	7.85%
Projected salary increases	4.0%-8.0%
Inflation	4.0%
Permanent benefit increase	included
Mortality rates	RP-2000 mortality table (adjusted by 105% for both males and females)

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS	Target	Long-Term
Asset Class	Allocation	Expected Real
		Rate of Return
Short term investments	2%	3.25%
Absolute return	4%	6.75%
Risk parity	4%	6.04%
Fixed income	7%	4.75%
Real assets	8%	5.96%
GTAA	10%	5.73%
Private equity	11%	9.50%
Real estate	11%	6.50%
Credit opportunities	13%	8.00%
Non-U.S. equity	14%	8.63%
U.S. equity	16%	7.60%
Total	<u>100%</u>	

Pension Discount Rates – The following discount rates were used to measure the total pension liabilities:

	PSPRS	PSPRS
	Police	Fire
Discount rates	7.85%	7.85%

The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

Changes in the Net Pension Liability (Asset)

PSPRS Yuma Police Department

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2014	\$ 74,136,630	\$ 37,032,908	\$ 37,103,722
Changes for the year:			
Service cost	2,043,247	-	2,043,247
Interest on the total pension liability	5,718,621	-	5,718,621
Changes of benefit terms	2,022,309	-	2,022,309
Differences between expected and actual experience in the measurement of the pension liability	(53,936)	-	(53,936)
Changes of assumptions or other inputs	9,770,998	-	9,770,998
Contributions-employer	-	3,099,353	(3,099,353)
Contributions-employee	-	1,103,885	(1,103,885)
Net investment income	-	5,100,174	(5,100,174)
Benefit payments, including refunds of employee contributions	(4,619,148)	(4,619,148)	-
Administrative expense	-	(41,075)	41,075
Other changes	-	(80,531)	80,531
Net changes	<u>14,882,091</u>	<u>4,562,658</u>	<u>10,319,433</u>
Balances at June 30, 2015	<u>\$ 89,018,721</u>	<u>\$ 41,595,566</u>	<u>\$ 47,423,155</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

PSPRS Yuma Fire Department	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
		\$ 60,655,630	\$ 25,649,572
Balances at June 30, 2014			
Changes for the year:			
Service cost	1,511,371	-	1,511,371
Interest on the total pension liability	4,671,699	-	4,671,699
Changes of benefit terms	1,370,597	-	1,370,597
Differences between expected and actual experience in the measurement of the pension liability	(1,120,811)	-	(1,120,811)
Changes of assumptions or other inputs	6,122,119	-	6,122,119
Contributions-employer	-	2,603,104	(2,603,104)
Contributions-employee	-	754,968	(754,968)
Net investment income	-	3,516,237	(3,516,237)
Benefit payments, including refunds of employee contributions	(3,798,443)	(3,798,443)	-
Administrative expense	-	(28,319)	28,319
Other changes	-	949	(949)
Net changes	8,756,532	3,048,496	5,708,036
Balances at June 30, 2015	\$ 69,412,162	\$ 28,698,068	\$ 40,714,094

Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate-The following table presents the City's net pension liabilities calculated using the discount rates noted above, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
PSPRS Police			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$ 58,172,057	\$ 47,423,155	\$ 38,470,480
PSPRS Fire			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$ 48,601,975	\$ 40,714,094	\$ 34,085,924

Pension Plan Fiduciary Net Position-Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS financial report.

Pension Expense-For the year ended June 30, 2015, the City recognized the following pension expense:

	Pension Expense
PSPRS Police	\$ 6,781,752
PSPRS Fire	5,198,036

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

Pension Deferred Outflows/Inflows of Resources-At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 46,282
Changes of assumptions or other inputs	8,384,392	-
Net difference between projected and actual earnings on pension plan investments	-	1,701,076
City contributions subsequent to the measurement date	3,301,671	-
Total	<u>\$ 11,686,063</u>	<u>\$ 1,747,358</u>

PSPRS Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 960,482
Changes of assumptions or other inputs	5,246,367	-
Net difference between projected and actual earnings on pension plan investments	-	1,172,781
City contributions subsequent to the measurement date	2,608,314	-
Total	<u>\$ 7,854,681</u>	<u>\$ 2,133,263</u>

The amounts reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (or an increase in the net pension asset) in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Deferred outflow/inflow
amortization**

	PSPRS Police	PSPRS Fire
Year ending June 30		
2016	\$ 953,683	\$ 422,228
2017	953,683	422,228
2018	953,683	422,228
2019	953,683	422,228
2020	1,378,952	715,423
Thereafter	1,443,350	708,768

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

Agent Plan OPEB Trend Information-The table below presents the annual OPEB cost information for the health insurance premium benefit for the current and two preceding years:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS Police			
2015	\$ 144,073	100.00%	\$ -
2014	139,330	100.00%	-
2013	134,951	100.00%	-
PSPRS Fire			
2015	120,263	100.00%	-
2014	114,522	100.00%	-
2013	126,911	100.00%	-

Agent Plan OPEB Actuarial Assumptions-Actuarial valuations involve estimates of the reported amounts value and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on (1) the plans as understood by the City and plans' members and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the City and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all PSPRS plans and related benefits (unless noted), and the actuarial methods and assumptions used to establish the fiscal year 2015 contribution requirements are as follows:

PSPRS - OPEB Contribution Requirements

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level of percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.5%-8.5%
Wage growth	4.5%

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

The funded status of the PSPRS health insurance premium benefit plans in the June 30, 2014, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement.

PSPRS - OPEB Funded Status

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level of percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4%-8%
Wage growth	4%

Agent Plan OPEB Funded Status—The following table presents the funded status of the health insurance premium benefit plans as of the most recent valuation date, June 30, 2014.

	PSPRS Police	PSPRS Fire
Actuarial value of assets (a)	\$ 2,614,548	\$ 1,617,986
Actuarial accrued liability (b)	1,692,255	1,684,184
Unfunded actuarial accrued liability (funding excess) (b) - (a)	(922,293)	66,198
Funded ratio (a)/(b)	154.50%	96.07%
Annual covered payroll (c)	\$ 10,206,675	\$ 7,145,551
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (b) - (a) / (c)	-9.04%	0.93%

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

H. Interfund Transfers

<i>Transfers Out</i>			<i>Transfers In</i>		
Governmental funds - major funds:					
General Fund	Radio Comm	\$ 288,215	General Fund	Two Percent Tax	\$ 125,780
	Mall Maintenance	105,408		Grants	218,149
	Debt Service	4,273,385		Equipment Replacement	81,343
City Road Tax	Debt Service	4,806,434	City Road Tax	LTAf	144
			Debt Service	General Fund	4,273,385
				HURF	103,067
				Public Safety Tax	2,974,574
				Water	63,373
				Wastewater	24,456
				Solid Waste	21,321
				City Road Tax	4,806,434
Nonmajor funds:					
Public Safety Tax	Debt Service	2,974,574	Mall Maintenance	General Fund	105,408
Two Percent	General Fund	125,780	Capital Improvement	Insurance Reserve	49,308
	Desert Hills Golf Course	700,000		Equipment Replacement	1,569,281
HURF	Debt Service	103,067			
LTAf	City Road Tax	144			
Grants	General Fund	218,149			
	Total Governmental Activities	13,595,156		Total Governmental Activities	14,416,023
Enterprise funds:					
Solid Waste	Debt Service	21,321	Radio Comm	General Fund	288,215
Water	Debt Service	63,373	Desert Hills Golf Course	Two Percent Tax	700,000
Wastewater	Debt Service	24,456		Equipment Replacement	444,391
	Total Enterprise Funds	109,150		Total Enterprise Funds	1,432,606
Internal Service funds:					
Insurance Reserve	Capital Improvement	49,308			
Equipment Replacement	General Fund	81,343			
	Capital Improvement	1,569,281			
	Desert Hills Golf Course	444,391			
	Total Internal Service Funds Funds	2,144,323		Total Internal Service Funds Funds	-
	Total Transfers Out	\$ 15,848,629		Total Transfers In	\$ 15,848,629

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 (\$125,780 per a riverfront development agreement) and to the Desert Hills Golf Course Fund (\$700,000 for capital improvements). The \$144 transfer between LTAf and City Road Tax is to close out an inactive fund.

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 \$1,323,456 are for debt service (\$109,150), Radio Maintenance \$288,215, a CIP project funded by Two Percent Tax \$700,000, and a CIP project funded by Equipment Replacement funds that will be paid back in future years \$444,391.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

I. Interfund Receivables and Payables

Interfund balances at June 30, 2015, follow:

Interfund Payable	Interfund Receivable Major Funds
Nonmajor Governmental Funds:	General
Public Safety Tax Fund	\$ 82,402
Community Redevelopment Fund	78,032
Grants Fund	730,776
Yuma Mall Maintenance Fund	4,968
Internal Service Funds:	
Equipment Maintenance	1,048,676
Workers Compensation	175,700
Total Receivable	\$ 2,120,554

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, \$1,054,311, 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 \$210,000 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, 2015

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
2014-15	\$ 71,801	\$ 24,363	\$ 24,994	\$ 71,170	\$ 1,429,195	\$ 1,691,704	\$ 993,470	\$ 2,127,429
2013-14	65,546	342,233	335,978	71,801	969,373	1,048,478	588,656	1,429,195
2012-13	72,477	256,757	263,688	65,546	1,248,076	649,122	927,825	969,373

K. Construction Commitments

The City has active construction projects as of June 30, 2015. At year-end the government's commitments with contractors for specific projects are as follows:

Construction Commitments	Original Contract	Spent to Date	Remaining Commitment
Streets	\$ 492,372	\$ 89,252	\$ 403,121
Water System	738,432	-	738,432
	<u>\$ 1,230,805</u>	<u>\$ 89,251</u>	<u>\$ 1,141,553</u>

L. Change in Accounting Principle

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

	Governmental Activities	Business-type Activities	Major Enterprise Water Fund	Major Enterprise Wastewater Fund	Nonmajor Enterprise Funds
Net position as previously reported at June 30, 2014	\$ 260,406,806	\$ 215,343,823	\$ 100,881,391	\$ 108,913,389	\$ 6,430,409
Prior period adjustment-implementation of GASB 68:					
Net pension liability (measurement date as of June 30, 2013)	(109,984,648)	(14,265,642)	(6,741,768)	(4,802,141)	(2,721,733)
Deferred outflows-city contributions made during fiscal year 2014	<u>7,895,966</u>	<u>826,189</u>	<u>390,447</u>	<u>278,114</u>	<u>157,628</u>
Total prior period adjustment	(102,088,682)	(13,439,453)	(6,351,321)	(4,524,027)	(2,564,105)
Net position as restated, July 1, 2014	<u>\$ 158,318,124</u>	<u>\$ 201,904,370</u>	<u>\$ 94,530,070</u>	<u>\$ 104,389,362</u>	<u>\$ 3,866,304</u>

M. Deficits in Fund Equity

At June 30, 2015, 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 \$206,968 and \$1,269, respectively, at June 30, 2015. The City intends to adjust its internal charges in future fiscal years to eliminate these deficits.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

N. Subsequent Event

On October 6-7, 2015, the City issued Municipal Property Corporation Senior Lien Utility System Revenue Refunding Bonds, \$89,675,000; Senior Lien Road tax and Subordinate Lien Excise Tax Revenue Refunding Bonds, \$40,280,000; and Senior Lien Excise Tax Revenue and Revenue Refunding Bonds, \$48,105,000. The bonds refunded the 2007 Utility Series, the 2007 D Series (Road), the 2007 B Series and the 2003 B Series bonds. In addition to refunding earlier series bonds, the Senior Lien Excise Tax Revenue Bonds provided \$24,150,000 for two capital projects: the Pacific Avenue Athletic Facility and a new Fleet Services Maintenance Facility. The Utility, Senior Lien Road Tax, and Senior Lien Excise Tax Bonds have an average life of 9, 6 and 11 years and were sold at true interest costs of 2.87%, 2.38% and 3.21%, respectively.

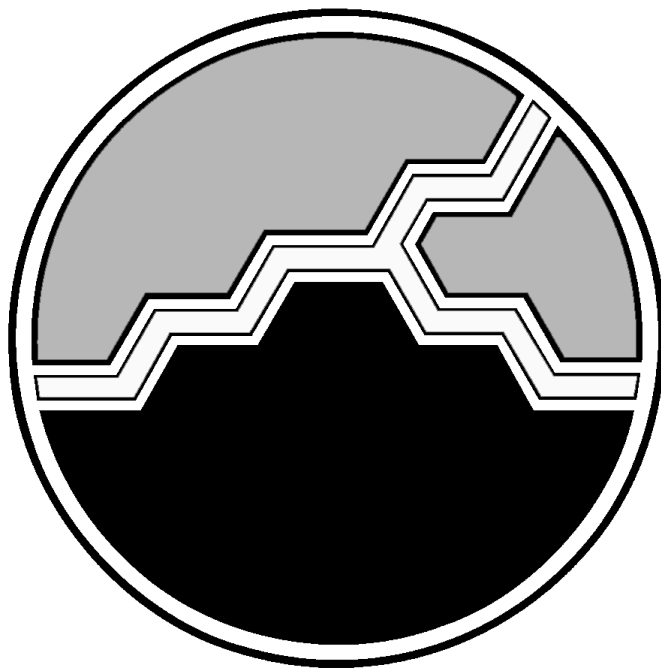
III. CONTINGENT LIABILITIES

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, 2015.

