

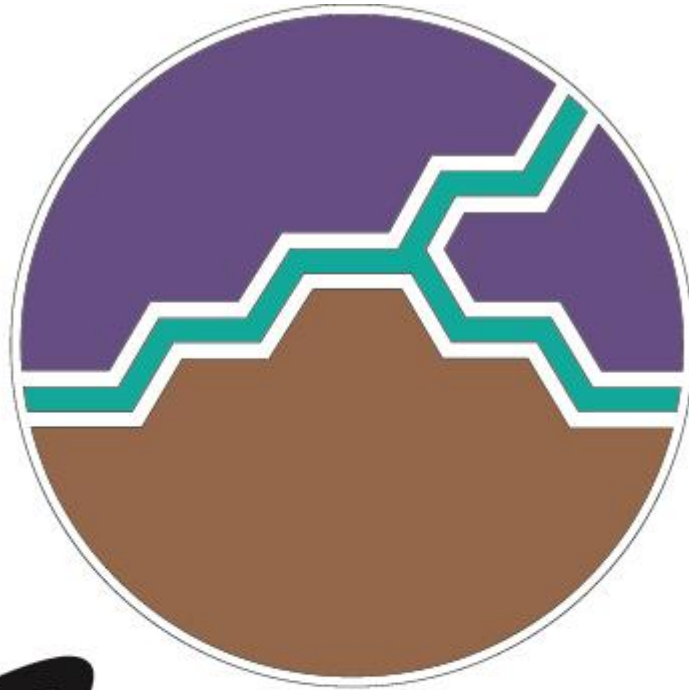
CITY OF YUMA, ARIZONA



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018





CITY OF
Yuma

City of Yuma
Arizona

**Comprehensive
Annual
Financial
Report**

For the Fiscal Year Ended
June 30, 2018

Prepared by:

Finance Department

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Director of Financial Services
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Accounting Manager
Linda Johnson
Accounting Supervisor
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Accountants

About the Cover:

The Next Generation Leadership Council of Yuma is a peer networking organization that connects ambitious individuals to Yuma's unique cultural, recreational, social, volunteer and professional development opportunities. Through *NexGen's Mural A Month Program*, Artist Adry Del Rocio was invited to Yuma to paint her beautiful "Flor del Desierto/Desert Flower" mural on the wall of Del Sol Market located at 280 S. 4th Ave.

Photo by City of Yuma Media Team

CITY COUNCIL

Douglas J. Nicholls, Mayor
Gary Knight, Deputy Mayor
Leslie McClendon
Jacob Miller
Michael Shelton
Edward C. Thomas
Karen Watts

City Administration

Gregory K. Wilkinson
City Administrator

Ron Corbin
Deputy City Administrator

City Departments

City Attorney
Richard W. Files

City Clerk
Lynda L. Bushong

Community Development
Laurie L. Lineberry

Engineering
Jeffrey A. Kramer

Finance
Lisa Marlin

Fire Department
Steven Irr, Chief

Human Resources
Monica Welch

Information Technology
Kathleen Fernandez

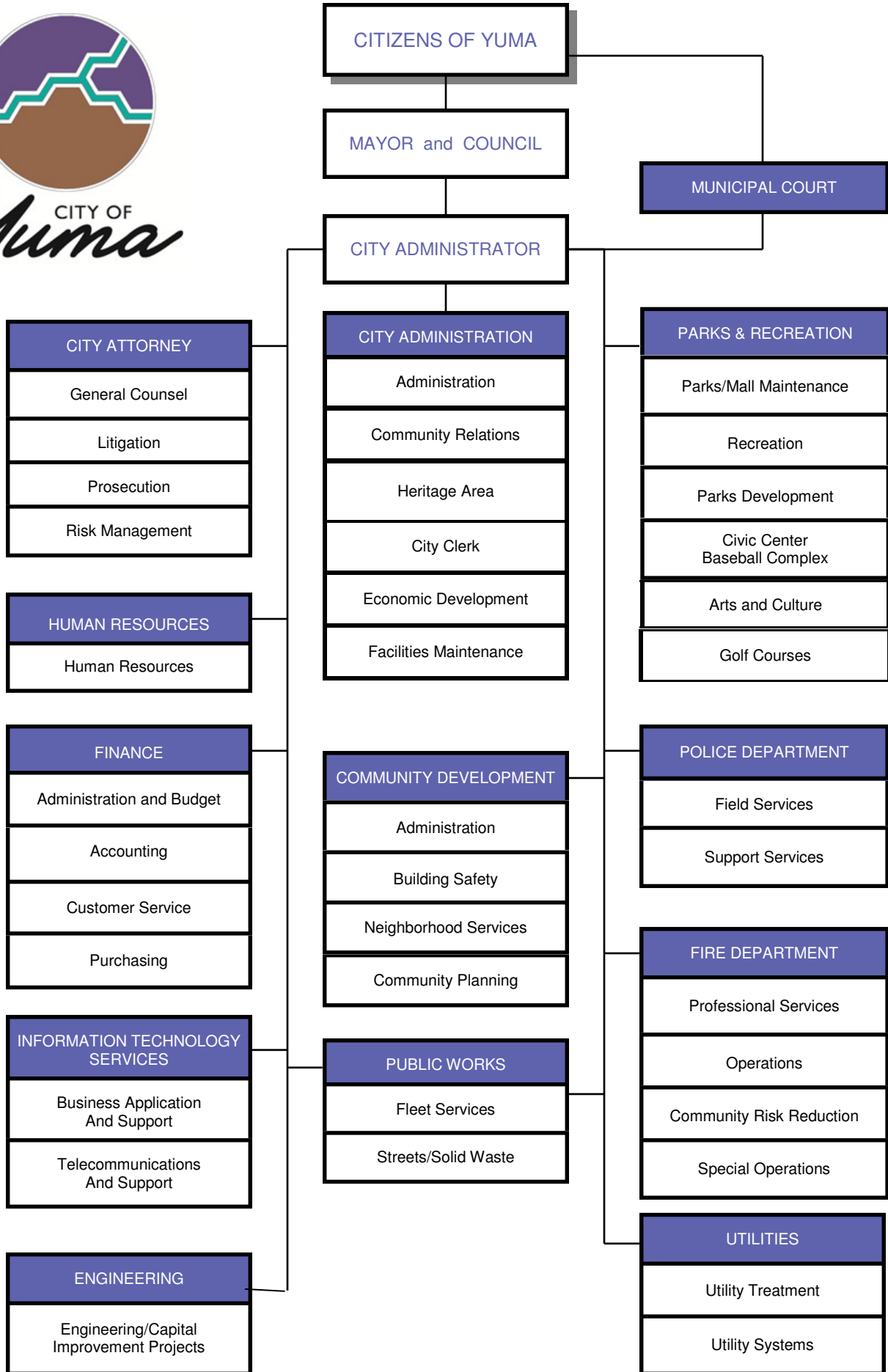
Municipal Court
James F. Coil, Judge

Parks and Recreation
Deborah Wendt

Police Department
John J. Lekan, Chief

Public Works
Joel Olea

Utilities
Jay Simonton



CITIZENS OF YUMA

MAYOR and COUNCIL

MUNICIPAL COURT

CITY ADMINISTRATOR

CITY ATTORNEY

General Counsel

Litigation

Prosecution

Risk Management

HUMAN RESOURCES

Human Resources

FINANCE

Administration and Budget

Accounting

Customer Service

Purchasing

INFORMATION TECHNOLOGY SERVICES

Business Application And Support

Telecommunications And Support

ENGINEERING

Engineering/Capital Improvement Projects

CITY ADMINISTRATION

Administration

Community Relations

Heritage Area

City Clerk

Economic Development

Facilities Maintenance

COMMUNITY DEVELOPMENT

Administration

Building Safety

Neighborhood Services

Community Planning

PUBLIC WORKS

Fleet Services

Streets/Solid Waste

PARKS & RECREATION

Parks/Mall Maintenance

Recreation

Parks Development

Civic Center Baseball Complex

Arts and Culture

Golf Courses

POLICE DEPARTMENT

Field Services

Support Services

FIRE DEPARTMENT

Professional Services

Operations

Community Risk Reduction

Special Operations

UTILITIES

Utility Treatment

Utility Systems

City of Yuma, Arizona
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2018

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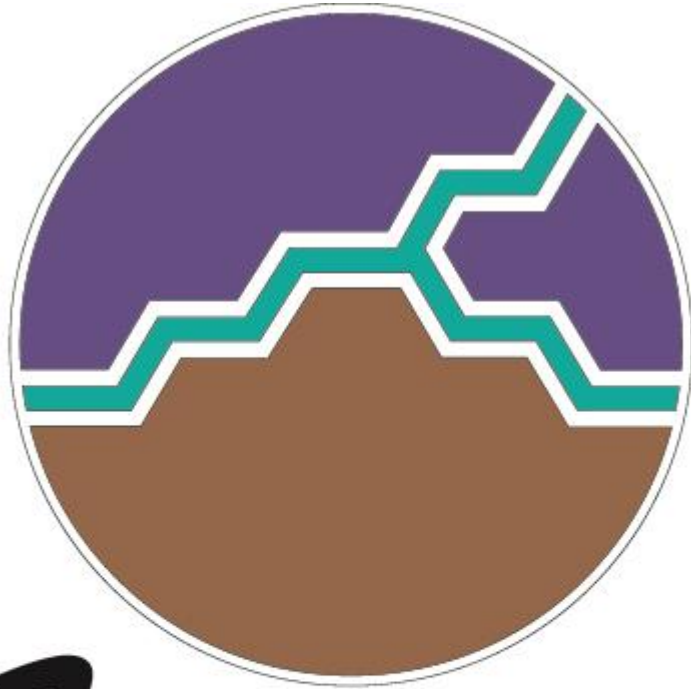
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INTRODUCTORY SECTION



CITY OF
Yuma



March 26, 2019

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, 2018. The report includes the Independent Auditor's 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, 2018, 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, 2018, 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.

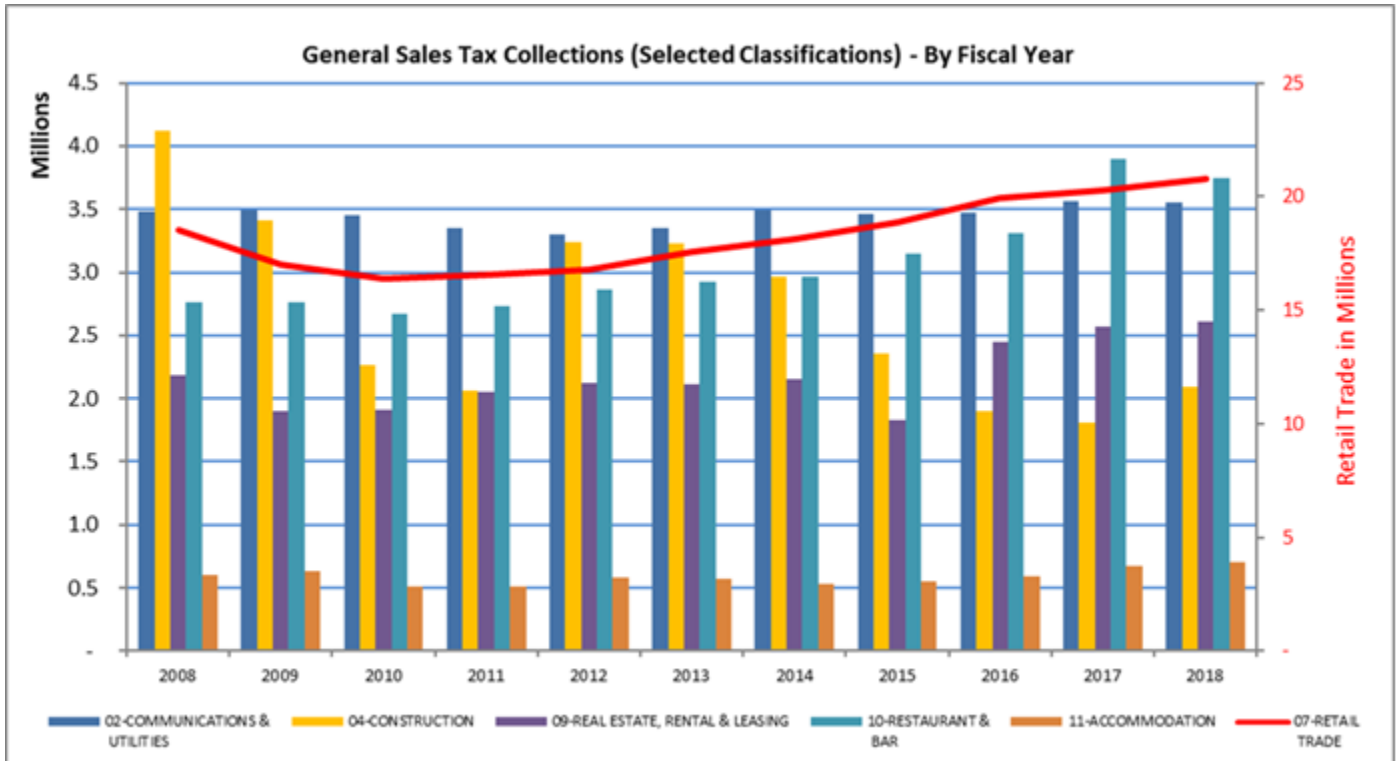
The United States Marine Corps Air Station (MCAS) and United States Army Yuma Proving Ground (YPG) help provide economic stability. These two installations continue to be cornerstones in the military's flight training and equipment testing programs. Both should survive any continued base closure efforts 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. More and more companies are calling Yuma home as Yuma has become a strategic location for prominent manufacturing operations on the west coast.

¹ Source: Greater Yuma Economic Development Corporation

As of the fiscal year-end, two major companies have moved or announced plans to move to the City, in part because of the City’s stance on promoting new enterprise through a variety of economic incentives, workforce development, and stable, visionary leadership.

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 3.4% for fiscal year 2018. Tax data show that Retail Trade, annually the largest segment of the sales tax measure, increased by 2.5% over 2017. Construction sales tax is finally on the rise, increasing 1.5% for the year. When compared to the dramatic decrease over the 2016 and 2017 (19.1% and 4.7%, respectively) an increase is a welcome sight. The new Almark processing facility has opened its doors for business here in Yuma, adding roughly 130 jobs to the City’s economy. Overall, sales taxes are anticipated conservatively to grow 3.5% for fiscal year 2019.



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 2018. 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 2018, city and federal funding continued 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 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 Hilton Hotel and Conference Center continue as the cornerstones of the public/private partnership that is developing the river area. Several recent developments have emerged with the intent of adding additional restaurant space and office availability, which will add economic value to 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, 2017. This is the thirty-sixth 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,



Lisa Marlin, MBA
Director of Financial Services



Government Finance Officers Association

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

Presented to

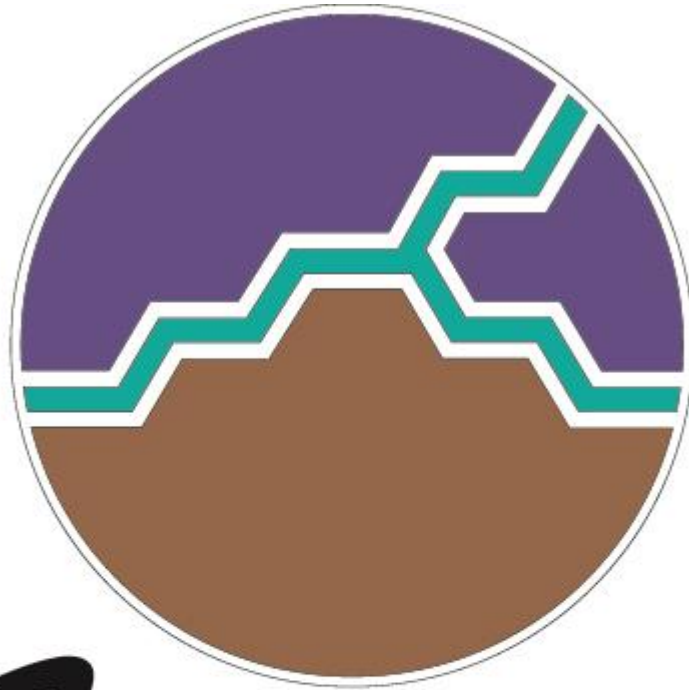
**City of Yuma
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

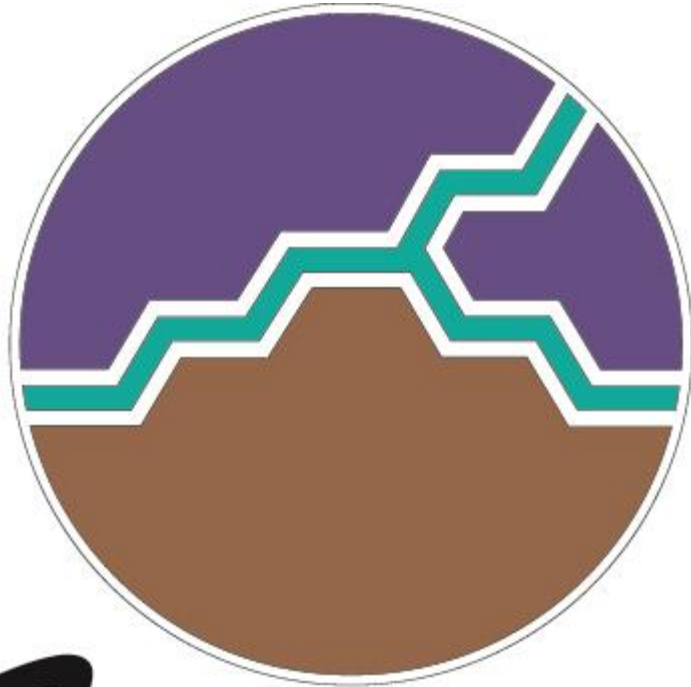
Christopher P. Morill

Executive Director/CEO



CITY OF
Yuma

FINANCIAL SECTION



CITY OF
Yuma

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Yuma, Arizona (the City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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, the business-type activities, each major fund and the aggregate remaining fund information of the City of Yuma, Arizona, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the City implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018, 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, 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 Fund Financial Statements and Schedules, and Statistical Section, as listed in the table of contents 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, as listed in the table of contents, 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, as listed in the table of contents, 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 March 26, 2019, 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 solely 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 effectiveness of 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.
Phoenix, Arizona
March 26, 2019

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, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the City's net position increased by \$10.4 million for the fiscal year, governmental activities decreased \$0.5 million while business-type activities of the City increased \$10.9 million
- The City's government-wide net position totaled \$363.1 million at June 30, 2018. Due to implementation of GASB pension standards, while the City has a net positive unrestricted net position, it includes a deficit unrestricted net position of \$82.4 million in governmental programs but a positive \$68.0 million in business-type activities, for a net negative \$14.4 million in government-wide basis overall.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

The government-wide financial statements can be found on pages 20-21 of this report.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 ten 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 four funds considered to be major funds. Data from the other six 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 88.

Major Governmental Funds:

General
City Road Tax
Debt Service
Capital Projects

Nonmajor Governmental Funds continued:

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

Nonmajor Governmental Funds:

Community Redevelopment

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 Course

Nonmajor Internal Service Funds:

Equipment Replacement
Equipment Maintenance
Insurance Reserve
Employee Benefits Trust
Workers Compensation

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements group major and nonmajor proprietary funds in a manner similar to governmental fund statements. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements, beginning on page 110.

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 74 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 88.

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 \$363.1 million at the close of the fiscal year.

Net Position: (millions)	Governmental Activities		Business-type Activities		Total	
	June 30, 2018					
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 104.4	\$ 99.6	\$ 88.9	\$ 81.7	\$ 193.3	\$ 181.3
Capital assets	290.5	291.1	270.4	276.0	560.9	567.1
Total assets	394.9	390.7	359.3	357.7	754.2	748.4
Pension	36.0	36.2	1.7	2.5	37.7	38.7
Deferred Charges on Refunding	3.0	3.4	4.9	5.3	7.9	8.7
Total Deferred Outflows of Resources	39.0	39.6	6.6	7.8	45.6	47.4
Long-term liabilities outstanding	262.7	257.1	127.1	137.5	389.8	394.6
Other liabilities	22.2	22.5	15.9	14.9	38.1	37.4
Total liabilities	284.9	279.6	143.0	152.4	427.9	432.0
Pension	8.1	9.3	0.9	1.8	9.0	11.1
Total Deferred Inflows of Resources	8.1	9.3	0.9	1.8	9.0	11.1
Net position:						-
Net Investment in capital assets	197.2	194.3	154.2	150.9	351.4	345.2
Restricted	26.1	38.1	-	-	26.1	38.1
Unrestricted	(82.4)	(91.0)	68.0	60.4	(14.4)	(30.6)
Total net position	\$ 140.9	\$ 141.4	\$ 222.2	\$ 211.3	\$ 363.1	\$ 352.7

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.

Net position increased to \$363.1 million, up \$10.4 million from the prior year. Governmental activities decreased \$0.5 million while business-type activities increased \$10.9 million. Capital asset acquisitions were higher than the depreciation expense this year attributing to the increase in Capital assets in business-type activities. Unrestricted net position are those assets available to finance programs in the upcoming fiscal year and would increase when the portion of taxes and other revenues exceed operating expenses but are not invested in capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Changes in Net Position Fiscal Year Ended June 30, 2018 (millions)	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 15.1	\$ 13.1	\$ 48.7	\$ 47.4	\$ 63.8	\$ 60.5
Operating grants and contributions	2.0	1.9	-	-	2.0	1.9
Capital grants and contributions	5.0	1.8	8.2	5.9	13.2	7.7
General revenues:						
Property taxes	12.5	12.3	-	-	12.5	12.3
Sales taxes	43.0	41.6	-	-	43.0	41.6
Franchise taxes	3.3	3.1	-	-	3.3	3.1
Intergovernmental, unrestricted	32.6	31.7	-	-	32.6	31.7
Unrestricted investment earnings	1.0	0.7	0.9	0.4	1.9	1.1
Total revenues	114.5	106.2	57.8	53.7	172.3	159.9
Expenses:						
General government	11.5	8.7	-	-	11.5	8.7
Public safety	62.2	68.1	-	-	62.2	68.1
Streets	15.3	16.1	-	-	15.3	16.1
Parks, recreation and culture	15.0	14.9	-	-	15.0	14.9
Environmental health and protection	0.1	-	-	-	0.1	-
Community design and development	4.4	4.5	-	-	4.4	4.5
Interest on long-term debt	4.1	4.4	-	-	4.1	4.4
Water	-	-	22.2	22.8	22.2	22.8
Wastewater	-	-	17.3	16.5	17.3	16.5
Solid Waste	-	-	3.8	3.7	3.8	3.7
Radio Communications	-	-	1.9	2.3	1.9	2.3
Golf courses	-	-	1.8	1.7	1.8	1.7
Total expenses	112.6	116.7	47.0	47.0	159.6	163.7
Increase/(Decrease) in net position before transfers	1.9	(10.5)	11.0	6.7	12.7	(3.8)
Transfers	0.1	0.1	(0.1)	(0.1)	-	-
Increase/(Decrease) in net position	2.0	(10.4)	10.9	6.6	12.7	(3.8)
Net Position - July 1 as restated	138.9	151.7	211.3	204.7	350.2	356.4
Net Position - June 30	\$ 140.9	\$ 141.3	\$ 222.2	\$ 211.3	\$ 362.9	\$ 352.6

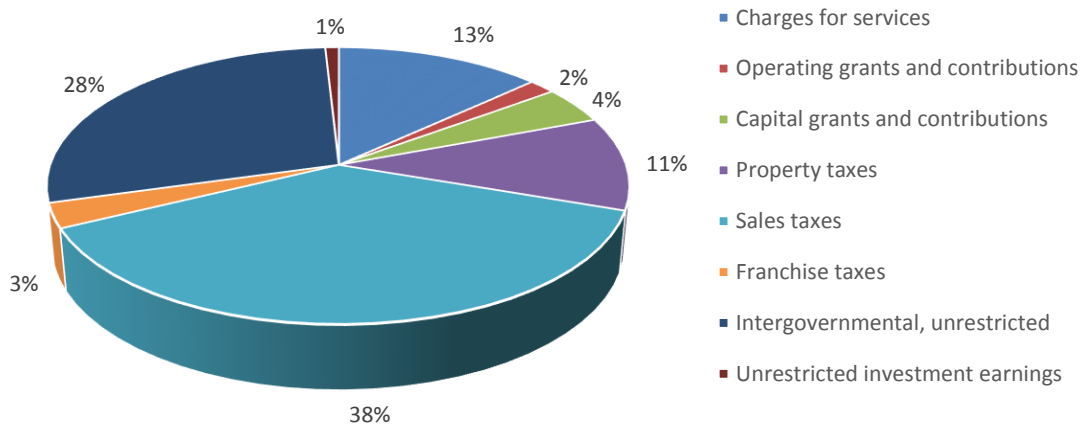
Governmental Activities

Revenues

Governmental activities revenues totaled \$114.5 million for fiscal year 2018, an increase of \$8.3 million from 2017, primarily in Sales Tax Revenues and Charges for Services. Local sales taxes remain the largest revenue source for the City and are comprised of the 1% general sales tax along with a 0.5% road tax and a 0.2% 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 37.6% 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 13.2% of governmental revenues. Property taxes represent 10.9% 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 3.4% from 2017, reflecting an improvement in the economy over last year.
- Charges for services increased by \$2.0 million primarily from an increase in public safety charges, particularly ambulance services.
- Property taxes increased 1.6% to \$12.5 million as the City Council did not allow an increase in property tax levy for 2018.

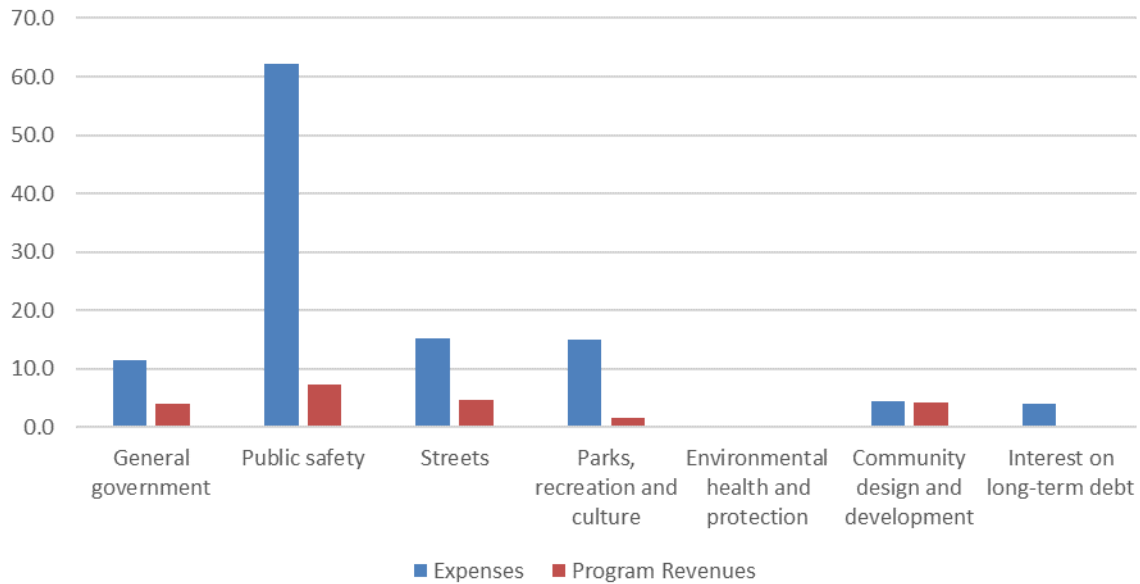
REVENUES - GOVERNMENTAL ACTIVITIES



Expenses

Governmental expenses totaled \$112.6 million for the fiscal year. Of the expenses, 55.2% or \$62.2 million is related to public safety for police, fire and municipal court services. Parks, recreation and culture expenses amounted to \$15.0 million, or 13.3% and Streets was \$15.3 million, or 13.6%, while community design and development expenses amounted to 3.9%. General government expenses came to \$11.5 million, or 10.2%. Interest on long-term debt was \$4.1 million, or 3.6% of governmental expenses. Overall, governmental activities expenses decreased \$4.1 million from 2017, driven primarily by a decrease in Public Safety expenditures of \$5.9 million, part of which was due to taking a credit from PSPRS.

