



City of Yuma, Arizona
Annual Expenditure Limitation Report
Year Ended June 30, 2018

**CITY OF YUMA, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2018**

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INDEPENDENT ACCOUNTANT'S REPORT

The Auditor General of the State of Arizona

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

We have examined the accompanying Annual Expenditure Limitation Report of the City of Yuma, Arizona for the year ended June 30, 2018, and the related notes to the report. The City's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system, in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report referred to above is presented, in all material respects, in accordance with the uniform expenditure reporting system as described in Note 1.


Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
March 28, 2019

CITY OF YUMA, ARIZONA
 Expenditure Limitation Report - Part I
 Year Ended June 30, 2018

| | | | |
|-----|---|----------------|----------------------|
| 1. | Economic Estimates Commission expenditure limitation | \$ 134,346,109 | |
| 2. | Voter-approved alternative expenditure limitation (Approved _____) | - | |
| 3. | Enter applicable amount from line 1 or line 2 | | \$ 134,346,109 |
| 4. | Amount subject to the expenditure limitation (total amount from Part II, Line C) | 108,586,640 | |
| 5. | Board-authorized expenditures necessitated by a disaster not declared by the Governor and not approved by the voters (Article IX, Section 20[2][a], Arizona Constitution) | - | |
| 6. | Board-authorized expenditures necessitated by a disaster not declared by the Governor and approved by the voters (Article IX, Section 20[2][b], Arizona Constitution) | - | |
| 7. | Prior-year voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year (Article IX, Section 20[2][c], Arizona Constitution) | - | |
| 8. | Subtotal | 108,586,640 | |
| 9. | Board-authorized excess expenditures for the previous fiscal year not approved by the voters (Article IX, Section 20[2][b], Arizona Constitution) | - | |
| 10. | Total adjusted amount subject to the expenditure limitation | | <u>108,586,640</u> |
| 11. | Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation) | | <u>\$ 25,759,469</u> |

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: 

Name and Title: Lisa Marlin, Director of Financial Services

Telephone Number : (928)373-5087

Date: March 28, 2019

See accompanying notes to the report

CITY OF YUMA, ARIZONA
Annual Expenditure Limitation Report - Part II
Year Ended June 30, 2018

| Description | Governmental Funds | Enterprise Funds | Internal Service Funds | Total |
|---|-----------------------|----------------------|------------------------------|-----------------------|
| A. Amounts Reported on Reconciliation line D | \$ 106,260,194 | \$ 49,404,680 | \$ 8,876,055 | \$ 164,540,929 |
| B. Less Exclusions Claimed: | | | | |
| 1. Bond Proceeds | - | - | - | - |
| Debt Service Requirements on Bonded Indebtedness | 11,499,399 | 13,751,510 | - | 25,250,909 |
| Proceeds of Other Long-Term Obligations | - | - | - | - |
| Debt Service Requirements on Other Long-Term Obligations | - | - | - | - |
| 2. Dividends, Interest and Gains on Sale of Securities | 250,013 | 1,339,893 | 207,835 | 1,797,741 |
| 3. Trustee or Custodian | - | - | - | - |
| 4. Grants and Aid from Federal Government | 2,153,649 | - | - | 2,153,649 |
| 5. Grants, Aid, Contributions or gifts from Private Agency, Organizations or Individuals except amounts received In Lieu of Taxes | 496,997 | - | - | 496,997 |
| 6. Amounts Received from the State of Arizona | 295,481 | - | - | 295,481 |
| 7. Quasi-External Interfund Transactions | 242,000 | 1,120,519 | 8,465,353 | 9,827,872 |
| 8. Amounts Accumulated for Purchase of Land, and Purchase or Construction of Buildings or Improvements | 3,159,034 | - | - | 3,159,034 |
| 9. Highway Users Revenues in Excess of Fiscal Year 1979-80 | 5,663,847 | - | - | 5,663,847 |
| 10. Contracts with Other Political Subdivisions | 596,635 | 1,806,420 | - | 2,403,055 |
| 11. Refunds, reimbursements and other recoveries | - | - | - | - |
| 12. Voter Approved Exclusions not Identified Above | - | - | - | - |
| 13. Prior Years Carried Forward | 4,052,485 | 853,219 | - | 4,905,704 |
| 14. Total Exclusions Claimed: | <u>28,409,540</u> | <u>18,871,561</u> | <u>8,673,188</u> | <u>55,954,289</u> |
| C. Amounts subject to the expenditure limitation | <u>\$ 77,850,654</u> | <u>\$ 30,533,119</u> | <u>\$ 202,867</u> | <u>\$ 108,586,640</u> |