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**

City of Yuma, Arizona
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Pension Liability
 Cost-Sharing Pension Plans
 June 30, 2015

Arizona State Retirement System

	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
City's proportion of the net pension liability	0.313075%	Information
City's proportionate share of the net pension liability	\$ 46,324,403	not available
City's covered-employee payroll	\$ 27,663,180	
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	167.46%	
Plan fiduciary net position as a percentage of the total pension liability	69.49%	

City of Yuma, Arizona
 Required Supplementary Information
 Schedule of Changes in the City's
 Net Pension Liability and Related Ratios
 Agent Pension Plans
 June 30, 2015

PSPRS Police

	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
Total pension liability		Information
Service cost	\$ 2,043,247	not available
Interest on the total pension liability	5,718,621	
Changes of benefit terms	2,022,309	
Differences between expected and actual experience in the measurement of the pension liability	(53,936)	
Changes of assumptions or other inputs	9,770,998	
Benefit payments, including refunds of employee contributions	<u>(4,619,148)</u>	
Net change in total pension liability	14,882,091	
Total pension liability - beginning	<u>74,136,630</u>	
Total pension liability - ending (a)	<u><u>\$ 89,018,721</u></u>	
 Plan fiduciary net position		
Contributions - employer	\$ 3,099,353	
Contributions - employee	1,103,885	
Net investment income	5,100,174	
Benefity payments, including refunds of employee contributions	(4,619,148)	
Administrative expense	(41,075)	
Other changes	<u>(80,531)</u>	
Net change in plan fiduciary net position	4,562,658	
Plan fiduciary net position - beginning	<u>37,032,908</u>	
Plan fiduciary net position - ending (b)	<u><u>\$ 41,595,566</u></u>	
 City's net pension liability - ending (a) - (b)	\$ 47,423,155	

PSPRS Police

	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
Plan fiduciary net position as a percentage of the total pension liability	46.73%	Information not available
 Covered-employee payroll	\$ 10,206,685	
 City's net pension liability as a percentage of covered employee payroll	464.63%	

City of Yuma, Arizona
 Required Supplementary Information
 Schedule of Changes in the City's
 Net Pension Liability and Related Ratios
 Agent Pension Plans
 June 30, 2015

PSPRS Fire	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
Total pension liability		Information not available
Service cost	\$ 1,511,371	
Interest on the total pension liability	4,671,699	
Changes of benefit terms	1,370,597	
Differences between expected and actual experience in the measurement of the pension liability	(1,120,811)	
Changes of assumptions or other inputs	6,122,119	
Benefit payments, including refunds of employee contributions	(3,798,443)	
Net change in total pension liability	8,756,532	
Total pension liability - beginning	60,655,630	
Total pension liability - ending (a)	\$ 69,412,162	
 Plan fiduciary net position		
Contributions - employer	\$ 2,603,104	
Contributions - employee	754,968	
Net investment income	3,516,237	
Benefity payments, including refunds of employee contributions	(3,798,443)	
Administrative expense	(28,319)	
Other changes	949	
Net change in plan fiduciary net position	3,048,496	
Plan fiduciary net position - beginning	25,649,572	
Plan fiduciary net position - ending (b)	\$ 28,698,068	
 City's net pension liability - ending (a) - (b)	\$ 40,714,094	

PSPRS Fire	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
Plan fiduciary net position as a percentage of the total pension liability	41.34%	Information not available
 Covered-employee payroll	\$ 7,145,557	
 City's net pension liability as a percentage of covered employee payroll	569.78%	

City of Yuma, Arizona
 Required Supplementary Information
 Schedule of City Pension Contributions
 June 30, 2015

Arizona State Retirement System

	Reporting Fiscal Year		2013 through 2006
	2015	2014	
Statutorily required contribution	\$ 3,145,752	\$ 2,960,244	Information not available
City's contributions in relation to the statutorily required contribution	3,145,752	2,960,244	
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	
City's covered-employee payroll	\$ 28,442,751	\$ 27,663,180	
City's contributions as a percentage of covered-employee payroll	11.06%	10.70%	

PSPRS Police

	Reporting Fiscal Year		2013 through 2006
	2015	2014	
Statutorily required contribution	\$ 3,301,671	\$ 3,099,836	Information not available
City's contributions in relation to the statutorily required contribution	3,301,671	3,099,836	
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	
City's covered-employee payroll	\$ 10,916,220	\$ 10,475,959	
City's contributions as a percentage of covered-employee payroll	30.25%	29.59%	

PSPRS Fire

	Reporting Fiscal Year		2013 through 2006
	2015	2014	
Statutorily required contribution	\$ 2,608,314	\$ 2,441,615	Information not available
City's contributions in relation to the statutorily required contribution	2,608,314	2,441,615	
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	
City's covered-employee payroll	\$ 7,516,425	\$ 7,294,375	
City's contributions as a percentage of covered-employee payroll	34.70%	33.47%	

City of Yuma, Arizona
 Required Supplementary Information
 Schedule of Agent OPEB Plans' Funding Progress
 June 30, 2015

Health Insurance Premium Benefit

Actuarial Valuation Date	Actuarial value of assets (a)	Actuarial accrued liability (b)	Unfunded actuarial accrued liability (UAAL) (funding excess) (b) - (a)	Funded ratio (a)/(b)	Annual covered payroll (c)	UAAL (funding excess) as a percentage of covered payroll ((b) - (a)/c)
PSPRS Police						
6/30/2014	\$2,614,548	\$1,692,255	\$(922,293)	154.50%	\$10,206,675	0.00%
6/30/2013	-	1,593,473	1,593,473	0.00%	10,013,175	15.91%
6/30/2012	-	1,585,146	1,585,146	0.00%	9,175,414	17.28%
PSPRS Fire						
6/30/2014	1,617,986	1,684,184	66,198	96.07%	7,145,551	0.93%
6/30/2013	-	1,634,614	1,634,614	0.00%	7,295,392	22.41%
6/30/2012	-	1,543,381	1,543,381	0.00%	6,560,746	23.52%

City of Yuma, Arizona
 Budgetary Comparison Schedule
 General Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 17,074,731	\$ 17,074,731	\$ 17,909,763	\$ 835,032
Resources (inflows):				
Taxes:				
Property Tax - Primary	9,612,828	9,612,828	9,307,197	(305,631)
Property Tax - Delinquent	250,000	250,000	201,717	(48,283)
City Sales Tax	20,219,000	20,219,000	19,536,924	(682,076)
Public Enterprise In-Lieu	242,000	242,000	242,000	-
Franchise Tax	3,070,200	3,070,200	3,095,540	25,340
Total Taxes	<u>33,394,028</u>	<u>33,394,028</u>	<u>32,383,378</u>	<u>(1,010,650)</u>
Licenses:				
Business Licenses	290,000	290,000	250,957	(39,043)
Liquor Licenses	31,750	31,750	33,310	1,560
Building Permits	1,214,000	1,214,000	1,460,613	246,613
Alcohol Permits	10,000	10,000	9,056	(944)
Animal Licenses	120,000	120,000	103,710	(16,290)
Total Licenses	<u>1,665,750</u>	<u>1,665,750</u>	<u>1,857,646</u>	<u>191,896</u>
Intergovernmental:				
Sales Tax - State	8,191,891	8,191,891	8,285,303	93,412
State Revenue Sharing	10,974,310	10,974,310	10,974,954	644
Auto Lieu Tax	3,429,614	3,429,614	3,271,810	(157,804)
Other Governmental Charges	-	-	44,062	44,062
Total Intergovernmental	<u>22,595,815</u>	<u>22,595,815</u>	<u>22,576,129</u>	<u>(19,686)</u>
Charges for Services:				
Building Inspection Fees	425,050	425,050	368,472	(56,578)
Developer Charges	-	-	5,138	5,138
Recreation Fees	471,400	471,400	544,212	72,812
Police Services	510,000	510,000	839,760	329,760
Fire Ambulance Services	2,999,000	2,999,000	3,443,761	444,761
Other Charges	40,500	40,500	42,399	1,899
Total Charges for Services	<u>4,445,950</u>	<u>4,445,950</u>	<u>5,243,742</u>	<u>797,792</u>
Fines and Forfeitures:				
City Court Fines	1,247,000	1,247,000	1,161,809	(85,191)
Total Fines and Forfeitures	<u>1,247,000</u>	<u>1,247,000</u>	<u>1,161,809</u>	<u>(85,191)</u>
Use of Money and Property:				
Interest	50,000	50,000	47,095	(2,905)
Rental Receipts	145,830	145,830	185,469	39,639
Total Use of Money and Property	<u>195,830</u>	<u>195,830</u>	<u>232,564</u>	<u>36,734</u>
Miscellaneous				
Sales of Surplus Property	-	-	3,786	3,786
Other	171,000	171,000	219,163	48,163
Total Miscellaneous	<u>171,000</u>	<u>171,000</u>	<u>222,949</u>	<u>51,949</u>
Total Revenues	<u>63,715,373</u>	<u>63,715,373</u>	<u>63,678,217</u>	<u>(37,156)</u>
Transfers In	125,780	125,780	425,272	299,492
Amounts Available for Appropriation	<u>80,915,884</u>	<u>80,915,884</u>	<u>82,013,252</u>	<u>1,097,368</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, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (outflows):				
General Government:				
Mayor and Council	222,531	225,179	202,756	22,423
Elections	120,000	120,000	69,456	50,544
City Administrator	574,382	591,557	710,330	(118,773)
Strategic Communications	535,197	545,697	544,674	1,023
Neighborhood Services	125,780	125,780	125,780	-
Economic Development	309,869	309,869	329,174	(19,305)
Facilities Maintenance	967,993	1,059,119	1,033,244	25,875
General Government	4,955,319	3,245,346	565,461	2,679,885
City Clerk	272,876	285,824	276,569	9,255
City Attorney	1,118,959	1,132,133	1,142,655	(10,522)
City Prosecutor	308,351	342,863	285,156	57,707
Finance-Administration	307,395	315,207	305,905	9,302
Accounting	991,831	1,006,102	936,012	70,090
Customer Services	101,346	103,158	97,026	6,132
Information Technology Services	2,575,843	2,647,224	2,596,450	50,774
Purchasing	430,176	446,442	420,761	25,681
Human Resources	984,734	1,014,379	1,015,760	(1,381)
Intragovernmental Charges	(3,170,116)	(3,170,116)	(3,170,116)	-
Total General Government Operating Expenditures	11,732,467	10,345,764	7,487,053	2,858,711
Capital Outlay	20,000	37,633	75,111	(37,478)
Total General Government Expenditures	11,752,467	10,383,397	7,562,164	2,821,233
Public Safety:				
Police Administration - Field Operations	18,826,937	19,356,794	19,202,012	154,782
Police Animal Control	715,702	725,204	745,766	(20,562)
Police Support Services	2,017,359	2,106,059	2,030,321	75,738
Police Communication Center	2,063,084	2,163,094	2,169,418	(6,324)
Fire Administration	785,354	803,212	762,978	40,234
Fire Training	416,809	450,468	416,350	34,118
Fire Suppression	9,595,214	9,796,468	9,643,149	153,319
Fire Suppression - Ambulance	2,206,600	2,143,032	3,320,023	(1,176,991)
Community Risk Reduction	318,030	365,030	269,922	95,108
Facilities Maintenance	1,316,162	1,303,070	1,113,649	189,421
Fire Special Operations	54,080	43,958	11,767	32,191
Municipal Court	1,492,143	1,533,713	1,662,087	(128,374)
Total Public Safety Operating Expenditures	39,807,475	40,790,103	41,347,442	(557,339)
Capital Outlay	10,000	154,690	138,592	16,098
Total Public Safety Expenditures	39,817,475	40,944,793	41,486,034	(541,241)

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, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Parks, Recreation and Culture:				
Parks and Recreation Administration	524,923	547,387	585,129	(37,742)
Parks Maintenance	4,543,139	4,635,910	4,448,161	187,749
Parks Development	183,688	187,035	142,588	44,447
Recreation Administration	621,882	642,182	572,114	70,068
Senior Adult Activities	69,989	69,989	47,000	22,989
Adult Activities	231,927	231,927	201,736	30,191
Youth Activities	285,790	285,790	269,489	16,301
Aquatics	340,261	340,261	335,506	4,755
Yuma Readiness Center	82,371	86,890	77,937	8,953
Facilities Maintenance	1,311,991	1,280,741	1,185,966	94,775
Intragovernmental Charges	(190,963)	(190,963)	(190,963)	-
Total Parks, Recreation and Culture Operating Expenditures	8,004,997	8,117,148	7,674,663	442,485
Capital Outlay	-	18,420	-	18,420
Total Parks, Recreation and Culture Expenditures	8,004,997	8,135,568	7,674,663	460,905
Community Design and Development:				
Community Development Administration	444,215	449,606	445,617	3,989
Development Engineering	396,829	408,941	242,433	166,508
Planning and Building Safety	2,428,957	2,514,499	2,181,878	332,621
Neighborhood Services	281,036	287,127	261,286	25,841
Heritage Area Development	88,412	90,405	-	90,405
Total Community Design and Development Operating Expenditures	3,639,449	3,750,578	3,131,214	619,364
Total Community Design and Development Expenditures	3,639,449	3,750,578	3,131,214	619,364
Total Operating Expenditures	63,184,388	63,003,593	59,640,372	3,363,221
Capital Outlay	30,000	210,743	213,703	(2,960)
Total Expenditures	63,214,388	63,214,336	59,854,075	3,360,261
Transfers Out	4,369,885	4,369,885	4,667,008	(297,123)
Total Charges to Appropriations	67,584,273	67,584,221	64,521,083	3,063,138
Budgetary Fund Balance, June 30	\$ 13,331,611	\$ 13,331,663	\$ 17,492,169	\$ 4,160,506
				Concluded

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 City Road Tax Fund
 For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,102,836	\$ 7,102,836	\$ 7,810,204	\$ 707,368
Resources (inflows):				
Taxes				
Special Road Sales Tax	10,107,778	10,107,778	9,766,802	(340,976)
Use of Money and Property				
Rent	405,853	405,853	207,264	(198,589)
Interest	10,000	10,000	29,156	19,156
Charges For Services				
Developer Charges	-	-	1,259	1,259
Miscellaneous				
Other	2,000	2,000	180,377	178,377
Total Revenues	<u>10,525,631</u>	<u>10,525,631</u>	<u>10,184,858</u>	<u>(340,773)</u>
Transfers In	<u>-</u>	<u>-</u>	<u>144</u>	<u>144</u>
Amounts Available for Appropriation	<u>17,628,467</u>	<u>17,628,467</u>	<u>17,995,206</u>	<u>366,739</u>
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Traffic Signals, Signs, and Striping	717,515	756,236	697,350	58,886
Streets				
Engineering	1,680,198	1,692,698	1,207,349	485,349
Street Maintenance	665,496	612,198	1,109,818	(497,620)
Pathways and Trails	695,850	698,655	644,192	54,463
Right-Of-Way Management	212,621	215,272	182,142	33,130
Capital Outlay	67,000	63,621	52,902	10,719
Capital Projects				
Parks, Recreation and Culture	114,500	114,500	2,159	112,341
Streets	3,762,000	3,762,000	330,261	3,431,739
Environmental, Health and Safety	145,500	145,500	47,114	98,386
Total Expenditures	<u>8,060,680</u>	<u>8,060,680</u>	<u>4,273,287</u>	<u>3,787,393</u>
Transfers Out	<u>4,804,824</u>	<u>4,804,824</u>	<u>4,806,434</u>	<u>(1,610)</u>
Total Charges to Appropriations	<u>12,865,504</u>	<u>12,865,504</u>	<u>9,079,721</u>	<u>3,785,783</u>
Budgetary Fund Balance, June 30	<u>\$ 4,762,963</u>	<u>\$ 4,762,963</u>	<u>\$ 8,915,485</u>	<u>\$ 4,152,522</u>