REVENUES AND EXPENSES
GOVERNMENTAL ACTIVITIES



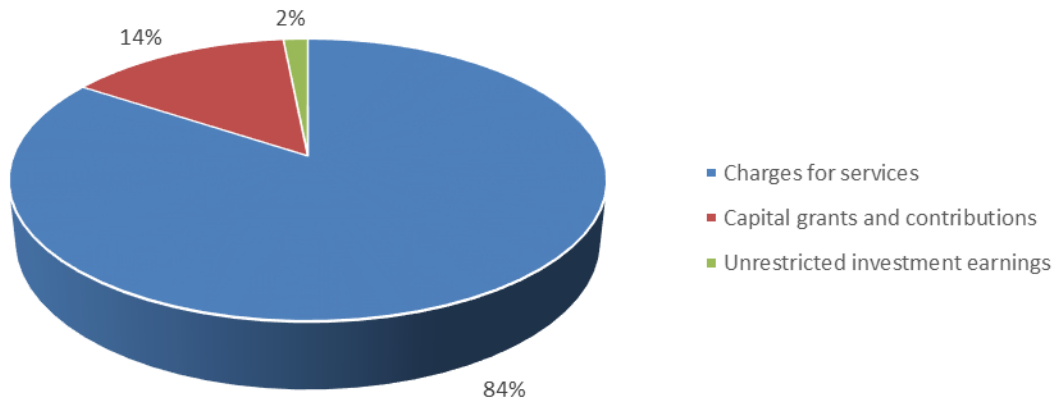
The chart above compares governmental activities with their respective program revenues, if any. Because the ultimate beneficiary of services of these types is often difficult to ascertain or the services apply to a broad spectrum of users (such as in fire protection), user fees are not created and general 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 \$48.7 million in charges for services, 85.9% comes from the City’s two utility operations, water and wastewater. The remaining charges are from solid waste, radio communications and the City’s two golf courses, Desert Hills and Desert Hills Par 3. The \$8.2 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 1.5% of revenues for the City’s business activities.

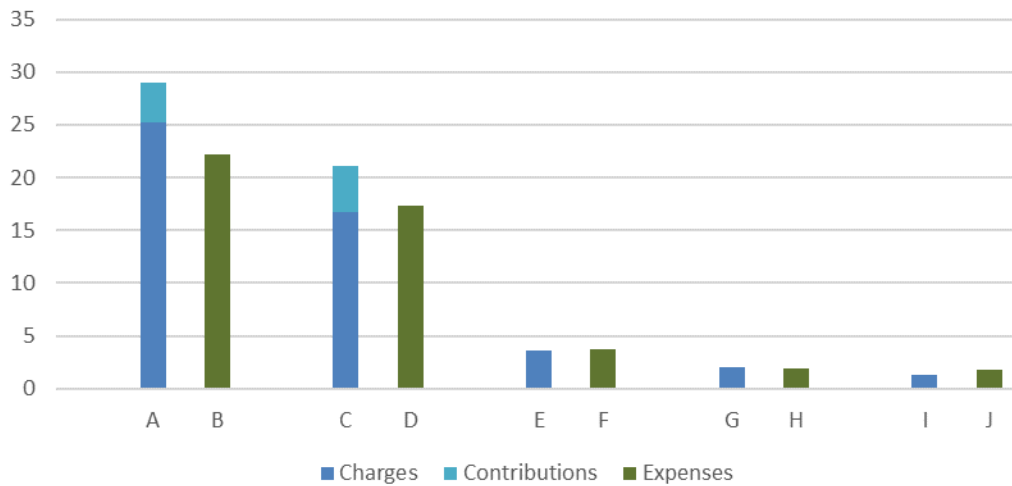
REVENUES - BUSINESS-TYPE ACTIVITIES



Expenses

Water and wastewater services account for 84.0% of the City’s business-type activities with solid waste, radio communication and golf courses making up the remaining 16.0%. Water expenses amounted to \$22.2 million while wastewater expenses totaled \$17.3 million. Solid Waste, Radio Communications, and Desert Hills Golf Courses recorded expenses of \$3.8 million, \$1.9 million and \$1.8 million, respectively, for a total of \$7.5 million.

REVENUES AND EXPENSES
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.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental funds. The combined fund balances of governmental funds for the fiscal year ended June 30, 2018, is \$61.8 million, an increase from 2017 of \$2.8 million. A review of some of the more significant funds follows.

General Fund

The fund balance of the General Fund increased by \$3.5 million for the fiscal year 2018. Revenues increased by \$1.7 million. City sales taxes, the city's largest source of General Fund revenues, increased \$0.9 million (4.1%) to \$22.1 million, representing an increase in retail sales. Property taxes increased by \$0.1 million to \$12.4 million. State-shared vehicle registration tax (auto lieu tax) increased 5.4% to \$3.9 million. Total expenditures decreased \$3.0 million to \$64.8 million. Most of the decrease occurred in Public Safety expenditures, primarily due to the credit received from PSPRS for the payout of the Hall and Parker lawsuit settlements.

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 increased by \$0.8 million for the year. In the same manner as general sales tax in the General Fund, sales taxes increased in 2018 by \$0.3 million to \$10.9 million. Operational expenditures decreased by \$0.9 million from 2017.

Debt Service

Debt Service Fund expenditures remained flat at \$11.5 million.

Highway User Revenue Fund (HURF)

This fund, which accounts for the expenditure of state-shared gasoline taxes, showed an increase in fund balance of \$1.1 million for the year, increasing to \$5.8 million. The City's portion of those taxes increased by 4% for the fiscal year to \$7.8 million. All maintenance expenditures for streets and retention basins are made in the HURF Fund. Expenditures remained flat at \$6.7 million.

Grants Fund

The City continues to receive much needed assistance from both the state and federal levels. During 2018, revenues decreased to 1.9 million, due the expiration of some grants. Again this year, Homeland Security was the primary source of grants, funding the Operation Stone Garden.

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 increased to \$1.1 million for 2018.

Capital Projects Fund

The Capital Projects Fund's fund balance has decreased to \$16.5 million this year and the city continues to expend the proceeds of the 2007 and 2015 bond sales. Capital expenditures in fiscal year 2018 were \$4.3 million.

Proprietary funds. The City's enterprise funds posted an overall increase in net position of \$10.9 million for the fiscal year ended June 30, 2018. Results were mixed between the various funds. Water, Wastewater, and Radio Communications Funds posted increases while Solid Waste, and Desert Hills Golf Course Funds posted decreases in net position.

Water Fund

Operating revenues for the Water Fund increased by \$1.5 million or 6.4% for the year ending June 30, 2018. Operating expenses decreased by 2.5% with attendant improvements implemented. With these changes, operating

MANAGEMENT’S DISCUSSION AND ANALYSIS

income increased to \$5.8 million. Capital contributions increased to \$3.7 million, leading to the fund’s net position increase of \$7.2 million.

Wastewater Fund

The Wastewater Fund operating revenues increased 3.4% from fiscal 2017. Rate-based charges increased 3.4% to \$16.6 million. Operating expenses increased by 5.9% with income from operations decreasing to \$470 thousand. Capital contributions increased to \$4.4 million, increasing the fund’s net position by \$4.3 million.

Radio Communications

Operating revenues increased 5.3% to \$2.0 million due to an increase in other agencies communication product purchases through the YRCS. Operating expenses decreased 2.2% to \$1.8 million, with the fund’s net position increasing to \$2.1 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2018, can be found starting on page 79. A summary of that schedule follows:

	Budget		Actual	Variance with Final
	Original	Final		
Revenues and Transfers In				
Taxes	\$ 38.0	\$ 38.0	\$ 37.7	\$ (0.3)
Intergovernmental	24.8	24.8	24.8	-
Other	10.0	10.0	10.4	0.4
Total	72.8	72.8	72.9	0.1
Expenditures and Transfers Out				
Expenditures	71.5	71.5	64.9	6.6
Transfers Out	4.6	4.6	4.6	-
Total	76.1	76.1	69.5	6.6
Change in Fund Balance	\$ (3.3)	\$ (3.3)	\$ 3.4	\$ 6.7

General Fund revenues and transfers ended the year \$0.1 million over budget expectations. While licensing, intergovernmental tax revenues and interest saw slight increases, those increases were offset by decreases in other tax revenues. The important revenue source of city sales tax decreased by \$0.3 million.

Expenditures for the fund came in at \$6.6 million below budget due in large part by a credit from PSPRS for the settlement payments as a result of the Hall and Parker lawsuits. Additionally, much of the contingency budget was not used. General Government, Public Safety, and Community Development showed savings of \$2.5 million, \$3.0 million, and \$0.4 million, respectively. Savings in budget occurred in every department with the City’s drive to reduce expenditures throughout the year. The City continued to target all areas of expenditure reduction. Due to the departments’ diligence, along with the PSPRS credit, the General Fund’s anticipated reduction of fund balance decreased from a reduction of \$3.3 million to an increase of \$3.4 million.

CAPITAL ASSETS

At June 30, 2018, the City of Yuma’s investment in capital assets in both governmental and business-type activities amounted to \$561.0 million, net of depreciation. This includes land, buildings, equipment, and infrastructure (roadways and bridges). Capital assets for governmental activities decreased by 1.4% while business-type capital assets decreased by 2.0%. These decreases were due to fewer new assets being acquired and/or constructed than depreciation expense on existing assets city-wide.

Change in Capital Assets

(In Millions)

	Governmental Activities			Business-type Activities			Total
	July 1, 2017	Net Additions/ Deletions	June 30, 2018	July 1, 2017	Net Additions/ Deletions	June 30, 2018	
Land	\$ 52.5	\$ (0.7)	\$ 51.8	\$ 10.6	\$ -	\$ 10.6	\$ 62.4
Buildings	95.5	-	95.5	164.6	-	164.6	260.1
Improvements	50.2	16.5	66.7	281.7	3.0	284.7	351.4
Infrastructure	267.4	5.6	273.0	-	-	-	273.0
Equipment	59.4	2.3	61.7	13.8	0.5	14.3	76.0
Construction in Progress	18.2	(10.1)	8.1	1.9	5.0	6.9	15.0
Accumulated Depreciation	(252.3)	(14.0)	(266.3)	(196.6)	(14.1)	(210.7)	(477.0)
Total	\$ 290.9	\$ (0.4)	\$ 290.5	\$ 276.0	\$ (5.6)	\$ 270.4	\$ 560.9

Additional information on capital assets can be found in Note II-E starting on page 46.

DEBT ADMINISTRATION

At June 30, 2018, after scheduled debt payments, governmental activity debt decreased by \$7.5 million while business activity debt decreased to \$122.5 million.

The state limits the amount a municipality may issue in general obligation debt to 20% of the City’s secondary assessed valuation for combined water, wastewater, artificial light, parks, open space preserves, playgrounds and recreational facilities. Debt related to other projects is limited to 6% of the valuation. The current debt limitation for the former type is \$122.3 million. This City currently has no outstanding general obligation debt nor is there any debt outstanding for the other type of issuance.

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

A summary of the City’s long-term debt follows. Additional information on the City’s long-term debt can be found in Note II-F on pages 48-52.

Summary of Long-Term Debt

(Millions)

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Yuma Municipal Property Corporation Bonds	\$ 98.3	\$ 104.7	\$ 114.2	\$ 123.8	\$ 212.5	\$ 228.5
Net Unamortized Premium/Issuance Costs	7.3	8.0	8.3	8.9	15.6	16.9
Improvement Districts	1.0	1.4	-	-	1.0	1.4
Capital Lease	1.1	-	-	-	1.1	-
Pension	157.9	145.9	13.3	13.6	171.2	159.5
Compensated Absences	7.0	6.4	1.1	1.1	8.1	7.5
Total Long-Term Debt	\$ 272.6	\$ 266.4	\$136.9	\$ 147.4	\$ 409.5	\$ 413.8

ECONOMIC FACTORS

Yuma County's growth steadily improving. The county grew to an estimated 207,534 with the City of Yuma representing 46% of the county's population. The City of Yuma has grown to an estimated 95,502 for 2017 (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 \$3.2 billion annually. The area's 90,000-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 4.1% increase this year, compared to its historic growth rate of 7%. For fiscal year 2018, General Fund revenues were projected with a 3.9% increase.

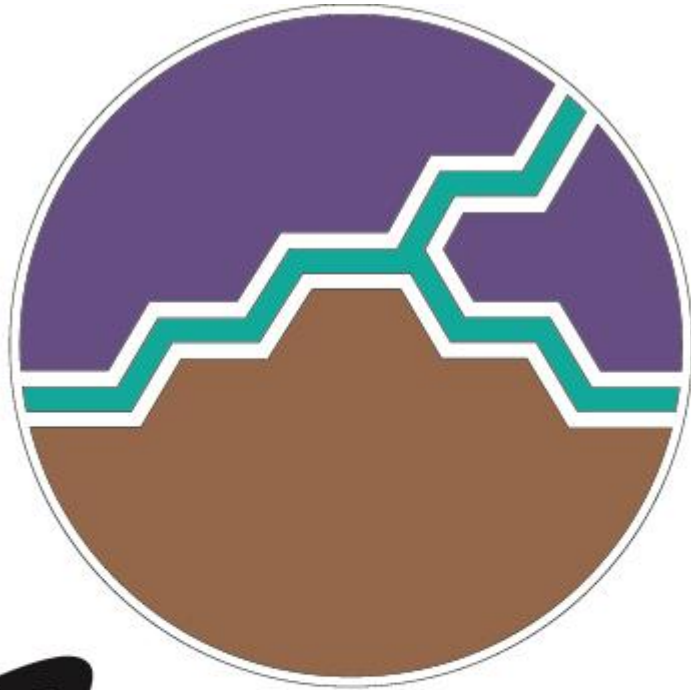
With sales tax statistics continuing to improve, the economy continues to strengthen. During 2018, the following major economic events occurred:

- MPW began construction with an anticipated completion date in Summer 2019. It is anticipated to provide 42 full-time, year-round jobs to Yuma upon opening.
- Almark Company completed construction on its new plant, which has brought approximately 130 full-time, year-round jobs to Yuma.
- The Yuma International Airport announced that they would be adding a leg to Dallas/Fort Worth International Airport in March of 2019. This will bring with it additional flight options for travelers from all points, whether for business or pleasure.

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.

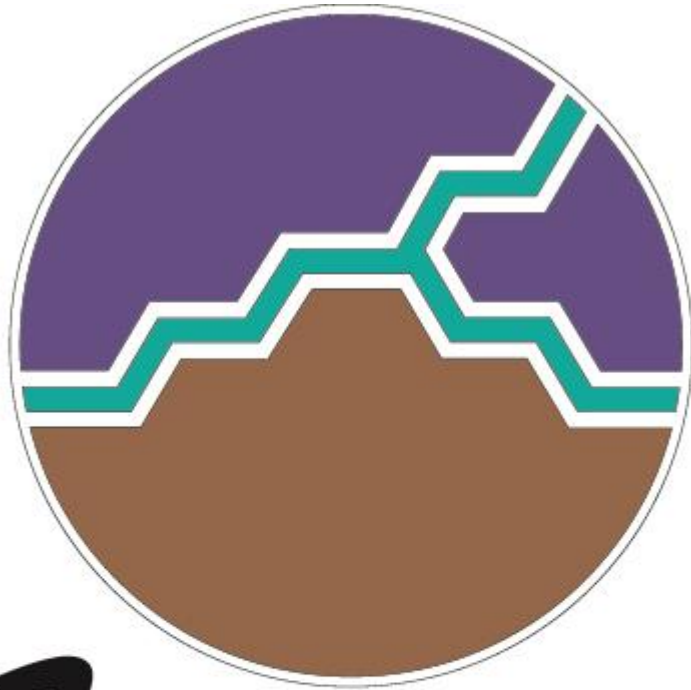
CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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 Lisa Marlin, Director of Financial Services, 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.



CITY OF
Yuma

BASIC FINANCIAL STATEMENTS



CITY OF
Yuma

**GOVERNMENT-WIDE FINANCIAL
STATEMENTS**

City of Yuma, Arizona
Statement of Net Position
June 30, 2018

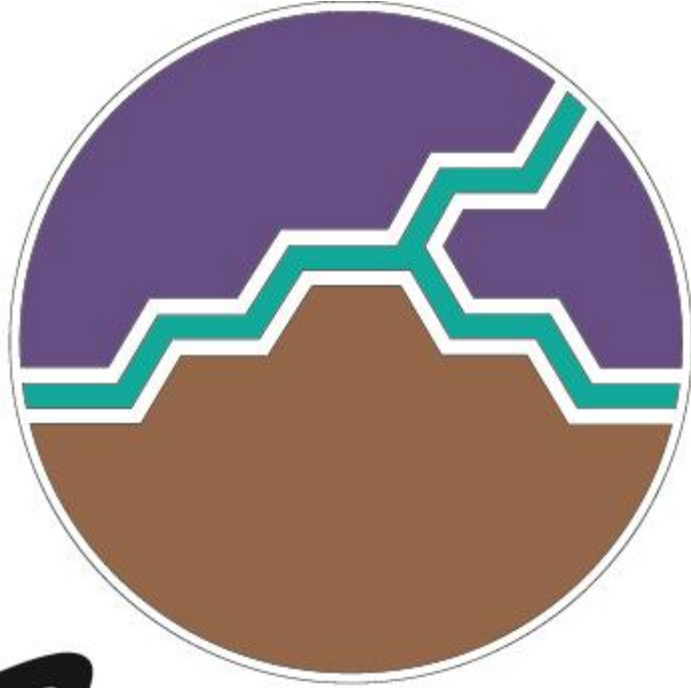
<u>Assets</u>	Governmental Activities	Business-type Activities	Total
Cash and Investments	\$ 90,981,169	\$ 84,676,696	\$ 175,657,865
Receivables, Net	11,873,780	4,812,678	16,686,458
Internal Balances	803,683	(803,683)	-
Inventory, at cost	668,417	205,502	873,919
Prepaid Items	70,577	28,190	98,767
Capital Assets:			
Non-depreciable	59,977,596	17,508,215	77,485,811
Depreciable, Net	230,527,927	252,933,031	483,460,958
Total Assets	<u>394,903,149</u>	<u>359,360,629</u>	<u>754,263,778</u>
<u>Deferred Outflows of Resources</u>			
Pension Investments PSPRS Police - Projection/Actual diff	2,500,010	-	2,500,010
Pension Investments PSPRS Fire - Projection/Actual diff	1,714,291	-	1,714,291
Pension Contributions ASRS - Current Year	2,441,871	919,737	3,361,608
Pension Investments EORP - Projection/Actual diff	23,430	-	23,430
Pension Contributions PSPRS Police - Current Year	4,415,023	-	4,415,023
Pension Contributions PSPRS Fire - Current Year	3,211,547	-	3,211,547
Pension Contributions EORP - Current Year	38,454	-	38,454
Other Pension Items ASRS	2,187,602	823,964	3,011,566
Other Pension Items PSPRS Police	10,339,691	-	10,339,691
Other Pension Items PSPRS Fire	8,902,750	-	8,902,750
Other Pension Items EORP	149,209	-	149,209
Pension EORP- Changes in Proportion	56,831	-	56,831
Deferred Charges on Refunding	3,073,163	4,920,488	7,993,651
Total Deferred Outflows of Resources	<u>39,053,872</u>	<u>6,664,189</u>	<u>45,718,061</u>
<u>Liabilities</u>			
Accounts Payable and Deposits	3,951,362	3,298,414	7,249,776
Accrued Liabilities	4,115,535	391,551	4,507,086
Due to Other Governmental Units	-	-	-
Accrued Interest Payable	2,171,184	2,043,180	4,214,364
Unearned Revenue	2,250,031	178,537	2,428,568
Noncurrent Liabilities:			
Due within one year			
Current portion of Accrued Compensated Absences	2,485,801	363,990	2,849,791
Current portion of Debt	7,110,000	9,546,000	16,656,000
Current portion of Capital Lease	147,405	-	147,405
Due in more than one year			
Accrued Compensated Absences	4,438,279	782,941	5,221,220
Pension	157,910,353	13,327,332	171,237,685
Debt	99,516,268	112,998,249	212,514,517
Capital Lease	884,431	-	884,431
Total Liabilities	<u>284,980,649</u>	<u>142,930,194</u>	<u>427,910,843</u>
<u>Deferred Inflows of Resources</u>			
Pension Investments ASRS - Projection/Actual difference	1,058,036	398,511	1,456,547
Pension Investments PSPRS Police - Projection/Actual diff	1,882,455	-	1,882,455
Pension Investments PSPRS Fire - Projection/Actual diff	1,299,529	-	1,299,529
Other Pension Items ASRS	1,326,790	499,738	1,826,528
Other Pension Items PSPRS Police	307,773	-	307,773
Other Pension Items PSPRS Fire	2,120,920	-	2,120,920
Other Pension Items EORP	33,135	-	33,135
	<u>8,028,638</u>	<u>898,249</u>	<u>8,926,887</u>
<u>Net Position</u>			
Net Investment in capital assets	197,163,475	154,181,227	351,344,702
Restricted for:			
Debt Service	1,055,043	-	1,055,043
Community Development	808,048	-	808,048
Road Maintenance and Construction	18,626,655	-	18,626,655
PS Police equipment and facilities	2,430,420	-	2,430,420
PS Fire equipment and facilities	810,140	-	810,140
Parks, recreation and cultural facilities	2,417,642	-	2,417,642
Unrestricted	(82,363,689)	68,015,148	(14,348,541)
Total Net Position	<u>\$ 140,947,734</u>	<u>\$ 222,196,375</u>	<u>\$ 363,144,109</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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities:							
General Government	\$ 11,531,798	\$ 3,681,228	\$ 132,726	\$ 151,453	\$ (7,566,391)	\$ -	\$ (7,566,391)
Public Safety	62,156,511	6,649,783	656,312	-	(54,850,416)	-	(54,850,416)
Streets	15,301,277	-	78,927	4,645,711	(10,576,639)	-	(10,576,639)
Parks, Recreation and Culture	14,966,583	1,495,160	-	106,353	(13,365,070)	-	(13,365,070)
Environmental Health and Protection	95,299	-	-	112,584	17,285	-	17,285
Community Design and Development	4,390,899	3,271,932	1,074,831	-	(44,136)	-	(44,136)
Interest on Long-Term Debt	4,087,377	-	-	-	(4,087,377)	-	(4,087,377)
Total Governmental Activities	112,529,744	15,098,103	1,942,796	5,016,101	(90,472,744)	-	(90,472,744)
Business-type Activities:							
Water	22,204,509	25,197,899	-	3,791,027	-	6,784,417	6,784,417
Wastewater	17,293,458	16,678,877	-	4,441,497	-	3,826,916	3,826,916
Solid Waste	3,771,944	3,631,012	-	-	-	(140,932)	(140,932)
Radio Communications	1,844,664	1,956,329	-	-	-	111,665	111,665
Golf Courses	1,735,734	1,267,701	-	-	-	(468,033)	(468,033)
Total Business-type Activities	46,850,309	48,731,818	-	8,232,524	-	10,114,033	10,114,033
Total	\$ 159,380,053	\$ 63,829,921	\$ 1,942,796	\$ 13,248,625	(90,472,744)	10,114,033	(80,358,711)
General Revenues:							
Property taxes					12,519,623	-	12,519,623
Sales taxes					42,999,229	-	42,999,229
Franchise taxes					3,265,901	-	3,265,901
Intergovernmental, unrestricted					32,643,954	-	32,643,954
Unrestricted investment earnings					1,022,296	856,170	1,878,466
Gain from sale of assets					9	-	9
Total general revenues					92,451,012	856,170	93,307,182
Transfers					78,241	(78,241)	-
Total general revenues and transfers					92,529,253	777,929	93,307,182
Change in net position					2,056,509	10,891,962	12,948,471
Net position-beginning as restated					138,891,225	211,304,413	350,195,638
Net position-ending					\$ 140,947,734	\$ 222,196,375	\$ 363,144,109

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



CITY OF
Yuma

FUND FINANCIAL STATEMENTS

City of Yuma, Arizona
Balance Sheet
Governmental Funds
June 30, 2018

<u>Assets</u>	General	City Road Tax	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total
Cash and Investments	\$ 19,917,319	\$ 13,265,135	\$ 2,901	\$ 18,086,181	\$ 11,219,660	\$ 62,491,196
Cash with Fiscal Agents	-	-	8,946,191	-	-	8,946,191
Receivables, Net of Allowances for Uncollectibles:						
Accounts Receivable	3,702,596	65,101	10,025	145,518	1,028,886	4,952,126
Intergovernmental	1,548,802	404,737	-	310,531	2,166,859	4,430,929
Special Assessments	20,169	-	1,050,000	-	-	1,070,169
Delinquent Property Taxes	592,212	-	-	-	4,721	596,933
Accrued Interest	25,282	19,414	-	7,315	13,866	65,877
Due from Other Funds	2,449,923	-	-	-	-	2,449,923
Inventory, at cost	24,029	-	-	-	9,540	33,569
Prepaid Items	62,564	3,381	-	-	532	66,477
Total Assets and Other Debits	<u>\$28,342,896</u>	<u>\$13,757,768</u>	<u>\$10,009,117</u>	<u>\$18,549,545</u>	<u>\$14,444,064</u>	<u>\$85,103,390</u>
 <u>Liabilities</u>						
Accounts Payable	\$ 1,416,343	\$ 847,679	\$ -	\$ 254,846	\$ 620,603	\$ 3,139,471
Accrued Payroll, Taxes and Benefits Payable	2,633,251	58,333	-	-	230,947	2,922,531
Long-Term Debt - Current Portion	-	-	6,775,000	-	-	6,775,000
Due to Other Funds	-	-	7,890	-	819,691	827,581
Accrued Interest Payable	-	-	2,171,184	-	-	2,171,184
Deposits	458,643	15,559	-	-	64,249	538,451
Unearned Revenues	10,106	1,600	-	1,806,235	432,090	2,250,031
Total Liabilities	<u>4,518,343</u>	<u>923,171</u>	<u>8,954,074</u>	<u>2,061,081</u>	<u>2,167,580</u>	<u>18,624,249</u>
 <u>Deferred Inflows of Resources</u>						
Unavailable Revenues	2,822,307	-	1,050,000	-	812,771	4,685,078
 <u>Fund Balances:</u>						
Nonspendable:						
Inventory	24,029	-	-	-	9,540	33,569
Prepaid Items	62,564	3,381	-	-	532	66,477
Spendable						
Restricted	-	12,831,216	5,043	10,211,058	11,453,641	34,500,958
Committed	-	-	-	6,277,406	-	6,277,406
Unassigned	20,915,653	-	-	-	-	20,915,653
Total Fund Balances	<u>21,002,246</u>	<u>12,834,597</u>	<u>5,043</u>	<u>16,488,464</u>	<u>11,463,713</u>	<u>61,794,063</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 28,342,896</u>	<u>\$ 13,757,768</u>	<u>\$ 10,009,117</u>	<u>\$ 18,549,545</u>	<u>\$ 14,444,064</u>	<u>\$ 85,103,390</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, 2018

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

Total Fund Balances per the Balance Sheet-Governmental Funds:		\$ 61,794,063
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		282,857,680
Revenues deferred to later years recognized in year levied in governmental activities.		
Special Assessment/Loan Principal	\$ 1,858,048	
Property Tax	596,933	
Ambulance Billings	<u>2,230,097</u>	
		4,685,078
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences	(6,845,660)	
Pension Liability	(129,958,282)	
MPC bonds payable	(91,475,000)	
Improvement District #68	(1,050,000)	
Net unamortized deferred charges or premiums are not recorded in the governmental funds	<u>(7,326,268)</u>	
		(236,655,210)
Deferred charges on debt refunding are not recognized in the current period		3,073,163
Revenues recognized in governmental funds for capital leasing activities are not recognized in the government wide statements		(1,031,836)
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>26,224,796</u>
 Net position - Governmental Activities per the Statement of Net Position		 <u><u>\$ 140,947,734</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, 2018