See accompanying notes to the report

CITY OF YUMA, ARIZONA
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2018

| Description | Governmental Funds | Enterprise Funds | Internal Service Funds | Total |
|---|-----------------------|----------------------|------------------------------|-----------------------|
| A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund-based financial statements | \$ 106,260,194 | \$ 46,724,486 | \$ 8,593,319 | \$ 161,577,999 |
| B. Subtractions: | | | | |
| 1. Items not requiring the use of Working Capital: | | | | |
| Depreciation | - | 14,260,783 | 2,430,658 | 16,691,441 |
| Loss on Disposal of Fixed Assets | - | - | 99,890 | 99,890 |
| Loss on Sale of Equipment | - | - | - | - |
| Claims incurred but not reported (IBNR) | - | - | 1,157,123 | 1,157,123 |
| Pension expense | - | 433,407 | - | 433,407 |
| 2. Expenditures of separate legal entities established under Arizona Revised Statutes | - | - | - | - |
| 3. Present Value of Net Minimum Capital Lease and Installment Purchase Contract Payments Recorded as Expenditures at the Inception of the Agreement | - | - | - | - |
| 4. Involuntary court judgements | - | - | - | - |
| 5. Total Subtractions | - | 14,694,190 | 3,687,671 | 18,381,861 |
| C. Additions: | | | | |
| 1. Principal Payment on Long-Term Debt | - | 9,522,000 | - | 9,522,000 |
| 2. Acquisition of Capital Assets | - | 6,932,647 | 2,624,064 | 9,556,711 |
| 3. Claims previously recognized as IBNR | - | - | 1,346,343 | 1,346,343 |
| Pension contributions | - | 919,737 | - | 919,737 |
| Total Additions | - | 17,374,384 | 3,970,407 | 21,344,791 |
| D. Amounts Reported on Part II, Line A | <u>\$ 106,260,194</u> | <u>\$ 49,404,680</u> | <u>\$ 8,876,055</u> | <u>\$ 164,540,929</u> |

CITY OF YUMA, ARIZONA
Notes to the Annual Expenditure Limitation Report
For the Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the *Uniform Expenditure Reporting System* (UERS), as required by Arizona Revised Statute Section 41-1279.07, which excludes expenditures, expenses or deductions of certain revenues specified in the Arizona Constitution, Article IX, Section 20 from the total expenditures, expenses or deductions reported in fund financial statements.

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed on Part II and each subtraction or addition in the Reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds, and to the Statement of Cash Flows-Proprietary Funds. Other financial statement references (generally page numbers) refer to the City's comprehensive annual financial report (CAFR) for the year ended June 30, 2018.

NOTE 2 - BOND PROCEEDS

Bonded Indebtedness

The exclusion claimed for bond proceeds relates to the 2007 Municipal Property Corporation Bonds. Portions of these bond issues were expended during the year, with the remaining balance carried forward to future fiscal years.

| Fund | MPC2015 | | | Governmental Funds | | Enterprise Funds | |
|---|---------------|------------|--------|--------------------|------------|------------------|------------|
| | Excise | MPC07B | MPC07D | Total | Water | Wastewater | Total |
| Proceeds carried forward from FY 2017 | \$ 12,693,412 | \$ 538,590 | \$ - | \$ 13,232,001 | \$ 343,128 | \$ - | \$ 343,128 |
| New proceeds | - | - | - | - | - | - | - |
| Available excludable interest | - | - | - | - | - | - | - |
| Miscellaneous revenue: Refund of prior year expenditures | - | - | - | - | - | - | - |
| Less capital expenditures - current fiscal year | 3,937,031 | - | - | 3,937,031 | 343,128 | - | 343,128 |
| Net expended proceeds | 3,937,031 | - | - | 3,937,031 | 343,128 | - | 343,128 |
| Carryforward to future fiscal years (Note 13) | \$ 8,756,381 | \$ 538,590 | \$ - | \$ 9,294,970 | \$ - | \$ - | \$ - |
| Carried forward as interest | | | | | | | |
| Carried forward as bond proceeds | | | | | | | |
| Net expended proceeds | \$ 3,937,031 | \$ - | \$ - | \$ 3,937,031 | \$ 343,128 | \$ - | \$ 343,128 |
| Less expenditures excluded as debt service | - | - | - | - | - | - | - |
| Refunds of excludable revenues from prior years (previously excluded) | - | - | - | - | - | - | - |
| Net excluded expenditures | \$ 3,937,031 | \$ - | \$ - | \$ 3,937,031 | \$ 343,128 | \$ - | \$ 343,128 |