See accompanying notes to this schedule

City of Yuma, Arizona
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

A. Pension Plan Schedule Note

1. Actuarially Determined Contribution Rates

Actuarial determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period as of the 2013 actuarial valuation	23 years for unfunded actuarial accrued liability, 20 years for excess (2012 actuarial used 24 years for unfunded actuarial accrued liability, 20 years for excess)
Asset valuation method	7-year smoothed market value, 80%/120% market
Actuarial assumptions:	
Investment rate of return	In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected salary increases	In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS
Wage growth	In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

B. Schedule of Agent OPEB Plans' Funding Progress Note

1. Factors That Affect the Identification of Trends

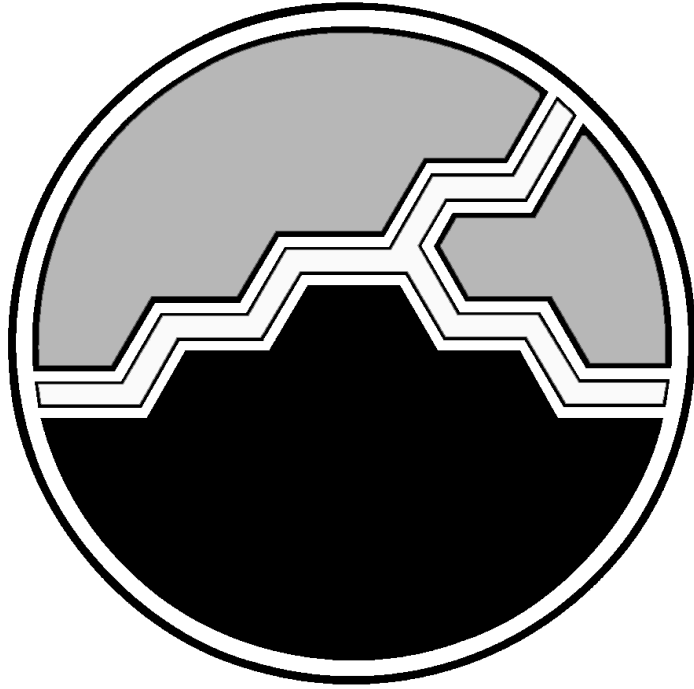
Beginning in fiscal year 2014, PSPRS established separate funds for pension benefits and health insurance premium benefits. Previously, the plans recorded both pension and health insurance premium contributions in the same Pension Fund. During fiscal year 2014, the plans transferred prior-year health insurance premium benefit contributions that exceeded benefit payments from each plan's Pension Fund to the new Health Insurance Fund.

C. Budgetary Reporting and Budgetary Basis of Accounting

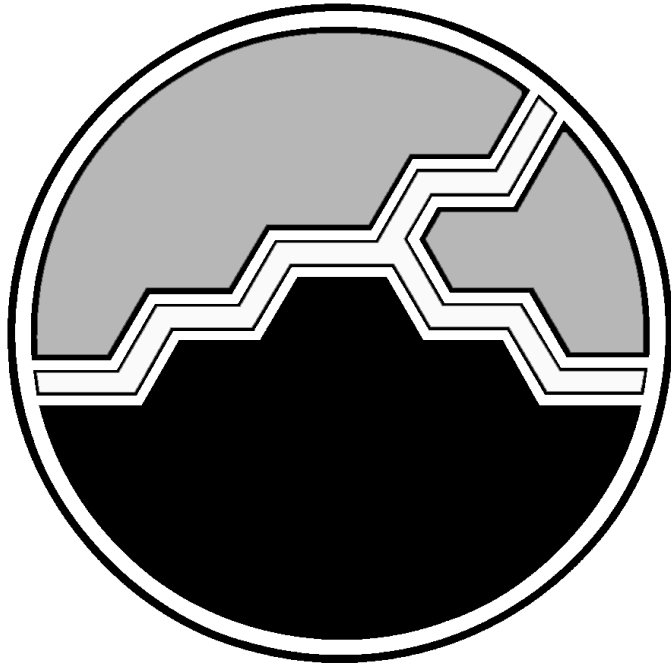
Budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP), with the exception of the Enterprise Funds and Internal Service Funds for which budgets are adopted. As such, reconciliations between budgetary schedules and financial statements are not necessary 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.

D. Excess of Expenditures Over Appropriations

The City's expenditures exceeded appropriations in two funds. The Debt Service Fund had expenditures exceed appropriations by \$7,781 due to Fiscal Agent fees not being budgeted. An increase in Workers Compensation claims caused expenditures to exceed appropriations by \$245,577 in the Workers Compensation Fund. 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, 2015

<u>Assets</u>	Special Revenue			
	Local Transportation Assistance	Public Safety Tax	Highway Users Revenue	Grants
Cash and Investments	\$ -	\$ -	\$ 2,172,729	\$ 306,346
Receivables (Net of Allowances for Uncollectibles):				
Accounts Receivable	-	-	7,629	188,630
Intergovernmental	-	188,482	631,921	620,862
Delinquent Property Taxes	-	-	-	-
Accrued Interest	-	716	823	117
Inventory, at cost	-	-	-	-
Prepaid Items	-	-	159	-
Total Assets	\$ -	\$ 189,198	\$ 2,813,261	\$ 1,115,955
 <u>Liabilities</u>				
Liabilities:				
Accounts Payable	\$ -	\$ 9,042	\$ 106,885	\$ 7,616
Accrued Payroll, Taxes and Benefits Payable	-	170	40,985	27,420
Due to Other Funds	-	82,402	-	730,776
Deposits	-	-	-	-
Unearned Revenues	-	94,418	-	350,143
Total Liabilities	-	186,032	147,870	1,115,955
 <u>Deferred Inflows of Resources</u>				
Unavailable Revenues	-	-	-	-
 <u>Fund Balances:</u>				
Nonspendable:				
Inventory	-	-	-	-
Prepaid Items	-	-	159	-
Spendable				
Restricted	-	3,166	2,665,232	-
Committed	-	-	-	-
Total Fund Balances	-	3,166	2,665,391	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ -	\$ 189,198	\$ 2,813,261	\$ 1,115,955

Special Revenue				Total
Community Redevelopment	Two Percent Tax	Yuma Mall Maintenance	Capital Projects	Nonmajor Governmental Funds
\$ -	\$ 4,376,654	\$ -	\$ 15,377,299	\$ 22,233,028
986,950	132,258	165	179,047	1,494,679
213,141	165,392	9,745	661,516	2,491,059
-	-	6,368	-	6,368
-	2,725	-	4,173	8,554
-	14,205	-	-	14,205
-	2,793	-	-	2,952
<u>\$ 1,200,091</u>	<u>\$ 4,694,027</u>	<u>\$ 16,278</u>	<u>\$ 16,222,035</u>	<u>\$ 26,250,845</u>
\$ 141,276	\$ 83,100	\$ 2,861	\$ 900,024	\$ 1,250,804
3,285	69,454	2,081	-	143,395
78,032	-	4,968	-	896,178
-	9,749	-	-	9,749
-	115,053	-	3,179,468	3,739,082
<u>222,593</u>	<u>277,356</u>	<u>9,910</u>	<u>4,079,492</u>	<u>6,039,208</u>
<u>977,498</u>	<u>-</u>	<u>6,368</u>	<u>-</u>	<u>983,866</u>
-	14,205	-	-	14,205
-	2,793	-	-	2,952
-	4,399,673	-	4,295,758	11,363,829
-	-	-	7,846,785	7,846,785
<u>-</u>	<u>4,416,671</u>	<u>-</u>	<u>12,142,543</u>	<u>19,227,771</u>
<u>\$ 1,200,091</u>	<u>\$ 4,694,027</u>	<u>\$ 16,278</u>	<u>\$ 16,222,035</u>	<u>\$ 26,250,845</u>

City of Yuma, Arizona
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue			
	Local Transportation Assistance	Public Safety Tax	Highway User Revenue	Grants
Revenues:				
Taxes	\$ -	\$ 3,905,392	\$ -	\$ -
Intergovernmental	-	-	6,908,773	2,524,476
Charges for Services	-	-	-	-
Use of Money and Property	-	33,489	4,446	1,677
Contributions/Donations	-	-	-	1,021,774
Miscellaneous	-	-	6,851	-
Total Revenues	<u>-</u>	<u>3,938,881</u>	<u>6,920,070</u>	<u>3,547,927</u>
Expenditures:				
Current:				
General Government	-	-	-	3,209
Public Safety	-	965,983	393,585	2,287,928
Streets	-	-	4,574,850	-
Parks, Recreation and Culture	-	-	-	64,023
Environmental Health and Protection	-	-	64,844	5,599
Community Design and Development	-	-	-	-
Capital Outlay	-	-	-	853,395
Capital Projects				
General Government	-	-	-	100,993
Public Safety	-	-	-	-
Streets	-	-	-	-
Parks, Recreation and Culture	-	-	-	14,631
Total Expenditures	<u>-</u>	<u>965,983</u>	<u>5,033,279</u>	<u>3,329,778</u>
Revenues Over/(Under) Expenditures	-	2,972,898	1,886,791	218,149
Other Financing Sources/(Uses):				
Transfers In	-	-	-	-
Transfers Out	(144)	(2,974,574)	(103,067)	(218,149)
Total Other Financing Sources/(Uses)	<u>(144)</u>	<u>(2,974,574)</u>	<u>(103,067)</u>	<u>(218,149)</u>
Net Changes in Fund Balances	(144)	(1,676)	1,783,724	-
Fund Balances, Beginning	<u>144</u>	<u>4,842</u>	<u>881,667</u>	<u>-</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ 3,166</u>	<u>\$ 2,665,391</u>	<u>\$ -</u>

Special Revenue				Total
Community Redevelopment	Two Percent Tax	Yuma Mall Maintenance	Capital Projects	Nonmajor Governmental Funds
\$ -	\$ 4,832,187	\$ 103,350	\$ -	\$ 8,840,929
941,585	-	-	-	10,374,834
-	503,489	-	1,097,504	1,600,993
-	11,666	-	23,783	75,061
-	-	-	-	1,021,774
3,980	32,809	1,980	105,788	151,408
<u>945,565</u>	<u>5,380,151</u>	<u>105,330</u>	<u>1,227,075</u>	<u>22,064,999</u>
-	75,578	-	-	78,787
-	-	-	-	3,647,496
-	-	-	-	4,574,850
-	4,378,336	-	-	4,442,359
-	-	-	-	70,443
945,565	-	210,737	-	1,156,302
-	-	-	-	853,395
-	146,714	-	372,105	619,812
-	-	-	696,443	696,443
-	-	-	1,250,202	1,250,202
-	325,055	-	1,095,926	1,435,612
<u>945,565</u>	<u>4,925,683</u>	<u>210,737</u>	<u>3,414,676</u>	<u>18,825,701</u>
-	454,468	(105,407)	(2,187,601)	3,239,298
-	-	105,407	1,618,589	1,723,996
-	(825,780)	-	-	(4,121,714)
-	(825,780)	105,407	1,618,589	(2,397,718)
-	(371,312)	-	(569,012)	841,580
-	4,787,983	-	12,711,555	18,386,191
<u>\$ -</u>	<u>\$ 4,416,671</u>	<u>\$ -</u>	<u>\$ 12,142,543</u>	<u>\$ 19,227,771</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,935	\$ 4,935	\$ 4,696	\$ (239)
Resources (inflows):				
Special Assessments:				
Principal Payments	290,000	290,000	280,000	(10,000)
Use of Money and Property:				
Interest	92,355	92,355	99,068	6,713
Total Revenues	<u>382,355</u>	<u>382,355</u>	<u>379,068</u>	<u>(3,287)</u>
Transfers In	<u>12,256,223</u>	<u>12,256,223</u>	<u>12,266,611</u>	<u>10,388</u>
Amounts Available for Appropriation	<u>12,643,513</u>	<u>12,643,513</u>	<u>12,650,375</u>	<u>6,862</u>
Charges to Appropriations (outflows):				
Debt Service:				
Bond Principal	8,090,000	8,090,000	8,080,000	10,000
Bond Interest	4,548,578	4,548,578	4,555,159	(6,581)
Fiscal Agent Fees	-	-	11,200	(11,200)
Total Expenditures	<u>12,638,578</u>	<u>12,638,578</u>	<u>12,646,359</u>	<u>(7,781)</u>
Total Charges to Appropriations	<u>12,638,578</u>	<u>12,638,578</u>	<u>12,646,359</u>	<u>(7,781)</u>
Budgetary Fund Balance, June 30	<u>\$ 4,935</u>	<u>\$ 4,935</u>	<u>\$ 4,016</u>	<u>\$ (919)</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Capital Projects Fund
 For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 12,087,812	\$ 12,087,812	\$ 12,711,555	\$ 623,743
Resources (inflows):				
Charges for Services				
Developer Charges	3,305,950	3,305,950	1,097,504	(2,208,446)
Use of Money and Property				
Interest	25,100	25,100	23,783	(1,317)
Miscellaneous	8,520,000	8,520,000	105,788	(8,414,212)
Total Revenues	<u>11,851,050</u>	<u>11,851,050</u>	<u>1,227,075</u>	<u>(10,623,975)</u>
Transfers In	-	-	1,618,589	1,618,589
Amounts Available for Appropriation	<u>23,938,862</u>	<u>23,938,862</u>	<u>15,557,219</u>	<u>(8,381,643)</u>
Charges to Appropriations (outflows):				
Capital Outlay:				
General Government	9,895,000	10,282,000	372,105	9,909,895
Public Safety	1,200,000	1,492,200	696,443	795,757
Streets	6,686,200	4,690,900	1,250,202	3,440,698
Parks, Recreation and Culture	1,760,000	3,076,100	1,095,926	1,980,174
Environmental Health and Safety	500,000	500,000	-	500,000
Total Expenditures	<u>20,041,200</u>	<u>20,041,200</u>	<u>3,414,676</u>	<u>16,626,524</u>
Total Charges to Appropriations	<u>20,041,200</u>	<u>20,041,200</u>	<u>3,414,676</u>	<u>16,626,524</u>
Budgetary Fund Balance, June 30	<u>\$ 3,897,662</u>	<u>\$ 3,897,662</u>	<u>\$ 12,142,543</u>	<u>\$ 8,244,881</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Local Transportation Assistance Special Revenue Fund
 For the Year Ended June 30, 2015