	City Road Tax	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds	
	General	Tax	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 37,658,278	\$ 10,897,505	\$ -	\$ -	\$ 10,164,616	\$ 58,720,399
Licenses and Permits	2,261,042	-	-	-	-	2,261,042
Intergovernmental	24,843,684	-	-	-	10,276,079	35,119,763
Charges for Services	5,388,676	19,790	-	1,403,941	928,823	7,741,230
Fines and Forfeitures	1,140,437	-	-	-	-	1,140,437
Special Assessments	-	-	320,000	-	-	320,000
Use of Money and Property	460,095	302,401	62,430	250,201	185,827	1,260,954
Contributions and Donations	-	-	-	-	496,997	496,997
Miscellaneous	1,161,655	130,948	-	117,454	163,168	1,573,225
Total Revenues	72,913,867	11,350,644	382,430	1,771,596	22,215,510	108,634,047
Expenditures:						
Current:						
General Government	8,065,204	-	-	-	120,142	8,185,346
Public Safety	45,402,417	691,919	-	-	4,165,512	50,259,848
Streets	-	2,072,186	-	-	5,824,204	7,896,390
Parks, Recreation and Culture	7,444,620	-	-	-	6,185,049	13,629,669
Environmental Health and Protection	-	-	-	-	57,799	57,799
Community Design and Development	3,469,278	-	-	-	1,171,335	4,640,613
Capital Outlay	470,682	69,532	-	-	1,155,622	1,695,836
Capital Projects:						
General Government	-	-	-	17,855	245,138	262,993
Public Safety	-	-	-	-	8,925	8,925
Streets	-	2,822,499	-	446,327	481,320	3,750,146
Parks, Recreation and Culture	-	245,414	-	3,806,098	228,197	4,279,709
Environmental Health and Safety	-	91,121	-	-	-	91,121
Debt Service						
Principal	-	-	7,095,000	-	-	7,095,000
Interest and Fiscal Agent Fees	-	-	4,406,799	-	-	4,406,799
Total Expenditures	64,852,201	5,992,671	11,501,799	4,270,280	19,643,243	106,260,194
Revenues Over/(Under) Expenditures	8,061,666	5,357,973	(11,119,369)	(2,498,684)	2,572,267	2,373,853
Other Financing Sources/(Uses):						
Sale of Real Property	-	-	-	-	9	9
Capital Lease Agreements	-	-	-	-	1,031,836	1,031,836
Transfers In	-	-	11,122,446	-	121,371	11,243,817
Transfers Out	(4,613,117)	(4,541,033)	-	(555,082)	(2,172,166)	(11,881,398)
Total Other Financing Sources/(Uses)	(4,613,117)	(4,541,033)	11,122,446	(555,082)	(1,018,950)	394,264
Net Change in Fund Balances	3,448,549	816,940	3,077	(3,053,766)	1,553,317	2,768,117
Fund Balances - Beginning	17,553,697	12,017,657	1,966	19,542,230	9,910,396	59,025,946
Fund Balances - Ending	<u>\$ 21,002,246</u>	<u>\$ 12,834,597</u>	<u>\$ 5,043</u>	<u>\$ 16,488,464</u>	<u>\$ 11,463,713</u>	<u>\$ 61,794,063</u>

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

City of Yuma, Arizona

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances-Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2018

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

Net change in fund balances-governmental funds	\$ 2,768,117
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	59,731
Public safety ambulance revenue	1,034,196
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	(1,775)
Special Assessment Principal Payments	(320,000)
Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of those assets is allocated over their useful lives as depreciation	
Depreciation recorded in Statement of Activities	(13,399,819)
Capital outlay expenditures reported as additions to assets:	
Capital outlay expenditures-governmental funds	10,088,730
Infrastructure maintenance expenditures recorded as capital outlay but not capitalized as asset additions	(886,559)
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	7,095,000
Increase in compensated absences expense not recorded in governmental funds	(512,602)
Governmental funds report pension contributions as expenditures. GASB 68 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.	(8,833,134)
The net effect of miscellaneous transactions involving capital assets (trades of land for rights-of-way) is to decrease net position.	(922,062)
Investment earnings of the internal service funds are general revenues on the statement of activities	211,464
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	715,822
Arizona state pension refund expenditures were reversed in government-wide when recognized as expenditures in governmental funds	304,027
Revenues recognized in government-wide statements for Elected Officials Retirement Plan (EORP) for "on-behalf" contributions are not recognized in governmental activities	240,004
Governmental funds expenditures related to capital leasing activities are not recorded in the government-wide statements	(1,031,836)
Interest payments accrued in government-wide statements are not recorded in governmental activities until paid	319,422
Net revenues of internal service funds in excess of expenses reduce governmental activities expenses on the Statement of Activities	482,072
Contributions of infrastructure assets are not recorded as revenues in the governmental funds	<u>4,645,711</u>
Change in net position of governmental activities	<u>\$ 2,056,509</u>

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

City of Yuma, Arizona
Statement of Net Position
Proprietary Funds
June 30, 2018

Assets	Business-Type Activities-Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Wastewater Fund	Other Funds	Totals	
Current Assets:					
Cash and Investments	\$ 25,059,192	\$ 25,930,608	\$ 3,131,367	\$ 54,121,167	\$ 19,543,782
Receivables, Net of Allowance for Uncollectibles:					
Accounts Receivable	2,537,158	1,377,109	379,372	4,293,639	737,708
Intergovernmental	1,456	429,223	5,343	436,022	12
Accrued Interest	33,093	45,769	4,155	83,017	20,026
Inventory, at cost	100,689	-	104,813	205,502	634,848
Prepaid Expenses	5,578	1,569	21,043	28,190	4,100
Total Unrestricted Current Assets	<u>27,737,166</u>	<u>27,784,278</u>	<u>3,646,093</u>	<u>59,167,537</u>	<u>20,940,476</u>
Restricted Assets:					
Cash and Investments:					
Cash with Fiscal Agents	7,482,441	4,110,846	-	11,593,287	-
Advancement for Future Expansion	4,954,754	13,346,853	-	18,301,607	-
Customer Deposits	660,635	-	-	660,635	-
Total Restricted Current Assets	<u>13,097,830</u>	<u>17,457,699</u>	<u>-</u>	<u>30,555,529</u>	<u>-</u>
Total Current Assets	<u>40,834,996</u>	<u>45,241,977</u>	<u>3,646,093</u>	<u>89,723,066</u>	<u>20,940,476</u>
Noncurrent Assets:					
Capital Assets:					
Land	1,867,721	8,735,438	-	10,603,159	219,610
Buildings	106,000,530	55,545,009	3,102,865	164,648,404	19,251
Improvements Other than Buildings	161,143,708	120,202,187	3,341,093	284,686,988	222,733
Equipment	2,926,765	2,272,913	9,120,462	14,320,140	30,608,470
Construction In Progress	4,131,453	2,773,603	-	6,905,056	-
Less Accumulated Depreciation	(116,920,030)	(80,176,183)	(13,626,288)	(210,722,501)	(23,422,221)
Total Capital Assets	<u>159,150,147</u>	<u>109,352,967</u>	<u>1,938,132</u>	<u>270,441,246</u>	<u>7,647,843</u>
Total Noncurrent Assets	<u>159,150,147</u>	<u>109,352,967</u>	<u>1,938,132</u>	<u>270,441,246</u>	<u>7,647,843</u>
Total Assets	<u>199,985,143</u>	<u>154,594,944</u>	<u>5,584,225</u>	<u>360,164,312</u>	<u>28,588,319</u>
Deferred Outflows of Resources					
Pension Contributions - Current Year	434,656	309,604	175,477	919,737	-
Other Pension Items	389,395	277,365	157,204	823,964	-
Deferred Charges on Refunding	3,710,812	1,209,676	-	4,920,488	-
Total Deferred Outflows of Resources	<u>4,534,863</u>	<u>1,796,645</u>	<u>332,681</u>	<u>6,664,189</u>	<u>-</u>
Liabilities					
Current Liabilities Payable from Current Assets:					
Accounts Payable	1,292,524	988,163	220,233	2,500,920	273,440
Accrued Payroll and Related Taxes	182,633	137,079	71,839	391,551	35,881
Current Portion-Bonds Payable	5,925,661	3,620,339	-	9,546,000	-
Current Portion-Accrued Compensated Absences	166,992	115,166	81,832	363,990	26,104
Estimated Claims and Judgements	-	-	-	-	1,157,123
Due to Other Funds	-	-	255,447	255,447	1,366,895
Accrued Interest Payable	1,510,665	532,515	-	2,043,180	-
Unearned Revenue	-	-	152,917	152,917	-
Total Current Liabilities Payable from Current Assets	<u>9,078,475</u>	<u>5,393,262</u>	<u>782,268</u>	<u>15,254,005</u>	<u>2,859,443</u>
Current Liabilities Payable from Restricted Assets:					
Accounts Payable	102,919	6,190	-	109,109	-
Deposits	688,385	-	-	688,385	-
Unearned Revenue	-	25,620	-	25,620	-
Total Current Liabilities Payable from Restricted Assets	<u>791,304</u>	<u>31,810</u>	<u>-</u>	<u>823,114</u>	<u>-</u>
Total Current Liabilities	<u>9,869,779</u>	<u>5,425,072</u>	<u>782,268</u>	<u>16,077,119</u>	<u>2,859,443</u>
Noncurrent Liabilities:					
Bonds Payable	81,942,866	31,055,383	-	112,998,249	-
Pension Liability	6,298,333	4,486,284	2,542,715	13,327,332	-
Accrued Compensated Absences	409,713	221,813	151,415	782,941	52,316
Total Noncurrent Liabilities	<u>88,650,912</u>	<u>35,763,480</u>	<u>2,694,130</u>	<u>127,108,522</u>	<u>52,316</u>
Total Liabilities	<u>98,520,691</u>	<u>41,188,552</u>	<u>3,476,398</u>	<u>143,185,641</u>	<u>2,911,759</u>
Deferred Inflows of Resources					
Pension Investments - Projection/Actual difference	188,332	134,148	76,031	398,511	-
Other Pension Items	236,170	168,223	95,345	499,738	-
Total Deferred Inflows of Resources	<u>424,502</u>	<u>302,371</u>	<u>171,376</u>	<u>898,249</u>	<u>-</u>
Net Position					
Net investment in capital assets	76,356,174	75,886,921	1,938,132	154,181,227	7,647,843
Unrestricted	29,218,639	39,013,745	331,000	68,563,384	18,028,717
Total Net Position	<u>\$ 105,574,813</u>	<u>\$ 114,900,666</u>	<u>\$ 2,269,132</u>	<u>222,744,611</u>	<u>\$ 25,676,560</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				(548,236)	
Net position of business-type activities				<u>\$ 222,196,375</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, 2018

	Business-Type Activities-Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
Operating Revenues:					
Metered Water Sales	\$ 23,642,319	\$ -	\$ -	\$ 23,642,319	\$ -
Commercial Raw Water	131,767	-	-	131,767	-
Wastewater Charges	-	16,580,895	-	16,580,895	-
Meters, Connections and Services	1,367,819	54,241	-	1,422,060	-
Charges for Services	-	-	5,558,270	5,558,270	5,413,543
Green Fees and Concessions	-	-	1,087,550	1,087,550	-
Equipment Rental	-	-	170,110	170,110	2,064,842
Miscellaneous Charges	-	-	-	-	1,471,183
Total Operating Revenues	25,141,905	16,635,136	6,815,930	48,592,971	8,949,568
Operating Expenses:					
Operations and Maintenance	11,754,704	9,912,643	6,913,438	28,580,785	6,062,771
Depreciation	7,567,061	6,252,895	440,827	14,260,783	2,430,658
Total Operating Expenses	19,321,765	16,165,538	7,354,265	42,841,568	8,493,429
Operating Income/(Loss)	5,820,140	469,598	(538,335)	5,751,403	456,139
Non-Operating Revenues/(Expenses):					
Interest	374,605	443,339	38,228	856,172	211,464
Gain/(Loss) on Disposal of Assets	-	-	-	-	(99,890)
Interest and Fiscal Agent Fees	(2,851,258)	(1,031,660)	-	(3,882,918)	-
Miscellaneous Revenues	55,994	43,741	39,112	138,847	-
Total Non-Operating Revenues/(Expenses)	(2,420,659)	(544,580)	77,340	(2,887,899)	111,574
Income/(Loss) before Contributions and Transfers	3,399,481	(74,982)	(460,995)	2,863,504	567,713
Capital Contributions	3,791,027	4,441,497	-	8,232,524	-
Transfers In	-	-	250,000	250,000	719,813
Transfers Out	(59,612)	(65,994)	(202,636)	(328,242)	(3,991)
Change in Net Position	7,130,896	4,300,521	(413,631)	11,017,786	1,283,535
Net Position - Beginning	98,443,917	110,600,145	2,682,763		24,393,025
Net Position - Ending	\$ 105,574,813	\$ 114,900,666	\$ 2,269,132		\$ 25,676,560
Adjustment for consolidation of internal service fund activities related to enterprise funds				(125,823)	
Change in net position of business-type activities				\$ 10,891,963	

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, 2018

	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	\$ 25,396,301	\$ 16,514,676	\$ 6,885,975	\$ 48,796,952	\$ 8,213,111
Cash Paid to Employees	(5,513,985)	(4,119,360)	(2,172,745)	(11,806,090)	(1,115,773)
Cash Paid to Suppliers	(6,222,752)	(5,264,120)	(4,566,634)	(16,053,506)	(2,584,711)
Cash Paid to Suppliers	-	-	-	-	26,417
Cash Paid for Operating Expenses	-	-	-	-	(2,461,099)
Other Operating Activity Revenue	55,994	43,741	39,112	138,847	6,318
Net Cash Provided by/(used for) Operating Activities	<u>13,715,558</u>	<u>7,174,937</u>	<u>185,708</u>	<u>21,076,203</u>	<u>2,084,263</u>
Cash Flows from Noncapital Financing Activities:					
Cash Received from Other Funds	-	-	250,000	250,000	719,813
Cash Paid to Other Funds	(59,612)	(65,994)	(202,635)	(328,241)	(3,991)
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>(59,612)</u>	<u>(65,994)</u>	<u>47,365</u>	<u>(78,241)</u>	<u>715,822</u>
Cash Flow from Capital and Related Financing Activities:					
Contributions of Capital	3,019,332	3,504,846	-	6,524,178	-
Federal Grants	-	-	-	-	-
State Grants	-	-	-	-	-
Acquisition and Construction of Assets	(4,123,959)	(2,505,349)	(303,339)	(6,932,647)	(2,624,064)
Proceeds from Sale of Capital Assets	-	-	-	-	71,062
Principal Payments on Bonds	(5,877,137)	(3,644,863)	-	(9,522,000)	-
Interest and Fiscal Agent Fee Payments	(3,120,217)	(1,109,293)	-	(4,229,510)	-
Net Cash (Used for) Capital and Related Financing Activities	<u>(10,101,981)</u>	<u>(3,754,659)</u>	<u>(303,339)</u>	<u>(14,159,979)</u>	<u>(2,553,002)</u>
Cash Flows from Investing Activities:					
Receipt of Interest	344,749	440,784	37,899	823,432	210,060
Net Cash Provided by Investing Activities	<u>344,749</u>	<u>440,784</u>	<u>37,899</u>	<u>823,432</u>	<u>210,060</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>3,898,714</u>	<u>3,795,068</u>	<u>(32,368)</u>	<u>7,661,414</u>	<u>457,143</u>
Cash and Cash Equivalents, July 1	<u>34,258,308</u>	<u>39,593,239</u>	<u>3,163,735</u>	<u>77,015,282</u>	<u>19,086,639</u>
Cash and Cash Equivalents, June 30	<u>\$ 38,157,022</u>	<u>\$ 43,388,307</u>	<u>\$ 3,131,367</u>	<u>\$ 84,676,696</u>	<u>\$ 19,543,782</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(used for) Operating Activities:					
Operating Income/(Loss)	\$ 5,820,140	\$ 469,598	\$ (538,335)	\$ 5,751,403	\$ 456,139
Adjustments to Reconcile Operating Income/(Loss)					
Depreciation and Amortization Expense	7,567,061	6,252,895	440,826	14,260,782	2,430,658
(Increase)/Decrease in Accounts Receivable	89,175	(116,134)	60,909	33,950	(730,137)
(Increase)/Decrease in Inventories	(12,033)	-	18,223	6,190	92,387
(Increase)/Decrease in Prepaid Items	8,607	2,273	(20,707)	(9,827)	(1,050)
Increase/(Decrease) in Accounts Payable	226,279	682,007	(2,033)	906,253	44,092
Increase/(Decrease) in Accrued Payroll and Related Taxes	85,304	4,266	7,361	96,931	14,843
Increase in Due from Other Gov't Units	-	-	390	390	-
(Decrease) in Claims Incurred but Not Reported	-	-	-	-	(189,220)
Increase in Customer Dep/Unearned Rev	104,864	-	17,302	122,166	-
Increase in Due to Other Funds	-	-	255,447	255,447	(33,449)
(Decrease) in Pension Exp/Def Outflows/Inflows	(229,833)	(163,709)	(92,786)	(486,328)	-
Other Operating Activity Revenue	55,994	43,741	39,112	138,847	-
Total Adjustments	<u>7,895,418</u>	<u>6,705,339</u>	<u>724,043</u>	<u>15,324,800</u>	<u>1,628,124</u>
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 13,715,558</u>	<u>\$ 7,174,937</u>	<u>\$ 185,708</u>	<u>\$ 21,076,203</u>	<u>\$ 2,084,263</u>
Noncash Transactions Affecting Financial Position					
Contributions of Capital Assets	\$ 771,695	\$ 936,651	\$ -	\$ 1,708,346	\$ -
Total Noncash Transactions Affecting Financial Position	<u>\$ 771,695</u>	<u>\$ 936,651</u>	<u>\$ -</u>	<u>\$ 1,708,346</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, 2018

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. 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, 2018, 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 Yuma has restated the prior year for pension liability for Elected Official's Retirement Plan (EORP). See note II-L for restatement of Net Position.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

These provisions were implemented in the year ended June 30, 2015 for Arizona State Retirement System (ASRS) and Public Safety Personnel Retirement System (PSPRS) for Police and for Fire. EORP was considered to be immaterial at that time and therefore not implemented with the other pension plans.

During the year ended June 30, 2018, the City implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement requires governments providing defined benefit postemployment benefits other than pensions to recognize the long-term obligation for those benefits as a liability, and to more comprehensively and comparably measure the annual costs of those benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information. The more significant of the City's accounting policies are described below.

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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
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Capital Projects Funds – This 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).

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, Public Safety Tax, Two Percent Tax, and Yuma Mall Maintenance Special Revenue Funds.

PROPRIETARY FUNDS

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

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

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

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

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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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.

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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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 expenses/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 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, 2018, the estimated amounts of unbilled revenues for the Water, Wastewater and Solid Waste Enterprise Funds are \$1,039,060, \$579,819, and \$114,429, respectively.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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. Donated capital assets, donated works of art and similar items, and capital assets received in service concession arrangements are reported at acquisition value. The City books all acquired assets on a monthly basis and all CIP assets on a quarterly basis.

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) Capital Contributions:

Capital 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 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.

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,

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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.

	General	City Road Tax	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total
Fund Balances:						
Nonspendable:						
Inventory	\$ 24,029	\$ -	\$ -	\$ -	\$ 9,540	\$ 33,569
Prepaid Items	62,564	3,381	-	-	532	66,477
Restricted for:						
Debt Service	-	-	5,043	-	-	5,043
Road Maintenance and Construction	-	12,831,216	-	174,712	5,795,439	18,801,367
PS-Police equipment and facilities	-	-	-	94,609	2,430,420	2,525,029
PS-Fire equipment and facilities	-	-	-	43,148	810,140	853,288
Parks, recreation and cultural facilities	-	-	-	1,317,186	2,417,642	3,734,828
Public works projects	-	-	-	8,581,403	-	8,581,403
Committed to:						
General government projects	-	-	-	35,052	-	35,052
Road Maintenance and Construction	-	-	-	925,321	-	925,321
PS-Police equipment and facilities	-	-	-	2,174,775	-	2,174,775
PS-Fire equipment and facilities	-	-	-	1,077,814	-	1,077,814
Parks, recreation and cultural facilities	-	-	-	2,026,721	-	2,026,721
Sanitation facilities	-	-	-	2,666	-	2,666
Public works projects	-	-	-	35,057	-	35,057
Unassigned:	20,915,653	-	-	-	-	20,915,653
Total Fund Balances	<u>\$ 21,002,246</u>	<u>\$ 12,834,597</u>	<u>\$ 5,043</u>	<u>\$ 16,488,464</u>	<u>\$ 11,463,713</u>	<u>\$ 61,794,063</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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

(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, \$5,869,556, and for the internal service funds, \$54,975, 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 \$478,369, \$271,459, \$66,971, \$75,842 and \$52,111 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, 2018, the gross amount accumulated in sick pay and related benefits is \$7,364,596 including \$47,633 attributable to Internal Service Funds and \$1,353,379 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, \$976,105, 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 \$20,218 and \$3,226, respectively, and Water, Wastewater, Solid Waste, Radio Communications, and Desert Hills Golf Course Enterprise Funds of \$98,336, \$65,520, \$16,381, \$8,974 and \$12,968 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. Primarily, the City uses estimates to determine useful lives of capital assets as well as the estimated claims and judgements in the Insurance Reserve fund and the Workers Compensation fund. Actual results could differ from those estimates.

J. Tax Abatement

The City of Yuma has entered into tax abatement agreements as defined by GASB Statement 77. The tax abatements include the abatement of excise tax under Arizona Revised Statutes 42-6201 through 42-6209 relating to Government Property Lease Excise Tax, as incentive to improve property in certain geographic/economic areas of the city. It is the City's policy to review each agreement individually and in the aggregate annually. For the fiscal year ended June 30, 2018, each agreement and all agreements in the aggregate are deemed immaterial for financial reporting purposes.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

K. Deferred Outflows/Inflows of Resources

In addition to the assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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, 2018, the City's deposits had a carrying value of \$187,093 and a bank balance of \$1,214,863. 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. Cash on hand at June 30, 2018 included petty cash and change fund balances of \$44,140.

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, 2018, there are no deposits exposed to custodial credit risk.

Investments

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

The City's investment balances at June 30, 2018, were as follows:

Investment Type	Fair Value	Investment Maturities in Years			
		< 1 Year	1-2 Years	2-3 Years	3-5 Years
US Treasury Notes/Bills	\$ 9,574,772	\$ 9,574,772	\$ -	\$ -	\$ -
Commercial Paper	15,924,420	15,924,420	-	-	-
US Agencies:					
Federal Farm Credit Bank	988,656	-	988,656	-	-
Federal Home Loan Bank	11,953,996	11,953,996	-	-	-
Federal Home Loan Mtg. Corp.	17,901,400	10,042,992	3,951,670	1,959,366	1,947,372
Federal National Mtg. Assoc.	3,902,638	-	1,971,772	-	1,930,866
Federal Agricultural Mtg. Corp.	3,963,600	1,985,912	1,977,688	-	-
Money Market Funds	27,562,638	27,562,638	-	-	-
Wells Fargo-Bus Market Fund	-	-	-	-	-
State Investment Pool 5	83,654,512	83,654,512	-	-	-
Total Value	<u>\$ 175,426,632</u>	<u>\$ 160,699,242</u>	<u>\$ 8,889,786</u>	<u>\$ 1,959,366</u>	<u>\$ 3,878,238</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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, 2018, all investments, with the exception of the State Investment Pool, are rated A-1 by Standard and Poor's and Aaa 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%	5.46%
U.S. Government agencies, instrumentalities and government sponsored enterprises	No more than 80%	22.07%
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%	9.08%
Maximum per issuer	10% of total C.P	0%
Repurchase Agreements	100%	0%
Money Market Funds	100%	15.71%
State Investment Pool	100%	47.69%

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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 four years. The portfolio at June 30, 2018, had a weighted average maturity of 257 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.

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted process; Level 3 inputs are significant unobservable inputs.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

The City has the following recurring fair value measurements as of June 30, 2018:

Investments Measured at Fair Value

	June 30, 2018	Fair Value Measurements Using		
		Quoted Prices in Active Markets for identical Assets (Level 1)	Significant Other Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)
Investments by fair value level:				
U.S. Treasury Notes/Bills	\$ 9,574,772	\$ 9,574,772	\$ -	\$ -
Commerical Paper	15,924,420	-	15,924,420	-
US Agencies:				
Federal Farm Credit Bank	988,656	988,656	-	-
Federal Home Loan Bank	11,953,996	11,953,996	-	-
Federal Home Loan Mtg. Corp.	17,901,400	17,901,400	-	-
Federal National Mtg. Assoc.	3,902,638	3,902,638	-	-
Federal Agricultural Mtg. Corp.	3,963,600	3,963,600	-	-
Total investments by fair value level	<u>64,209,482</u>	<u>\$ 48,285,062</u>	<u>\$ 15,924,420</u>	<u>\$ -</u>

Investments measured at the net asset value (NAV)

Money Market Funds	\$ 27,562,638
State Investment Pool 5	<u>83,654,512</u>
Total investments measured at the NAV	<u>111,217,150</u>
Total investments measured at fair value	<u>\$ 175,426,632</u>

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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 2016-17 (Tax Year 2016) and fiscal year 2017-18 (Tax Year 2017), follow:

	<u>Tax Year 2016</u>	<u>Tax Year 2017</u>
Net Limited Assessed Valuation	\$ 516,876,027	\$ 538,309,708
Primary Tax Rate	2.3517	2.3001
Primary Tax Levy	12,144,078	12,381,661
Net Full Cash Assessed Valuation	516,876,027	538,309,708
Secondary Tax Rate/Levy	None	None
Current Tax Collections	11,965,580	12,136,213
Delinquent Tax Collections	223,021	214,803
Delinquent Taxes Outstanding as of June 30	533,775	592,212

Note: Tax Year 2016 has been corrected in this report

C. Receivables

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:

	<u>Accounts</u>	<u>Intergovern- mental</u>	<u>Special Assessment</u>	<u>Delinquent Property Taxes</u>	<u>Accrued Interest</u>	<u>Total</u>
General	\$ 3,702,596	\$ 1,548,802	\$ 20,169	\$ 592,212	\$ 25,282	\$ 5,889,061
City Road Tax	65,101	404,737	-	-	19,414	489,252
Debt Service	10,025	-	1,050,000	-	-	1,060,025
Capital Projects	145,518	310,531	-	-	7,315	463,364
Water	2,537,158	1,456	-	-	33,093	2,571,707
Wastewater	1,377,109	429,223	-	-	45,769	1,852,101
Other Funds-Governmental	1,028,886	2,166,859	-	4,721	13,866	3,214,332
Other Funds-Enterprise	379,372	5,343	-	-	4,155	388,870
Internal Service	737,708	12	-	-	20,026	757,746
Total	\$ 9,983,473	\$ 4,866,963	\$ 1,070,169	\$ 596,933	\$ 168,920	\$ 16,686,458

	<u>Allowance Amount</u>	
	<u>2018</u>	<u>2017</u>
Enterprise Funds:		
Solid Waste	\$ 11,868	\$ 9,575
Water	137,845	85,661
Wastewater	66,523	47,770

In fiscal year 2017, the City issued a \$1.9 million short-term loan to the Housing Authority of the City of Yuma, which is a separate legal entity and not presented in the City of Yuma's financial statements. This loan was repaid in full on October 4, 2017.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

D. Due from Other Governments (Intergovernmental Receivables)

Amounts due from other government units at June 30, 2018, are as follows:

	Agencies				Total
	Federal	State	County	Local	
Governmental Funds					
Major Funds					
General	\$ -	\$ 1,303,902	\$ 114,594	\$ 130,305	\$ 1,548,801
City Road Tax	-	404,433	-	303	404,736
Capital Projects	-	308,846		1,685	310,531
Non-major Funds					
Highway User Revenue	-	684,194	-	-	684,194
Public Safety Tax	-	161,718	-	-	161,718
Two Percent Tax	-	271,077	-	-	271,077
Mall Maintenance	-	6	1,590	-	1,596
Grants	646,626	162,955	-		809,581
Community Redevelopment	238,690	-	-	-	238,690
Enterprise Funds:					
Major Funds					
Water	-	1,456	-		1,456
Wastewater	367,449	34	132	61,608	429,223
Non-major Funds					
Solid Waste	-	3,021	-	-	3,021
Radio Communications			725	356	1,081
Desert Hills Golf Course	-	1,241	-	-	1,241
Internal Service Funds					
Equipment Maintenance	-	12	-	-	12
Total	\$ 1,252,765	\$ 3,302,895	\$ 117,041	\$ 194,257	\$ 4,866,958

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

E. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2018, follows:

Governmental funds:

	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Capital Assets Not Being Depreciated:				
Land	\$ 52,532,015	\$ 223,890	\$ 894,357	\$ 51,861,548
Construction in Progress	18,249,071	7,506,334	17,639,357	8,116,048
Total Capital Assets Not Being Depreciated	<u>70,781,086</u>	<u>7,730,224</u>	<u>18,533,714</u>	<u>59,977,596</u>
Other Capital Assets:				
Buildings	95,487,678	-	-	95,487,678
Improvements	50,167,138	16,461,083	-	66,628,221
Infrastructure	267,444,187	5,600,094	-	273,044,281
Equipment	59,361,854	4,319,899	1,978,044	61,703,709
Total Other Capital Assets	<u>472,460,857</u>	<u>26,381,076</u>	<u>1,978,044</u>	<u>496,863,889</u>
Less Accumulated Depreciation for:				
Buildings	43,531,110	3,130,613	-	46,661,723
Improvements	41,301,892	1,285,979	-	42,587,871
Infrastructure	120,993,866	7,181,165	-	128,175,031
Equipment	46,458,004	4,232,723	1,779,390	48,911,337
Total Accumulated Depreciation	<u>252,284,872</u>	<u>15,830,480</u>	<u>1,779,390</u>	<u>266,335,962</u>
Other Capital Assets, Net	<u>220,175,985</u>	<u>10,550,596</u>	<u>198,654</u>	<u>230,527,927</u>
Total Capital Assets, Governmental Activities	<u>\$ 290,957,071</u>	<u>\$ 18,280,820</u>	<u>\$ 18,732,368</u>	<u>\$ 290,505,523</u>

Government activities capital assets net of accumulated depreciation at June 30, 2018, include:

Governmental Funds Capital Assets, Net	\$ 223,099,694
Internal Service Funds Capital Assets, Net	7,428,233
Total	<u>\$ 230,527,927</u>

Depreciation was charged to governmental functions as follows:

General Government and Unclassified	\$ 3,136,607
Public Safety	2,781,078
Streets	6,242,136
Parks, Recreation, and Culture	1,133,480
Environmental Health and Protection	92,803
Community Design and Development	13,717
Assets held by Internal Service Funds are charged based on usage of assets	<u>2,430,659</u>
Total	<u>\$ 15,830,480</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

Capital asset activity for business-type activities for the year ended June 30, 2018, follows:

Business-type activities:

	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Capital Assets Not Being Depreciated:				
Land	\$ 10,603,159	\$ -	\$ -	\$ 10,603,159
Construction in Progress	1,882,764	6,412,455	1,390,163	6,905,056
Total Capital Assets Not Being Depreciated	<u>12,485,923</u>	<u>6,412,455</u>	<u>1,390,163</u>	<u>17,508,215</u>
	-	-	-	-
Other Capital Assets:				
Buildings	164,648,404	-	-	164,648,404
Improvements	281,639,603	3,047,385	-	284,686,988
Equipment	13,844,086	592,872	116,818	14,320,140
Total Other Capital Assets	<u>460,132,093</u>	<u>3,640,257</u>	<u>116,818</u>	<u>463,655,532</u>
	-	-	-	-
Less Accumulated Depreciation for:				
Buildings	24,730,319	3,300,659	-	28,030,978
Improvements	159,483,561	10,449,823	-	169,933,384
Equipment	12,343,104	510,301	95,266	12,758,139
Total Accumulated Depreciation	<u>196,556,984</u>	<u>14,260,783</u>	<u>95,266</u>	<u>210,722,501</u>
	-	-	-	-
Other Capital Assets, Net	<u>263,575,109</u>	<u>(10,620,526)</u>	<u>21,552</u>	<u>252,933,031</u>
Total Capital Assets, Business-type activities	<u>\$ 276,061,032</u>	<u>\$ (4,208,071)</u>	<u>\$ 1,411,715</u>	<u>\$ 270,441,246</u>

Depreciation was charged to programs as follows:

Water	\$ 7,567,061
Wastewater	6,252,895
Solid Waste	577
Radio Communications	333,486
Golf courses	106,764
Total	<u>\$ 14,260,783</u>

Construction in progress is comprised mainly of Streets, Parks Projects as well as waterline replacements and water transmission lines) and wastewater projects (wastewater treatment plant upgrades and improvements, and collection facilities). Estimated cost to complete these projects is \$7.9 million.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

F. Noncurrent Liabilities

The following changes occurred in noncurrent liabilities during the fiscal year ended June 30, 2018:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018	Due Within One Year
Governmental activities:					
Yuma Municipal Property Corporation	\$104,735,000	\$ -	\$ 6,485,000	\$ 98,250,000	\$ 6,775,000
Improvement District #68	1,370,000	-	320,000	1,050,000	335,000
Unamortized Premium	7,992,877	-	666,609	7,326,268	-
Capital Lease	-	1,031,836	-	1,031,836	147,405
Pension	148,302,595	9,607,758	-	157,910,353	-
Compensated Absences	6,398,609	921,069	395,598	6,924,080	2,485,801
Total Governmental Activity					
Noncurrent Liabilities	<u>\$268,799,081</u>	<u>\$ 11,560,663</u>	<u>\$ 7,867,207</u>	<u>\$ 272,492,537</u>	<u>\$ 9,743,206</u>
Business-type activities:					
Yuma Municipal Property Corporation	\$ 123,755,000	\$ -	\$ 9,522,000	\$ 114,233,000	\$ 9,546,000
Unamortized Premium	8,904,900	-	593,660	8,311,240	-
Pension	13,594,323	-	266,991	13,327,332	-
Compensated Absences	1,072,126	151,833	77,028	1,146,931	363,990
Total Business-type Activity					
Noncurrent Liabilities	<u>\$147,326,349</u>	<u>\$ 151,833</u>	<u>\$ 10,459,679</u>	<u>\$ 137,018,503</u>	<u>\$ 9,909,990</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.

The City has acquired 210 Motorola radios for the Police and Fire departments under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the Public Safety Tax Fund, a non-major governmental fund, is used to pay the capital lease obligation.

The future minimum lease obligations and the net present value of these minimum lease payments at year end were as follows:

Year Ending June 30:	Governmental Activities
2019	\$ 147,405
2020	147,405
2021	147,405
2022	147,405
2023	147,405
2024-25	294,811
Total minimum lease payments	<u>1,031,836</u>
Less: amount representing interest	<u>0</u>
Present value of minimum lease payments	<u>\$ 1,031,836</u>
Due within one year	<u>\$ 147,405</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

Bonded Debt - Excluding Refunded Debt

The following is a description of bonded indebtedness at June 30, 2018. In each instance, all bonds have been issued. For each issue, a number of covenants and restrictions are included in the bond indentures. The City is in compliance with these covenants and restrictions.

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

Municipal Property Corporation Bonds – In 1970, the City created the Municipal Property Corporation to finance the acquisition or construction of various City projects. Bonds are issued by the corporation and are repaid through unrestricted revenues, primarily excise taxes, by the City. For each issue, the City has pledged its excise tax collections as follows: *Excise Taxes* – transaction privilege taxes, license fees and franchise fees, along with transaction privilege taxes, income taxes and excise taxes imposed by the State and distributed to the City (except public safety, city road and special sales taxes); *City Road Taxes* – a special one-half percent (.5%) privilege license tax approved by qualified voters in 1994 for maintenance and construction of roadways; *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>
2010 – Series B	Excise Taxes	Refunding 2001 issue
2015 Sr Lien Excise Tax	Excise, Public Safety, Special Sales Taxes	Refunding 2003B & 2007B issues PAAC/Fleet Maintenance facility
2015 Sr Lien Road Tax	Excise and City Road Taxes	Refunding 2007D 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, refunded in 2015. An additional Utility Series was funded in 2016 to pay of the remaining balance of WIFA Loan Contracts. The water and wastewater system's net revenues were pledged as collateral for each issue as additional parity obligations.

<u>Issue</u>	<u>Pledged Revenues</u>	<u>Project(s) funded</u>
2015 Sr Lien Utility	Net Utility System Revenues	Refunding 2007 Utility issue
2016 Sr Lien Utility	Net Utility System Revenues	Refunding WIFA Loan Contracts

For the year ended June 30, 2018, the pledged revenues described above amounted to \$79,551,947 for governmental activities and \$49,218,898 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, 2018, debt service for governmental activities totaled \$11,501,799 and for business-type activities \$13,635,757, or 14% and 28% of pledged revenues, respectively.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

Summary of Bonded Debt

	Interest Rate	Issue Date	Maturity Date	Authorized and Issued	Outstanding	Net Unamortized Premium/ (discount)
Yuma Municipal Property Corporation Bonds:						
2010 - Series B Refunding	4.23%	6/29/2010	2025	\$ 29,530,000	\$ 18,875,000	\$ 227,410
2015 - Sr Lien Excise Rev & Refunding	3.5 - 5.0%	10/21/2015	2035	48,105,000	44,560,000	2,957,491
2015 - Sr Lien Road Tax Refunding	2.0 - 5.0%	10/21/2015	2027	40,280,000	34,815,000	4,141,367
2015 - Sr Lien Utility System Rev Refunding	3.25 - 5.0%	10/21/2015	2032	89,675,000	82,015,000	8,311,240
2016 - Sr Lien Utility System Rev Refunding	1.50%	11/8/2016	2024	37,835,000	32,218,000	-
Total MPC Bonds				<u>\$ 245,425,000</u>	<u>\$ 212,483,000</u>	<u>\$ 15,637,508</u>

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, 2018, follows:

	Water, Etc. (20%)	All Other (6%)
Secondary Assessed Valuation	\$611,640,644	
Legal Limit	\$ 122,328,129	\$ 36,698,439
Outstanding G.O. Debt	-	-
Available Debt Margin	<u>\$ 122,328,129</u>	<u>\$ 36,698,439</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

Annual Debt Service Requirements to Maturity

BONDS AND IMPROVEMENT DISTRICTS

July 1	MPC Bonds 2016 WIFA Refunding			MPC Bonds 2015 Excise		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 5,501,000	\$ 483,270	\$ 5,984,270	\$ 1,910,000	\$ 1,840,550	\$ 3,750,550
2019	5,583,000	400,755	5,983,755	2,005,000	1,745,050	3,750,050
2020	5,667,000	317,010	5,984,010	2,110,000	1,644,800	3,754,800
2021	5,752,000	232,005	5,984,005	2,210,000	1,539,300	3,749,300
2022	5,838,000	145,725	5,983,725	2,320,000	1,428,800	3,748,800
2023	1,924,000	58,155	1,982,155	1,790,000	1,312,800	3,102,800
2024	1,953,000	29,295	1,982,295	1,870,000	1,223,300	3,093,300
2025	-	-	-	1,960,000	1,129,800	3,089,800
2026	-	-	-	2,050,000	1,031,800	3,081,800
2027	-	-	-	2,120,000	949,800	3,069,800
2028	-	-	-	2,645,000	886,200	3,531,200
2029	-	-	-	2,740,000	806,850	3,546,850
2030	-	-	-	2,855,000	697,250	3,552,250
2031	-	-	-	2,960,000	583,050	3,543,050
2032	-	-	-	3,070,000	486,850	3,556,850
2033	-	-	-	3,195,000	364,050	3,559,050
2034	-	-	-	3,315,000	236,250	3,551,250
2035	-	-	-	3,435,000	120,225	3,555,225
	<u>\$ 32,218,000</u>	<u>\$ 1,666,215</u>	<u>\$ 33,884,215</u>	<u>\$ 44,560,000</u>	<u>\$ 18,026,725</u>	<u>\$ 62,586,725</u>

July 1	MPC Bonds 2015 Road Refunding 2007			MPC Bonds 2015 Series Utility Refunding 2007		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 2,855,000	\$ 1,657,550	\$ 4,512,550	\$ 4,045,000	\$ 3,603,088	\$ 7,648,088
2019	2,970,000	1,514,800	4,484,800	4,205,000	3,400,838	7,605,838
2020	3,110,000	1,366,300	4,476,300	4,395,000	3,190,588	7,585,588
2021	3,250,000	1,210,800	4,460,800	4,600,000	2,970,838	7,570,838
2022	3,390,000	1,048,300	4,438,300	4,790,000	2,740,838	7,530,838
2023	3,535,000	878,800	4,413,800	4,990,000	2,501,338	7,491,338
2024	3,685,000	702,050	4,387,050	5,205,000	2,251,838	7,456,838
2025	3,845,000	517,800	4,362,800	5,425,000	1,991,588	7,416,588
2026	4,015,000	325,550	4,340,550	5,655,000	1,720,338	7,375,338
2027	4,160,000	124,800	4,284,800	5,920,000	1,437,588	7,357,588
2028	-	-	-	6,200,000	1,141,588	7,341,588
2029	-	-	-	6,410,000	831,588	7,241,588
2030	-	-	-	6,560,000	639,288	7,199,288
2031	-	-	-	6,720,000	442,488	7,162,488
2032	-	-	-	6,895,000	224,088	7,119,088
	<u>\$ 34,815,000</u>	<u>\$ 9,346,750</u>	<u>\$ 44,161,750</u>	<u>\$ 82,015,000</u>	<u>\$ 29,087,920</u>	<u>\$ 111,102,920</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

July 1	MPC Bonds 2010 Refunding 2001			Improvement District No. 68 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 2,010,000	\$ 844,282	\$ 2,854,282	\$ 335,000	\$ 49,350	\$ 384,350
2019	2,110,000	743,781	2,853,781	350,000	33,605	383,605
2020	2,210,000	638,281	2,848,281	365,000	17,155	382,155
2021	2,305,000	549,881	2,854,881	-	-	-
2022	2,400,000	454,800	2,854,800	-	-	-
2023	2,500,000	352,800	2,852,800	-	-	-
2024	2,610,000	240,300	2,850,300	-	-	-
2025	2,730,000	122,850	2,852,850	-	-	-
	<u>\$ 18,875,000</u>	<u>\$ 3,946,975</u>	<u>\$ 22,821,975</u>	<u>\$ 1,050,000</u>	<u>\$ 100,110</u>	<u>\$ 1,150,110</u>

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. The City also contributes to the Other Postemployment Benefit Plan, however, the plan is not described below based on its relative insignificance to the financial statements. The plans are component units of the State of Arizona.

Plan Descriptions - The City contributes to four plans, all of which are described below.

At June 30, 2018, 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	\$ 157,910,353	\$ 13,327,332	\$ 171,237,685
Deferred outflows of resources related to pensions	\$ 35,980,709	\$ 1,743,701	\$ 37,724,410
Deferred inflows of resources related to pensions	\$ 8,028,638	\$ 898,249	\$ 8,926,887
Pension expense	\$ 19,089,320	\$ 433,251	\$ 19,522,571

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:

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
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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 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, 2018, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.5 percent (11.34 percent for retirement and 0.16 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 11.5 percent (10.9 percent for retirement, 0.44 percent for health insurance premium benefit, and 0.16 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 9.49 percent (9.26 percent for retirement, 0.1 percent for health insurance premium benefit, and 0.13 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, 2018 were \$3,361,607.

During fiscal year 2018, the City paid for ASRS pension contributions as follows: approximately 73 percent from the General Fund, 22 percent from major enterprise funds, and 5 percent from other funds.

Pension Liability – At June 30, 2018, the City reported a liability of \$48,711,007 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2017. 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, 2016, to the measurement date of June 30, 2017. The total pension liability as of June 30, 2017 reflects a change in the actuarial assumption for a decrease in loads for future potential permanent benefit increases.

The City's reported liability at June 30, 2018, decreased by \$975,847 from the City's prior year liability of \$49,686,854 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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

The City's proportion of the net pension liability was based on \$15,578,050,742. The City's proportion measured as of June 30, 2017, was 0.312690 percent, which was an increase of 0.004860 from its proportion measured as of June 30, 2016.

Pension Expense and Deferred Outflows/Inflows of Resources – For the year ended June 30, 2018, the City recognized pension expense for ASRS of \$1,583,522. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ 1,460,625
Changes of assumptions or other inputs	2,115,631	1,456,547
Net difference between projected and actual earnings on pension plan investments	349,711	-
Changes in proportion and differences between city contributions and proportionate share of contributions	546,224	365,903
City contributions subsequent to the measurement date	3,361,607	-
Total	<u>\$ 6,373,173</u>	<u>\$ 3,283,075</u>

The \$3,361,607 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, 2019. 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	Deferred outflow/inflow amortization
<u> </u>	<u> </u>
2019	\$ (2,008,111)
2020	2,211,175
2021	645,926
2022	(1,120,498)

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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

ASRS	
Actuarial valuation date	June 30, 2016
Actuarial roll forward date	June 30, 2017
Actuarial cost method	Entry age normal
Asset Valuation	Fair Value
Investment rate of return	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increase	Included
Mortality rates	1994 GAM Scale BB
Healthcare cost trend rate	Not Applicable

The actuarial assumptions used in June 30, 2016 valuation were based on results from an actuarial experience study for the 5-year period ended June 30, 2012. The purpose of the experience study was to review the actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes, which were applied to the June 30, 2013 actuarial valuation. The study did not include any analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.7 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:

ASRS	Target	Long-Term
Asset Class	Allocation	Expected Real
		Rate of Return
Equity	58%	6.73%
Fixed Income	25%	3.70%
Real estate	10%	4.25%
Commodities	2%	3.84%
Multi-asset class	5%	3.41%
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 8.7 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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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	\$ 62,521,424	\$ 48,711,007	\$ 37,171,221

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in a separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov

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 nine-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, 2018

PSPRS	Initial membership date:	
	<u>Before January 1, 2012</u>	<u>On or after January 1, 2012</u>
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
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%	1.5%-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% to 100% 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. In addition, from and after December 31, 2015 the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

Employees Covered by Benefit Terms – At June 30, 2018, the following employees were covered by the agent pension plans' benefit terms:

	<u>PSPRS Police</u>	<u>PSPRS Fire</u>
Inactive employees or beneficiaries currently receiving benefits	121	82
Inactive employees entitled to but not yet receiving benefits	44	11
Active employees	162	98
Total	<u>327</u>	<u>191</u>

Contributions – 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, 2018, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<u>Active member - Pension</u>	<u>City Pension</u>
PSPRS-Police Tier 1 & 2	7.65%	53.43%
PSPRS-Police Tier 3	9.94%	52.15%
PSPRS-Fire Tier 1 & 2	7.65%	59.46%
PSPRS-Fire Tier 3	9.94%	64.51%

For the agent plans, the City's contributions to the pension plan benefit for the year ended June 30, 2018, were:

	<u>Pension</u>
PSPRS-Police Tier 1 & 2	\$ 5,654,038
PSPRS-Police Tier 3	38,080
PSPRS-Fire Tier 1 & 2	4,437,103
PSPRS-Fire Tier 3	55,363

During fiscal year 2018, the City paid for PSPRS pension contributions as follows: approximately 97 percent from the General Fund, 3 percent from other funds.

Pension Liability (Asset) – At June 30, 2018, the City reported the following net pension liabilities:

	<u>Net Pension Liability</u>
PSPRS Police	\$63,627,552
PSPRS Fire	55,076,387

The net pension liabilities were measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total liability as of June 30, 2017, reflects changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the investment rate of return from 7.5 to 7.4 percent, decreasing the wage inflation rate from 4.0 to 3.5 percent, and updating mortality, withdrawal, disability, and retirement assumptions.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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

PSPRS - Pension

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Asset valuation method	Fair value of assets
Investment rate of return	7.40%
Wage inflation	3.5%
Price inflation	2.5%
Permanent benefit increase	Included
Mortality rates	RP-2014 mortality tables using MP-2016 improvement
Healthcare cost trend rate	Not Applicable

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The long-term expected rate of return on PSPRS plan investments was determined to be 7.40 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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
Asset Class	Allocation	Rate of Return
U.S. equity	16%	7.60%
Private credit	16%	5.83%
Non-U.S. equity	14%	8.70%
Private equity	12%	6.75%
GTAA	10%	3.96%
Real Estate	10%	3.75%
Real Assets	9%	4.52%
Fixed income	5%	1.25%
Absolute Return	2%	3.75%
Risk Parity	4%	5.00%
Short Term Inv	2%	0.25%
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	<u>7.40%</u>	<u>7.40%</u>

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, 2018

Changes in Agent Plans 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, 2017	\$ 101,061,822	\$ 41,847,333	\$ 59,214,489
Changes for the year:			
Service cost	2,537,434	-	2,537,434
Interest on the total pension liability	7,469,258	-	7,469,258
Changes of benefit terms	1,361,581	-	1,361,581
Differences between expected and actual experience in the measurement of the pension liability	192,540	-	192,540
Changes of assumptions or other inputs	3,881,385	-	3,881,385
Contributions-employer	-	4,860,230	(4,860,230)
Contributions-employee	-	1,256,377	(1,256,377)
Net investment income	-	4,981,294	(4,981,294)
Benefit payments, including refunds of employee contributions	(5,480,859)	(5,480,859)	-
Administrative expense	-	(44,476)	44,476
Other changes	-	(24,290)	24,290
Net changes	9,961,339	5,548,276	4,413,063
Balances at June 30, 2018	\$ 111,023,161	\$ 47,395,609	\$ 63,627,552

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

PSPRS Yuma Fire Department	Increase (Decrease)		
	Total Pension Liability (a)	Plan	Net Pension Liability (a) - (b)
		Fiduciary Net Position (b)	
Balances at June 30, 2017	\$ 79,148,186	\$ 28,584,501	\$ 50,563,685
Changes for the year:			
Service cost	1,753,544	-	1,753,544
Interest on the total pension liability	5,828,117	-	5,828,117
Changes of benefit terms	752,016	-	752,016
Differences between expected and actual experience in the measurement of the pension liability	447,610	-	447,610
Changes of assumptions or other inputs	3,928,814	-	3,928,814
Contributions-employer	-	3,870,770	(3,870,770)
Contributions-employee	-	949,203	(949,203)
Net investment income	-	3,407,616	(3,407,616)
Benefit payments, including refunds of employee contributions	(4,633,460)	(4,633,460)	-
Administrative expense	-	(30,552)	30,552
Other changes	-	362	(362)
Net changes	8,076,641	3,563,939	4,512,702
Balances at June 30, 2018	\$ 87,224,827	\$ 32,148,440	\$ 55,076,387

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	6.40%	7.40%	8.40%
Net pension liability	\$ 78,676,561	\$ 63,627,552	\$ 51,407,915
PSPRS Fire			
Rate	6.40%	7.40%	8.40%
Net pension liability	\$ 66,708,714	\$ 55,076,387	\$ 45,574,769

Pension Plan Fiduciary Net Position-Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS financial report. The report is available on the PSPRS website at www.psprs.com.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

Pension Expense - For the year ended June 30, 2018, the City recognized the following pension expense:

	Pension Expense
PSPRS Police	\$ 9,628,633
PSPRS Fire	6,875,900

Pension Deferred Outflows/Inflows of Resources-At June 30, 2018, 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	\$ 185,709	\$ 307,773
Changes of assumptions or other inputs	10,153,982	-
Net difference between projected and actual earnings on pension plan investments	2,500,010	1,882,455
City contributions subsequent to the measurement date	4,415,022	-
Total	\$ 17,254,723	\$ 2,190,228

PSPRS Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 905,719	\$ 2,120,920
Changes of assumptions or other inputs	7,997,031	-
Net difference between projected and actual earnings on pension plan investments	1,714,291	1,299,529
City contributions subsequent to the measurement date	3,211,547	-
Total	\$ 13,828,588	\$ 3,420,449

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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
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**Deferred outflow/inflow
amortization**

	PSPRS Police	PSPRS Fire
Year ending June 30		
2019	\$ 2,599,568	\$ 1,605,271
2020	3,024,837	1,898,468
2021	2,682,596	1,657,361
2022	766,379	533,462
2023	1,058,992	678,426
Thereafter	517,101	823,604

Elected Officials Retirement Plan

Plan Description – Elected officials and judges participate in the Elected Officials Retirement Plan (EORP), ASRS, or the Elected Officials Defined Contribution Retirement System (EODCRS). EORP administers a cost-sharing multiple-employer defined benefit pension plan for elected officials and judges who were members of the plan on December 31, 2013. The EORP pension plan was closed to new members as of January 1, 2014. The PSPRS Board of Trustees governs the EORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the EORP plans. The report is available on PSPRS's website at www.psprs.com.

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

	Initial membership date:	
	<u>Before January 1, 2012</u>	<u>On or after January 1, 2012</u>
Retirement and Disability		
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 any years and age if disabled	10 years, age 62 5 years, age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
Benefit percent		
Normal Retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability Retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
Survivor Benefit		
Retired Members	75% of retired member's benefit	50% of retired member's benefit
Active Members and Other Inactive Members	75% of disability member benefit	50% of disability member benefit

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan.

Contributions – State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus and amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP. For the year ended June 30, 2018, statute required active EORP members to contribute 7 or 13 percent of the members' annual covered payroll and the City to contribute 23.5 percent of all active EORP members' annual covered payroll. Also, statute required the City to contribute 12.16 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 17.50 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the City's required contributions to ASRS and EODCRS for these elected officials and judges. During fiscal year 2018, the City paid for EORP pension contributions 100% from the General Fund. The City's contributions to the pension plan for the year ended June 30, 2018 was \$38,454.

Pension Liability – At June 30, 2018, the City reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the City's proportionate share of the State's appropriation for EORP. The amount the City recognized as its proportionate share of the net pension liability, the related

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the EORP net pension liability	\$ 3,822,739
State's proportionate share of the EORP net pension liability associated with the City	793,393
Total	<u>\$ 4,616,132</u>

The net pension liability was measured as of June 30, 2017, and the total liability used to calculate the net asset or net liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2017 reflects changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the investment rate of return from 7.5 percent to 7.4 percent, decreasing the wage inflation rate from 4 percent to 3.5 percent, and updating mortality, withdrawal, disability, and retirement assumptions. The total pension liability also reflects changes of benefit terms for a court decision that increased cost-of-living adjustments for retirees and decreased the contribution rates for employees who became members before July 20, 2011. The court decision will also affect the net pension liability measured as of June 30, 2018, because of refunds of excess member contributions. The change in the City's net pension liability as a result of the refunds is not yet known.

The City's proportion of the net pension liability was based on the City's actual contributions to the plan relative to the total of all participating employers' actual contributions for the year ended June 30, 2017. The City's proportion measured as of June 30, 2017 was 0.314 percent, which remained substantially unchanged from its proportion measured as of June 30, 2016.

Pension expense and deferred outflows/inflows of resources – For the year ended June 30, 2018, the City recognized total pension expense for EORP of \$1,434,516 and revenue of \$240,004 for the City's proportionate share of the State's appropriation to EORP and designated court fees. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

EORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 33,135
Changes of assumptions or other inputs	149,209	-
Net difference between projected and actual earnings on pension plan investments	23,430	-
Changes in proportion and differences between city contributions and proportionate share of contributions	56,831	-
City contributions subsequent to the measurement date	38,454	-
Total	\$ 267,924	\$ 33,135

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

The amounts reported as deferred outflows of resources related to EORP pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

<u>Year ending June 30</u>	<u>Net Outflow/ (Inflow)</u>
2019	\$ 167,362
2020	30,345
2021	6,191
2022	(7,562)

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

EORP

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	7.4%
Wage inflation	3.5%
Price inflation	2.5%
Permanent benefit increase	Included
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience.
Healthcare cost trend rate	Not Applicable

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.40 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:

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Short-term investments	2%	0.25%
Absolute return	2%	3.75%
Risk Parity	4%	5.00%
Fixed income	5%	1.25%
Real assets	9%	4.52%
GTAA	10%	3.96%
Private credit	12%	6.75%
Real estate	10%	3.75%
Credit opportunities	16%	5.83%
Non-U.S. equity	14%	8.70%
U.S. equity	16%	7.60%
Total	<u>100%</u>	

Discount rate – At June 30, 2017, the discount rate used to measure the EORP total pension liability was 3.91 percent, which was an increase of 0.23 percent from the discount rate used as of June 30, 2016. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the statutorily set rates, and state contributions will be made as currently required by statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Therefore, to determine the total pension liability for the plan, the long-term expected rate of return on pension plan investments of 7.40 percent was applied to periods of projected benefit payments through the year ended June 30, 2026. A municipal bond rate of 3.56 percent obtained from the Fidelity 20-year Municipal GO AA Index as of June 30, 2017, was applied to periods of projected benefit payments after June 30, 2026.

Sensitivity of the City’s proportionate share of EORP 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 3.91 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 (2.91 percent) or 1 percentage point higher (4.91 percent) than the current rate:

EORP	1% Decrease	Current Single Discount Rate	1% Increase
	2.91%	3.91%	4.91%
City's proportionate share of the net pension liability	\$ 4,515,665	\$ 3,822,739	\$ 3,257,613

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued EORP financial report.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

H. Interfund Transfers

INTERFUND TRANSFERS

<i>Transfers Out</i>	<i>Transfers In</i>																																																																																																												
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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.