NOTE 3 - DEBT SERVICE

The exclusion claimed for debt service requirements on bonded indebtedness includes the Debt Service Funds, as shown in the governmental fund-based financial statements as well as Enterprise Funds principal retirement and interest expenditures from the Statement of Cash Flows and the Statement of Revenues, Expenses and Changes in Fund Net Position, respectively:

| Bonded Debt: | CAFR | | | |
|----------------------------|------|---------------|--------------|---------------|
| | Page | Principal | Interest | Total |
| Governmental Funds: | | | | |
| MPC and Special Assessment | | | | |
| District Debt Service Fund | 92 | \$ 7,095,000 | \$ 4,404,399 | \$ 11,499,399 |
| Enterprise Funds | | | | |
| Water Fund | 30 | 5,877,137 | 3,120,217 | 8,997,354 |
| Wastewater Fund | 30 | 3,644,863 | 1,109,293 | 4,754,156 |
| Total Enterprise Funds | | 9,522,000 | 4,229,510 | 13,751,510 |
| | | \$ 16,617,000 | \$ 8,633,909 | \$ 25,250,909 |

CITY OF YUMA, ARIZONA
Notes to the Annual Expenditure Limitation Report
For the Year Ended June 30, 2018

NOTE 4 - INTEREST INCOME

The exclusion claimed for dividends, interest, and gains on sale of securities is entirely from interest on investments. Portions of selected funds revenues have been carried forward to future fiscal years as they were not expended during fiscal year 2017-2018. The following table presents the sources of these revenues:

| | <u>CAFR Page</u> | <u>Governmental Funds</u> | <u>Enterprise Funds</u> | <u>Internal Service Funds</u> |
|--|----------------------|-------------------------------|-----------------------------|---------------------------------------|
| Governmental Funds | | | | |
| General Fund | 79 | \$ 217,389 | \$ - | \$ - |
| Special Revenue Funds | | | | |
| Highway Users Revenue | 95 | 55,539 | | |
| Plus amount brought forward from prior years | | 462,930 | | |
| Less amount expended | | <u>-</u> | - | - |
| Amount carried forward | | 518,469 | | |
| Road Tax | 82 | 160,157 | | |
| Plus amount brought forward from prior years | | <u>1,867,910</u> | | |
| Amount carried forward | | <u>2,028,067</u> | | |
| Public Safety Tax | 94 | 31,877 | | |
| Plus amount brought forward from prior years | | 18,943 | | |
| Less current interest expended | | - | | |
| Less carryforward expended | | <u>-</u> | - | - |
| Amount carried forward | | <u>50,820</u> | | |
| Two Percent Tax | 98 | | - | - |
| Grants | 96 | | - | - |
| Total Special Revenue Funds | | <u>32,624</u> | | |
| Capital Projects Fund | 93 | 250,201 | | |
| Plus amount brought forward from prior years | | 974,717 | | |
| Less overstated carryforward | | - | | |
| Less amount expended | | <u>163,503</u> | | |
| Amount carried forward | | <u>1,061,415</u> | | |
| Enterprise Funds | | | | |
| Water | 104 | - | 374,605 | |
| Less amount expended (bond fund proceeds) | 104 | - | 343,128 | 343,128 |
| Less amount expended (bond fund interest) | | | 510,091 | 510,091 |
| Less amount expended (operational funds) | | | 5,107 | 5,107 |
| Amount brought forward | | | <u>1,847,463</u> | |
| Amount carried forward | | | <u>1,363,742</u> | |
| Wastewater | 105 | - | | 443,339 |
| Less amount expended | | | | |
| Amount brought forward | | | | |
| Amount carried forward | | | <u>-</u> | |
| Solid Waste | 106 | | | 14,337 |
| Radio Communication | 107 | | | 23,105 |
| Desert Hills Golf Course | 107 | | | 786 |