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

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Public Safety Tax Special Revenue Fund
 For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 50,425	\$ 50,425	\$ 4,842	\$ (45,583)
Resources (inflows):				
Taxes				
Public Safety Sales Tax	4,041,733	4,041,733	3,905,392	(136,341)
Use of Money and Property				
Rent	28,793	28,793	29,657	864
Interest	5,000	5,000	3,832	(1,168)
Miscellaneous				
Other	7,000	7,000	-	(7,000)
Total Revenues	<u>4,082,526</u>	<u>4,082,526</u>	<u>3,938,881</u>	<u>(143,645)</u>
Amounts Available for Appropriation	<u>4,132,951</u>	<u>4,132,951</u>	<u>3,943,723</u>	<u>(189,228)</u>
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Police Support Services	375,428	375,589	391,799	(16,210)
Fire Support Services	678,653	570,653	574,184	(3,531)
Facility Maintenance	106,500	106,500	-	106,500
General Government	161	108,000	-	108,000
Total Expenditures	<u>1,160,742</u>	<u>1,160,742</u>	<u>965,983</u>	<u>194,759</u>
Transfers Out	<u>2,970,312</u>	<u>2,970,312</u>	<u>2,974,574</u>	<u>(4,262)</u>
Total Charges to Appropriations	<u>4,131,054</u>	<u>4,131,054</u>	<u>3,940,557</u>	<u>190,497</u>
Budgetary Fund Balance, June 30	<u>\$ 1,897</u>	<u>\$ 1,897</u>	<u>\$ 3,166</u>	<u>\$ 1,269</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Highway User Revenue Fund
 For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (153,141)	\$ (153,141)	\$ 881,667	\$ 1,034,808
Resources (inflows):				
Intergovernmental				
State Gasoline Tax	6,291,329	6,291,329	6,908,773	617,444
Use of Money and Property				
Interest	1,000	1,000	4,446	3,446
Miscellaneous				
Other	10,000	10,000	6,851	(3,149)
Total Revenues	<u>6,302,329</u>	<u>6,302,329</u>	<u>6,920,070</u>	<u>617,741</u>
Amounts Available for Appropriation	<u>6,149,188</u>	<u>6,149,188</u>	<u>7,801,737</u>	<u>1,652,549</u>
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Traffic Signals, Signs, and Striping	337,856	395,643	393,585	2,058
Streets				
Street Maintenance	2,289,245	2,196,542	1,901,310	295,232
Street Lighting	837,789	838,971	908,431	(69,460)
Street Sweeping	407,585	412,647	403,872	8,775
Storm Drain Maintenance	376,994	379,324	195,686	183,638
Curbs, Gutters, and Sidewalks	380,866	388,924	309,504	79,420
Retention Basin Maintenance	1,059,100	1,074,128	856,047	218,081
Code Enforcement	114,334	117,590	64,844	52,746
Total Expenditures	<u>5,803,768</u>	<u>5,803,768</u>	<u>5,033,279</u>	<u>770,489</u>
Transfers Out	<u>102,868</u>	<u>102,868</u>	<u>103,067</u>	<u>(199)</u>
Total Charges to Appropriations	<u>5,906,636</u>	<u>5,906,636</u>	<u>5,136,346</u>	<u>770,290</u>
Budgetary Fund Balance, June 30	<u>\$ 242,552</u>	<u>\$ 242,552</u>	<u>\$ 2,665,391</u>	<u>\$ 2,422,839</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Grants Fund
 For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	1,138,605	2,368,036	2,316,978	(51,058)
State Government	442,966	614,206	191,411	(422,795)
County Government	-	14,507	16,087	1,580
Budget Authority Reserve	8,028,896	5,068,612	-	(5,068,612)
Use of Money and Property				
Interest	22,000	22,000	1,677	(20,323)
Contributions/Donations	282,685	1,827,791	1,021,774	(806,017)
Total Revenues	<u>9,915,152</u>	<u>9,915,152</u>	<u>3,547,927</u>	<u>(6,367,225)</u>
Amounts Available for Appropriation	<u>9,915,152</u>	<u>9,915,152</u>	<u>3,547,927</u>	<u>(6,367,225)</u>
Charges to Appropriations (outflows):				
Current:				
General Government	24,302	18,634	3,209	15,425
Public Safety	7,969,263	6,382,458	2,287,928	4,094,530
Parks, Recreation and Culture	56,337	295,795	64,023	231,772
Environmental Health and Protection	278,500	331,300	5,599	325,701
Capital Outlay	184,350	1,484,565	853,395	631,170
Capital Projects				
General Government	75,000	75,000	100,993	(25,993)
Streets	644,000	644,000	-	644,000
Parks, Recreation and Culture	683,400	683,400	14,631	668,769
Total Expenditures	<u>9,915,152</u>	<u>9,915,152</u>	<u>3,329,778</u>	<u>6,585,374</u>
Transfers Out	<u>-</u>	<u>-</u>	<u>218,149</u>	<u>(218,149)</u>
Total Charges to Appropriations	<u>9,915,152</u>	<u>9,915,152</u>	<u>3,547,927</u>	<u>6,367,225</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Community Redevelopment Fund
 For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	1,297,868	1,297,868	941,585	(356,283)
Miscellaneous				
Loan Repayments	-	-	2,723	2,723
Other	50,000	50,000	1,257	(48,743)
Total Revenues	<u>1,347,868</u>	<u>1,347,868</u>	<u>945,565</u>	<u>(402,303)</u>
Amounts Available for Appropriation	<u>1,347,868</u>	<u>1,347,868</u>	<u>945,565</u>	<u>(402,303)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development	1,347,868	1,347,868	945,565	402,303
Total Expenditures	<u>1,347,868</u>	<u>1,347,868</u>	<u>945,565</u>	<u>402,303</u>
Total Charges to Appropriations	<u>1,347,868</u>	<u>1,347,868</u>	<u>945,565</u>	<u>402,303</u>
Budgetary Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<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, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,869,563	\$ 4,869,563	\$ 4,787,983	\$ (81,580)
Resources (inflows):				
Taxes				
Two Percent Tax	4,926,875	4,926,875	4,832,187	(94,688)
Use of Money and Property				
Rents and Concessions	150,300	150,300	396,598	246,298
Recreation Fees	76,400	76,400	106,891	30,491
Interest	12,800	12,800	11,666	(1,134)
Miscellaneous				
Other	32,000	32,000	32,809	809
Total Revenues	<u>5,198,375</u>	<u>5,198,375</u>	<u>5,380,151</u>	<u>181,776</u>
Amounts Available for Appropriation	<u>10,067,938</u>	<u>10,067,938</u>	<u>10,168,134</u>	<u>100,196</u>
Charges to Appropriations (outflows):				
Current:				
Parks, Recreation and Culture				
Administration	201,001	203,148	204,311	(1,163)
Outside Agencies	840,000	840,000	840,000	-
Civic and Convention Center	937,138	1,066,559	914,886	151,673
Baseball Complex	474,777	484,238	476,839	7,399
Art Center	647,059	676,902	647,587	29,315
Heritage Events	129,502	129,502	84,991	44,511
Heritage Area Development	324,800	334,040	478,142	(144,102)
Facilities Maintenance	864,401	865,791	731,580	134,211
General Government	213,224	120,978	75,578	45,400
Capital Outlay	-	10,744	-	10,744
Capital Projects:				
General Government	815,000	815,864	146,714	669,150
Parks, Recreation and Culture	1,097,000	996,136	325,055	671,081
Streets	37,500	37,500	-	37,500
Total Expenditures	<u>6,581,402</u>	<u>6,581,402</u>	<u>4,925,683</u>	<u>1,655,719</u>
Transfers Out	<u>825,780</u>	<u>825,780</u>	<u>825,780</u>	<u>-</u>
Total Charges to Appropriations	<u>7,407,182</u>	<u>7,407,182</u>	<u>5,751,463</u>	<u>1,655,719</u>
Budgetary Fund Balance, June 30	<u>\$ 2,660,756</u>	<u>\$ 2,660,756</u>	<u>\$ 4,416,671</u>	<u>\$ 1,755,915</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Yuma Mall Maintenance Special Revenue Fund
 For the Year Ended June 30, 2015

	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	90,002	(9,998)
Property Tax - Delinquent	10,000	10,000	13,348	3,348
Miscellaneous				
Other	3,900	3,900	1,980	(1,920)
Total Revenues	<u>113,900</u>	<u>113,900</u>	<u>105,330</u>	<u>(8,570)</u>
Transfers In	<u>100,605</u>	<u>100,605</u>	<u>105,407</u>	<u>4,802</u>
Amounts Available for Appropriation	<u>214,505</u>	<u>214,505</u>	<u>210,737</u>	<u>(3,768)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development				
Mall Maintenance	214,505	214,505	210,737	3,768
Total Expenditures	<u>214,505</u>	<u>214,505</u>	<u>210,737</u>	<u>3,768</u>
Total Charges to Appropriations	<u>214,505</u>	<u>214,505</u>	<u>210,737</u>	<u>3,768</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, 2015

<u>Assets</u>	Enterprise Funds			Total Nonmajor Proprietary Funds
	Solid Waste	Radio Communication	Desert Hills Golf Course	
Current Assets:				
Cash and Investments	\$ 1,733,247	\$ 941,115	\$ 638,249	\$ 3,312,611
Receivables, Net of Allowance for Uncollectibles:				
Accounts Receivable	455,085	2,419	2,080	459,584
Intergovernmental	1,679	486,277	381	488,337
Accrued Interest	937	315	-	1,252
Inventory, at cost	-	88,477	67,950	156,427
Prepaid Expenses	410	10,570	99	11,079
Total Current Assets	<u>2,191,358</u>	<u>1,529,173</u>	<u>708,759</u>	<u>4,429,290</u>
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	7,779,836	325,598	8,435,159
Gross Capital Assets	380,463	7,779,836	6,718,818	14,879,117
Less Accumulated Depreciation	(316,431)	(6,213,660)	(5,026,644)	(11,556,735)
Capital Assets Net of Depreciation	64,032	1,566,176	1,692,174	3,322,382
Total Noncurrent Assets	<u>64,032</u>	<u>1,566,176</u>	<u>1,692,174</u>	<u>3,322,382</u>
Total Assets	<u>2,255,390</u>	<u>3,095,349</u>	<u>2,400,933</u>	<u>7,751,672</u>
<u>Deferred Outflows of Resources</u>				
Pension Contributions - Current Year	57,882	36,491	69,836	164,209
Other Pension Items	43,320	27,310	52,266	122,896
Total Deferred Outflows of Resources	<u>101,202</u>	<u>63,801</u>	<u>122,102</u>	<u>287,105</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts Payable	148,230	132,642	43,263	324,135
Accrued Payroll and Related Taxes	19,006	9,907	18,766	47,679
Current Portion-Accrued Compensated Absences	24,135	20,141	17,945	62,221
Unearned Revenue	-	15,379	83,730	99,109
Total Current Liabilities Payable from Current Assets	<u>191,371</u>	<u>178,069</u>	<u>163,704</u>	<u>533,144</u>
Noncurrent Liabilities:				
Pension Liability	852,369	537,363	1,028,401	2,418,133
Accrued Compensated Absences	66,783	35,656	46,901	149,340
Total Long-Term Liabilities	<u>919,152</u>	<u>573,019</u>	<u>1,075,302</u>	<u>2,567,473</u>
Total Liabilities	<u>1,110,523</u>	<u>751,088</u>	<u>1,239,006</u>	<u>3,100,617</u>
<u>Deferred Inflows of Resources</u>				
Pension Investments - Projection/Actual difference	149,053	93,968	179,836	422,857
Other Pension Items	1,262	796	1,523	3,581
Total Deferred Inflows of Resources	<u>150,315</u>	<u>94,764</u>	<u>181,359</u>	<u>426,438</u>
<u>Net Position</u>				
Net investment in capital assets	64,032	1,566,176	1,692,174	3,322,382
Unrestricted (deficit)	1,031,722	747,122	(589,504)	1,189,340
Total Net Position	<u>\$ 1,095,754</u>	<u>\$ 2,313,298</u>	<u>\$ 1,102,670</u>	<u>\$ 4,511,722</u>

City of Yuma, Arizona
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Proprietary Funds
For the Year Ended June 30, 2015

	Enterprise Funds			Total Nonmajor Proprietary Funds
	Solid Waste	Radio Communication	Desert Hills Golf Course	
Operating Revenues:				
Charges for Services	3,351,372	\$ 1,738,996	-	5,090,368
Green Fees	-	-	1,047,940	1,047,940
Cart and Club Rental	-	-	270,335	270,335
Pro Shop Sales	-	-	234,828	234,828
Restaurant Sales	-	-	235,922	235,922
Total Operating Revenues	<u>3,351,372</u>	<u>1,738,996</u>	<u>1,789,025</u>	<u>6,879,393</u>
Operating Expenses:				
Operations and Maintenance	3,003,444	1,936,368	2,338,641	7,278,453
Depreciation and Amortization	32,016	686,869	167,234	886,119
Total Operating Expenses	<u>3,035,460</u>	<u>2,623,237</u>	<u>2,505,875</u>	<u>8,164,572</u>
Operating Income/(Loss)	<u>315,912</u>	<u>(884,241)</u>	<u>(716,850)</u>	<u>(1,285,179)</u>
Non-Operating Revenues/(Expenses):				
Interest	4,826	2,491	148	7,465
Federal Grants	-	356,647	-	356,647
Miscellaneous Revenues	21,997	6,381	5,257	33,635
Net Non-Operating Revenues	<u>26,823</u>	<u>365,519</u>	<u>5,405</u>	<u>397,747</u>
Income/(Loss) before Contributions and Transfers	342,735	(518,722)	(711,445)	(887,432)
Capital Contributions	-	121,567	-	121,567
Transfers In	-	288,215	1,144,391	1,432,606
Transfers Out	<u>(21,321)</u>	<u>-</u>	<u>-</u>	<u>(21,321)</u>
Change in Net Position	321,414	(108,940)	432,946	645,420
Net Position-beginning, as restated	<u>774,340</u>	<u>2,422,238</u>	<u>669,724</u>	<u>3,866,302</u>
Net Position-ending	<u>\$ 1,095,754</u>	<u>\$ 2,313,298</u>	<u>\$ 1,102,670</u>	<u>\$ 4,511,722</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2015