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 \$78,242 are for debt service (\$292,925), payment of Equipment Replacement rent funds (\$35,317), and a transfer to Desert Hills Golf Course from the Two Percent Tax fund \$250,000.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

I. Interfund Receivables and Payables

Interfund balances at June 30, 2018, follow:

Interfund Payable	Interfund Receivable Major Funds
	General
Major Governmental Funds:	
Debt Service Fund	\$ 7,890
Nonmajor Governmental Funds:	
Community Redevelopment Fund	209,291
Grants Fund	610,400
Nonmajor Enterprise Funds:	
Desert Hills	255,447
Internal Service Funds:	
Equipment Maintenance Fund	1,366,895
Total Receivable	\$ 2,449,923

Because they serve primarily governmental funds, the interfund activity noted above in the Internal Service Equipment Maintenance Fund is 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, \$803,683, 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, Public Employee Fidelity Bonds, Crime, Cyber Security, Excess Workers Compensation, Liability, Environmental, and Miscellaneous (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. As the City is self-insured up to \$300,000 for liability claims, the Insurance Reserve Fund manages these claims. Claims exceeding this self-insured limit

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

are covered under the City's Liability Insurance. For the Workers Compensation Fund, the stop-loss thresholds are \$700,000 for public safety employees and \$600,000 for all other employees, after which the City's Excess Workers Compensation Insurance becomes liable for 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.

Fiscal Year	Insurance Reserve Fund				Workers Compensation Fund			
	Claims and				Claims and			
	Beginning of Year Liability	Changes in Estimates	Claim Payments	End of Year Liability	Beginning of Year Liability	Changes in Estimates	Claim Payments	End of Year Liability
2017-18	\$ 104,145	\$ 12,464	\$ 25,028	\$ 91,581	\$ 1,242,198	\$ 837,983	\$ 1,014,639	\$ 1,065,542
2016-17	89,633	144,095	129,583	104,145	1,541,791	668,881	968,474	1,242,198

K. Construction Commitments

The City has active construction projects as of June 30, 2018. At year-end the government's commitments with contractors for specific projects are as follows:

Construction Commitments	Original Contract	Spent to Date	Remaining Commitment
General Government	\$ 7,673,513	\$ 540,009	\$ 7,133,505
Public Safety	99,417	8,925	90,492
Environmental Health	384,638	118,800	245,019
Parks & Recreation	1,225,449	1,161,788	63,661
Streets	1,191,086	972,418	167,973
Wastewater	1,186,502	955,804	145,698
Water System	386,529	295,198	71,332
	<u>\$ 12,147,135</u>	<u>\$ 4,052,942</u>	<u>\$ 7,917,678</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

L. Change in Accounting Principle

Governmental activities net position as of July 1, 2017 has been restated as follows for the implementation of the Elected Official's Retirement Plan portion 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 Activites
Net position as previously reported at June 30, 2017	\$ 141,323,115
Prior period adjustment - implementation of EORP portion of GASB 68:	
Net pension liability - prior period	(2,431,892)
Total prior period adjustment	(2,431,892)
Net position as restated, July 1, 2017	\$ 138,891,223

M. Deficits in Fund Equity

At June 30, 2018, no funds, as shown in the basic financial statements, were in a deficit position. The Equipment Maintenance Internal Service Fund, as shown in the Combining Statement of Net Position in Other Supplementary Information, has a deficit balance of \$577,134 at June 30, 2018. The City intends to adjust its internal charges in future fiscal years to eliminate this deficit. The Desert Hills Golf Course Fund, as shown in the Combining Statement of Net Position in Other Supplementary Information, has a deficit balance of \$140,651 at June 30, 2018. The City is working diligently to expand its tournament base, through a variety of new advertising campaigns, to increase its revenue.

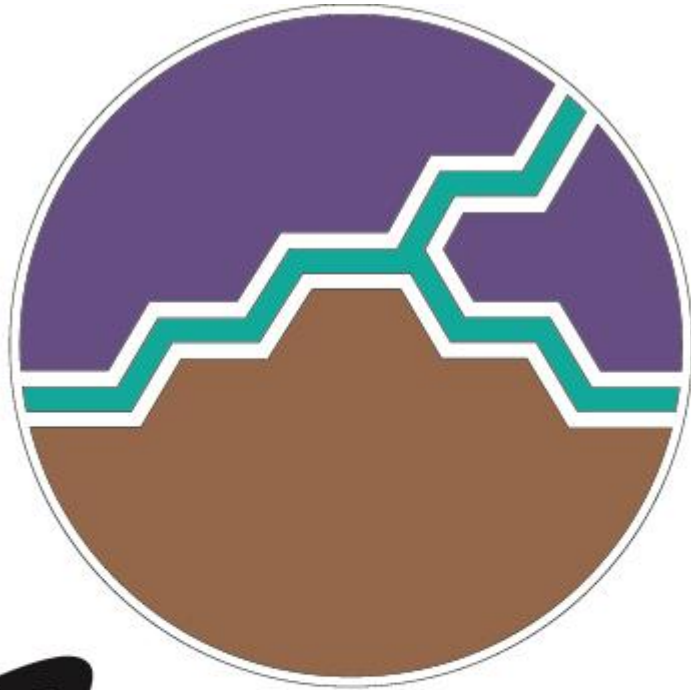
III. CONTINGENT LIABILITIES

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, 2018.

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.



CITY OF
Yuma

**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, 2018

Arizona State Retirement System

	Reporting Fiscal Year (Measurement Date)				2014 through 2009
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
City's proportion of the net pension liability	0.312690%	0.307830%	0.313750%	0.313640%	Information
City's proportionate share of the net pension liability	\$ 48,711,007	\$ 49,686,854	\$ 48,871,806	\$ 46,324,403	not available
City's covered payroll	\$ 30,307,677	\$ 28,462,610	\$ 28,442,751	\$ 27,663,180	
City's proportionate share of the net pension liability as a percentage of its covered payroll	160.72%	174.57%	171.83%	167.46%	
Plan fiduciary net position as a percentage of the total pension liability	69.92%	67.06%	63.85%	69.49%	

Elected Officials Retirement Plan

	Reporting Fiscal Year (Measurement Date)				2014 through 2009
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
City's proportion of the net pension liability	0.313770%	0.038265%	Information	Information	Information
City's proportionate share of the net pension liability	\$ 3,822,739	\$ 2,912,340	not available	not available	not available
City's covered payroll	\$ 248,957	\$ 247,464			
City's proportionate share of the net pension liability as a percentage of its covered payroll	1535.50%	1176.88%			
Plan fiduciary net position as a percentage of the total pension liability	19.70%	23.42%			

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

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, 2018

PSPRS Police

	Reporting Fiscal Year (Measurement Date)				2014 through 2009
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability					Information not available
Service cost	\$ 2,537,434	\$ 2,001,398	\$ 2,064,841	\$ 2,043,247	
Interest on the total pension liability	7,469,258	7,036,487	6,836,389	5,718,621	
Changes of benefit terms	1,361,581	2,526,647	-	2,022,309	
Differences between expected and actual experience in the measurement of the pension liability	192,540	29,904	(500,429)	(53,936)	
Changes of assumptions or other inputs	3,881,385	3,687,996	-	9,770,998	
Benefit payments, including refunds of employee contributions	(5,480,859)	(5,713,372)	(5,926,760)	(4,619,148)	
Net change in total pension liability	9,961,339	9,569,060	2,474,041	14,882,091	
Total pension liability - beginning	101,061,822	91,492,762	89,018,721	74,136,630	
Total pension liability - ending (a)	<u>\$ 111,023,161</u>	<u>\$ 101,061,822</u>	<u>\$ 91,492,762</u>	<u>\$ 89,018,721</u>	
Plan fiduciary net position					
Contributions - employer	\$ 4,860,230	\$ 4,511,261	\$ 3,321,709	\$ 3,099,353	
Contributions - employee	1,256,377	1,286,467	1,313,708	1,103,885	
Net investment income	4,981,294	242,213	1,497,736	5,100,174	
Benefity payments, including refunds of employee contributions	(5,480,859)	(5,713,372)	(5,926,760)	(4,619,148)	
Administrative expense	(44,476)	(35,254)	(36,917)	(41,075)	
Other changes	(24,290)	(102,489)	(106,535)	(80,531)	
Net change in plan fiduciary net position	5,548,276	188,826	62,941	4,562,658	
Plan fiduciary net position - beginning	41,847,333	41,658,507	41,595,566	37,032,908	
Plan fiduciary net position - ending (b)	<u>\$ 47,395,609</u>	<u>\$ 41,847,333</u>	<u>\$ 41,658,507</u>	<u>\$ 41,595,566</u>	
City's net pension liability - ending (a) - (b)	\$ 63,627,552	\$ 59,214,489	\$ 49,834,255	\$ 47,423,155	

PSPRS Police

	Reporting Fiscal Year (Measurement Date)				2014 through 2006
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Plan fiduciary net position as a percentage of the total pension liability	42.69%	41.41%	45.53%	46.73%	Information not available
Covered payroll	\$ 11,327,294	\$ 10,739,726	\$ 10,916,220	\$ 10,475,959	
City's net pension liability as a percentage of covered payroll	597.30%	589.66%	481.89%	464.63%	

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

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, 2018

PSPRS Fire

	Reporting Fiscal Year (Measurement Date)				2014 through 2006
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability					Information not available
Service cost	\$ 1,753,544	\$ 1,504,175	\$ 1,443,632	\$ 1,511,371	
Interest on the total pension liability	5,828,117	5,580,799	5,332,981	4,671,699	
Changes of benefit terms	752,016	3,597,460	-	1,370,597	
Differences between expected and actual experience in the measurement of the pension liability	447,610	(2,260,983)	894,372	(1,120,811)	
Changes of assumptions or other inputs	3,928,814	2,732,266	-	6,122,119	
Benefit payments, including refunds of employee contributions	(4,633,460)	(4,692,861)	(4,395,817)	(3,798,443)	
Net change in total pension liability	8,076,641	6,460,856	3,275,168	8,756,532	
Total pension liability - beginning	79,148,186	72,687,330	69,412,162	60,655,630	
Total pension liability - ending (a)	<u>\$ 87,224,827</u>	<u>\$ 79,148,186</u>	<u>\$ 72,687,330</u>	<u>\$ 69,412,162</u>	
Plan fiduciary net position					
Contributions - employer	\$ 3,870,770	\$ 3,700,007	\$ 2,750,517	\$ 2,603,104	
Contributions - employee	949,203	947,173	899,220	754,968	
Net investment income	3,407,616	166,820	1,040,382	3,516,237	
Benefity payments, including refunds of employee contributions	(4,633,460)	(4,692,861)	(4,395,817)	(3,798,443)	
Administrative expense	(30,552)	(24,404)	(25,761)	(28,319)	
Other changes	362	(227,494)	(251,349)	949	
Net change in plan fiduciary net position	3,563,939	(130,759)	17,192	3,048,496	
Plan fiduciary net position - beginning	28,584,501	28,715,260	28,698,068	25,649,572	
Plan fiduciary net position - ending (b)	<u>\$ 32,148,440</u>	<u>\$ 28,584,501</u>	<u>\$ 28,715,260</u>	<u>\$ 28,698,068</u>	
City's net pension liability - ending (a) - (b)	\$ 55,076,387	\$ 50,563,685	\$ 43,972,070	\$ 40,714,094	

PSPRS Fire

	Reporting Fiscal Year (Measurement Date)				2014 through 2006
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Plan fiduciary net position as a percentage of the total pension liability	36.86%	36.12%	39.51%	41.34%	Information not available
Covered payroll	\$ 7,384,578	\$ 7,592,493	\$ 7,516,425	\$ 7,294,375	
City's net pension liability as a percentage of covered payroll	767.63%	672.98%	569.09%	569.78%	

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

City of Yuma, Arizona
 Required Supplementary Information
 Schedule of City Pension Contributions
 June 30, 2018

Arizona State Retirement System

	Reporting Fiscal Year				
	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 3,361,607	\$ 3,288,383	\$ 3,129,314	\$ 3,145,752	\$ 2,960,244
City's contributions in relation to the statutorily required contribution	3,361,607	3,288,383	3,129,314	3,145,752	2,960,244
City's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 30,840,431	\$ 30,307,677	\$ 28,462,610	\$ 28,442,751	\$ 27,663,180
City's contributions as a percentage of covered payroll	10.90%	10.85%	10.99%	11.06%	10.70%
	2013	2012	2011	2010	2009
Statutorily required contribution	\$ 2,982,796	\$ 2,670,832	\$ 2,490,013	\$ 2,471,539	\$ 2,684,557
City's contributions in relation to the statutorily required contribution	2,982,796	2,670,832	2,490,013	2,471,539	2,684,557
City's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 27,365,079	\$ 26,665,390	\$ 25,089,177	\$ 27,468,735	\$ 29,975,692
City's contributions as a percentage of covered payroll	10.90%	10.02%	9.92%	9.00%	8.96%

Elected Officials Retirement Plan

	Reporting Fiscal Year				
	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 58,122	\$ 58,505	\$ 58,154	Information	Information
City's contributions in relation to the statutorily required contribution	58,122	58,505	58,154	Not Available	Not Available
City's contribution deficiency (excess)	\$ -	\$ -	\$ -		
City's covered payroll	\$ 247,328	\$ 248,957	\$ 247,464		
City's contributions as a percentage of covered payroll	23.50%	23.50%	23.50%		

City of Yuma, Arizona
 Required Supplementary Information
 Schedule of City Pension Contributions
 June 30, 2018

PSPRS Police

Reporting Fiscal Year

	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 5,656,651	\$ 4,871,869	\$ 4,514,793	\$ 3,301,671	\$ 3,099,836
City's contributions in relation to the statutorily required contribution	5,656,651	4,871,869	4,514,793	3,301,671	3,099,836
City's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 10,587,032	\$ 11,327,294	\$ 10,739,726	\$ 10,916,220	\$ 10,475,959
City's contributions as a percentage of covered payroll	53.43%	43.01%	42.04%	30.25%	29.59%

	2013	2012	2011	2010	2009
Statutorily required contribution	\$ 2,542,704	\$ 2,129,675	\$ 1,939,244	\$ 1,857,959	\$ 1,897,340
City's contributions in relation to the statutorily required contribution	2,542,704	2,129,675	1,939,244	1,857,959	1,897,340
City's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 9,771,656	\$ 9,362,181	\$ 9,319,926	\$ 9,478,243	\$ 9,732,666
City's contributions as a percentage of covered payroll	26.02%	22.75%	20.81%	19.60%	19.49%

PSPRS Fire

Reporting Fiscal Year

	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 4,625,904	\$ 3,723,304	\$ 3,543,790	\$ 2,608,314	\$ 2,441,615
City's contributions in relation to the statutorily required contribution	4,625,904	3,723,304	3,543,790	2,608,314	2,441,615
City's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 7,779,859	\$ 7,384,578	\$ 7,592,493	\$ 7,516,425	\$ 7,294,375
City's contributions as a percentage of covered payroll	59.46%	50.42%	46.67%	34.70%	33.47%

	2013	2012	2011	2010	2009
Statutorily required contribution	\$ 2,475,800	\$ 1,920,172	\$ 1,643,417	\$ 1,440,670	\$ 1,644,720
City's contributions in relation to the statutorily required contribution	2,475,800	1,920,172	1,643,417	1,440,670	1,644,720
City's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 7,250,887	\$ 6,327,761	\$ 5,951,914	\$ 5,968,090	\$ 6,199,439
City's contributions as a percentage of covered payroll	34.14%	30.35%	27.61%	24.14%	26.53%

City of Yuma, Arizona
 Budgetary Comparison Schedule
 General Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 18,026,259	\$ 18,026,259	\$ 17,553,697	\$ (472,562)
Resources (inflows):				
Taxes:				
Property Tax - Primary	12,381,661	12,381,661	12,136,208	(245,453)
Property Tax - Delinquent	200,000	200,000	215,417	15,417
City Sales Tax	22,087,247	22,087,247	21,798,752	(288,495)
Public Enterprise In-Lieu	242,000	242,000	242,000	-
Franchise Tax	3,093,000	3,093,000	3,265,901	172,901
Total Taxes	<u>38,003,908</u>	<u>38,003,908</u>	<u>37,658,278</u>	<u>(345,630)</u>
Licenses:				
Business Licenses	246,500	246,500	266,406	19,906
Liquor Licenses	31,600	31,600	31,020	(580)
Building Permits	1,515,200	1,515,200	1,864,845	349,645
Alcohol Permits	8,100	8,100	7,904	(196)
Animal Licenses	65,000	65,000	90,867	25,867
Total Licenses	<u>1,866,400</u>	<u>1,866,400</u>	<u>2,261,042</u>	<u>394,642</u>
Intergovernmental:				
Sales Tax - State	9,397,761	9,397,761	9,121,308	(276,453)
State Revenue Sharing	11,817,246	11,817,246	11,755,011	(62,235)
Auto Lieu Tax	3,500,000	3,500,000	3,940,686	440,686
Other Governmental Charges	35,000	35,000	26,679	(8,321)
Total Intergovernmental	<u>24,750,007</u>	<u>24,750,007</u>	<u>24,843,684</u>	<u>93,677</u>
Charges for Services:				
Building Inspection Fees	317,650	317,650	399,958	82,308
Recreation Fees	331,400	331,400	416,337	84,937
Police Services	775,000	775,000	596,635	(178,365)
Fire Ambulance Services	3,996,000	3,996,000	3,752,106	(243,894)
Other Charges	31,500	31,500	223,640	192,140
Total Charges for Services	<u>5,451,550</u>	<u>5,451,550</u>	<u>5,388,676</u>	<u>(62,874)</u>
Fines and Forfeitures:				
City Court Fines	1,231,000	1,231,000	1,140,437	(90,563)
Total Fines and Forfeitures	<u>1,231,000</u>	<u>1,231,000</u>	<u>1,140,437</u>	<u>(90,563)</u>
Use of Money and Property:				
Interest	100,000	100,000	217,389	117,389
Rental Receipts	135,160	135,160	242,706	107,546
Total Use of Money and Property	<u>235,160</u>	<u>235,160</u>	<u>460,095</u>	<u>224,935</u>
Miscellaneous				
Sales of Surplus Property	1,156,293	1,156,293	720,948	(435,345)
Other	122,900	122,900	440,707	317,807
Total Miscellaneous	<u>1,279,193</u>	<u>1,279,193</u>	<u>1,161,655</u>	<u>(117,538)</u>
Total Revenues	<u>72,817,218</u>	<u>72,817,218</u>	<u>72,913,867</u>	<u>96,649</u>
Amounts Available for Appropriation	<u>90,843,477</u>	<u>90,843,477</u>	<u>90,467,564</u>	<u>(375,913)</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, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (outflows):				
General Government:				
Mayor and Council	289,319	289,319	284,833	4,486
Elections	90,000	90,000	95,794	(5,794)
City Administrator	877,317	854,769	796,924	57,845
Strategic Communications	631,618	631,618	545,975	85,643
Economic Development	332,939	332,939	312,617	20,322
Facilities Maintenance	930,096	930,096	907,427	22,669
General Government	2,362,363	2,352,363	545,748	1,806,615
City Clerk	330,487	330,487	322,211	8,276
City Attorney	1,165,752	1,188,300	1,161,669	26,631
City Prosecutor	360,216	360,216	347,315	12,901
Finance-Administration	412,532	412,532	429,416	(16,884)
Accounting	1,133,307	1,133,307	1,040,313	92,994
Customer Services	114,108	114,108	100,309	13,799
Information Technology Services	3,032,720	3,301,152	3,002,453	298,699
Purchasing	471,548	471,548	445,479	26,069
Human Resources	1,171,049	1,171,049	1,077,676	93,373
Intragovernmental Charges	(3,350,955)	(3,350,955)	(3,350,955)	-
Total General Government Operating Expenditures	10,354,416	10,612,848	8,065,204	2,547,644
Capital Outlay	525,000	256,568	281,322	(24,754)
Total General Government Expenditures	10,879,416	10,869,416	8,346,526	2,522,890
Public Safety:				
Police Administration - Field Operations	23,404,739	23,381,539	21,856,198	1,525,341
Police Animal Control	724,560	724,560	720,023	4,537
Police Support Services	2,067,376	2,060,376	1,886,383	173,993
Police Communication Center	2,382,787	2,382,787	2,271,339	111,448
Fire Administration	904,943	904,943	803,683	101,260
Fire Training	373,398	373,398	313,025	60,373
Fire Suppression	10,321,470	10,319,870	9,685,801	634,069
Fire Suppression - Ambulance	4,295,557	4,295,557	4,343,471	(47,914)
Community Risk Reduction	530,345	530,345	496,123	34,222
Facilities Maintenance	1,539,130	1,539,130	1,322,868	216,262
Fire Special Operations	25,860	25,860	17,266	8,594
Municipal Court	1,841,059	1,841,059	1,686,237	154,822
Total Public Safety Operating Expenditures	48,411,224	48,379,424	45,402,417	2,977,007
Capital Outlay	38,000	69,800	77,114	(7,314)
Total Public Safety Expenditures	48,449,224	48,449,224	45,479,531	2,969,693

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, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Parks, Recreation and Culture:				
Parks and Recreation Administration	669,139	669,139	632,214	36,925
Parks Maintenance	4,620,972	4,620,972	4,432,533	188,439
Parks Development	154,908	154,908	139,029	15,879
Recreation Administration	646,388	646,388	626,466	19,922
Senior Adult Activities	78,118	78,118	47,254	30,864
Adult Activities	254,652	254,652	147,161	107,491
Youth Activities	318,672	318,672	330,031	(11,359)
Aquatics	397,472	397,472	302,775	94,697
Yuma Readiness Center	92,044	92,044	85,194	6,850
Facilities Maintenance	1,522,349	1,522,349	1,289,406	232,943
Yuma Art Center	-	-	35	(35)
Intragovernmental Charges	(587,478)	(587,478)	(587,478)	-
Total Parks, Recreation and Culture				
Operating Expenditures	8,167,236	8,167,236	7,444,620	722,616
Capital Outlay	19,500	19,500	16,532	2,968
Total Parks, Recreation and Culture Expenditures	8,186,736	8,186,736	7,461,152	725,584
Community Design and Development:				
Community Development Administration	512,708	512,708	495,727	16,981
Development Engineering	478,232	478,232	327,256	150,976
Planning and Building Safety	2,516,150	2,526,150	2,346,348	179,802
Neighborhood Services	370,812	370,812	299,947	70,865
Total Community Design and Development				
Operating Expenditures	3,877,902	3,887,902	3,469,278	418,624
Capital Outlay	108,531	108,531	95,714	12,817
Total Community Design and Development				
Expenditures	3,986,433	3,996,433	3,564,992	431,441
Total Operating Expenditures	70,810,778	71,047,410	64,381,519	6,665,891
Capital Outlay	691,031	454,399	470,682	(16,283)
Total Expenditures	71,501,809	71,501,809	64,852,201	6,649,608
Transfers Out	4,606,483	4,606,483	4,613,117	(6,634)
Total Charges to Appropriations	76,108,292	76,108,292	69,465,318	6,642,974
Budgetary Fund Balance, June 30	\$ 14,735,185	\$ 14,735,185	\$ 21,002,246	\$ 6,267,061

Concluded

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 City Road Tax Fund
 For the Year Ended June 30, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 12,042,190	\$ 12,042,190	\$ 12,017,657	\$ (24,533)
Resources (inflows):				
Taxes				
Special Road Sales Tax	11,041,775	11,041,775	10,897,505	(144,270)
Use of Money and Property				
Rent	173,000	173,000	142,244	(30,756)
Interest	75,000	75,000	160,157	85,157
Charges For Services				
Developer Charges	-	-	19,790	19,790
Miscellaneous				
Other	72,436	72,436	130,948	58,512
Total Revenues	<u>11,362,211</u>	<u>11,362,211</u>	<u>11,350,644</u>	<u>(11,567)</u>
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts Available for Appropriation	<u>23,404,401</u>	<u>23,404,401</u>	<u>23,368,301</u>	<u>(36,100)</u>
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Traffic Signals, Signs, and Striping	593,657	593,657	691,919	(98,262)
Streets				
Engineering	2,157,023	2,157,023	1,764,254	392,769
Street Maintenance	33,687	33,687	7,290	26,397
Pathways and Trails	168,070	168,070	162,233	5,837
Right-Of-Way Management	175,333	175,333	138,409	36,924
Capital Outlay	78,784	88,164	69,532	18,632
Capital Projects				
Parks, Recreation and Culture	-	-	245,414	(245,414)
Streets	7,750,000	7,750,000	2,822,499	4,927,501
Environmental, Health and Safety	1,575,000	1,575,000	91,121	1,483,879
Total Expenditures	<u>12,531,554</u>	<u>12,540,934</u>	<u>5,992,671</u>	<u>6,548,263</u>
Transfers Out	<u>4,540,934</u>	<u>4,540,934</u>	<u>4,541,033</u>	<u>(99)</u>
Total Charges to Appropriations	<u>17,072,488</u>	<u>17,081,868</u>	<u>10,533,704</u>	<u>6,548,164</u>
Budgetary Fund Balance, June 30	<u>\$ 6,331,913</u>	<u>\$ 6,322,533</u>	<u>\$ 12,834,597</u>	<u>\$ 6,512,064</u>

See accompanying notes to this schedule

City of Yuma, Arizona
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2018

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 valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Amortization method	Level of percent of payroll, closed
Remaining amortization period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market; 20% corridor
Investment rate of return	7.85%, net of investment and administrative expenses
Salary increases	4.00% - 8.00%, including inflation
Wage inflation	4.00%
Price inflation	3.00%; no explicit price inflation assumptions
Mortality	RP-2000 mortality table projected to 2015 using projection scale AA (adjusted to 105% for both males and females)
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 of July 1, 2006 - June 30, 2011.

B. 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.

C. Excess of Expenditures Over Appropriations

The City's expenditures exceeded appropriations in one fund. The Downtown Mall Maintenance Fund had expenditures exceed appropriations by \$2,946 due to a slight increase in maintenance costs. In this case, the fund was not significantly impaired by the excess expenditures.

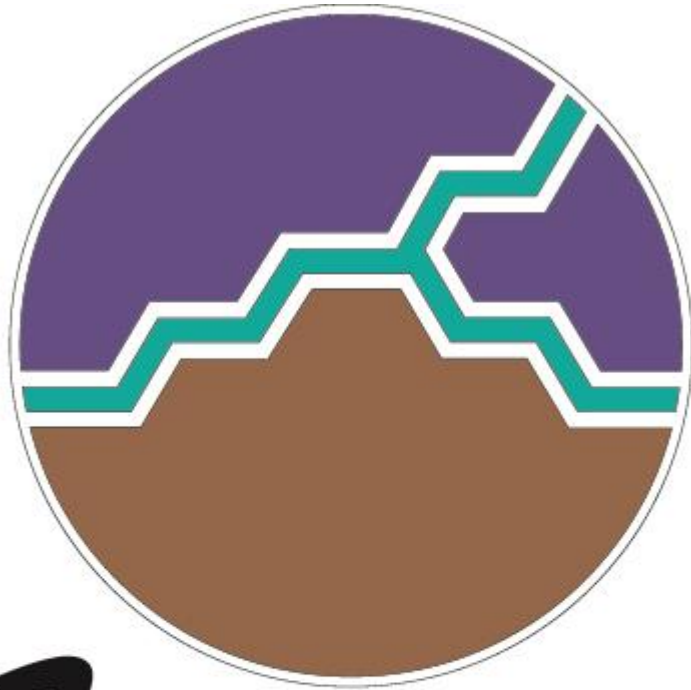
D. PSPRS Factors that Affect Trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes will increase the PSPRS required contributions beginning

City of Yuma, Arizona
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2018

in fiscal year 2019 for members who retired or will retire after the law's effective date. The City refunded excess employee contributions to PSPRS members during FY 2017. PSPRS allowed the City to reduce its actual employer contributions for the refund amounts. As a result, the City's pension contributions were less than the actuarially or statutorily determined contributions for 2018.

OTHER SUPPLEMENTARY INFORMATION



CITY OF
Yuma

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.

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 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 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.