CITY OF YUMA, ARIZONA
Notes to the Annual Expenditure Limitation Report
For the Year Ended June 30, 2018

NOTE 4 - INTEREST INCOME (Concluded)

| | <u>CAFR Page</u> | <u>Governmental Funds</u> | <u>Enterprise Funds</u> | <u>Internal Service Funds</u> |
|-------------------------------|----------------------|-------------------------------|-----------------------------|---------------------------------------|
| Internal Service Funds | | | | |
| Equipment Replacement | 111 | | | 126,651 |
| Equipment Maintenance | 111 | | | - |
| Insurance Reserve | 111 | | | 28,019 |
| Employee Benefits | 111 | | 3,629 | - |
| Amount brought forward | | | <u>2,747</u> | |
| Amount carried forward | | | <u>6,376</u> | - |
| Workers Compensation | 111 | - | - | 53,165 |
| Total Excludable Interest | | <u>\$ 250,013</u> | <u>\$ 1,339,893</u> | <u>\$ 207,835</u> |

NOTE 5 - FEDERAL GRANTS AND AID

During the year the City of Yuma received from the Federal government \$2,153,649. These revenues were expended as follow:

| | <u>CAFR Pages</u> | <u>Governmental Funds Special Revenue Funds</u> | <u>Enterprise Funds</u> |
|-----------------------------------|-----------------------|---|-------------------------|
| Federal Revenues Received: | | | |
| Special Revenue Funds: | | | |
| Grant Fund | 96 | \$ 1,078,818 | \$ - |
| Community Redevelopment Fund | 97 | 1,074,831 | - |
| Enterprise Funds: | | | |
| Water Fund | 104 | - | - |
| Radio Communication Fund | 107 | - | - |
| Total Federal Revenues | | <u>\$ 2,153,649</u> | <u>\$ -</u> |

NOTE 6 - GRANTS OR AID FROM PRIVATE AGENCIES, ORGANIZATIONS, INDIVIDUALS

During the year, the City received the following amounts from local agencies or individuals for expenditure as various grants:

| Fund: | <u>CAFR Pages</u> | <u>Amount</u> |
|------------------------|-----------------------|-------------------|
| General Fund: | | |
| Special Revenue Funds: | | |
| Grant Fund | 96 | 496,997 |
| Total contributions | | <u>\$ 496,997</u> |

NOTE 7 - AMOUNTS RECEIVED FROM THE STATE

During the year the City of Yuma received from the State of Arizona \$295,481. These revenues were expended as follow:

| | <u>CAFR Page</u> | <u>Governmental Funds Special Revenue</u> | <u>Enterprise Funds</u> |
|---------------------------------|----------------------|---|-----------------------------|
| State Revenues Received: | | | |
| Special Revenue Funds: | | | |
| Grant Fund | 96 | \$ 295,481 | - |
| Total State Revenues | | <u>\$ 295,481</u> | <u>\$ -</u> |

CITY OF YUMA, ARIZONA
Notes to the Annual Expenditure Limitation Report
For the Year Ended June 30, 2018

NOTE 8 - QUASI-EXTERNAL INTERFUND TRANSACTIONS

Quasi-external interfund transactions occur between internal service funds and operating funds (internal charges), between and within Enterprise Funds and operating funds (water, wastewater and solid waste charges), and from the General Fund and Enterprise funds (public enterprise in-lieu revenue). Internal service fund revenues that are derived from internal charges to other funds are excludable in the fund recording the revenues. Other internal service fund revenues are only excludable if they are derived from an excludable source. Those other excludable revenues are reported elsewhere. When revenues of an internal services funds exceed expenditures of the fund, the revenues are carried forward to future years for exclusion when the expenditures are made. This is particularly evident in the Equipment Replacement and Insurance Reserve funds where costs are allocated over equipment lives or reserves are built for future risk-related expenses. A recap of excludable revenues of internal service funds follow:

| | CAFR Page | | | | | | | |
|---|----------------------|----|----------------------------------|----------------------------------|------------------------------|---------------------------------|------------------------------|---------------------|
| Governmental Funds: | | | | | | | | |
| General Fund in-lieu revenue from Water Fund | 79 | \$ | 242,000 | | | | | |
| Enterprise Funds charges to other funds: | | | | | | | | |
| Total Enterprise Fund Charges | | \$ | 1,120,519 | | | | | |
| Internal Service Funds: | | | Equipment Replacement | Equipment Maintenance | Insurance Reserve | Workers Compensation | Employee Benefits | Total |
| Expenses: | | | | | | | | |
| Expenses per financial statement | 111 | \$ | 2,427,990 | \$ 3,706,271 | \$ 1,409,157 | \$ 950,011 | \$ - | |
| Less depreciation | 111 | | 2,404,491 | 26,167 | - | - | - | |
| Less (plus) change in IBNR | Note 12 | | - | - | (12,564) | (176,656) | - | |
| Plus capital outlay | 112 | | 2,624,064 | - | - | - | - | |
| Net expenditures | | | <u>2,647,563</u> | <u>3,680,104</u> | <u>1,421,721</u> | <u>1,126,667</u> | <u>-</u> | |
| Excludable Revenues: | | | | | | | | |
| Carryforward from previous report | | | 675,683 | - | 2,201,719 | 3,300,901 | 2,747 | |
| Charges per financial statement | 111 | | 2,064,842 | 3,485,834 | 1,927,709 | 1,456,824 | - | |
| Interest income | 111 | | 126,651 | - | 28,019 | 53,165 | 3,629 | |
| Less: Revenues from external agencies | | | - | (8,597) | - | - | - | |
| Net excludable revenues | | | <u>2,867,176</u> | <u>3,477,237</u> | <u>4,157,447</u> | <u>4,810,890</u> | <u>6,376</u> | |
| Exclusion: Lesser of expenditures or net revenues | | | 2,647,563 | 3,477,237 | 1,421,721 | 1,126,667 | - | |
| Reduced by: | | | | | | | | |
| Interest revenues excluded in Note 4 | 111 | | (126,651) | - | (28,019) | (53,165) | - | |
| Net exclusion | | | <u>\$ 2,520,912</u> | <u>\$ 3,477,237</u> | <u>\$ 1,393,702</u> | <u>\$ 1,073,502</u> | <u>\$ -</u> | <u>\$ 8,465,353</u> |
| Carryforward: | | | | | | | | |
| Net excludable revenues less exclusion | | | <u>\$ 219,613</u> | <u>\$ -</u> | <u>\$ 2,735,726</u> | <u>\$ 3,684,223</u> | <u>\$ 6,376</u> | <u>\$ 6,645,938</u> |
| Total Exclusions: | | | | Governmental Funds | Enterprise Funds | Internal Service Funds | | |
| In-lieu | | | | \$ 242,000 | \$ - | \$ - | \$ 242,000 | |
| Enterprise Charges | | | | - | 1,120,519 | - | 1,120,519 | |
| Internal Service Fund charges | | | | - | - | 8,465,353 | 8,465,353 | |
| | | | | <u>\$ 242,000</u> | <u>\$ 1,120,519</u> | <u>\$ 8,465,353</u> | <u>\$ 9,827,872</u> | |

CITY OF YUMA, ARIZONA

Notes to the Annual Expenditure Limitation Report
For the Year Ended June 30, 2018

NOTE 9 - AMOUNTS ACCUMULATED FOR PURCHASE OF LAND AND PURCHASE OR CONSTRUCTION OF BUILDINGS OR IMPROVEMENTS

In 1993, the qualified voters of the City of Yuma approved a transportation excise tax of one-half percent for the construction or improvement of roads within the city limits. Voter-approved revenues of this nature are excludable and are included within the report for the fiscal year ended June 30, 2018. The revenues and expenditures are accounted for in the Road Tax Fund.