	Enterprise Funds			Total Nonmajor Proprietary Funds
	Solid Waste	Radio Communication	Desert Hills Golf Course	
Cash Flow from Operating Activities:				
Cash Received from Customers	\$ 3,412,388	\$ 2,028,474	\$ 1,803,311	\$ 7,244,173
Cash Paid to Employees	(778,830)	(434,461)	(1,003,132)	(2,216,423)
Cash Paid to Suppliers	(2,287,606)	(1,417,657)	(1,365,292)	(5,070,555)
Other Operating Activity Revenue	21,996	6,381	5,257	33,634
Net Cash Provided by/(used for) Operating Activities	<u>367,948</u>	<u>182,737</u>	<u>(559,856)</u>	<u>(9,171)</u>
Cash Flows from Noncapital Financing Activities:				
Cash Received from Other Funds	-	288,215	1,144,391	1,432,606
Cash Paid to Other Funds	(21,321)	-	-	(21,321)
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>(21,321)</u>	<u>288,215</u>	<u>1,144,391</u>	<u>1,411,285</u>
Cash Flow from Capital and Related Financing Activities:				
Contributions of Capital	-	121,567	-	121,567
Federal Grants	-	356,647	-	356,647
Acquisition and Construction of Assets	-	(133,094)	(5,432)	(138,526)
Net Cash Used for Capital and Related Financing Activities	<u>-</u>	<u>345,120</u>	<u>(5,432)</u>	<u>339,688</u>
Cash Flows from Investing Activities:				
Receipt of Interest	4,291	2,176	148	6,615
Net Cash Provided by Investing Activities	<u>4,291</u>	<u>2,176</u>	<u>148</u>	<u>6,615</u>
 Net Increase/(Decrease) in Cash and Cash Equivalents	 350,918	 818,248	 579,251	 1,748,417
Cash and Cash Equivalents, July 1	<u>1,382,329</u>	<u>122,867</u>	<u>58,998</u>	<u>1,564,194</u>
Cash and Cash Equivalents, June 30	<u>\$ 1,733,247</u>	<u>\$ 941,115</u>	<u>\$ 638,249</u>	<u>\$ 3,312,611</u>
 Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(used for) Operating Activities:				
Operating Income/(Loss)	\$ 315,912	\$ (884,241)	\$ (716,850)	\$ (1,285,179)
Adjustments to Reconcile Operating Income/(Loss)				
Depreciation and Amortization Expense	32,016	686,869	167,234	886,119
(Increase)/Decrease in Accounts Receivables	61,016	282,404	14,079	357,499
(Increase)/Decrease in Inventories	-	9,525	(3,958)	5,567
(Increase)/Decrease in Prepaid Items	(410)	19,963	(99)	19,454
Increase/(Decrease) in Accounts Payable	(64,671)	43,934	9,188	(11,549)
Increase/(Decrease) in Accrued Wages and Taxes Payable	4,429	12,304	(32,090)	(15,357)
Increase/(Decrease) in Due from Other Gov't Units	-	-	57	57
Increase/(Decrease) in Unearned Revenue	-	7,074	149	7,223
Increase/(Decrease) in Pension Exp/Def Outflows/Inflows	(2,340)	(1,476)	(2,824)	(6,640)
Other Operating Activity Revenue	21,996	6,381	5,257	33,634
Total Adjustments	<u>52,036</u>	<u>1,066,978</u>	<u>156,994</u>	<u>1,276,008</u>
Net Cash Provided by/(used for) Operating Activities	<u>\$ 367,948</u>	<u>\$ 182,737</u>	<u>\$ (559,856)</u>	<u>\$ (9,171)</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Water Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Inside City	\$ 18,495,585	\$ 18,495,585	\$ 18,264,533	\$ (231,052)
Outside City	2,191,745	2,191,745	2,135,517	(56,228)
Commercial Raw Water	160,000	160,000	132,253	(27,747)
Meters, Connections and Services	276,704	276,704	780,910	504,206
Capital Contributions:				
System Development	100,000	100,000	167,902	67,902
Capacity Rights	1,700,000	1,700,000	1,808,894	108,894
Intergovernmental:				
Federal Government	500,000	500,000	79,178	(420,822)
Interest	18,500	18,500	65,164	46,664
Miscellaneous	92,600	92,600	66,648	(25,952)
Total Revenues	<u>23,535,134</u>	<u>23,535,134</u>	<u>23,500,999</u>	<u>(34,135)</u>
Amounts Available for Appropriation	<u>23,535,134</u>	<u>23,535,134</u>	<u>23,500,999</u>	<u>(34,135)</u>
Charges to Appropriations (outflows):				
Current:				
Administration	2,342,551	2,500,944	2,691,106	(190,162)
Treatment	6,780,700	6,551,745	5,668,884	882,861
Water Transmission	1,651,148	1,668,551	1,624,658	43,893
Customer Services	1,258,144	1,285,688	1,306,959	(21,271)
Water Transfer	66,370	66,370	18,391	47,979
Laboratory	287,062	300,238	233,232	67,006
Facilities Maintenance	173,277	175,498	129,464	46,034
Environmental Health and Protection	500,000	500,000	79,178	420,822
Infrastructure Maintenance	-	-	85,208	(85,208)
Capital Outlay:				
Capital Outlay	40,500	50,718	8,779	41,939
Capital Projects	1,942,500	1,942,500	253,123	1,689,377
Debt Service:				
Principal Retirement	5,509,651	5,509,651	5,449,425	60,226
Interest and Fiscal Agent Fees	4,887,394	4,887,394	4,920,883	(33,489)
Total Expenditures	<u>25,439,298</u>	<u>25,439,298</u>	<u>22,469,290</u>	<u>2,970,008</u>
Transfers Out	<u>63,251</u>	<u>63,251</u>	<u>63,373</u>	<u>(122)</u>
Total Charges to Appropriations	<u>25,502,549</u>	<u>25,502,549</u>	<u>22,532,663</u>	<u>2,969,886</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (1,967,415)</u>	<u>\$ (1,967,415)</u>	<u>968,336</u>	<u>\$ 2,935,751</u>
Reconciliation to Change in Net Position:				
Capital Outlay			8,779	
Capital Projects			253,123	
Principal Retirement			5,449,425	
Amortization of Debt Insurance Premium Costs			141,855	
Amortization of Bond Premium			(11,959)	
Pension Contributions in excess of Expense			16,446	
Depreciation and Amortization			(8,618,866)	
Change in Net Position			<u>\$ (1,792,861)</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, 2015

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Inside City	\$ 11,492,900	\$ 11,492,900	\$ 11,755,306	\$ 262,406
Outside City	910,000	910,000	960,358	50,358
Contractual/Industrial Services	1,744,000	1,744,000	1,684,337	(59,663)
Meters, Connections and Services	19,000	19,000	30,158	11,158
Capital Contributions:				
Capacity Rights	2,250,000	2,250,000	2,971,288	721,288
Wastewater Interceptor	150,000	150,000	212,999	62,999
Wastewater Trunk Line Charges	15,000	15,000	15,320	320
Intergovernmental:				
State Government	-	-	14,130	14,130
Interest	33,000	33,000	92,583	59,583
Miscellaneous	22,405	22,405	48,006	25,601
Total Revenues	<u>16,636,305</u>	<u>16,636,305</u>	<u>17,784,485</u>	<u>1,148,180</u>
Amounts Available for Appropriation	<u>16,636,305</u>	<u>16,636,305</u>	<u>17,784,485</u>	<u>1,148,180</u>
Charges to Appropriations (outflows):				
Current:				
Administration	1,307,236	1,323,329	1,503,575	(180,246)
Treatment	6,814,504	6,731,124	5,983,549	747,575
Pretreatment	454,873	465,174	434,200	30,974
Collection	1,174,368	1,201,296	1,148,124	53,172
Laboratory	269,653	280,890	184,599	96,291
Facilities Maintenance	173,276	175,497	131,642	43,855
Capital Outlay:				
Capital Outlay	235,000	251,600	191,870	59,730
Capital Projects	6,944,600	6,944,600	711,589	6,233,011
Debt Service:				
Principal Retirement	3,455,403	3,455,403	3,432,157	23,246
Interest and Fiscal Agent Fees	1,924,997	1,924,997	1,924,215	782
Total Expenditures	<u>22,753,909</u>	<u>22,753,909</u>	<u>15,645,520</u>	<u>7,108,389</u>
Transfers Out	24,408	24,408	24,456	(48)
Total Charges to Appropriations	<u>22,778,317</u>	<u>22,778,317</u>	<u>15,669,976</u>	<u>7,108,341</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (6,142,012)</u>	<u>\$ (6,142,012)</u>	<u>2,114,509</u>	<u>\$ 8,256,521</u>
Reconciliation to Change in Net Position:				
Capital Outlay			191,870	
Capital Projects			711,589	
Principal Retirement			3,432,157	
Amortization of Debt Insurance Premium Costs			38,800	
Pension Contributions in excess of Expense			11,715	
Loss on Disposal of Assets			(6,240)	
Depreciation and Amortization			(5,888,973)	
Change in Net Position			<u>\$ 605,427</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, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Charges for Service				
Collection Fees	\$ 3,164,000	\$ 3,164,000	\$ 3,351,372	\$ 187,372
Interest	2,500	2,500	4,826	2,326
Miscellaneous				
Other	23,000	23,000	21,997	(1,003)
Total Revenues	<u>3,189,500</u>	<u>3,189,500</u>	<u>3,378,195</u>	<u>188,695</u>
Amounts Available for Appropriation	<u>3,189,500</u>	<u>3,189,500</u>	<u>3,378,195</u>	<u>188,695</u>
Charges to Appropriations (outflows):				
Current:				
Environmental Health and Protection				
Residential Services	2,711,977	2,702,835	2,636,602	66,233
Uncontained Waste	351,969	360,942	306,327	54,615
Recycling	126,105	126,274	62,855	63,419
Total Expenditures	<u>3,190,051</u>	<u>3,190,051</u>	<u>3,005,784</u>	<u>184,267</u>
Transfers Out	21,280	21,280	21,321	(41)
Total Charges to Appropriations	<u>3,211,331</u>	<u>3,211,331</u>	<u>3,027,105</u>	<u>184,226</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (21,831)</u>	<u>\$ (21,831)</u>	351,090	<u>\$ 372,921</u>
Reconciliation to Change in Net Position:				
Pension Contributions in excess of Expense			2,340	
Depreciation and Amortization			<u>(32,016)</u>	
Change in Net Position			<u>\$ 321,414</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.

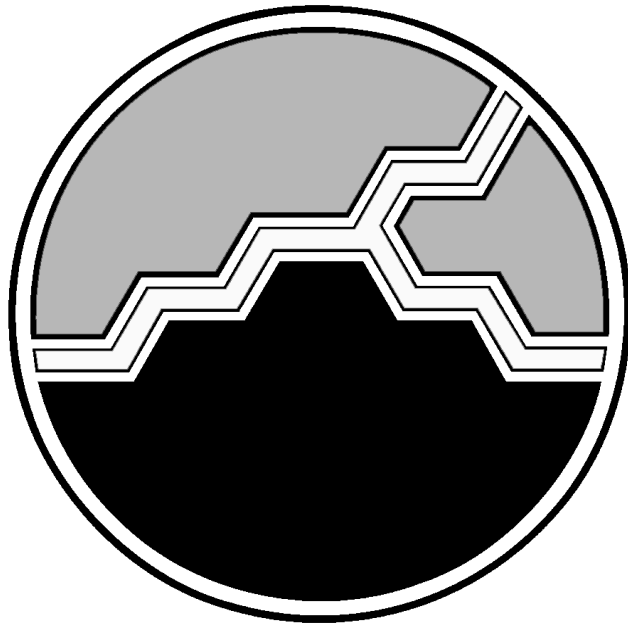
City of Yuma, Arizona
 Budgetary Comparison Schedule
 Radio Communication Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Resources (inflows):				
Charges for Service				
Radio Equipment Fees	955,063	955,063	959,154	4,091
Software Fees	690,472	690,472	682,653	(7,819)
911 Admin Fees	58,888	58,888	97,189	38,301
Intergovernmental:				
Federal Government	959,534	1,007,087	478,214	(528,873)
Budget Authority Reserve	2,000,000	1,952,447	-	(1,952,447)
Use of Money and Property				
Interest	1,400	1,400	2,491	1,091
Miscellaneous				
Other	550,000	550,000	6,381	(543,619)
Total Revenues	<u>5,215,357</u>	<u>5,215,357</u>	<u>2,226,082</u>	<u>(2,989,275)</u>
Transfers In	-	-	288,215	288,215
Amounts Available for Appropriation	<u>5,215,357</u>	<u>5,215,357</u>	<u>2,514,297</u>	<u>(2,701,060)</u>
Charges to Appropriations (outflows):				
Current:				
Environmental Health				
Radio Communications	2,252,291	2,177,975	884,108	1,293,867
Radio Software	-	74,368	653,413	(579,045)
911 Administration	24,710	24,710	43,675	(18,965)
Public Safety	2,266,064	2,266,064	356,648	1,909,416
Capital Outlay				
Capital Outlay	863,470	863,470	133,094	730,376
Total Expenditures	<u>5,406,534</u>	<u>5,406,586</u>	<u>2,070,938</u>	<u>3,335,648</u>
Total Charges to Appropriations	<u>5,406,534</u>	<u>5,406,586</u>	<u>2,070,938</u>	<u>3,335,648</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (191,177)</u>	<u>\$ (191,229)</u>	<u>\$ 443,359</u>	<u>\$ 634,588</u>
Reconciliation to Change in Net Position:				
Capital Outlay			133,094	
Pension Contributions in excess of Expense			1,476	
Depreciation and Amortization			(686,869)	
Change in Net Position			<u>\$ (108,940)</u>	

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Desert Hills Golf Course Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Green Fees	\$ 1,200,500	\$ 1,200,500	\$ 1,047,940	\$ (152,560)
Cart and Club Rental	313,431	313,431	270,335	(43,096)
Pro Shop Sales	241,500	241,500	234,828	(6,672)
Restaurant Sales	491,850	491,850	235,922	(255,928)
Interest	1,000	1,000	148	(852)
Miscellaneous	375	375	5,257	4,882
Total Revenues	<u>2,248,656</u>	<u>2,248,656</u>	<u>1,794,430</u>	<u>(454,226)</u>
Transfers In	<u>1,144,391</u>	<u>1,144,391</u>	<u>1,144,391</u>	<u>-</u>
Amounts Available for Appropriation	<u>3,393,047</u>	<u>3,393,047</u>	<u>2,938,821</u>	<u>(454,226)</u>
Charges to Appropriations (outflows):				
Current:				
Maintenance	1,255,890	1,309,791	1,121,141	188,650
Concession	650,669	659,617	661,523	(1,906)
Restaurant	794,006	795,622	319,455	476,167
Facility Maintenance	<u>301,534</u>	<u>231,569</u>	<u>239,346</u>	<u>(7,777)</u>
Capital Outlay:				
Capital Outlay	<u>-</u>	<u>5,500</u>	<u>5,432</u>	<u>68</u>
Total Expenditures	<u>3,002,099</u>	<u>3,002,099</u>	<u>2,346,897</u>	<u>655,202</u>
Total Charges to Appropriations	<u>3,002,099</u>	<u>3,002,099</u>	<u>2,346,897</u>	<u>655,202</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ 390,948</u>	<u>\$ 390,948</u>	<u>591,924</u>	<u>\$ 200,976</u>
Reconciliation to Change in Net Position:				
Capital Outlay			5,432	
Pension Contributions in excess of Expense			2,824	
Depreciation and Amortization			<u>(167,234)</u>	
Change in Net Position			<u>\$ 432,946</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, 2015