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

<u>Assets</u>	Special Revenue		
	Public Safety Tax	Highway Users Revenue	Grants
Cash and Investments	\$ 3,212,027	\$ 5,302,242	\$ 320,077
Receivables (Net of Allowances for Uncollectibles):			
Accounts Receivable	-	79,329	161
Intergovernmental	161,718	684,194	809,584
Delinquent Property Taxes	-	-	-
Accrued Interest	2,784	5,512	207
Inventory, at cost	-	-	-
Prepaid Items	-	-	-
Total Assets	<u>\$ 3,376,529</u>	<u>\$ 6,071,277</u>	<u>\$ 1,130,029</u>
 <u>Liabilities</u> 			
Liabilities:			
Accounts Payable	\$ 135,969	\$ 195,977	\$ 133,371
Accrued Payroll, Taxes and Benefits Payable	-	79,861	45,515
Due to Other Funds	-	-	610,400
Deposits	-	-	-
Unearned Revenues	-	-	340,743
Total Liabilities	<u>135,969</u>	<u>275,838</u>	<u>1,130,029</u>
 <u>Deferred Inflows of Resources</u> 			
Unavailable Revenues	-	-	-
 <u>Fund Balances:</u> 			
Nonspendable:			
Inventory	-	-	-
Prepaid Items	-	-	-
Spendable			
Restricted	<u>3,240,560</u>	<u>5,795,439</u>	<u>-</u>
Total Fund Balances	<u>3,240,560</u>	<u>5,795,439</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 3,376,529</u>	<u>\$ 6,071,277</u>	<u>\$ 1,130,029</u>

Special Revenue			Total
Community Redevelopment	Two Percent Tax	Yuma Mall Maintenance	Nonmajor Governmental Funds
\$ 1,050	\$ 2,379,823	\$ 4,441	\$ 11,219,660
817,500	131,566	330	1,028,886
238,690	271,077	1,596	2,166,859
-	-	4,721	4,721
-	5,363	-	13,866
-	9,540	-	9,540
-	532	-	532
<u>\$ 1,057,240</u>	<u>\$ 2,797,901</u>	<u>\$ 11,088</u>	<u>\$ 14,444,064</u>
\$ 36,261	\$ 115,793	\$ 3,232	\$ 620,603
3,635	98,801	3,135	230,947
209,291	-	-	819,691
-	64,249	-	64,249
3	91,344	-	432,090
<u>249,190</u>	<u>370,187</u>	<u>6,367</u>	<u>2,167,580</u>
<u>808,050</u>	<u>-</u>	<u>4,721</u>	<u>812,771</u>
-	9,540	-	9,540
-	532	-	532
-	2,417,642	-	11,453,641
-	2,427,714	-	11,463,713
<u>\$ 1,057,240</u>	<u>\$ 2,797,901</u>	<u>\$ 11,088</u>	<u>\$ 14,444,064</u>

City of Yuma, Arizona

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2018

	Special Revenue		
	Public Safety Tax	Highway User Revenue	Grants
Revenues:			
Taxes	\$ 4,357,520	\$ -	\$ -
Intergovernmental	-	7,826,949	1,374,299
Charges for Services	-	-	-
Use of Money and Property	97,664	55,539	-
Contributions/Donations	-	-	496,997
Miscellaneous	612	48,474	-
Total Revenues	4,455,796	7,930,962	1,871,296
Expenditures:			
Current:			
General Government	-	-	14,295
Public Safety	2,749,083	504,458	911,971
Streets	-	5,824,204	-
Parks, Recreation and Culture	-	-	133,383
Environmental Health and Protection	-	57,799	-
Community Design and Development	-	-	2,254
Capital Outlay	604,363	3,436	413,480
Capital Projects			
General Government	-	-	236,376
Public Safety	8,925	-	-
Streets	-	329,867	151,453
Parks, Recreation and Culture	-	-	8,084
Total Expenditures	3,362,371	6,719,764	1,871,296
Revenues Over/(Under) Expenditures	1,093,425	1,211,198	-
Other Financing Sources/(Uses):			
Sale of Real Property	-	-	-
Capital Lease Agreements	1,031,836	-	-
Transfers In	-	-	-
Transfers Out	(947,712)	(128,526)	-
Total Other Financing Sources/(Uses)	84,124	(128,526)	-
Net Changes in Fund Balances	1,177,549	1,082,672	-
Fund Balances, Beginning	2,063,011	4,712,767	-
Fund Balances, Ending	\$ 3,240,560	\$ 5,795,439	\$ -

Special Revenue			Total
Community Redevelopment	Two Percent Tax	Yuma Mall Maintenance	Nonmajor Governmental Funds
\$ -	\$ 5,703,452	\$ 103,644	\$ 10,164,616
1,074,831	-	-	10,276,079
-	928,823	-	928,823
-	32,624	-	185,827
-	-	-	496,997
1,779	109,659	2,644	163,168
<u>1,076,610</u>	<u>6,774,558</u>	<u>106,288</u>	<u>22,215,510</u>
-	105,847	-	120,142
-	-	-	4,165,512
-	-	-	5,824,204
-	6,051,666	-	6,185,049
-	-	-	57,799
941,422	-	227,659	1,171,335
-	134,343	-	1,155,622
-	8,762	-	245,138
-	-	-	8,925
-	-	-	481,320
135,197	84,916	-	228,197
<u>1,076,619</u>	<u>6,385,534</u>	<u>227,659</u>	<u>19,643,243</u>
(9)	389,024	(121,371)	2,572,267
9	-	-	9
-	-	-	1,031,836
-	-	121,371	121,371
-	(1,095,928)	-	(2,172,166)
<u>9</u>	<u>(1,095,928)</u>	<u>121,371</u>	<u>(1,018,950)</u>
-	(706,904)	-	1,553,317
<u>-</u>	<u>3,134,618</u>	<u>-</u>	<u>9,910,396</u>
<u>\$ -</u>	<u>\$ 2,427,714</u>	<u>\$ -</u>	<u>\$ 11,463,713</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Year Ended June 30, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,657	\$ 2,657	\$ 1,966	\$ (691)
Resources (inflows):				
Special Assessments:				
Principal Payments	320,000	320,000	320,000	-
Use of Money and Property:				
Interest	56,920	56,920	62,430	5,510
Total Revenues	<u>376,920</u>	<u>376,920</u>	<u>382,430</u>	<u>5,510</u>
Transfers In	<u>11,122,332</u>	<u>11,122,332</u>	<u>11,122,446</u>	<u>114</u>
Amounts Available for Appropriation	<u>11,501,909</u>	<u>11,501,909</u>	<u>11,506,842</u>	<u>4,933</u>
Charges to Appropriations (outflows):				
Debt Service:				
Bond Principal	7,095,000	7,095,000	7,095,000	-
Bond Interest	4,402,552	4,402,552	4,404,399	(1,847)
Fiscal Agent Fees	2,400	2,400	2,400	-
Total Expenditures	<u>11,499,952</u>	<u>11,499,952</u>	<u>11,501,799</u>	<u>(1,847)</u>
Total Charges to Appropriations	<u>11,499,952</u>	<u>11,499,952</u>	<u>11,501,799</u>	<u>(1,847)</u>
Budgetary Fund Balance, June 30	<u>\$ 1,957</u>	<u>\$ 1,957</u>	<u>\$ 5,043</u>	<u>\$ 3,086</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Capital Projects Fund
 For the Year Ended June 30, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 20,563,884	\$ 20,563,884	\$ 19,542,230	\$ (1,021,654)
Resources (inflows):				
Charges for Services				
Developer Charges	1,510,480	1,510,480	1,403,941	(106,539)
Use of Money and Property				
Interest	-	-	250,201	250,201
Miscellaneous	-	-	117,454	117,454
Total Revenues	<u>1,510,480</u>	<u>1,510,480</u>	<u>1,771,596</u>	<u>261,116</u>
Amounts Available for Appropriation	<u>22,074,364</u>	<u>22,074,364</u>	<u>21,313,826</u>	<u>(760,538)</u>
Charges to Appropriations (outflows):				
Capital Outlay:				
General Government	25,000	50,000	17,855	32,145
Streets	50,000	420,717	446,327	(25,610)
Parks, Recreation and Culture	13,445,000	13,049,283	3,806,098	9,243,185
Total Expenditures	<u>13,520,000</u>	<u>13,520,000</u>	<u>4,270,280</u>	<u>9,249,720</u>
Transfers Out	-	-	555,082	(555,082)
Total Charges to Appropriations	<u>13,520,000</u>	<u>13,520,000</u>	<u>4,825,362</u>	<u>8,694,638</u>
Budgetary Fund Balance, June 30	<u>\$ 8,554,364</u>	<u>\$ 8,554,364</u>	<u>\$ 16,488,464</u>	<u>\$ 7,934,100</u>

City of Yuma, Arizona
Budgetary Comparison Schedule
Public Safety Tax Fund
For the Year Ended 30, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ 1,819,527	\$ 1,819,527	\$ 2,063,011	\$ 243,484
Resources (inflows):				
Taxes				
Public Safety Sales Tax	4,415,203	4,415,203	4,357,520	(57,683)
Use of Money and Property				
Rent	32,000	32,000	65,787	33,787
Interest	10,000	10,000	31,877	21,877
Other Financing Sources/(Uses):				
Capital Lease Agreements	-	-	1,031,836	1,031,836
Miscellaneous				
Other	50,485	50,485	612	(49,873)
Total Revenues	<u>4,507,688</u>	<u>4,507,688</u>	<u>5,487,632</u>	<u>979,944</u>
Amounts Available for Appropriation	<u>6,327,215</u>	<u>6,327,215</u>	<u>7,550,643</u>	<u>1,223,428</u>
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Police Support Services	1,085,189	1,085,189	1,976,183	(890,994)
Fire Support Services	620,694	620,694	663,984	(43,290)
Facility Maintenance	110,000	110,000	108,916	1,084
Capital Outlay	<u>748,500</u>	<u>748,500</u>	<u>604,363</u>	<u>144,137</u>
Capital Projects:				
Public Safety	<u>100,000</u>	<u>100,000</u>	<u>8,925</u>	<u>91,075</u>
Total Expenditures	<u>2,664,383</u>	<u>2,664,383</u>	<u>3,362,371</u>	<u>(697,988)</u>
Transfers Out	<u>947,686</u>	<u>947,686</u>	<u>947,712</u>	<u>(26)</u>
Total Charges to Appropriations	<u>3,612,069</u>	<u>3,612,069</u>	<u>4,310,083</u>	<u>(698,014)</u>
Budgetary Fund Balance, June 30	<u>\$ 2,715,146</u>	<u>\$ 2,715,146</u>	<u>\$ 3,240,560</u>	<u>\$ 525,414</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Highway User Revenue Fund
 For the Year Ended June 30, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,029,102	\$ 4,029,102	\$ 4,712,767	\$ 683,665
Resources (inflows):				
Intergovernmental				
State Gasoline Tax	7,200,000	7,200,000	7,826,949	626,949
Use of Money and Property				
Interest	22,000	22,000	55,539	33,539
Miscellaneous				
Other	103,934	103,934	48,474	(55,460)
Total Revenues	<u>7,325,934</u>	<u>7,325,934</u>	<u>7,930,962</u>	<u>605,028</u>
Amounts Available for Appropriation	<u>11,355,036</u>	<u>11,355,036</u>	<u>12,643,729</u>	<u>1,288,693</u>
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Traffic Signals, Signs, and Striping Streets	505,368	505,368	504,458	910
Street Maintenance	3,193,595	3,193,595	2,843,316	350,279
Street Lighting	995,187	995,187	930,894	64,293
Street Sweeping	454,825	454,825	434,548	20,277
Storm Drain Maintenance	373,641	373,641	348,343	25,298
Curbs, Gutters, and Sidewalks	410,868	410,868	397,155	13,713
Retention Basin Maintenance	1,106,729	1,106,729	869,948	236,781
Code Enforcement	65,563	65,563	57,799	7,764
Capital Outlay	<u>-</u>	<u>-</u>	<u>3,436</u>	<u>(3,436)</u>
Capital Projects				
Streets	<u>550,000</u>	<u>550,000</u>	<u>329,867</u>	<u>220,133</u>
Total Expenditures	<u>7,655,776</u>	<u>7,655,776</u>	<u>6,719,764</u>	<u>936,012</u>
Transfers Out	<u>128,523</u>	<u>128,523</u>	<u>128,526</u>	<u>(3)</u>
Total Charges to Appropriations	<u>7,784,299</u>	<u>7,784,299</u>	<u>6,848,290</u>	<u>936,009</u>
Budgetary Fund Balance, June 30	<u>\$ 3,570,737</u>	<u>\$ 3,570,737</u>	<u>\$ 5,795,439</u>	<u>\$ 2,224,702</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Grants Fund
 For the Year Ended June 30, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	954,706	954,706	1,078,818	124,112
State Government	489,775	489,775	295,481	(194,294)
County Government	43,300	43,300	-	(43,300)
Budget Authority Reserve	9,229,870	9,229,870	-	(9,229,870)
Use of Money and Property				
Contributions/Donations	777,521	777,521	496,997	(280,524)
Total Revenues	<u>11,495,172</u>	<u>11,495,172</u>	<u>1,871,296</u>	<u>(9,623,876)</u>
Amounts Available for Appropriation	<u>11,495,172</u>	<u>11,495,172</u>	<u>1,871,296</u>	<u>(9,623,876)</u>
Charges to Appropriations (outflows):				
Current:				
General Government	13,500	13,500	14,295	(795)
Public Safety	9,419,231	9,419,231	911,971	8,507,260
Parks, Recreation and Culture	257,441	257,441	133,383	124,058
Environmental Health and Protection	200,000	200,000	-	200,000
Community Design & Development	-	-	2,254	(2,254)
Capital Outlay	255,000	255,000	413,480	(158,480)
Capital Projects				
General Government	400,000	400,000	236,376	163,624
Streets	200,000	200,000	151,453	48,547
Parks, Recreation and Culture	750,000	750,000	8,084	741,916
Total Expenditures	<u>11,495,172</u>	<u>11,495,172</u>	<u>1,871,296</u>	<u>9,623,876</u>
Total Charges to Appropriations	<u>11,495,172</u>	<u>11,495,172</u>	<u>1,871,296</u>	<u>9,623,876</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, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	1,393,671	1,393,671	1,074,831	(318,840)
Miscellaneous				
Loan Repayments	-	-	1,779	1,779
Sale of Real Property	-	-	9	9
Total Revenues	<u>1,393,671</u>	<u>1,393,671</u>	<u>1,076,619</u>	<u>(317,052)</u>
Amounts Available for Appropriation	<u>1,393,671</u>	<u>1,393,671</u>	<u>1,076,619</u>	<u>(317,052)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development	1,243,671	1,243,671	941,422	302,249
Capital Outlay	-	1,200	-	1,200
Capital Projects				
Parks, Recreation and Culture	150,000	150,000	135,197	14,803
Total Expenditures	<u>1,393,671</u>	<u>1,394,871</u>	<u>1,076,619</u>	<u>318,252</u>
Total Charges to Appropriations	<u>1,393,671</u>	<u>1,394,871</u>	<u>1,076,619</u>	<u>318,252</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Two Percent Tax Fund
 For the Year Ended June 30, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,553,898	\$ 2,553,898	\$ 3,134,618	\$ 580,720
Resources (inflows):				
Taxes				
Two Percent Tax	5,573,583	5,573,583	5,703,452	129,869
Charges for Services				
Rents and Concessions	359,500	359,500	453,466	93,966
Recreation Fees	327,500	327,500	475,357	147,857
Use of Money and Property				
Interest	24,000	24,000	32,624	8,624
Miscellaneous				
Other	42,752	42,752	109,659	66,907
Total Revenues	<u>6,327,335</u>	<u>6,327,335</u>	<u>6,774,558</u>	<u>447,223</u>
Amounts Available for Appropriation	<u>8,881,233</u>	<u>8,881,233</u>	<u>9,909,176</u>	<u>1,027,943</u>
Charges to Appropriations (outflows):				
Current:				
Parks, Recreation and Culture				
Administration	417,666	417,666	392,260	25,406
Outside Agencies	750,000	750,000	750,117	(117)
Civic and Convention Center	2,003,542	2,003,542	2,053,549	(50,007)
Baseball Complex	644,345	644,345	586,111	58,234
Art Center	784,701	784,701	789,908	(5,207)
Heritage Events	176,871	176,871	147,261	29,610
Heritage Area Development	473,075	473,075	479,860	(6,785)
Facilities Maintenance	945,914	945,914	852,600	93,314
General Government	126,047	126,047	105,847	20,200
Capital Outlay	148,332	148,332	134,343	13,989
Capital Projects:				
General Government	-	-	8,762	(8,762)
Parks, Recreation and Culture	100,000	100,000	84,916	15,084
Total Expenditures	<u>6,570,493</u>	<u>6,570,493</u>	<u>6,385,534</u>	<u>184,959</u>
Transfers Out	<u>1,925,979</u>	<u>1,925,979</u>	<u>1,095,928</u>	<u>830,051</u>
Total Charges to Appropriations	<u>8,496,472</u>	<u>8,496,472</u>	<u>7,481,462</u>	<u>1,015,010</u>
Budgetary Fund Balance, June 30	<u>\$ 384,761</u>	<u>\$ 384,761</u>	<u>\$ 2,427,714</u>	<u>\$ 2,042,953</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Yuma Mall Maintenance Fund
 For the Year Ended June 30, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Taxes				
Mall Assessments	105,000	105,000	100,217	(4,783)
Property Tax - Delinquent	12,000	12,000	3,427	(8,573)
Total Taxes	<u>117,000</u>	<u>117,000</u>	<u>103,644</u>	<u>(13,356)</u>
Miscellaneous				
Other	-	-	2,644	2,644
Total Revenues	<u>117,000</u>	<u>117,000</u>	<u>106,288</u>	<u>(10,712)</u>
Transfers In	<u>114,686</u>	<u>114,686</u>	<u>121,371</u>	<u>6,685</u>
Amounts Available for Appropriation	<u>231,686</u>	<u>231,686</u>	<u>227,659</u>	<u>(4,027)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development				
Mall Maintenance	<u>231,687</u>	<u>231,687</u>	<u>227,659</u>	<u>4,028</u>
Total Expenditures	<u>231,687</u>	<u>231,687</u>	<u>227,659</u>	<u>4,028</u>
Total Charges to Appropriations	<u>231,687</u>	<u>231,687</u>	<u>227,659</u>	<u>4,028</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, 2018

<u>Assets</u>	Enterprise Funds			Total Nonmajor Proprietary Funds
	Solid Waste	Radio Communication	Desert Hills Golf Course	
Current Assets:				
Cash and Investments	\$ 1,041,344	\$ 2,086,323	\$ 3,700	\$ 3,131,367
Receivables, Net of Allowance for Uncollectibles:				
Accounts Receivable	315,347	1,677	62,348	379,372
Intergovernmental	3,021	1,081	1,241	5,343
Accrued Interest	1,863	2,292	-	4,155
Inventory, at cost	-	77,255	27,558	104,813
Prepaid Expenses	-	21,043	-	21,043
Total Current Assets	<u>1,361,575</u>	<u>2,189,671</u>	<u>94,847</u>	<u>3,646,093</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	331,971	8,457,413	331,078	9,120,462
Gross Capital Assets	382,709	8,457,413	6,724,298	15,564,420
Less Accumulated Depreciation	(381,404)	(7,774,714)	(5,470,170)	(13,626,288)
Capital Assets Net of Depreciation	1,305	682,699	1,254,128	1,938,132
Total Noncurrent Assets	1,305	682,699	1,254,128	1,938,132
Total Assets	<u>1,362,880</u>	<u>2,872,370</u>	<u>1,348,975</u>	<u>5,584,225</u>
<u>Deferred Outflows of Resources</u>				
Pension Contributions - Current Year	61,854	38,995	74,628	175,477
Other Pension Items	55,413	34,934	66,857	157,204
Total Deferred Outflows of Resources	<u>117,267</u>	<u>73,929</u>	<u>141,485</u>	<u>332,681</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts Payable	69,503	128,096	22,634	220,233
Accrued Payroll and Related Taxes	29,105	20,880	21,854	71,839
Current Portion-Accrued				
Compensated Absences	24,517	28,149	29,166	81,832
Due to Other Funds	-	-	255,447	255,447
Unearned Revenue	-	41,089	111,828	152,917
Total Current Liabilities Payable from Current Assets	<u>123,125</u>	<u>218,214</u>	<u>440,929</u>	<u>782,268</u>
Noncurrent Liabilities:				
Pension Liability	896,283	565,048	1,081,384	2,542,715
Accrued Compensated Absences	58,835	56,666	35,914	151,415
Total Long-Term Liabilities	955,118	621,714	1,117,298	2,694,130
Total Liabilities	<u>1,078,243</u>	<u>839,928</u>	<u>1,558,227</u>	<u>3,476,398</u>
<u>Deferred Inflows of Resources</u>				
Pension Investments - Projection/Actual difference	26,800	16,896	32,335	76,031
Other Pension Items	33,608	21,188	40,549	95,345
	<u>60,408</u>	<u>38,084</u>	<u>72,884</u>	<u>171,376</u>
<u>Net Position</u>				
Net investment in capital assets	1,305	682,699	1,254,128	1,938,132
Unrestricted (deficit)	340,191	1,385,588	(1,394,779)	331,000
Total Net Position	<u>\$ 341,496</u>	<u>\$ 2,068,287</u>	<u>\$ (140,651)</u>	<u>\$ 2,269,132</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, 2018

	Enterprise Funds			Total Nonmajor Proprietary Funds
	Solid Waste	Radio Communication	Desert Hills Golf Course	
Operating Revenues:				
Charges for Services	\$ 3,603,451	\$ 1,954,819	\$ -	\$ 5,558,270
Green Fees	-	-	720,047	720,047
Cart and Club Rental	-	-	170,110	170,110
Pro Shop Sales	-	-	210,590	210,590
Restaurant Sales	-	-	156,913	156,913
Total Operating Revenues	<u>3,603,451</u>	<u>1,954,819</u>	<u>1,257,660</u>	<u>6,815,930</u>
Operating Expenses:				
Operations and Maintenance	3,721,201	1,512,557	1,679,680	6,913,438
Depreciation and Amortization	577	333,486	106,764	440,827
Total Operating Expenses	<u>3,721,778</u>	<u>1,846,043</u>	<u>1,786,444</u>	<u>7,354,265</u>
Operating Income/(Loss)	<u>(118,327)</u>	<u>108,776</u>	<u>(528,784)</u>	<u>(538,335)</u>
Non-Operating Revenues/(Expenses):				
Interest	14,337	23,105	786	38,228
Miscellaneous Revenues	27,561	1,510	10,041	39,112
Net Non-Operating Revenues	<u>41,898</u>	<u>24,615</u>	<u>10,827</u>	<u>77,340</u>
Income/(Loss) before Contributions and Transfers	(76,429)	133,391	(517,957)	(460,995)
Transfers In	-	-	250,000	250,000
Transfers Out	<u>(177,010)</u>	<u>-</u>	<u>(25,626)</u>	<u>(202,636)</u>
Change in Net Position	(253,439)	133,391	(293,583)	(413,631)
Net Position-beginning	<u>594,935</u>	<u>1,934,896</u>	<u>152,932</u>	<u>2,682,763</u>
Net Position-ending	<u>\$ 341,496</u>	<u>\$ 2,068,287</u>	<u>\$ (140,651)</u>	<u>\$ 2,269,132</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2018

	Enterprise Funds			Total Nonmajor Proprietary Funds
	Solid Waste	Radio Communication	Desert Hills Golf Course	
Cash Flow from Operating Activities:				
Cash Received from Customers	\$ 3,629,332	\$ 2,033,895	\$ 1,222,748	\$ 6,885,975
Cash Paid to Employees	(907,340)	(532,622)	(732,783)	(2,172,745)
Cash Paid to Suppliers	(2,918,084)	(928,827)	(719,723)	(4,566,634)
Other Operating Activity Revenue	27,561	1,510	10,041	39,112
Net Cash Provided by/(used for) Operating Activities	(168,531)	573,956	(219,717)	185,708
Cash Flows from Noncapital Financing Activities:				
Cash Received from Other Funds	-	-	250,000	250,000
Cash Paid to Other Funds	(177,009)	-	(25,626)	(202,635)
Net Cash Flows Provide by/ (Used for) Noncapital Financing Activities	(177,009)	-	224,374	47,365
Cash Flow from Capital and Related Financing Activities:				
Acquisition and Construction of Assets	-	(297,859)	(5,480)	(303,339)
Net Cash Provided by/(Used for) Capital and Related Financing Activities	-	(297,859)	(5,480)	(303,339)
Cash Flows from Investing Activities:				
Receipt of Interest	14,216	22,897	786	37,899
Net Cash Provided by Investing Activities	14,216	22,897	786	37,899
Net Increase/(Decrease) in Cash and Cash Equivalents	(331,324)	298,993	(37)	(32,368)
Cash and Cash Equivalents, July 1	1,372,668	1,787,330	3,737	3,163,735
Cash and Cash Equivalents, June 30	\$ 1,041,344	\$ 2,086,323	\$ 3,700	\$ 3,131,367
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(used for) Operating Activities:				
Operating Income/(Loss)	\$ (118,327)	\$ 108,776	\$ (528,784)	\$ (538,335)
Adjustments to Reconcile Operating Income/(Loss)				
Depreciation and Amortization Expense	577	333,486	106,764	440,826
(Increase)/Decrease in Accounts Receivables	25,880	70,330	(35,302)	60,909
(Increase)/Decrease in Inventories	-	5,057	13,165	18,223
(Increase)/Decrease in Prepaid Items	336	(21,043)	-	(20,707)
Increase/(Decrease) in Accounts Payable	(73,335)	85,451	(14,149)	(2,033)
Increase/(Decrease) in Accrued Wages and Taxes Payable	1,483	2,261	3,616	7,361
Increase/(Decrease) in Due from Other Gov't Units	-	-	390	390
Increase/(Decrease) in Due to Other Funds	-	-	255,447	255,447
Increase/(Decrease) in Unearned Revenue	-	8,746	8,556	17,302
Increase/(Decrease) in Pension Exp/Def Outflows/Inflows	(32,706)	(20,619)	(39,461)	(92,786)
Other Operating Activity Revenue	27,561	1,510	10,041	39,112
Total Adjustments	(50,204)	465,180	309,067	724,043
Net Cash Provided by/(used for) Operating Activities	\$ (168,531)	\$ 573,956	\$ (219,717)	\$ 185,708

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Water Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Inside City	\$ 19,351,750	\$ 19,351,750	\$ 21,240,139	\$ 1,888,389
Outside City	2,403,300	2,403,300	2,402,180	(1,120)
Commercial Raw Water	130,000	130,000	131,767	1,767
Meters, Connections and Services	1,361,704	1,361,704	1,367,819	6,115
Capital Contributions:				
System Development	125,000	125,000	174,650	49,650
Capacity Rights	1,600,000	1,600,000	2,844,682	1,244,682
Interest	119,700	119,700	374,605	254,905
Miscellaneous	138,824	138,824	55,994	(82,830)
Total Revenues	<u>25,230,278</u>	<u>25,230,278</u>	<u>28,591,836</u>	<u>3,361,558</u>
Amounts Available for Appropriation	<u>25,230,278</u>	<u>25,230,278</u>	<u>28,591,836</u>	<u>3,361,558</u>
Charges to Appropriations (outflows):				
Current:				
Administration	2,752,994	2,752,994	2,826,381	(73,387)
Treatment	7,352,159	7,352,159	6,086,388	1,265,771
Water Transmission	1,741,416	1,741,416	1,687,342	54,074
Customer Services	1,057,552	1,057,552	970,486	87,066
Water Transfer	65,750	65,750	30,386	35,364
Laboratory	346,754	346,754	257,220	89,534
Facilities Maintenance	203,483	203,483	126,334	77,149
Capital Outlay:				
Capital Outlay	296,000	296,000	156,049	139,951
Capital Projects	7,265,000	7,265,000	3,967,910	3,297,090
Debt Service:				
Principal Retirement	5,925,661	5,925,661	5,925,661	-
Interest and Fiscal Agent Fees	3,023,444	3,023,444	3,023,518	(74)
Total Expenditures	<u>30,030,213</u>	<u>30,030,213</u>	<u>25,057,675</u>	<u>4,972,538</u>
Transfers Out	59,611	59,611	59,612	(1)
Total Charges to Appropriations	<u>30,089,824</u>	<u>30,089,824</u>	<u>25,117,287</u>	<u>4,972,537</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (4,859,546)</u>	<u>\$ (4,859,546)</u>	<u>3,474,549</u>	<u>\$ 8,334,095</u>
Reconciliation to Change in Net Position:				
Capital Outlay			156,049	
Capital Projects			3,967,910	
Principal Retirement			5,925,661	
Capital Contributions for Developer Additions to System			771,695	
Amortization of Deferred Charges on Refunding			172,260	
Pension Contributions in excess of Expense			229,833	
Depreciation and Amortization			<u>(7,567,061)</u>	
Change in Net Position			<u>\$ 7,130,896</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, 2018