| | <u>CAFR Page</u> | | <u>Amount</u> |
|---|----------------------|----------------|----------------------|
| Carryforward voter approved sales tax (excludes Interest) | | | \$ 10,173,331 |
| Road tax revenues current year | 82 | | 10,897,505 |
| Excludable expenditures: | | | |
| Operational expenditures (current) | 82 | \$ (2,833,637) | |
| Capital expenditures | 82 | (3,159,034) | |
| Less: Non-excludable revenues | | | |
| Rental income | 82 | 142,244 | |
| Developer charges | 82 | 19,790 | |
| Miscellaneous revenues | 82 | 130,948 | |
| Net excluded expenditures | | (5,699,689) | |
| Transfer of excludable revenues to Debt Service Fund excluded as debt service | 68 | (4,529,241) | |
| Less non-excluded expenditures | | | |
| Total amount expended | | | <u>(10,228,930)</u> |
| Fund balance of excludable Road tax revenues (less interest) | | | <u>\$ 10,841,906</u> |
| Net increase in excludable sales taxes carried forward | | | <u>\$ 668,575</u> |
| Excluded expenditures | | | <u>\$ 3,159,034</u> |

Similar to Road Tax, in 1994, the voters approved an excise tax addition of two-tenths percent for the acquisition or financing of public safety and criminal justice facilities and a public safety communication system. Voter-approved revenues of this nature are excludable and are included within the report for the year ended June 30, 2018.

| | <u>CAFR Page</u> | | <u>Amount</u> |
|---|----------------------|------------------|---------------------|
| Public safety tax revenues in current fiscal year | 94 | | \$ 4,357,520 |
| Net fund balance of excludable Public Safety Tax revenues carried forward | | | <u>2,044,068</u> |
| Excludable revenues | | | 6,401,588 |
| Nonexcludable operating expenditures | 94 | \$ (3,353,446) | |
| Capital outlay expenditures for facilities | 94 | - | |
| Capital projects expenditures | 94 | (8,925) | |
| Less expenditures of interest | Note 4 | - | |
| Less expenditures of non excludible revenues | 94 | 612 | |
| Amounts transferred to Debt Service and expended | 68 | <u>(947,712)</u> | |
| Total amount expended | | | <u>(4,309,471)</u> |
| Excludable revenues carried forward (excluding interest) | | | <u>\$ 2,092,117</u> |

CITY OF YUMA, ARIZONA
Notes to the Annual Expenditure Limitation Report
For the Year Ended June 30, 2018

NOTE 10 - HIGHWAY USER REVENUE FUNDS

The following table presents Highway User Revenue Fund (HURF) information used in the report.

| | CAFR Page | Amount |
|---|----------------------|---------------|
| Highway user revenues received in current fiscal year | 95 | \$ 7,826,949 |
| Plus: Carryforward from prior years | | 4,249,837 |
| Less: Amount equal to 1979-80 revenues received | | (951,904) |
| Revenues available for exclusion | | \$ 11,124,882 |
| Expenditures of HURF in current fiscal year | 95 | \$ 6,719,764 |
| Less: Interest revenues (Note 4) | 95 | (55,539) |
| Less: Expenditures of non-HURF revenues | 95 | (48,474) |
| Less: Amount equal to 1979-80 revenues expended | | (951,904) |
| Excludable revenues expended in current fiscal year | | \$ 5,663,847 |
| Excluded expenditures limited to revenues available for exclusion | | \$ 5,663,847 |
| Carryforward to future years | | |
| Revenues available for exclusion | | \$ 11,124,882 |
| Less: Excludable revenues expended in current fiscal year | | (5,663,847) |
| Net unexpended highway user revenues | | 5,461,035 |
| Less: Interest excluded in Note 4 | | (55,539) |
| Less: Transfer to debt service and excluded therein | 68 | (116,734) |
| Highway user revenues carried forward to future fiscal years | | 5,288,762 |
| Less: Carryforward from prior years | | (4,249,837) |
| Net additional unexpended HURF revenues | | \$ 1,038,925 |