Assets	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Current Assets:						
Cash and Investments	\$ 12,566,795	\$ -	\$ 1,975,478	\$ 278,317	\$ 2,480,976	\$ 17,301,566
Accounts Receivable	100,014	16,636	44,713	-	2,707	164,070
Intergovernmental Receivable	-	5	-	-	-	5
Accrued Interest	8,698	-	893	-	166	9,757
Inventory, at cost	-	554,787	302,364	-	-	857,151
Prepaid Items	-	-	717,793	-	-	717,793
Total Current Assets	<u>12,675,507</u>	<u>571,428</u>	<u>3,041,241</u>	<u>278,317</u>	<u>2,483,849</u>	<u>19,050,342</u>
Noncurrent Assets:						
Capital Assets:						
Land	-	219,610	-	-	-	219,610
Buildings	-	19,251	-	-	-	19,251
Improvements Other than Buildings	-	222,733	-	-	-	222,733
Equipment	27,539,975	223,010	-	-	-	27,762,985
Less Accumulated Depreciation	(20,622,325)	(239,507)	-	-	-	(20,861,832)
Total Noncurrent Assets	<u>6,917,650</u>	<u>445,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,362,747</u>
Total Assets	<u>19,593,157</u>	<u>1,016,525</u>	<u>3,041,241</u>	<u>278,317</u>	<u>2,483,849</u>	<u>26,413,089</u>
Liabilities						
Liabilities:						
Current Liabilities:						
Accounts Payable	23,126	84,884	762,563	-	181,989	1,052,562
Accrued Payroll, Taxes and Benefits Payable	-	21,311	1,901	-	-	23,212
Current Portion-Accrued Compensated Absences	-	23,611	2,661	-	-	26,272
Estimated Claims and Judgements	-	-	71,170	-	2,127,429	2,198,599
Unearned Revenue	-	-	63,537	-	-	63,537
Due to Other Funds	-	1,048,676	-	-	175,700	1,224,376
Total Current Liabilities Payable	<u>23,126</u>	<u>1,178,482</u>	<u>901,832</u>	<u>-</u>	<u>2,485,118</u>	<u>4,588,558</u>
Noncurrent Liabilities:						
Accrued Compensated Absences	-	45,011	8,574	-	-	53,585
Total Long-Term Liabilities	<u>-</u>	<u>45,011</u>	<u>8,574</u>	<u>-</u>	<u>-</u>	<u>53,585</u>
Total Liabilities	<u>23,126</u>	<u>1,223,493</u>	<u>910,406</u>	<u>-</u>	<u>2,485,118</u>	<u>4,642,143</u>
Net Position						
Net investment in capital assets	6,917,650	445,097	-	-	-	7,362,747
Unrestricted (deficit)	12,652,381	(652,065)	2,130,835	278,317	(1,269)	14,408,199
Total Net Position	<u>\$ 19,570,031</u>	<u>\$ (206,968)</u>	<u>\$ 2,130,835</u>	<u>\$ 278,317</u>	<u>\$ (1,269)</u>	<u>\$ 21,770,946</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, 2015

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Operating Revenues:						
Charges For Services	\$ -	\$ 3,369,465	\$ 1,506,048	\$ -	\$ -	\$ 4,875,513
Contributions						
City	-	-	-	-	2,158,414	2,158,414
Equipment Rental	1,558,976	-	-	-	-	1,558,976
Miscellaneous	110,015	6,881	49,395	-	2,300	168,591
Total Operating Revenues	<u>1,668,991</u>	<u>3,376,346</u>	<u>1,555,443</u>	<u>-</u>	<u>2,160,714</u>	<u>8,761,494</u>
Operating Expenses:						
Claims Incurred	-	-	24,363	-	1,691,704	1,716,067
Premiums to Insurance Carriers	-	-	635,810	-	165,914	801,724
Administration	341,015	3,498,379	359,700	-	28,824	4,227,918
Depreciation	1,765,913	27,239	-	-	-	1,793,152
Total Operating Expenses	<u>2,106,928</u>	<u>3,525,618</u>	<u>1,019,873</u>	<u>-</u>	<u>1,886,442</u>	<u>8,538,861</u>
Operating Income/(Loss)	<u>(437,937)</u>	<u>(149,272)</u>	<u>535,570</u>	<u>-</u>	<u>274,272</u>	<u>222,633</u>
Non-Operating Revenue/(Expenses):						
Interest	40,198	-	4,756	-	2,973	47,927
Gain on the Sale of Assets	(74,392)	-	-	-	-	(74,392)
Total Non-Operating Revenues	<u>(34,194)</u>	<u>-</u>	<u>4,756</u>	<u>-</u>	<u>2,973</u>	<u>(26,465)</u>
Income/(Loss) before Transfers	<u>(472,131)</u>	<u>(149,272)</u>	<u>540,326</u>	<u>-</u>	<u>277,245</u>	<u>196,168</u>
Transfers Out	(2,095,015)	-	(49,308)	-	-	(2,144,323)
Net Transfers	<u>(2,095,015)</u>	<u>-</u>	<u>(49,308)</u>	<u>-</u>	<u>-</u>	<u>(2,144,323)</u>
Change in Net Position	<u>(2,567,146)</u>	<u>(149,272)</u>	<u>491,018</u>	<u>-</u>	<u>277,245</u>	<u>(1,948,155)</u>
Net Position, Beginning	<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>
Net Position, Ending	<u>\$ 19,570,031</u>	<u>\$ (206,968)</u>	<u>\$ 2,130,835</u>	<u>\$ 278,317</u>	<u>\$ (1,269)</u>	<u>\$ 21,770,946</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2015

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Cash Flows from Operating Activities:						
Cash Received from Customers	\$ 1,568,976	\$ 3,361,297	\$ 1,550,089	\$ -	\$ 2,158,902	\$ 8,639,264
Cash Paid to Employees	-	(1,022,257)	(79,205)	-	-	(1,101,462)
Cash Paid to Suppliers	-	(2,345,920)	-	-	-	(2,345,920)
Cash Paid For Operating Expenses	(341,014)	6,880	(810,336)	-	(919,367)	(2,063,837)
Net Cash Flows Provided by/(Used for) Operating Activities	1,227,962	-	660,548	-	1,239,535	3,128,045
Cash Flows from Noncapital Financing Activities:						
Cash Received from Other Funds	-	-	-	-	175,700	175,700
Cash Paid to Other Funds	(2,095,016)	-	(49,308)	-	(775,048)	(2,919,372)
Net Cash Flows Provided by/(Used for) Noncapital Financing Activities	(2,095,016)	-	(49,308)	-	(599,348)	(2,743,672)
Cash Flows from Capital and Related Financing Activities:						
Proceeds from Sale of Capital Assets	174,623	-	-	-	-	174,623
Payments for Capital Acquisitions	(1,674,118)	-	-	-	-	(1,674,118)
Net Cash Flows Used for Capital and Related Financing Activities	(1,499,495)	-	-	-	-	(1,499,495)
Cash Flows from Investing Activities:						
Receipt of Interest	37,443	-	4,253	-	2,916	44,612
Net Cash Flows Provided by Investing Activities	37,443	-	4,253	-	2,916	44,612
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,329,106)	-	615,493	-	643,103	(1,070,510)
Cash and Cash Equivalents, July 1	14,895,901	-	1,359,985	278,317	1,837,873	18,372,076
Cash and Cash Equivalents, June 30	<u>\$ 12,566,795</u>	<u>\$ -</u>	<u>\$ 1,975,478</u>	<u>\$ 278,317</u>	<u>\$ 2,480,976</u>	<u>\$ 17,301,566</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Operating Income/(Loss)	\$ (437,937)	\$ (149,272)	\$ 535,570	\$ -	\$ 274,272	\$ 222,633
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation Expense	1,765,913	27,239	-	-	-	1,793,152
(Increase)/Decrease in Accounts Receivable	(100,014)	73,295	(5,354)	-	(1,812)	(33,885)
(Increase)/Decrease in Inventory	-	62,174	(302,364)	-	-	(240,190)
(Increase)/Decrease in Prepaid Items	-	30	(127,190)	-	104,788	(22,372)
Increase/(Decrease) in Accounts Payable	-	(5,646)	496,980	-	164,053	655,387
Increase/(Decrease) in Payroll Liabilities	-	(7,820)	-	-	-	(7,820)
Increase/(Decrease) in Unearned Revenue but Not Reported	-	-	63,537	-	-	63,537
Total Adjustments	1,665,899	149,272	124,978	-	965,263	2,905,412
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 1,227,962</u>	<u>\$ -</u>	<u>\$ 660,548</u>	<u>\$ -</u>	<u>\$ 1,239,535</u>	<u>\$ 3,128,045</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Equipment Replacement Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Charges for Services	\$ 1,666,977	\$ 1,666,977	\$ 1,558,976	\$ (108,001)
Interest	20,000	20,000	40,198	20,198
Miscellaneous	-	-	110,015	110,015
Total Revenues	<u>1,686,977</u>	<u>1,686,977</u>	<u>1,709,189</u>	<u>22,212</u>
Amounts Available for Appropriation	<u>1,686,977</u>	<u>1,686,977</u>	<u>1,709,189</u>	<u>22,212</u>
Charges to Appropriations (outflows):				
Current				
Administration	687	9,468	341,015	(331,547)
Capital Outlay	4,932,000	4,923,219	1,674,118	3,249,101
Total Expenditures	<u>4,932,687</u>	<u>4,932,687</u>	<u>2,015,133</u>	<u>2,917,554</u>
Transfers Out	444,391	444,391	2,095,015	(1,650,624)
Total Charges to Appropriations	<u>5,377,078</u>	<u>5,377,078</u>	<u>4,110,148</u>	<u>1,266,930</u>
Excess of Resources Over Charges to Appropriations	<u>\$ (3,690,101)</u>	<u>\$ (3,690,101)</u>	<u>(2,400,959)</u>	<u>\$ 1,289,142</u>
Reconciliation to Change in Net Position:				
Capital Outlay			1,674,118	
Gain on Sale of Assets			(74,392)	
Depreciation and Amortization			<u>(1,765,913)</u>	
Change in Net Position			<u>\$ (2,567,146)</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, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Charges for Services	\$ 3,694,320	\$ 3,694,320	\$ 3,369,465	\$ (324,855)
Miscellaneous	1,000	1,000	6,881	5,881
Interest	100	100	-	(100)
Total Revenues	<u>3,695,420</u>	<u>3,695,420</u>	<u>3,376,346</u>	<u>(319,074)</u>
Amounts Available for Appropriation	<u>3,695,420</u>	<u>3,695,420</u>	<u>3,376,346</u>	<u>(319,074)</u>
Charges to Appropriations (outflows):				
Current				
Administration	<u>3,615,842</u>	<u>3,615,842</u>	<u>3,498,379</u>	<u>117,463</u>
Total Expenditures	<u>3,615,842</u>	<u>3,615,842</u>	<u>3,498,379</u>	<u>117,463</u>
Total Charges to Appropriations	<u>3,615,842</u>	<u>3,615,842</u>	<u>3,498,379</u>	<u>117,463</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ 79,578</u>	<u>\$ 79,578</u>	<u>(122,033)</u>	<u>\$ (201,611)</u>
Reconciliation to Change in Net Position:				
Depreciation and Amortization			<u>(27,239)</u>	
Change in Net Position			<u>\$ (149,272)</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
 For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Charges for Services	\$ 1,506,048	\$ 1,506,048	\$ 1,506,048	\$ -
Miscellaneous	-	-	49,395	49,395
Interest	1,500	1,500	4,756	3,256
Total Revenues	<u>1,507,548</u>	<u>1,507,548</u>	<u>1,560,199</u>	<u>52,651</u>
Amounts Available for Appropriation	<u>1,507,548</u>	<u>1,507,548</u>	<u>1,560,199</u>	<u>52,651</u>
Charges to Appropriations (outflows):				
Current				
Premiums to Insurance Carriers	624,888	624,888	635,810	(10,922)
Claims Incurred	267,000	267,000	24,363	242,637
Administration	640,878	640,878	359,700	281,178
Total Expenditures	<u>1,532,766</u>	<u>1,532,766</u>	<u>1,019,873</u>	<u>512,893</u>
Transfers Out	-	-	49,308	(49,308)
Total Charges to Appropriations	<u>1,532,766</u>	<u>1,532,766</u>	<u>1,069,181</u>	<u>463,585</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ (25,218)</u>	<u>\$ (25,218)</u>	<u>\$ 491,018</u>	<u>\$ 516,236</u>
Reconciliation to Change in Net Position:				
Change in Net Position			<u>\$ 491,018</u>	

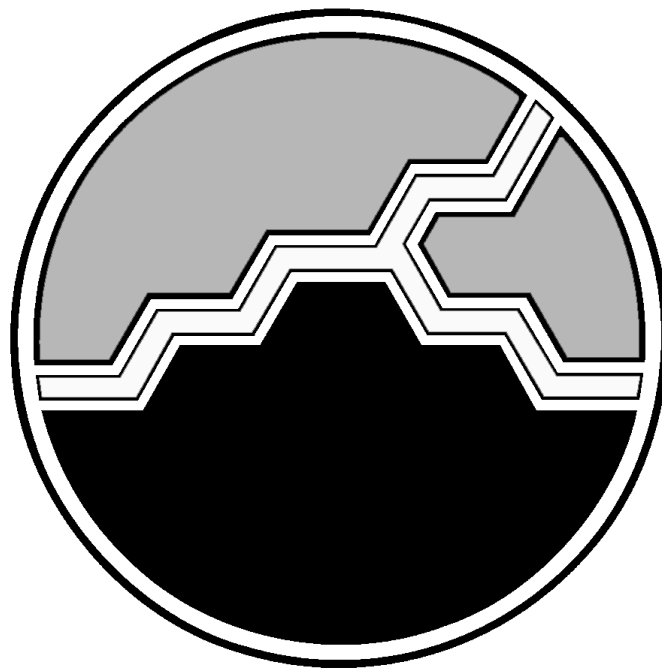
NOTE: This exhibit is prepared on the modified accrual basis to correspond with the City's budget practices. It is not intended to present the operations in accordance with generally accepted accounting principles.