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Inside City	\$ 12,490,400	\$ 12,490,400	\$ 13,527,529	\$ 1,037,129
Outside City	1,016,000	1,016,000	1,094,594	78,594
Contractual/Industrial Services	1,941,000	1,941,000	1,958,772	17,772
Meters, Connections and Services	40,800	40,800	54,241	13,441
Capital Contributions:				
Capacity Rights	2,600,000	2,600,000	3,265,751	665,751
Wastewater Interceptor	161,000	161,000	223,695	62,695
Wastewater Trunk Line Charges	15,000	15,000	15,400	400
Issuance of Long-Term Debt	-	-	-	-
Interest	145,900	145,900	443,339	297,439
Miscellaneous	620,335	620,335	43,741	(576,594)
Total Revenues	<u>19,030,435</u>	<u>19,030,435</u>	<u>20,627,062</u>	<u>1,596,627</u>
Amounts Available for Appropriation	<u>19,030,435</u>	<u>19,030,435</u>	<u>20,627,062</u>	<u>1,596,627</u>
Charges to Appropriations (outflows):				
Current:				
Administration	1,771,700	1,771,700	1,777,380	(5,680)
Treatment	7,169,714	7,163,714	6,328,240	835,474
Pretreatment	441,696	441,696	369,472	72,224
Collection	1,441,519	1,441,519	1,269,903	171,616
Laboratory	294,050	294,050	208,558	85,492
Facilities Maintenance	195,670	195,670	122,799	72,871
Capital Outlay:				
Capital Outlay	385,000	391,000	111,930	279,070
Capital Projects	6,190,000	6,190,000	2,444,546	3,745,454
Debt Service:				
Principal Retirement	3,620,339	3,620,339	3,620,339	-
Interest and Fiscal Agent Fees	1,066,214	1,066,214	1,066,239	(25)
Total Expenditures	<u>22,575,902</u>	<u>22,575,902</u>	<u>17,319,406</u>	<u>5,256,496</u>
Transfers Out	65,992	65,992	65,994	(2)
Total Charges to Appropriations	<u>22,641,894</u>	<u>22,641,894</u>	<u>17,385,400</u>	<u>5,256,494</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (3,611,459)</u>	<u>\$ (3,611,459)</u>	<u>3,241,662</u>	<u>\$ 6,853,121</u>
Reconciliation to Change in Net Position:				
Capital Outlay			111,930	
Capital Projects			2,444,546	
Principal Retirement			3,620,339	
Amortization of Deferred Charges on Refunding			34,579	
Capital Contributions for Subdivider Additions to System			936,651	
Pension Contributions in excess of Expense			163,709	
Depreciation and Amortization			<u>(6,252,895)</u>	
Change in Net Position			<u>\$ 4,300,521</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, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Charges for Service				
Collection Fees	\$ 3,362,000	\$ 3,362,000	\$ 3,603,451	\$ 241,451
Interest	7,500	7,500	14,337	6,837
Miscellaneous				
Other	8,500	8,500	27,561	19,061
Total Revenues	<u>3,378,000</u>	<u>3,378,000</u>	<u>3,645,349</u>	<u>267,349</u>
Amounts Available for Appropriation	<u>3,378,000</u>	<u>3,378,000</u>	<u>3,645,349</u>	<u>267,349</u>
Charges to Appropriations (outflows):				
Current:				
Environmental Health and Protection				
Residential Services	3,168,066	3,168,066	3,180,836	(12,770)
Uncontained Waste	412,518	412,518	386,395	26,123
Recycling	145,139	145,139	186,676	(41,537)
Total Expenditures	<u>3,725,723</u>	<u>3,725,723</u>	<u>3,753,907</u>	<u>(28,184)</u>
Transfers Out	<u>177,005</u>	<u>177,005</u>	<u>177,010</u>	<u>(5)</u>
Total Charges to Appropriations	<u>3,902,728</u>	<u>3,902,728</u>	<u>3,930,917</u>	<u>(28,189)</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (524,728)</u>	<u>\$ (524,728)</u>	<u>(285,568)</u>	<u>\$ 239,160</u>
Reconciliation to Change in Net Position:				
Pension Contributions in excess of Expense			32,706	
Depreciation and Amortization			<u>(577)</u>	
Change in Net Position			<u>\$ (253,439)</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, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Resources (inflows):				
Charges for Service				
Radio Equipment Fees	\$ 841,131	\$ 841,131	\$ 908,550	\$ 67,419
Software Fees	917,676	917,676	946,260	28,584
911 Admin Fees	107,510	107,510	100,009	(7,501)
Intergovernmental:				
Federal Government	64,500	133,500	-	(133,500)
Budget Authority Reserve	1,000,000	931,000	-	(931,000)
Use of Money and Property				
Interest	6,000	6,000	23,105	17,105
Miscellaneous				
Other	-	-	1,510	1,510
Total Revenues	<u>2,936,817</u>	<u>2,936,817</u>	<u>1,979,434</u>	<u>(957,383)</u>
Amounts Available for Appropriation	<u>2,936,817</u>	<u>2,936,817</u>	<u>1,979,434</u>	<u>(957,383)</u>
Charges to Appropriations (outflows):				
Current:				
Environmental Health				
Radio Communications	953,793	953,793	766,555	187,238
Radio Software	950,041	1,393,299	752,879	640,420
911 Administration	83,113	83,113	13,743	69,370
Public Safety	1,000,000	350,000	-	350,000
Capital Outlay				
Capital Outlay	126,000	332,742	297,859	34,883
Total Expenditures	<u>3,112,947</u>	<u>3,112,947</u>	<u>1,831,036</u>	<u>1,281,911</u>
Total Charges to Appropriations	<u>3,112,947</u>	<u>3,112,947</u>	<u>1,831,036</u>	<u>1,281,911</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (176,130)</u>	<u>\$ (176,130)</u>	<u>148,398</u>	<u>\$ 324,528</u>
Reconciliation to Change in Net Position:				
Capital Outlay			297,859	
Pension Contributions in excess of Expense			20,620	
Depreciation and Amortization			(333,486)	
Change in Net Position			<u>\$ 133,391</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
 Desert Hills Golf Course Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Green Fees	\$ 947,000	\$ 947,000	\$ 720,047	\$ (226,953)
Cart and Club Rental	206,600	206,600	170,110	(36,490)
Pro Shop Sales	196,500	196,500	210,590	14,090
Restaurant Sales	144,500	144,500	156,913	12,413
Interest	-	-	786	786
Miscellaneous	2,500	2,500	10,041	7,541
Total Revenues	<u>1,497,100</u>	<u>1,497,100</u>	<u>1,268,487</u>	<u>(228,613)</u>
Transfers In	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Amounts Available for Appropriation	<u>1,747,100</u>	<u>1,747,100</u>	<u>1,518,487</u>	<u>(228,613)</u>
Charges to Appropriations (outflows):				
Current:				
Maintenance	1,085,426	1,079,926	978,912	101,014
Concession	598,319	598,319	569,891	28,428
Restaurant	-	-	1,968	(1,968)
Facility Maintenance	224,882	224,882	168,370	56,512
Capital Outlay	-	5,500	5,480	20
Total Expenditures	<u>1,908,627</u>	<u>1,908,627</u>	<u>1,724,621</u>	<u>184,006</u>
Transfers Out	<u>25,625</u>	<u>25,625</u>	<u>25,626</u>	<u>(1)</u>
Total Charges to Appropriations	<u>1,934,252</u>	<u>1,934,252</u>	<u>1,750,247</u>	<u>184,005</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (187,152)</u>	<u>\$ (187,152)</u>	<u>(231,760)</u>	<u>\$ (44,608)</u>
Reconciliation to Change in Net Assets:				
Pension Contributions in excess of Expense			39,461	
Depreciation and Amortization			<u>(106,764)</u>	
Change in Net Position			<u>\$ (293,583)</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, 2018

Assets	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Current Assets:						
Cash and Investments	\$ 11,038,878	\$ -	\$ 3,347,608	\$ 283,041	\$ 4,874,255	\$ 19,543,782
Accounts Receivable	734,979	416	1,418	-	895	737,708
Intergovernmental Receivable	-	12	-	-	-	12
Accrued Interest	13,480	-	3,344	346	2,856	20,026
Inventory, at cost	-	634,848	-	-	-	634,848
Prepaid Items	-	3,805	295	-	-	4,100
Total Current Assets	<u>11,787,337</u>	<u>639,081</u>	<u>3,352,665</u>	<u>283,387</u>	<u>4,878,006</u>	<u>20,940,476</u>
Noncurrent Assets:						
Capital Assets:						
Land	-	219,610	-	-	-	219,610
Buildings	-	19,251	-	-	-	19,251
Improvements Other than Buildings	-	222,733	-	-	-	222,733
Equipment	30,362,981	245,489	-	-	-	30,608,470
Less Accumulated Depreciation	(23,108,491)	(313,730)	-	-	-	(23,422,221)
Total Noncurrent Assets	<u>7,254,490</u>	<u>393,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,647,843</u>
Total Assets	<u>19,041,827</u>	<u>1,032,434</u>	<u>3,352,665</u>	<u>283,387</u>	<u>4,878,006</u>	<u>28,588,319</u>
Liabilities						
Liabilities:						
Current Liabilities:						
Accounts Payable	58,641	146,480	37,463	-	30,856	273,440
Accrued Payroll, Taxes and Benefits Payable	-	33,036	2,845	-	-	35,881
Current Portion-Accrued Compensated Absences	-	23,360	2,744	-	-	26,104
Estimated Claims and Judgements	-	-	91,581	-	1,065,542	1,157,123
Due to Other Funds	-	1,366,895	-	-	-	1,366,895
Total Current Liabilities Payable	<u>58,641</u>	<u>1,569,771</u>	<u>134,633</u>	<u>-</u>	<u>1,096,398</u>	<u>2,859,443</u>
Noncurrent Liabilities:						
Accrued Compensated Absences	-	39,797	12,519	-	-	52,316
Total Long-Term Liabilities	<u>-</u>	<u>39,797</u>	<u>12,519</u>	<u>-</u>	<u>-</u>	<u>52,316</u>
Total Liabilities	<u>58,641</u>	<u>1,609,568</u>	<u>147,152</u>	<u>-</u>	<u>1,096,398</u>	<u>2,911,759</u>
Net Position						
Net investment in capital assets	7,254,490	393,353	-	-	-	7,647,843
Unrestricted (deficit)	11,728,696	(970,487)	3,205,513	283,387	3,781,608	18,028,717
Total Net Position	<u>\$ 18,983,186</u>	<u>\$ (577,134)</u>	<u>\$ 3,205,513</u>	<u>\$ 283,387</u>	<u>\$ 3,781,608</u>	<u>\$ 25,676,560</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, 2018

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Operating Revenues:						
Charges For Services	\$ -	\$ 3,485,834	\$ 1,927,709	\$ -	\$ -	\$ 5,413,543
Contributions						
City	-	-	-	-	1,456,824	1,456,824
Equipment Rental	2,064,842	-	-	-	-	2,064,842
Miscellaneous	727	5,591	4,370	-	3,671	14,359
Total Operating Revenues	<u>2,065,569</u>	<u>3,491,425</u>	<u>1,932,079</u>	<u>-</u>	<u>1,460,495</u>	<u>8,949,568</u>
Operating Expenses:						
Claims Incurred	-	-	12,464	-	720,721	733,185
Premiums to Insurance Carriers	-	-	810,717	-	182,524	993,241
Administration	23,499	3,680,104	585,976	-	46,766	4,336,345
Depreciation	2,404,491	26,167	-	-	-	2,430,658
Total Operating Expenses	<u>2,427,990</u>	<u>3,706,271</u>	<u>1,409,157</u>	<u>-</u>	<u>950,011</u>	<u>8,493,429</u>
Operating Income/(Loss)	<u>(362,421)</u>	<u>(214,846)</u>	<u>522,922</u>	<u>-</u>	<u>510,484</u>	<u>456,139</u>
Non-Operating Revenue/(Expenses):						
Interest	126,651	-	28,019	3,629	53,165	211,464
Gain on the Sale of Assets	(99,890)	-	-	-	-	(99,890)
Total Non-Operating Revenues	<u>26,761</u>	<u>-</u>	<u>28,019</u>	<u>3,629</u>	<u>53,165</u>	<u>111,574</u>
Income/(Loss) before Transfers	<u>(335,660)</u>	<u>(214,846)</u>	<u>550,941</u>	<u>3,629</u>	<u>563,649</u>	<u>567,713</u>
Transfers In	719,813	-	-	-	-	719,813
Transfers Out	-	(3,991)	-	-	-	(3,991)
Net Transfers	<u>719,813</u>	<u>(3,991)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>715,822</u>
Change in Net Position	<u>384,153</u>	<u>(218,837)</u>	<u>550,941</u>	<u>3,629</u>	<u>563,649</u>	<u>1,283,535</u>
Net Position, Beginning	<u>18,599,033</u>	<u>(358,297)</u>	<u>2,654,572</u>	<u>279,758</u>	<u>3,217,959</u>	<u>24,393,025</u>
Net Position, Ending	<u>\$ 18,983,186</u>	<u>\$ (577,134)</u>	<u>\$ 3,205,513</u>	<u>\$ 283,387</u>	<u>\$ 3,781,608</u>	<u>\$ 25,676,560</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2018

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Cash Flows from Operating Activities:						
Cash Received from Customers	\$ 1,333,999	\$ 3,486,539	\$ 1,932,078	\$ -	\$ 1,460,495	\$ 8,213,111
Cash Paid to Employees	-	(1,030,968)	(84,805)	-	-	(1,115,773)
Cash Paid to Suppliers	-	(2,457,171)	(127,540)	-	-	(2,584,711)
Cash Paid to Suppliers	26,417	-	-	-	-	26,417
Cash Paid For Operating Expenses	-	-	(1,324,620)	-	(1,136,479)	(2,461,099)
Other Operating Activity Revenue	727	5,591	-	-	-	6,318
Net Cash Flows Provided by Operating Activities	1,361,143	3,991	395,113	-	324,016	2,084,263
Cash Flows from Noncapital Financing Activities:						
Cash Received from Other Funds	719,813	-	-	-	-	719,813
Cash Paid to Other Funds	-	(3,991)	-	-	-	(3,991)
Net Cash Flows Provided by/(Used for) Noncapital Financing Activities	719,813	(3,991)	-	-	-	715,822
Cash Flows from Capital and Related Financing Activities:						
Proceeds from Sale of Capital Assets	71,062	-	-	-	-	71,062
Payments for Capital Acquisitions	(2,624,064)	-	-	-	-	(2,624,064)
Net Cash Flows Used for Capital and Related Financing Activities	(2,553,002)	-	-	-	-	(2,553,002)
Cash Flows from Investing Activities:						
Receipt of Interest	125,504	-	27,955	3,606	52,995	210,060
Net Cash Flows Provided by Investing Activities	125,504	-	27,955	3,606	52,995	210,060
Net Increase/(Decrease) in Cash and Cash Equivalents	(346,542)	-	423,068	3,606	377,011	457,143
Cash and Cash Equivalents, July 1	11,385,420	-	2,924,540	279,435	4,497,244	19,086,639
Cash and Cash Equivalents, June 30	\$ 11,038,878	\$ -	\$ 3,347,608	\$ 283,041	\$ 4,874,255	\$ 19,543,782
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Operating Income/(Loss)	\$ (362,421)	\$ (214,846)	\$ 522,922	\$ -	\$ 510,484	\$ 456,139
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation Expense	2,404,491	26,167	-	-	-	2,430,658
(Increase)/Decrease in Accounts Receivable	(730,843)	706	-	-	-	(730,137)
(Increase)/Decrease in Inventory	-	92,387	-	-	-	92,387
(Increase)/Decrease in Prepaid Items	-	(755)	(295)	-	-	(1,050)
Increase/(Decrease) in Accounts Payable	49,916	119,210	(115,222)	-	(9,812)	44,092
Increase in Payroll Liabilities	-	14,571	272	-	-	14,843
Increase in Due to Other Funds	-	(33,449)	-	-	-	(33,449)
Increase/(Decrease) in Estimated Claims	-	-	(12,564)	-	(176,656)	(189,220)
Total Adjustments	1,723,564	218,837	(127,809)	-	(186,468)	1,628,124
Net Cash Provided by Operating Activities	\$ 1,361,143	\$ 3,991	\$ 395,113	\$ -	\$ 324,016	\$ 2,084,263

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Equipment Replacement Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Charges for Services	\$ 2,002,835	\$ 2,002,835	\$ 2,064,842	\$ 62,007
Interest	45,000	45,000	126,651	81,651
Miscellaneous	-	-	727	727
Total Revenues	<u>2,047,835</u>	<u>2,047,835</u>	<u>2,192,220</u>	<u>144,385</u>
Transfers In	<u>994,811</u>	<u>994,811</u>	<u>719,813</u>	<u>(274,998)</u>
Amounts Available for Appropriation	<u>3,042,646</u>	<u>3,042,646</u>	<u>2,912,033</u>	<u>(130,613)</u>
Charges to Appropriations (outflows):				
Current				
Administration	23,499	23,499	23,499	-
Capital Outlay	<u>7,191,814</u>	<u>7,191,814</u>	<u>2,624,064</u>	<u>4,567,750</u>
Total Expenditures	<u>7,215,313</u>	<u>7,215,313</u>	<u>2,647,563</u>	<u>4,567,750</u>
Total Charges to Appropriations	<u>7,215,313</u>	<u>7,215,313</u>	<u>2,647,563</u>	<u>4,567,750</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ (4,172,667)</u>	<u>\$ (4,172,667)</u>	<u>264,470</u>	<u>\$ 4,437,137</u>
Reconciliation to Change in Net Position:				
Capital Outlay			2,624,064	
Gain/(Loss) on Sale of Assets			(99,890)	
Depreciation and Amortization			<u>(2,404,491)</u>	
Change in Net Position			<u>\$ 384,153</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, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Charges for Services	\$ 3,375,292	\$ 3,375,292	\$ 3,485,834	\$ 110,542
Miscellaneous	4,000	4,000	5,591	1,591
Total Revenues	<u>3,379,292</u>	<u>3,379,292</u>	<u>3,491,425</u>	<u>112,133</u>
Amounts Available for Appropriation	<u>3,379,292</u>	<u>3,379,292</u>	<u>3,491,425</u>	<u>112,133</u>
Charges to Appropriations (outflows):				
Current				
Administration	3,366,531	3,366,531	3,680,104	(313,573)
Total Expenditures	<u>3,366,531</u>	<u>3,366,531</u>	<u>3,680,104</u>	<u>(313,573)</u>
Transfers Out	<u>3,991</u>	<u>3,991</u>	<u>3,991</u>	<u>-</u>
Total Charges to Appropriations	<u>3,370,522</u>	<u>3,370,522</u>	<u>3,684,095</u>	<u>(313,573)</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ 8,770</u>	<u>\$ 8,770</u>	<u>(192,670)</u>	<u>\$ (201,440)</u>
Reconciliation to Change in Net Position:				
Depreciation and Amortization			<u>(26,167)</u>	
Change in Net Position			<u>\$ (218,837)</u>	

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

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Insurance Reserve Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Charges for Services	\$ 1,927,712	\$ 1,927,712	\$ 1,927,709	\$ (3)
Miscellaneous	-	-	4,370	4,370
Interest	7,000	7,000	28,019	21,019
Total Revenues	<u>1,934,712</u>	<u>1,934,712</u>	<u>1,960,098</u>	<u>25,386</u>
Amounts Available for Appropriation	<u>1,934,712</u>	<u>1,934,712</u>	<u>1,960,098</u>	<u>25,386</u>
Charges to Appropriations (outflows):				
Current				
Premiums to Insurance Carriers	903,938	903,938	810,717	93,221
Claims Incurred	292,000	292,000	12,464	279,536
Administration	1,009,590	1,009,590	585,976	423,614
Total Expenditures	<u>2,205,528</u>	<u>2,205,528</u>	<u>1,409,157</u>	<u>796,371</u>
Total Charges to Appropriations	<u>2,205,528</u>	<u>2,205,528</u>	<u>1,409,157</u>	<u>796,371</u>
Excess of Resources Over				
Charges to Appropriations	<u><u>\$ (270,816)</u></u>	<u><u>\$ (270,816)</u></u>	<u>550,941</u>	<u><u>\$ 821,757</u></u>
Reconciliation to Change in Net Position:				
Change in Net Position			<u><u>\$ 550,941</u></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
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2018

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Contributions - City	\$ 1,496,000	\$ 1,496,000	\$ 1,456,824	\$ (39,176)
Miscellaneous	-	-	3,671	3,671
Interest	18,000	18,000	53,165	35,165
Total Revenues	<u>1,514,000</u>	<u>1,514,000</u>	<u>1,513,660</u>	<u>(340)</u>
Amounts Available for Appropriation	<u>1,514,000</u>	<u>1,514,000</u>	<u>1,513,660</u>	<u>(340)</u>
Charges to Appropriations (outflows):				
Current				
Premiums to Insurance Carriers	212,000	212,000	182,524	29,476
Claims Incurred	1,372,657	1,372,657	720,721	651,936
Administration	42,000	42,000	46,766	(4,766)
Total Expenditures	<u>1,626,657</u>	<u>1,626,657</u>	<u>950,011</u>	<u>676,646</u>
Total Charges to Appropriations	<u>1,626,657</u>	<u>1,626,657</u>	<u>950,011</u>	<u>676,646</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ (112,657)</u>	<u>\$ (112,657)</u>	563,649	<u>\$ 676,306</u>
Reconciliation to Change in Net Position:				
Change in Net Position			<u>\$ 563,649</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 financial condition.

Contents	Page
Financial Trends	119
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	127
These schedules contain information to help the reader assess the City's most significant local revenue source - sales tax.	
Debt Capacity	129
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and it's ability to issue additional debt in the future.	
Demographic and Economic Information	135
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	138
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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities					As restated					
Net investment in capital assets	\$ 129,228	\$ 192,145	\$ 196,837	\$ 209,377	\$ 208,428	\$ 197,997	\$ 194,763	\$ 193,687	\$ 194,292	\$ 197,164
Restricted	70,389	14,762	15,773	24,835	22,456	19,166	23,223	49,652	38,057	26,148
Unrestricted	38,439	40,261	44,357	36,851	39,115	43,244	(68,462)	(91,649)	(91,026)	(82,364)
Total governmental activities net position	\$ 238,056	\$ 247,168	\$ 256,967	\$ 271,063	\$ 269,999	\$ 260,407	\$ 149,524	\$ 151,690	\$ 141,323	\$ 140,948
Business-type activities										
Net investment in capital assets	\$ 158,367	\$ 160,883	\$ 166,782	\$ 164,295	\$ 163,246	\$ 159,458	\$ 147,573	\$ 152,343	\$ 150,899	\$ 154,181
Restricted	1,952	3,754	5,556	7,357	9,009	9,009	9,009	2,715	-	-
Unrestricted	27,344	29,027	31,699	37,842	43,362	46,877	44,607	49,657	60,405	68,015
Total business-type activities net position	\$ 187,663	\$ 193,664	\$ 204,037	\$ 209,494	\$ 215,617	\$ 215,344	\$ 201,189	\$ 204,715	\$ 211,304	\$ 222,196
Primary government										
Net investment in capital assets	\$ 287,595	\$ 353,028	\$ 363,619	\$ 373,672	\$ 371,674	\$ 357,455	\$ 342,336	\$ 346,030	\$ 345,191	\$ 351,345
Restricted	72,341	18,516	21,329	32,192	31,465	28,175	32,232	52,367	38,057	26,148
Unrestricted	65,783	69,288	76,056	74,693	82,477	90,121	(23,855)	(41,992)	(30,621)	(14,349)
Total primary government net position	\$ 425,719	\$ 440,832	\$ 461,004	\$ 480,557	\$ 485,616	\$ 475,751	\$ 350,713	\$ 356,405	\$ 352,627	\$ 363,144

Source: The source of this information is the City financial records.

City of Yuma, Arizona

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 11,559	\$ 10,563	\$ 9,684	\$ 12,534	\$ 10,345	\$ 10,335	\$ 9,056	\$ 9,102	\$ 8,741	\$ 11,532
Public Safety	41,080	39,224	40,232	41,735	43,051	46,585	55,785	55,883	68,133	62,157
Streets	15,966	13,969	14,536	12,741	14,980	25,265	14,964	12,272	16,063	15,301
Parks, Recreation and Culture	16,282	13,863	13,804	14,226	12,787	13,606	14,364	14,219	14,892	14,967
Environmental Health and Protection	4,969	4,905	1,538	804	156	89	178	686	26	95
Community Design and Development	5,486	4,981	5,007	4,521	5,134	5,167	4,439	4,331	4,524	4,391
Interest on Long-Term Debt	6,592	6,291	5,803	5,461	5,153	4,781	4,462	4,505	4,400	4,087
Total governmental activities expenses	101,934	93,796	90,604	92,022	91,606	105,828	103,248	100,998	116,779	112,530
Business-type activities:										
Water	20,754	20,277	20,555	23,353	23,227	24,762	25,259	23,337	22,821	22,204
Wastewater	13,859	13,673	13,882	16,191	16,165	17,073	17,253	16,643	16,478	17,293
Solid Waste	-	-	2,902	2,948	3,213	3,085	3,070	3,347	3,728	3,772
Radio Communications	-	-	-	-	4,663	4,153	2,623	2,184	2,313	1,845
Golf Courses	2,819	2,496	2,377	2,403	2,489	3,474	2,518	1,864	1,681	1,736
Total business-type activities expenses	37,432	36,446	39,716	44,895	49,737	52,547	50,723	47,375	47,021	46,850
Total primary government expenses	\$ 139,366	\$ 130,242	\$ 130,320	\$ 136,917	\$ 141,343	\$ 158,375	\$ 153,971	\$ 148,373	\$ 163,800	\$ 159,380
Program Revenues										
Governmental activities:										
Charges for Services	\$ 390	\$ 384	\$ 333	\$ 307	\$ 413	\$ 545	\$ 368	\$ 351	\$ 391	\$ 400
Building Inspection Fees	4,911	2,674	4,369	1,589	1,419	2,326	1,104	1,458	2,515	1,424
Developer Charges	-	-	-	477	3,830	2,490	3,444	4,241	4,261	3,752
Ambulance Services	-	-	-	-	617	701	840	776	771	597
Police Services	865	821	471	567	608	5,708	4,283	7,933	5,223	8,925
Other Charges	7,607	7,491	6,936	5,775	3,980	3,305	3,519	2,528	1,876	1,943
Operating Grants and Contributions	1,807	3,659	4,968	3,965	1,744	577	1,481	609	1,817	5,016
Capital Grants and Contributions	4,783	5,944	3,245	19,145	18,085	15,652	15,039	17,896	16,854	22,057
Total governmental activities program revenues	20,363	20,973	20,322	31,825	21,233	21,809	20,532	20,999	22,254	23,642
Business-type activities:										
Charges for Services	22,463	21,651	21,598	20,710	14,625	14,785	14,400	15,107	16,043	16,581
Metered Water Sales	13,372	13,699	14,854	14,485	1,714	1,564	1,739	1,765	1,948	1,955
Wastewater Charges	-	-	-	-	3,301	3,325	3,351	3,327	3,494	3,603
Radio Communications	-	-	3,147	3,266	2,152	2,230	1,789	1,681	1,374	1,257
Solid Waste Charges	2,027	1,964	1,890	1,919	562	670	960	1,631	2,307	1,693
Green Fees and Concessions	1,098	1,041	961	775	7,776	7,044	5,748	6,405	5,911	8,233
Other Charges	9,924	3,969	7,391	9,071	51,363	51,427	48,519	50,915	53,331	56,964
Capital Grants and Contributions	48,884	42,324	49,841	50,226	69,448	67,079	63,558	68,811	70,185	79,021
Total business-type activities program revenues	\$ 69,247	\$ 63,297	\$ 70,163	\$ 82,051	\$ 69,448	\$ 67,079	\$ 63,558	\$ 68,811	\$ 70,185	\$ 79,021

Source: The source of this information is the City financial records.