NOTE 11 - CONTRACTS WITH OTHER POLITICAL SUBDIVISIONS

The City of Yuma is party to the following contracts with political subdivisions:

| | CAFR Page | Amount |
|--|----------------------|---------------|
| Contract: | | |
| General Fund: | | |
| Police Services to Other Subdivisions | 79 | \$ 596,635 |
| Grants Fund: | | |
| Yuma County Anti-Racketeering | 96 | - |
| Total Governmental Funds | | \$ 596,635 |
| Enterprise Funds (services billed to other political subdivisions) | | |
| Radio Communications Enterprise Fund: | | |
| Charges for Services | 107 | \$ 1,954,819 |
| Plus: Carryforward from prior years | | 1,766,391 |
| Total available excludable revenues | | 3,721,210 |
| Less carryforward balance (ending fund balance Fund 405t-Radio Communication Fund) | | (1,914,790) |
| Total Radio Fund | | 1,806,420 |
| Total Enterprise Funds | | 1,806,420 |
| Total Expenditures of Contracts With Other Political Subdivisions | | \$ 2,403,055 |

CITY OF YUMA, ARIZONA
Notes to the Annual Expenditure Limitation Report
For the Year Ended June 30, 2018

NOTE 12 - RECONCILIATION

Items appearing within the Annual Expenditure Limitation Report - Reconciliation:

| | <u>CAFR Page</u> | <u>Amount</u> |
|--|----------------------|---------------------|
| Principal Payments on Long-Term Enterprise Debt | | |
| Water Fund | 30 | \$ 5,877,137 |
| Wastewater Fund | 30 | 3,644,863 |
| Total Principal Payments | | <u>\$ 9,522,000</u> |
| Acquisition of Capital Assets | | |
| Enterprise Funds | | |
| (Total Capital Outlay Expenditures) | | |
| Water Fund | 30 | \$ 4,123,959 |
| Wastewater Fund | 30 | 2,505,349 |
| Radio Communications Fund | 103 | 297,859 |
| Sold Waste Fund | | - |
| Desert Hills Golf Course Fund | 103 | 5,480 |
| Total Enterprise | | <u>6,932,647</u> |
| Internal Service Funds | | |
| Equipment Replacement Fund | 103 | 2,624,064 |
| Equipment Maintenance Fund | 103 | - |
| Total Internal Service Fund | | <u>2,624,064</u> |
| Total Acquisition of Fixed Assets | | <u>\$ 9,556,711</u> |

Incurred but Not Reported Claims

| | <u>FYE June 30,</u> | | Change |
|---------------------------|---------------------|---------------------|---------------------|
| | <u>2017</u> | <u>2018</u> | |
| Internal Service Funds | | | |
| Insurance Reserve Fund | \$ 104,145 | \$ 91,581 | \$ (12,564) |
| Workers Compensation Fund | <u>1,242,198</u> | <u>1,065,542</u> | <u>(176,656)</u> |
| | <u>\$ 1,346,343</u> | <u>\$ 1,157,123</u> | <u>\$ (189,220)</u> |

Pension expense adjustment

| | <u>Contributions</u> | <u>Expense</u> | <u>Net</u> | |
|----------------------------------|----------------------|-------------------|------------|-----|
| Enterprise Funds | | | | |
| Water Fund | \$ 434,656 | \$ 204,823 | \$ 229,833 | 104 |
| Wastewater Fund | 309,604 | 145,895 | 163,709 | 105 |
| Solid Waste Fund | 61,854 | 29,147 | 32,707 | 106 |
| Radio Communication Fund | 38,995 | 18,375 | 20,620 | 107 |
| Desert Hills Golf Course Fund | <u>74,628</u> | <u>35,167</u> | 39,461 | 108 |
| Total pension expense adjustment | <u>\$ 919,737</u> | <u>\$ 433,407</u> | | |

CITY OF YUMA, ARIZONA

Notes to the Annual Expenditure Limitation Report
For the Year Ended June 30, 2018

NOTE 13 - CARRYFORWARDS

"Carryforwards" are excludable revenues that are not expended during the reported fiscal year but carried forward to future fiscal years. Notes 4 (interest Income) and 10 (Highway User Revenue Funds) list excludable revenues that have been carried forward. Conversely, during the year the City expended the proceeds of bonds issued in prior fiscal years which are included in the "balance from prior fiscal year". The expenditure of these excludable revenues is reported separately in Part II of the AELR.