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Workers Compensation Internal Service Fund
 For the Year Ended June 30, 2015

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Contributions - City	\$ 2,026,873	\$ 2,026,873	\$ 2,158,414	\$ 131,541
Miscellaneous	-	-	2,300	2,300
Interest	7,550	7,550	2,973	(4,577)
Total Revenues	<u>2,034,423</u>	<u>2,034,423</u>	<u>2,163,687</u>	<u>129,264</u>
Amounts Available for Appropriation	<u>2,034,423</u>	<u>2,034,423</u>	<u>2,163,687</u>	<u>129,264</u>
Charges to Appropriations (outflows):				
Current				
Premiums to Insurance Carriers	235,808	235,808	165,914	69,894
Claims Incurred	1,372,657	1,372,657	1,691,704	(319,047)
Administration	32,400	32,400	28,824	3,576
Total Expenditures	<u>1,640,865</u>	<u>1,640,865</u>	<u>1,886,442</u>	<u>(245,577)</u>
Total Charges to Appropriations	<u>1,640,865</u>	<u>1,640,865</u>	<u>1,886,442</u>	<u>(245,577)</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ 393,558</u>	<u>\$ 393,558</u>	<u>\$ 277,245</u>	<u>\$ (116,313)</u>
Reconciliation to Change in Net Position:				
Change in Net Position			<u>\$ 277,245</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	114
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	122
These schedules contain information to help the reader assess the City's most significant local revenue source - sales tax.	
Debt Capacity	124
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	130
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take	
Operating Information	133
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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
								As restated		
Governmental activities										
Net investment in capital assets	\$ 130,176	\$ 160,214	\$ 169,403	\$ 129,228	\$ 192,145	\$ 196,837	\$ 209,377	\$ 208,428	\$ 197,997	\$ 194,763
Restricted	24,820	12,991	17,952	70,389	14,762	15,773	24,835	22,456	19,166	23,223
Unrestricted	42,605	43,638	45,354	38,439	40,261	44,357	36,851	39,115	43,244	(68,462)
Total governmental activities net position	<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>	<u>\$ 149,524</u>
Business-type activities										
Net investment in capital assets	\$ 119,734	\$ 154,054	\$ 151,032	\$ 158,367	\$ 160,883	\$ 166,782	\$ 164,295	\$ 163,246	\$ 159,458	\$ 147,573
Restricted	-	-	151	1,952	3,754	5,556	7,357	9,009	9,009	9,009
Unrestricted	26,569	7,587	24,079	27,344	29,027	31,699	37,842	43,362	46,877	44,607
Total business-type activities net position	<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>	<u>\$ 201,189</u>
Primary government										
Net investment in capital assets	\$ 249,910	\$ 314,268	\$ 320,435	\$ 287,595	\$ 353,028	\$ 363,619	\$ 373,672	\$ 371,674	\$ 357,455	\$ 342,336
Restricted	24,820	12,991	18,103	72,341	18,516	21,329	32,192	31,465	28,175	32,232
Unrestricted	69,174	51,225	69,433	65,783	69,288	76,056	74,693	82,477	90,121	(23,855)
Total primary government net position	<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>	<u>\$ 350,713</u>

City of Yuma, Arizona

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 9,124	\$ 10,919	\$ 11,875	\$ 11,559	\$ 10,563	\$ 9,684	\$ 12,534	\$ 10,345	\$ 10,335	\$ 9,056
Public Safety	33,057	36,067	38,511	41,080	39,224	40,232	41,735	43,051	46,585	55,785
Streets	12,326	13,384	18,943	15,966	13,969	14,536	12,741	14,980	25,265	14,964
Parks, Recreation and Culture	12,173	15,400	14,353	16,282	13,863	13,804	14,226	12,787	13,606	14,364
Environmental Health and Protection	3,410	2,098	4,604	4,969	4,905	1,538	804	156	89	178
Community Design and Development	6,529	6,791	5,807	5,486	4,981	5,007	4,521	5,134	5,167	4,439
Interest on Long-Term Debt	2,899	2,948	5,331	6,592	6,291	5,803	5,461	5,153	4,781	4,462
Total governmental activities expenses	<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>	<u>103,248</u>
Business-type activities:										
Water	13,010	14,562	18,389	20,754	20,277	20,555	23,353	23,227	24,762	25,259
Wastewater	10,403	11,538	13,270	13,859	13,673	13,882	16,191	16,165	17,073	17,253
Solid Waste	-	-	-	-	-	2,902	2,948	3,213	3,085	3,070
Radio Communications	-	-	-	-	-	-	-	4,663	4,153	2,623
Golf Courses	2,641	2,676	2,889	2,819	2,496	2,377	2,403	2,469	3,474	2,518
Total business-type activities expenses	<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>	<u>50,723</u>
Total primary government expenses	<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>	<u>\$ 153,971</u>
Program Revenues										
Governmental activities:										
Charges for Services										
Building Inspection Fees	\$ 1,019	\$ 985	\$ 710	\$ 390	\$ 384	\$ 333	\$ 307	\$ 413	\$ 545	\$ 368
Developer Charges	3,520	4,517	6,657	4,911	2,674	4,369	1,589	1,419	2,326	1,104
Ambulance Services	-	-	-	-	-	-	477	3,830	2,490	3,444
Police Services	698	805	764	865	821	471	567	617	701	840
Other Charges	8,968	8,407	8,916	7,607	7,491	6,936	5,775	6,082	5,708	4,283
Operating Grants and Contributions	2,840	2,661	2,294	1,807	3,659	4,968	3,965	3,980	3,305	3,519
Capital Grants and Contributions	5,679	5,341	5,000	4,783	5,944	3,245	19,145	1,744	577	1,481
Total governmental activities program revenues	<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>	<u>15,039</u>
Business-type activities:										
Charges for Services										
Metered Water Sales	14,797	17,522	21,027	22,463	21,651	21,598	20,710	21,233	21,809	20,532
Wastewater Charges	9,081	10,387	13,126	13,372	13,699	14,854	14,485	14,625	14,785	14,400
Radio Communications	-	-	-	-	-	-	-	1,714	1,564	1,739
Solid Waste Charges	-	-	-	-	-	3,147	3,266	3,301	3,325	3,351
Green Fees and Concessions	2,191	2,189	2,140	2,027	1,964	1,890	1,919	2,152	2,230	1,789
Other Charges	1,393	1,390	1,181	1,098	1,041	961	775	562	670	960
Capital Grants and Contributions	11,025	11,249	8,874	9,924	3,969	7,391	9,071	7,776	7,044	5,748
Total business-type activities program revenues	<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>	<u>48,519</u>
Total primary government program revenues	<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>	<u>\$ 63,558</u>

Continued on next page

City of Yuma, Arizona

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (expense)/revenue										
Governmental activities	\$ (56,794)	\$ (64,891)	\$ (75,083)	\$ (81,571)	\$ (72,823)	\$ (70,282)	\$ (60,197)	\$ (73,521)	\$ (90,176)	\$ (88,209)
Business-type activities	12,434	13,961	11,800	11,452	5,878	10,125	5,331	1,626	(1,120)	(2,204)
Total primary government net expense	<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>	<u>\$ (90,413)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 6,832	\$ 7,430	\$ 8,250	\$ 8,856	\$ 9,498	\$ 9,986	\$ 10,099	\$ 9,549	\$ 9,451	\$ 9,650
Sales taxes	36,557	39,616	39,478	36,857	34,177	34,644	36,304	37,624	37,994	38,283
Franchise taxes	3,116	2,678	2,893	3,013	3,010	3,002	3,059	3,043	3,010	3,095
Shared revenues	28,226	30,558	32,788	31,330	28,239	25,379	23,936	25,917	26,552	29,441
Grants and contributions not restricted to specific programs	7,826	115	2,600	3,895	5,776	5,929	-	-	-	-
Unrestricted investment earnings	2,190	4,097	4,842	2,872	1,139	1,001	930	796	545	269
Gain from sale of fixed assets	348	-	-	-	-	259	-	-	-	-
Transfers	(4)	(363)	(96)	95	95	126	(37)	(122)	(730)	(1,323)
Total governmental activities	<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>	<u>79,415</u>
Business-type activities:										
Investment earnings	798	1,016	1,916	1,045	217	130	89	26	222	165
Transfers	4	363	96	(95)	(95)	(126)	37	122	730	1,323
Total business-type activities	<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>	<u>1,488</u>
Total primary government	<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>	<u>\$ 80,903</u>
Change in Net Position										
Governmental activities	\$ 28,296	\$ 19,243	\$ 15,865	\$ 5,347	\$ 9,112	\$ 10,044	\$ 14,095	\$ 3,391	\$ (13,354)	\$ (8,794)
Business-type activities	13,236	15,338	13,620	12,402	6,000	10,128	5,457	1,669	(168)	(715)
Total primary government	<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>	<u>\$ (9,509)</u>

Concluded

City of Yuma, Arizona

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 614	\$ 309	\$ 277	\$ 262	\$ 156	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	21,125	19,893	18,608	15,493	18,796	-	-	-	-	-
Nonspendable	-	-	-	-	-	103	169	187	178	144
Committed	-	-	-	-	-	2,383	1,864	935	-	-
Assigned	-	-	-	-	-	88	868	-	-	-
Unassigned	-	-	-	-	-	19,060	15,655	18,693	17,732	17,348
Total General Fund	<u>\$21,739</u>	<u>\$20,202</u>	<u>\$18,885</u>	<u>\$15,755</u>	<u>\$18,952</u>	<u>\$21,634</u>	<u>\$18,556</u>	<u>\$19,815</u>	<u>\$17,910</u>	<u>\$17,492</u>
All other										
Governmental funds										
Reserved	\$ 535	\$ 513	\$ 543	\$ 552	\$ 553	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	19,908	12,892	8,791	6,876	7,848	-	-	-	-	-
Capital projects funds	5,976	926	67,732	47,349	31,267	-	-	-	-	-
Nonspendable	-	-	-	-	-	141	18	19	16	20
Restricted	-	-	-	-	-	2,388	24,834	22,456	19,167	20,280
Committed	-	-	-	-	-	34,441	11,235	7,252	7,018	7,847
Assigned	-	-	-	-	-	2,037	633	-	-	-
Total all other governmental funds	<u>\$26,418</u>	<u>\$14,331</u>	<u>\$77,066</u>	<u>\$54,777</u>	<u>\$39,668</u>	<u>\$39,007</u>	<u>\$36,720</u>	<u>\$29,727</u>	<u>\$26,201</u>	<u>\$28,147</u>

Notes: For FY 2011 GASB Statement No 54 was implemented. See Note I-F, Sec 10 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 46,474	\$ 49,686	\$ 50,503	\$ 48,569	\$ 46,561	\$ 47,606	\$ 49,450	\$ 50,282	\$ 50,425	\$ 50,991
Licenses and permits	3,836	2,845	2,068	1,363	1,413	1,292	1,288	1,723	1,880	1,858
Intergovernmental	36,044	37,916	39,238	37,064	36,984	32,510	33,173	30,780	30,254	32,951
Charges for services	7,737	8,804	11,599	8,913	7,007	7,055	4,160	7,293	7,086	6,846
Fines and forfeitures	863	1,039	1,143	1,238	1,437	1,484	1,550	1,526	1,210	1,162
Special Assessments	649	679	914	949	817	1,039	1,089	1,134	1,183	280
Use of money and property	2,809	4,374	5,358	3,309	1,752	1,665	1,365	819	971	643
Contributions and donations	80	78	65	97	85	77	47	69	88	1,021
Miscellaneous	548	624	633	1,646	763	2,442	493	1,053	456	555
Total revenues	99,040	106,045	111,521	103,148	96,819	95,170	92,615	94,679	93,553	96,307
Expenditures										
General government	7,185	7,641	9,723	9,575	7,740	6,969	9,451	9,409	8,964	7,566
Public Safety	31,862	35,014	37,874	37,908	35,234	36,285	38,475	40,769	42,938	45,692
Streets	5,626	7,155	8,913	9,716	8,195	8,186	7,945	7,662	7,592	7,718
Parks, Recreation and Culture	9,727	11,022	11,547	11,857	10,619	10,171	10,688	10,964	11,200	12,117
Environmental Health and Protection	3,365	3,551	4,757	4,781	4,480	1,556	733	104	72	70
Community Design and Development	6,422	6,698	5,726	5,370	4,870	4,899	4,458	5,134	5,096	4,288
Capital Outlay	22,688	41,449	51,148	35,734	25,249	13,659	12,666	11,792	8,702	5,502
Debt Service										
Principal	4,209	3,837	8,312	7,075	6,315	7,680	8,010	8,350	8,700	8,080
Interest and fiscal agent fees	2,890	2,939	5,885	6,646	6,764	5,858	5,516	5,209	4,885	4,566
Total expenditures	93,974	119,306	143,885	128,662	109,466	95,263	97,942	99,393	98,149	95,599
Excess of revenues over (under) expenditures	5,066	(13,261)	(32,364)	(25,514)	(12,647)	(93)	(5,327)	(4,714)	(4,596)	708
Other financing sources (uses)										
Proceeds from long-term debt	3,875	-	93,686	-	30,017	-	-	-	-	-
Sale of real property	742	-	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow	-	-	-	-	(29,378)	-	-	-	-	-
Transfers in	25,016	38,410	29,685	16,213	14,564	14,675	14,522	12,772	13,474	14,416
Transfers out	(25,021)	(38,773)	(29,589)	(16,118)	(14,468)	(14,548)	(14,559)	(12,893)	(14,204)	(13,595)
Total other financing sources (uses)	4,612	(363)	93,782	95	735	127	(37)	(121)	(730)	821
Net change in fund balances	\$ 9,678	\$ 13,624	\$ 61,418	\$ 25,419	\$ (11,912)	\$ 34	\$ 5,364	\$ (4,835)	\$ (5,326)	\$ 1,529
Debt service as a percentage of noncapital expenditures	10.0%	8.7%	15.3%	14.8%	15.5%	16.6%	15.9%	15.5%	15.2%	14.0%

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
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
2015	9,508,914	19,536,924	9,766,802	3,905,392	4,832,187	3,095,540	242,000	103,350	50,991,109

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
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
2015	8,285,303	10,974,954	3,271,810	6,908,773	-	3,510,123	32,950,963

120

*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	
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
2015	799,620	-	941,585	-	1,517,358	-	-	5,599	185,812	60,149	3,510,123