Continued on next page

City of Yuma, Arizona

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (expense)/revenue										
Governmental activities	\$ (81,571)	\$ (72,823)	\$ (70,282)	\$ (60,197)	\$ (73,521)	\$ (90,176)	\$ (88,209)	\$ (83,100)	\$ (99,927)	\$ (90,473)
Business-type activities	11,452	5,878	10,125	5,331	1,626	(1,120)	(2,204)	3,540	6,322	10,114
Total primary government net expense	\$ (70,119)	\$ (66,945)	\$ (60,157)	\$ (54,866)	\$ (71,895)	\$ (91,296)	\$ (90,413)	\$ (79,660)	\$ (93,605)	\$ (80,359)

General Revenues and Other Changes in Net Position

Governmental activities:										
Property taxes	\$ 8,856	\$ 9,498	\$ 9,986	\$ 10,099	\$ 9,549	\$ 9,451	\$ 9,650	\$ 10,955	\$ 12,354	\$ 12,520
Sales taxes	36,857	34,177	34,644	36,304	37,624	37,994	38,283	40,149	41,653	42,999
Franchise taxes	3,013	3,010	3,002	3,059	3,043	3,010	3,095	3,163	3,067	3,266
Shared revenues	31,330	28,239	25,379	23,936	25,917	26,552	29,441	30,272	31,713	32,644
Grants and contributions not restricted to specific programs	3,895	5,776	5,929	-	-	-	-	-	-	-
Unrestricted investment earnings	2,872	1,139	1,001	930	796	545	269	449	687	1,022
Gain from sale of capital assets	-	-	259	-	-	-	-	-	-	-
Transfers	95	95	126	(37)	(122)	(730)	(1,323)	280	85	78
Total governmental activities	86,918	81,934	80,326	74,291	76,807	76,822	79,415	85,268	89,559	92,529
Business-type activities:										
Investment earnings	1,045	217	130	89	26	222	165	265	353	856
Transfers	(95)	(95)	(126)	37	122	730	1,323	(280)	(85)	(78)
Total business-type activities	950	122	4	126	148	952	1,488	(15)	268	778
Total primary government	\$ 87,868	\$ 82,056	\$ 80,330	\$ 74,417	\$ 76,955	\$ 77,774	\$ 80,903	\$ 85,253	\$ 89,827	\$ 93,307

Change in Net Position

Governmental activities	\$ 5,347	\$ 9,112	\$ 10,044	\$ 14,095	\$ 3,391	\$ (13,354)	\$ (8,794)	\$ 2,166	\$ (10,368)	\$ 2,056
Business-type activities	12,402	6,000	10,128	5,457	1,669	(168)	(715)	3,526	6,590	10,892
Total primary government	\$ 17,749	\$ 15,112	\$ 20,172	\$ 19,552	\$ 5,060	\$ (13,522)	\$ (9,509)	\$ 5,692	\$ (3,778)	\$ 12,948

Source: The source of this information is the City financial records.

Concluded

City of Yuma, Arizona

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund	\$ 262	\$ 156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	15,493	18,796	-	-	-	-	-	-	-	-
Unreserved	-	-	103	169	187	178	144	127	118	87
Nonspendable	-	-	2,383	1,864	935	-	-	-	-	-
Committed	-	-	88	868	-	-	-	-	-	-
Assigned	-	-	19,060	15,655	18,693	17,732	17,348	18,218	17,436	20,915
Unassigned	-	-	-	-	-	-	-	-	-	-
Total General Fund	\$ 15,755	\$ 18,952	\$ 21,634	\$ 18,556	\$ 19,815	\$ 17,910	\$ 17,492	\$ 18,345	\$ 17,554	\$ 21,002

All other										
Governmental funds										
Reserved	\$ 552	\$ 553	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	6,876	7,848	-	-	-	-	-	-	-	-
Capital projects funds	47,349	31,267	-	-	-	-	-	-	-	-
Nonspendable	-	-	141	18	19	16	20	17	66	14
Restricted	-	-	2,388	24,834	22,456	19,167	20,280	47,003	35,877	34,501
Committed	-	-	34,441	11,235	7,252	7,018	7,847	8,655	(5,530)	6,277
Assigned	-	-	2,037	633	-	-	-	-	-	-
Total all other governmental funds	\$ 54,777	\$ 39,668	\$ 39,007	\$ 36,720	\$ 29,727	\$ 26,201	\$ 28,147	\$ 55,675	\$ 30,413	\$ 40,792

Source: The source of this information is the City financial records.
Note: 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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 48,569	\$ 46,561	\$ 47,606	\$ 49,450	\$ 50,282	\$ 50,425	\$ 50,991	\$ 54,166	\$ 57,022	\$ 58,720
Licenses and permits	1,363	1,413	1,292	1,288	1,723	1,880	1,858	1,932	2,064	2,261
Intergovernmental	37,064	36,984	32,510	33,173	30,780	30,254	32,951	32,947	34,489	35,120
Charges for services	8,913	7,007	7,055	4,160	7,293	7,086	6,846	7,965	9,152	7,741
Fines and forfeitures	1,238	1,437	1,484	1,550	1,526	1,210	1,162	1,298	1,229	1,141
Special Assessments	949	817	1,039	1,089	1,134	1,183	280	290	305	320
Use of money and property	3,309	1,752	1,665	1,365	819	971	643	766	889	1,261
Contributions and donations	97	85	77	47	69	88	1,021	436	170	497
Miscellaneous	1,646	763	2,442	493	1,053	456	555	899	1,447	1,573
Total revenues	103,148	96,819	95,170	92,615	94,679	93,553	96,307	100,699	106,767	108,634
Expenditures										
General government	9,575	7,740	6,969	9,451	9,409	8,964	7,566	7,875	7,923	8,185
Public Safety	37,908	35,234	36,285	38,475	40,769	42,938	45,692	47,635	51,846	50,260
Streets	9,716	8,195	8,186	7,945	7,662	7,592	7,718	7,551	8,259	7,896
Parks, Recreation and Culture	11,857	10,619	10,171	10,688	10,964	11,200	12,117	12,593	13,182	13,629
Environmental Health and Protection	4,781	4,480	1,556	733	104	72	70	20	50	58
Community Design and Development	5,370	4,870	4,899	4,458	5,134	5,096	4,288	4,237	4,485	4,641
Capital Outlay	35,734	25,249	13,659	12,666	11,792	8,702	5,502	9,321	23,878	10,089
Debt Service										
Principal	7,075	6,315	7,680	8,010	8,350	8,700	8,080	6,565	6,790	7,095
Interest and fiscal agent fees	6,646	6,764	5,858	5,516	5,209	4,885	4,566	3,777	4,720	4,407
Issuance Cost								914	-	-
Total expenditures	128,662	109,466	95,263	97,942	99,393	98,149	95,599	100,488	121,133	106,260
Excess of revenues over (under) expenditures	(25,514)	(12,647)	(93)	(5,327)	(4,714)	(4,596)	708	211	(14,366)	2,374
Other financing sources (uses)										
Proceeds from long-term debt	-	30,017	-	-	-	-	-	97,386	-	1,032
Payment to Refunded Bond Escrow	-	(29,378)	-	-	-	-	-	(72,265)	-	-
Transfers in	16,213	14,564	14,675	14,522	12,772	13,474	14,416	13,551	11,255	11,244
Transfers out	(16,118)	(14,468)	(14,548)	(14,559)	(12,893)	(14,204)	(13,595)	(10,502)	(11,886)	(11,881)
Total other financing sources (uses)	95	735	127	(37)	(121)	(730)	821	28,170	(631)	395
Net change in fund balances	\$ 25,419	\$ (11,912)	\$ 34	\$ 5,364	\$ (4,835)	\$ (5,326)	\$ 1,529	\$ 3,299	\$ (14,996)	\$ 2,768
Debt service as a percentage of noncapital expenditures	14.8%	15.5%	16.6%	15.9%	15.5%	15.2%	14.0%	11.3%	11.8%	12.0%

Source: The source of this information is the City financial records.

City of Yuma, Arizona

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

Fiscal Year	General Sales Tax			City Road Sales Tax		Public Safety Sales Tax		Two Percent Tax		Utility Franchise		Public Enterprise In-Lieu Levy		Total
	Property Tax	General Sales Tax	Tax	City Road Sales Tax	Tax	Public Safety Sales Tax	Tax	Two Percent Tax	Franchise	Utility Franchise	Enterprise In-Lieu Levy	Mall District Levy		
2009	8,545,562	18,961,780		9,479,279		3,790,422		4,383,419		3,013,453		154,174	48,570,089	
2010	9,256,633	17,461,635		8,729,333		3,490,546		4,253,079		3,009,794		117,798	46,560,818	
2011	9,740,940	17,635,454		8,816,228		3,525,292		4,425,556		3,001,939		218,925	47,606,334	
2012	9,944,517	18,470,938		9,233,899		3,692,304		4,665,296		3,058,634		142,151	49,449,739	
2013	9,495,271	19,248,864		9,622,796		3,847,810		4,652,121		3,043,054		119,403	50,281,732	
2014	9,339,855	19,517,306		9,756,994		3,901,471		4,576,061		3,009,904		81,320	50,424,911	
2015	9,508,914	19,536,924		9,766,802		3,905,392		4,832,187		3,095,540		103,350	50,991,109	
2016	10,757,040	20,531,463		10,263,987		4,104,199		5,007,109		3,162,691		97,151	54,165,640	
2017	12,188,601	21,207,119		10,601,757		4,239,261		5,354,285		3,066,678		103,720	57,012,488	
2018	12,351,625	21,798,752		10,897,505		4,357,520		5,703,452		3,265,901		100,217	58,716,972	

Source: The source of this information is the City financial records.

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

Fiscal Year	Revenue			Local			Total
	Sales Tax	Revenue Sharing	Auto In-Lieu	Highway Users	Transportation Assistance	Grants and Others*	
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
2016	8,576,180	10,915,452	3,558,978	7,221,111	-	2,674,791	32,946,512
2017	8,902,248	11,517,228	3,759,665	7,533,420	-	2,776,788	34,489,349
2018	9,121,308	11,755,011	3,940,686	7,826,949	-	2,475,809	35,119,763

Source: The source of this information is the City financial records.

*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					Local Government	Total
	Justice	Interior	Housing/Urban Development (CDBG)	Other HUD	Other	Parks	Commerce	Transportation	Other			
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
2016	502,853	-	769,760	-	966,898	20,355	-	53,175	103,619	258,131	-	2,674,791
2017	175,143	-	608,000	223,685	1,049,438	324,488	-	-	353,926	42,109	-	2,776,788
2018	65,558	-	741,903	332,928	1,013,257	199,879	-	-	103,687	18,597	-	2,475,809

Source: The source of this information is the City financial records.

City of Yuma, Arizona

Taxable Sales by Category
Last Ten Fiscal Years

(amounts expressed in thousands)

	Fiscal Years									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Mining	\$ 6	\$ 82	\$ 6	\$ 44	\$ 20	\$ 24	\$ 34	\$ 38	\$ 68	\$ 83
Construction	207,592	118,996	121,132	190,490	190,260	174,693	138,657	111,924	106,814	122,990
Manufacturing	48,964	44,764	50,676	38,167	50,539	43,626	51,945	55,173	52,315	51,971
Transportation, Communications, and Utilities	206,089	207,112	197,764	194,646	197,687	206,056	205,300	205,077	210,261	210,856
Wholesale Trade	33,785	35,334	42,580	38,720	36,578	39,897	42,766	51,912	52,872	61,924
Retail Trade	1,001,579	962,699	973,426	987,416	1,036,092	1,068,106	1,110,680	1,172,122	1,191,484	1,222,220
Restaurants and Bars	162,404	157,024	160,742	168,358	172,056	174,309	200,951	194,761	224,191	220,133
Finance, Insurance and Real Estate	115,857	116,046	123,876	129,208	129,208	131,450	114,418	151,109	158,526	161,734
Hotels and Other Lodging Accommodation	36,093	29,502	29,507	33,368	32,054	29,049	32,624	33,051	37,630	41,178
Services	50,858	43,356	45,208	45,804	51,404	49,649	49,819	54,437	60,651	62,996
Arts, Entertainment, Government and All Others Not Specified	32,743	31,055	18,434	20,670	22,871	34,656	27,236	23,332	25,774	23,548
	<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>\$ 1,974,430</u>	<u>\$ 2,052,936</u>	<u>\$ 2,120,585</u>	<u>\$ 2,179,633</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

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>
2009	1.70%	2.00%	1.10%	5.60%
2010	1.70%	2.00%	1.10%	5.60%
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%	6.60%
2014	1.70%	2.00%	1.10%	5.60%
2015	1.70%	2.00%	1.112%	5.60%
2016	1.70%	2.00%	1.112%	5.60%
2017	1.70%	2.00%	1.112%	5.60%
2018	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*
	Municipal		Special			Municipal		General					
	General Obligation Bonds	Property Corporation Bonds	Assessment Bonds	Long-term Contracts Payable	Property Corporation Bonds	General Obligation Bonds	Long-term Contracts Payable	General Obligation Bonds	Long-term Contracts Payable	General Obligation Bonds			
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	3.98%	1,256			
2016	-	111,010,000	1,675,000	-	89,675,000	-	45,053,649	247,413,649	N/A	N/A			
2017	-	104,735,000	1,370,000	-	123,755,000	-	-	229,860,000	N/A	N/A			
2018	-	98,250,000	1,050,000	-	114,233,000	-	-	213,533,000	N/A	N/A			

Source: The source of this information is the City financial records.

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

Fiscal Year	Population *	Assessed Value	General Obligation Debt (Business-type Activities)	Ratio of General Bonded Debt to Assessed Value	General Bonded Debt per Capita
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%	-
2016	94,139	591,748,335	-	0.0%	-
2017	94,906	656,438,950	-	0.0%	-
2018	95,502	692,885,013	-	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, 2018

2018 Jurisdiction	Debt Outstanding	Allocable to City of Yuma	
		Percent	Amount
City of Yuma	\$ 99,300,000	100.00%	\$ 99,300,000
Total Direct Debt			
Yuma County	8,248,000	47.30%	3,901,304
Yuma County Jail District	5,878,992	47.30%	2,780,763
Yuma County Library District	35,265,000	47.30%	16,680,345
Yuma County Special Assessment District	2,724,074	47.30%	1,288,487
Yuma County Community College District	51,720,000	46.14%	23,863,608
Yuma Union High School District No. 70	39,975,000	52.30%	20,906,925
Yuma School District No. 1	33,422,708	55.64%	18,596,395
Crane Elementary School District No. 13	17,521,740	69.46%	12,170,601
Total Overlapping Debt			
			\$ 100,188,428
Total Direct and Overlapping Debt			
			\$ 199,488,428

Source: Yuma County Finance Department
Yuma County Assessor's Office
Arizona Western College
Yuma School District No. 1
Crane Elementary School District No. 13
Yuma Union High School Dist No. 70

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

City of Yuma, Arizona

Legal Debt Margin Information

June 30, 2018

(amounts expressed in thousands)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit										
Water, Sewer, Lights, Parks (20%)	\$ 139,951	\$ 149,430	\$ 146,607	\$ 133,365	\$ 125,160	\$ 126,547	\$ 123,110	\$ 118,350	\$ 131,288	\$ 138,577
All Others (6%)	41,985	44,829	43,982	40,010	37,548	37,964	36,933	35,505	39,386	41,573
Total net debt applicable to limit	5,250	4,040	2,765	1,420	-	-	-	-	-	-
Water, Sewer, Lights, Parks (20%)	-	-	-	-	-	-	-	-	-	-
All Others (6%)	-	-	-	-	-	-	-	-	-	-
Legal debt margin										
Water, Sewer, Lights, Parks (20%)	\$ 134,701	\$ 145,390	\$ 143,842	\$ 131,945	\$ 125,160	\$ 126,547	\$ 123,110	\$ 118,350	\$ 131,288	\$ 138,577
All Others (6%)	41,985	44,829	-	40,010	37,548	37,964	36,933	35,505	39,386	41,573

Total net debt applicable to the limit as a percentage of debt limit

Water, Sewer, Lights, Parks (20%)	3.75%	2.70%	1.89%	1.06%	0.00%	0.00%	0.00%	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 2018

General Obligation Bonds

Water, Sewer, Lights, Parks (20%)	\$ 138,577	\$ 138,577
All Others (6%)	\$ 41,573	\$ 41,573
2017 Tax Year Secondary Assessed Valuation	\$ 692,885	\$ 692,885
Outstanding General Obligation Debt:		
Project 1997	-	-
Total General Obligation Debt	\$ 138,577	\$ 138,577

(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.

Source: The source of this information is the City financial records.

City of Yuma, Arizona

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

	2010B Ref 2001B	2015 Excise Rev Ref 2003/2007B	2015 Road Tax Ref 2007D	2015 & 2016 Utility System Revenue
2017-18 Pledged Taxes	\$ 58,593,470	\$ 68,654,442	\$ 69,490,975	\$ -
2017-18 Net Revenue	-	-	-	29,160,162
Total Taxes/Net Revenue	\$ 58,593,470	\$ 68,654,442	\$ 69,490,975	\$ 29,160,162
2017-18 Debt related to pledge:				
2010 Series B	\$ 2,853,781	\$ -	\$ -	\$ -
2015 Excise Rev & Refunding	-	3,750,550	-	-
2015 Road Tax Refunding	-	-	4,484,800	-
2015 Utility System Rev Refunding	-	-	-	7,605,838
2016 Utility System Rev Refunding	-	-	-	5,983,755
Total Debt	\$ 2,853,781	\$ 3,750,550	\$ 4,484,800	\$ 13,589,593
Coverage	20.5	18.3	15.5	2.1
Required Coverage	3.0	1.5	1.5	1.2
<i>Collective Coverage</i>				
Total 2017-18 Taxes/Net Revenue	\$ 58,593,470	\$ 68,654,442	\$ 69,490,975	\$ 29,160,162
Total 2018-19 Debt	\$ 11,089,131	\$ 11,089,131	\$ 11,089,131	\$ 13,589,593
Coverage	5.3	6.2	6.3	2.1
Required Coverage	3.0	1.5	1.5	1.2

2010B Refunding Series, 2015 Excise Revenue & Refunding, and 2015 Road Tax Refunding Series: Bond covenants require that each series cover both its related debt and the collective debt for the succeeding year.

2015 & 2016 Utilities System Revenue Refunding: 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.

Source: The source of this information is the City financial records.

City of Yuma, Arizona

Pledged Tax Collections
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Local Taxes										
Sales Tax (1%)	\$ 18,961,780	\$ 17,461,635	\$ 17,635,454	\$ 18,470,938	\$ 19,248,864	\$ 19,517,306	\$ 19,536,924	\$ 20,531,463	\$ 21,207,119	\$ 21,798,752
Franchise Fee	3,255,453	3,251,794	3,243,939	3,058,634	3,043,054	3,009,904	3,095,540	3,162,691	3,066,678	3,265,901
Intergovernmental Revenues:										
State Revenue Sharing	13,355,612	11,530,342	8,692,400	7,854,670	9,506,288	9,656,745	10,974,954	10,915,452	11,517,228	11,755,011
State Sales Tax	7,105,468	6,553,759	6,856,996	7,272,049	7,600,328	7,507,882	8,285,303	8,576,180	8,902,248	9,121,308
Auto In-Lieu Tax	3,445,491	3,302,490	3,250,436	3,108,562	2,948,529	3,111,124	3,271,810	3,558,978	3,759,665	3,940,686
Emergency Services and Other	189,929	44,700	55,745	34,252	37,974	23,913	44,062	196,457	31,057	26,679
Licenses:										
Business Licenses	319,631	315,580	302,668	288,133	261,323	250,365	250,957	246,528	250,890	266,406
Liquor Licenses	35,715	34,130	35,131	31,670	32,955	32,560	33,310	33,090	30,140	31,020
Fees for Services:										
Building Permits and Inspection Fees	1,386,593	1,435,276	1,319,507	1,170,037	1,751,071	2,036,965	1,829,085	1,916,567	2,099,156	2,264,803
Recreation Fees	563,437	628,264	609,192	546,940	478,911	513,535	544,212	487,166	465,281	416,337
Police Services and Other Public Safety Fees	1,226,013	1,447,064	603,253	1,043,802	4,447,101	3,190,974	4,283,521	4,427,053	5,032,589	4,348,741
Use of Money and Property:										
Investment Income	504,146	166,500	108,396	53,277	14,717	99,738	47,095	64,755	95,984	217,389
Fines, Forfeitures and Penalties:										
City Court Fines	1,237,672	1,436,928	1,484,105	1,549,889	1,526,176	1,209,502	1,161,809	1,298,418	1,228,496	1,140,437
Total Series B Pledged Taxes	51,586,940	47,608,462	44,197,222	44,482,853	50,897,291	50,160,513	53,358,582	55,414,798	57,686,531	58,593,470
Additional Excise Series Pledged Taxes										
City Public Safety Taxes (.2%)	3,790,422	3,490,546	3,525,292	3,692,304	3,847,810	3,901,471	3,905,392	4,104,199	4,239,261	4,357,520
City Special Taxes (2%)	4,383,419	4,253,079	4,425,556	4,665,296	4,652,121	4,576,061	4,832,187	5,007,109	5,354,285	5,703,452
Total Excise Series Pledged Taxes	55,970,359	51,861,541	48,622,778	49,148,149	55,549,412	54,736,574	58,190,769	64,526,106	67,280,077	68,654,442
Additional Road Tax Series Pledged Taxes										
City Road Tax (.5%)	9,479,279	8,729,333	8,816,228	9,233,899	9,622,796	9,756,994	9,766,802	10,263,987	10,601,757	10,897,505
Total Road Tax Series Pledged Taxes:	\$ 61,066,219	\$ 56,337,795	\$ 53,013,450	\$ 53,716,752	\$ 60,520,087	\$ 59,917,507	\$ 63,125,384	\$ 65,678,785	\$ 68,288,288	\$ 69,490,975
Gross Excise Tax Pledged Revenues	\$ 69,240,060	\$ 64,081,420	\$ 60,964,298	\$ 62,074,352	\$ 69,020,018	\$ 68,395,039	\$ 71,862,963	\$ 74,790,093	\$ 77,881,834	\$ 79,551,947

The Excise Series Pledged Taxes consist of the Excise Taxes, City Public Safety Taxes, and the City Special Taxes. The Road Tax Series Pledged Taxes consist of the Excise Taxes and the City Road Tax.

Source: The source of this information is the City financial records, CAFR REVENUES SHEET

City of Yuma, Arizona

Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Building Permits			
					Commercial		Residential	
					No.	Value	No.	Value
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
2015	204,275	6,449,702	31.6	21.80%	148	47,907,579	271	73,948,000
2016	201,631	6,436,250	31.3	20.40%	160	15,400,222	448	82,887,676
2017	207,534	4,738,209	22.8	20.50%	186	37,751,401	548	97,990,751

Note: Unemployment rate and population presented represents the Yuma Metropolitan Statistical Area and it reflects revised inputs, reestimation, and new statewide controls through 2017.

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)
 2016 data: US Census Bureau ACS S1901

City of Yuma, Arizona

Principal Employers
Current Year and Ten Fiscal Years Ago

Employer	2008				2017				
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Growers Company	1,200	6	1.72%	-	0	0.00%	-	0	0.00%
Marine Corps Air Station	5,360	1	7.69%	3,398	1	4.88%	3,398	1	4.88%
U. S. Army Yuma Proving Ground	3,000	2	4.31%	2,382	2	3.42%	2,382	2	3.42%
Yuma Regional Medical Center	2,080	3	2.98%	2,300	3	3.30%	2,300	3	3.30%
Yuma School District #1	1,700	4	2.44%	1,400	4	2.01%	1,400	4	2.01%
Yuma County	1,335	5	1.92%	1,437	5	2.06%	1,437	5	2.06%
United States Border Patrol	920	9	1.32%	1,000	6	1.44%	1,000	6	1.44%
Yuma Union High School District	914	10	1.31%	1,000	7	1.44%	1,000	7	1.44%
City of Yuma	1,002	7	1.44%	1,274	8	1.83%	1,274	8	1.83%
Salyer American Fresh	1,000	8	1.44%	1,275	9	1.83%	1,275	9	1.83%
TRAX	-	0	0.00%	1,125	10	1.61%	1,125	10	1.61%
All Other employers	51,172			68,510			68,510		
Total	69,683		26.56%	85,101		23.81%	85,101		23.81%

Source: Greater Yuma Economic Development Corporation
Note: Figures presented represent the Yuma Metropolitan Statistical Area.

Full Time and Part Time

City of Yuma, Arizona

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	241	235	192	201	192	198	205	208	208	206
Public Safety										
Police	266	267	239	249	258	259	272	276	277	278
Fire	122	133	129	131	125	125	125	131	131	125
Public Works										
Engineering	44	41	33	32	32	24	35	28	28	28
Maintenance	56	56	46	46	46	52	47	48	48	54
Solid Waste	17	17	13	13	13	13	13	13	13	13
Water	76	80	73	73	76	76	69	77	77	77
Wastewater	47	51	49	49	52	52	52	53	53	52
Parks and recreation	133	133	116	116	116	117	124	119	120	123
Total	1,002	1,013	890	910	910	916	942	953	955	956

Source: City of Yuma Annual Budget, Fiscal Year 2017-2018

City of Yuma, Arizona

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Calls for service*	84,332	83,226	76,232	NA	76,080	89,027	93,463	90,694	91,603	103,871
Case reports	13,740	13,434	13,535	NA	14,651	12,855	12,905	12,185	12,371	12,899
Fire										
Number of calls answered*	11,045	11,565	12,067	12,037	12,664	12,529	13,191	13,888	14,205	15,200
Inspections*	2,322	745	864	NA	1,399	1,460	883	2,448	2,438	1,730
Streets										
Streets slurry sealed (miles)	11	2	15	10	24	30	30	23	33	27
Solid Waste										
Refuse collected (tons)	33,996	33,288	32,638	32,177	32,010	26,650	26,848	25,622	30,710	26,019
Parks and recreation										
Ramada rentals	2,673	2,519	2,554	2,327	2,551	2,097	2,171	1,946	1,625	1,693
Water										
Connections	27,622	28,058	28,984	29,009	27,396	29,361	29,945	30,400	30,921	33,277
Daily treatment capacity (million gallons)	60.0	64.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0
Annual quantity processed (billion gallons)	8.2	7.5	8.4	8.3	8.1	7.1	8.0	7.8	7.8	8.4
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.

City of Yuma, Arizona

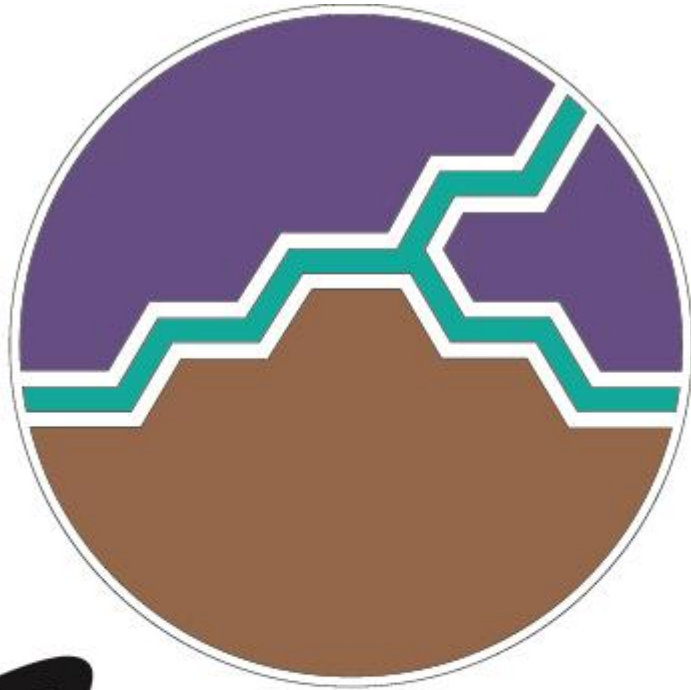
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police stations	1	1	1	1	2	2	2	2	2	2
Police vehicles	163	164	163	156	172	179	181	194	181	186
Fire stations	6	6	6	6	6	6	6	6	6	6
Streets										
Streets (miles)	384	389	395	420	421	442	448	450	454	457
Streetlights	5,463	5,606	5,750	5,753	5,764	6,757	6,757	6,773	6,795	6,848
Traffic Signals	42	49	50	50	79	79	79	79	81	81
Solid Waste										
Collection trucks	13	13	13	11	11	11	11	11	11	11
Parks and Recreation										
Parks acreage	607	607	607	607	607	620	633	682	682	682
Parks/Athletic Fields	79*	79	79	79	79	80	84	90	96	96
Swimming pools	4	4	4	4	4	4	4	4	4	4
Tennis courts	2	9	9	9	9	9	9	9	9	9
Community centers	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (miles)	501	507	520	525	525	527	527	527	530	533
Fire hydrants	3,400	3,438	3,450	3,573	3,646	3,754	3,790	3,831	3,859	3,876
Wastewater										
Sanitary sewers (miles)	320	342	340	341	350	350	350	362	356	577
Manholes						5,318	5,318	5,376	5,510	5,643

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.



CITY OF
Yuma