City of Yuma, Arizona

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

	Fiscal Years									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	\$ 2,015
Mining	\$ 3	\$ 25	\$ 155	\$ 6	\$ 82	\$ 6	\$ 44	\$ 20	\$ 24	\$ 34
Construction	235,643	254,740	249,315	207,592	118,996	121,132	190,490	190,260	174,693	138,657
Manufacturing	60,054	57,632	59,931	48,964	44,764	50,676	38,167	50,539	43,626	51,945
Transportation, Communications, and Utilities	173,224	186,420	207,693	206,089	207,112	197,764	194,646	197,687	206,056	205,300
Wholesale Trade	35,498	34,732	22,480	33,785	35,334	42,580	38,720	36,578	39,897	42,766
Retail Trade	1,024,886	1,088,053	1,089,001	1,001,579	962,699	973,426	987,416	1,036,092	1,068,106	1,110,680
Restaurants and Bars	143,594	157,866	162,560	162,404	157,024	160,742	168,358	172,056	174,309	200,951
Finance, Insurance and Real Estate	117,161	143,725	132,593	115,857	116,046	123,876	129,208	129,208	131,450	114,418
Hotels and Other Lodging Accommodation	37,333	39,360	33,642	36,093	29,502	29,507	33,368	32,054	29,049	32,624
Services	48,639	58,050	52,012	50,858	43,356	45,208	45,804	51,404	49,649	49,819
Arts, Entertainment, Government and All Others Not Specified	32,542	46,423	38,503	32,743	31,055	18,434	20,670	22,871	34,656	27,236
	<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>	<u>\$ 1,974,432</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>
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%
2015	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			
2006	-	60,071,240 **	10,475,000	924,000	-	8,363,068 **	74,110,111	153,943,419	3.78%	821
2007	-	57,688,439 **	9,765,000	117,000	-	7,373,851 **	84,154,117	159,098,407	3.68%	835
2008	-	148,092,247 **	8,820,000	-	131,638,694 **	6,358,872 **	80,379,513	375,289,326	8.05%	1,931
2009	-	141,246,841 **	7,840,000	-	126,683,860 **	5,200,528 **	76,473,462	357,444,691	7.38%	1,849
2010	-	135,516,812 **	6,815,000	-	123,597,128 **	3,999,805 **	72,431,684	342,360,429	6.85%	1,749
2011	-	126,682,719 **	5,745,000	-	120,350,368 **	2,736,957 **	68,249,441	323,764,485	6.11%	1,645
2012	-	120,017,028 **	4,625,000	-	116,931,350 **	1,406,662 **	63,921,836	306,901,876	5.64%	1,528
2013	-	113,071,335 **	3,460,000	-	113,335,361 **	-	59,443,795	289,310,491	5.36%	1,446
2014	-	106,355,784 **	2,245,000	-	109,791,531 **	-	54,810,083	273,202,398	4.94%	1,358
2015	-	98,766,464	1,965,000	-	105,872,834	-	50,015,230	256,619,528	NA	NA

124

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 130 for personal income and population data.

**Revised due to GASB65 implementation in FY2014 - removed amortized debt issuance costs - revised all years.

City of Yuma, Arizona

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

125

<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>
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	91,359	733,033,525	2,765,000	0.4%	30
2012	93,814	666,827,282	1,420,000	0.2%	15
2013	93,013	625,801,724	-	0.0%	-
2014	91,923	632,734,838	-	0.0%	-
2015	93,400	615,552,203	-	0.0%	-

Source: Yuma County Assessor

U.S. Department of Commerce

* Actual through 2010, projected by US Dept of Commerce thereafter.

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, 2015**

Jurisdiction	Debt Outstanding	Allocable to City of Yuma	
		Percent	Amount
City of Yuma	\$ 100,731,464	100.00%	\$ 100,731,464
Total Direct Debt			<u>\$ 100,731,464</u>
Yuma County	6,930,000	47.30%	3,277,890
Yuma County Jail District	5,264,996	47.30%	2,490,343
Yuma County Library District	37,210,000	47.30%	17,600,330
Yuma County Special Assessment District	3,213,628	47.30%	1,520,046
Yuma County Community College District	59,940,000	46.14%	27,656,316
Yuma Union High School District No. 70	11,665,000	52.30%	6,100,795
Yuma School District No. 1	21,000,000	55.64%	11,684,400
Yuma School District No. 13	18,510,000	69.46%	<u>12,857,046</u>
Total Overlapping Debt			<u>\$ 83,187,166</u>
Total Direct and Overlapping Debt			<u>\$ 183,918,630</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, 2015
(amounts expressed in thousands)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit										
Water, Sewer, Lights, Parks (20%)	\$ 73,475	\$ 572,281	\$ 114,456	\$ 139,951	\$ 149,430	\$ 146,607	\$ 133,365	\$ 125,160	\$ 126,547	\$ 123,110
All Others (6%)	22,043	114,456	34,337	41,985	44,829	43,982	40,010	37,548	37,964	36,933
Total net debt applicable to limit										
Water, Sewer, Lights, Parks (20%)	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%)	\$ 67,890	\$ 86,171	\$ 108,036	\$ 134,701	\$ 145,390	\$ 143,842	\$ 131,945	\$ 125,160	\$ 126,547	\$ 123,110
All Others (6%)	22,043	28,112	34,337	41,985	44,829	-	40,010	37,548	37,964	36,933
Total net debt applicable to the limit as a percentage of debt limit										
Water, Sewer, Lights, Parks (20%)	11.68%	1.32%	5.61%	3.75%	2.70%	1.89%	1.06%	0.00%	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 2015

General Obligation Bonds

	Water, Sewer, Lights, Parks (20%)	All Others (6%)
--	---	-----------------

2014 Tax Year Secondary Assessed Valuation	\$ 615,552	\$ 123,110	\$ 36,933
Outstanding General Obligation Debt: Project 1997	-	-	-
Total General Obligation Debt	-	-	-
	<u>\$ 123,110</u>	<u>\$ 36,933</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, and 2010 Refunding 2001 Covenants</i>					2007 Series Utilities
	2003 Series B	2010B Ref 2001B	2007 Series B	2007 Series D		
2014-15 Pledged Taxes	\$ 53,358,582	\$ 53,358,582	\$ 53,358,582	\$ 63,125,384		\$ -
2014-15 Net Revenue	-	-	-	-		20,062,716
Total Taxes/Net Revenue	<u>\$ 53,358,582</u>	<u>\$ 53,358,582</u>	<u>\$ 53,358,582</u>	<u>\$ 63,125,384</u>		<u>\$ 20,062,716</u>
2015-16 Debt related to pledge:					Total	
2003 Series B	\$ 697,847	\$ -	\$ -	\$ -	\$ 697,847	\$ -
2007 Series B	-	-	2,301,170	-	2,301,170	-
2010 Series B	-	2,853,381	-	-	2,853,381	-
Total Series A-B					<u>5,852,398</u>	
2007 Series D (highest year)	-	-	-	4,803,625	4,803,625	-
WIFA Loans (Parity Obligations)	-	-	-	-	-	6,715,892
2007 Series Utilities	-	-	-	-	-	8,988,138
Total Debt	<u>\$ 697,847</u>	<u>\$ 2,853,381</u>	<u>\$ 2,301,170</u>	<u>\$ 4,803,625</u>	<u>\$ 10,656,023</u>	<u>\$ 15,704,030</u>
Coverage	76.5	18.7	23.2	13.1		1.3
Required Coverage	3.0	3.0	3.0	1.5		1.2
<i>Collective Coverage</i>						
Total 2014-15 Taxes/Net Revenue	<u>\$ 53,358,582</u>	<u>\$ 53,358,582</u>	<u>\$ 53,358,582</u>	<u>\$ 63,125,384</u>		<u>\$ 20,062,716</u>
Total 2015-16 Debt	<u>\$ 5,852,398</u>	<u>\$ 5,852,398</u>	<u>\$ 5,852,398</u>	<u>\$ 10,656,023</u>		<u>\$ 15,704,030</u>
Coverage	9.1	9.1	9.1	5.9		1.3
Required Coverage	3.0	3.5	3.0	3.0		1.2

128

2003B, 2007B, 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Local Taxes										
Sales Tax (1%)	\$ 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	\$ 19,536,924
Franchise Fee	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	3,095,540
Intergovernmental Revenues:										
State Revenue Sharing	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	10,974,954
State Sales Tax	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	8,285,303
Auto In-Lieu Tax	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	3,271,810
Emergency Services and Other	28,288	112,747	133,560	189,929	44,700	55,745	34,252	37,974	23,913	44,062
Licenses:										
Business Licenses	300,596	315,968	332,122	319,631	315,580	302,668	288,133	261,323	250,365	250,957
Liquor Licenses	36,600	38,880	34,700	35,715	34,130	35,131	31,670	32,955	32,560	33,310
Fees for Services:										
Building Permits and Inspection Fees	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	1,829,085
Recreation Fees	453,273	485,647	546,680	563,437	628,264	609,192	546,940	478,911	513,535	544,212
Police Services and Other Public Safety Fees	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	4,283,521
Use of Money and Property:										
Investment Income	556,095	1,038,848	1,021,862	504,146	166,500	108,396	53,277	14,717	99,738	47,095
Fines, Forfeitures and Penalties:										
City Court Fines	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	1,161,809
<i>Total Series B Pledged Taxes</i>	<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>	<u>53,358,582</u>
Additional Series A Pledged Taxes										
City Public Safety Taxes (.2%)	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	3,905,392
<i>Total Series A Pledged Taxes</i>	<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>	<u>57,263,974</u>
Additional Series C Pledged Taxes										
City Special Taxes (2%)	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	4,832,187
<i>Total Series C Pledged Taxes</i>	<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>	<u>58,190,769</u>
Additional Series D Pledged Taxes										
City Road Tax (.5%)	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	9,766,802
<i>Total Series D Pledged Taxes</i>	<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>	<u>\$ 63,125,384</u>
 <i>Gross Excise Tax Pledged Revenues</i>	<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>	<u>\$ 71,862,963</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**

130

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Building Permits			
					Commercial		Residential	
					No.	Value	No.	Value
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
2014	201,201	5,529,669	27.5	23.30%	27	23,994,422	321	58,424,149

Note: Unemployment rate and population presented represents the Yuma Metropolitan Statistical Area and it reflects revised inputs, reestimation, and new statewide controls through 2014.

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 Ten Fiscal Years Ago**

Employer	2005			2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Marine Corps Air Station	6,171	1	9.74%	6,471	1	10.11%
U. S. Army Yuma Proving Ground	1,900	3	3.00%	2,500	2	3.90%
Yuma Regional Medical Center	1,903	2	3.00%	2,080	3	3.25%
Yuma School District #1	1,782	4	2.81%	1,327	4	2.07%
Yuma County	1,100	6	1.74%	1,316	5	2.06%
United States Border Patrol			-	950	7	1.48%
Walmart			-	946	8	1.48%
Yuma Union High School District	921	9	1.45%	1,095	6	1.71%
City of Yuma	917	10	1.45%	928	9	1.45%
Quechan Paradise Casino			-	709	10	1.11%
Growers Company	1,600	5	2.52%			
Dole	1,000	7	1.58%			
Salyer American Fresh	1,000	7	1.58%			
Total	63,388		28.86%	64,036		28.61%

Source: Greater Yuma Economic Development Corporation/Employers

Note: Figures presented represent the Yuma Metropolitan Statistical Area. Data for 2015 is not available.

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

Full Time and Part Time

City of Yuma, Arizona

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

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	208	226	228	241	235	192	201	192	198	205
Public Safety										
Police	252	267	269	266	267	239	249	258	259	272
Fire	110	122	122	122	133	129	131	125	125	125
Public Works										
Engineering	32	37	44	44	41	33	32	32	24	35
Maintenance	52	51	47	56	56	46	46	46	52	47
Solid Waste	15	16	16	17	17	13	13	13	13	13
Water	64	73	75	76	80	73	73	76	76	69
Wastewater	48	52	52	47	51	49	49	52	52	52
Parks and recreation	136	141	145	133	133	116	116	116	117	124
Total	917	985	998	1,002	1,013	890	910	910	916	942

City of Yuma, Arizona

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Calls for service*	88,013	87,797	81,347	84,332	83,226	76,232	NA	76,080	89,027	93,463
Case reports*	17,019	15,281	13,746	13,740	13,434	13,535	NA	14,651	12,855	12,905
Fire										
Number of calls answered*	10,094	10,862	11,455	11,045	11,565	12,067	12,037	12,664	12,529	13,191
Inspections*	1,850	2,030	2,059	2,322	745	864	NA	1,399	1,460	883
Streets										
Streets slurry sealed (miles)	19	9	22	11	2	15	10	24	30	30
Solid Waste										
Refuse collected (tons)	33,965	34,938	34,919	33,996	33,288	32,638	32,177	32,010	26,650	26,848
Parks and recreation										
Ramada rentals	3,122	3,247	3,160	2,673	2,519	2,554	2,327	2,551	2,097	2,171
Water										
Connections	25,971	26,686	27,174	27,622	28,058	28,984	29,009	27,396	29,361	29,945
Daily treatment capacity (million gallons)	48.0	48.0	48.0	60.0	64.0	65.0	65.0	65.0	65.0	65.0
Annual quantity processed (billion gallons)	9.3	9.5	9.5	8.2	7.5	8.4	8.3	8.1	7.1	8.0
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**

134

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police stations	1	1	1	1	1	1	1	2	2	2
Police vehicles	134	143	150	163	164	163	156	172	179	181
Fire stations	6	6	6	6	6	6	6	6	6	6
Streets										
Streets (miles)	361	361	361	384	389	395	420	421	442	448
Streetlights	5,298	5,303	5,375	5,463	5,606	5,750	5,753	5,764	6,757	6,757
Traffic Signals	38	40	42	42	49	50	50	79	79	79
Solid Waste										
Collection trucks	12	13	13	13	13	13	11	11	11	11
Parks and Recreation										
Parks acreage	578	592	607	607	607	607	607	607	620	633
Parks/Athletic Fields	25	27	32	79*	79	79	79	79	80	84
Swimming pools	3	3	3	4	4	4	4	4	4	4
Tennis courts	1	1	1	2	9	9	9	9	9	9
Community centers	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (miles)	470	493	501	501	507	520	525	525	527	527
Fire hydrants	3,000	3,150	3,267	3,400	3,438	3,450	3,573	3,646	3,754	3,790
Wastewater										
Sanitary sewers (miles)	290	310	320	320	342	340	341	350	350	350
Manholes									5,318	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.