| | <u>Special Revenue Funds</u> | | | <u>Capital</u> | <u>Enterprise Funds</u> | | <u>Internal</u> | <u>Total</u> |
|---|------------------------------|----------------------|----------------------|----------------------|-------------------------|---------------------|---------------------|----------------------|
| | <u>HURF</u> | <u>Road Tax</u> | <u>Public Safety</u> | <u>Projects</u> | <u>Radio</u> | <u>Water</u> | <u>Service</u> | <u>All</u> |
| | | | | <u>Fund</u> | | | <u>Funds</u> | <u>Funds</u> |
| Carryforward balances from prior fiscal year | \$ 4,712,767 | \$ 12,041,241 | \$ 2,063,011 | \$ 14,206,719 | \$ 1,766,391 | \$ 2,190,591 | \$ 6,181,050 | \$ 43,161,770 |
| Additions to carryforwards: | | | | | | | | |
| Net increase of voter-approved sales taxes (Note 9) | - | 668,575 | - | - | - | - | - | 668,575 |
| Bond proceeds | - | - | - | - | - | - | - | - |
| Quasi-external interfund transactions | - | - | - | - | - | - | 461,259 | 461,259 |
| HURF revenues | 1,038,925 | - | - | - | - | - | - | 1,038,925 |
| Statewide radio project | - | - | - | - | 148,399 | - | - | 148,399 |
| Interest revenues (see Note 4): | | | | | | | | |
| HURF | 55,539 | - | - | - | - | - | - | 55,539 |
| City Road Tax | - | 160,157 | - | - | - | - | - | 160,157 |
| Public Safety Tax | - | - | 31,877 | - | - | - | - | 31,877 |
| Capital Projects Fund | - | - | - | 250,201 | - | - | - | 250,201 |
| LTAF revenues transferred | - | - | - | - | - | - | - | - |
| Water/Wastewater revenue bond funds | - | - | - | - | - | 26,370 | - | 26,370 |
| Employee Benefits | - | - | - | - | - | - | 3,629 | 3,629 |
| Total additions to carryforwards | <u>1,094,464</u> | <u>828,732</u> | <u>31,877</u> | <u>250,201</u> | <u>148,399</u> | <u>26,370</u> | <u>464,888</u> | <u>2,844,931</u> |
| Expenditure of carryforwards: | | | | | | | | |
| Net decrease of voter-approved sales taxes (Note 9) | - | - | 48,049 | - | - | - | - | 48,049 |
| Transferred to Debt Service and expended | - | - | - | - | - | - | - | - |
| Transferred to Road Tax and expended | - | - | - | - | - | - | - | - |
| HURF revenues | - | - | - | - | - | - | - | - |
| Interest | - | - | - | (163,503) | - | (510,091) | - | (673,594) |
| MPC 2001 and 2007 bond proceeds | - | - | - | (3,937,031) | - | (343,128) | - | (4,280,159) |
| Total expenditures of carryforwards | <u>-</u> | <u>-</u> | <u>48,049</u> | <u>(4,100,534)</u> | <u>-</u> | <u>(853,219)</u> | <u>-</u> | <u>(4,905,704)</u> |
| Total revenues carried forward to future years | <u>\$ 5,807,231</u> | <u>\$ 12,869,973</u> | <u>\$ 2,142,937</u> | <u>\$ 10,356,386</u> | <u>\$ 1,914,790</u> | <u>\$ 1,363,742</u> | <u>\$ 6,645,938</u> | <u>\$ 41,100,997</u> |
| Recap of carryforwards by type: | | | | | | | | |
| Interest | \$ 518,469 | \$ 2,028,067 | \$ 50,820 | \$ 1,061,415 | \$ - | \$ 1,363,742 | \$ 6,376 | \$ 5,028,889 |
| HURF revenues | 5,288,762 | - | - | - | - | - | - | 5,288,762 |
| Accumulation of voter-approved sales taxes | - | 10,841,906 | 2,092,117 | - | - | - | - | 12,934,023 |
| Quasi-external transactions | - | - | - | - | - | - | 6,639,562 | 6,639,562 |
| Contracts with other political subdivision | - | - | - | - | 1,914,790 | - | - | 1,914,790 |
| Bond proceeds | - | - | - | 9,294,970 | - | - | - | 9,294,970 |
| Total revenues carried forward to future years | <u>\$ 5,807,231</u> | <u>\$ 12,869,973</u> | <u>\$ 2,142,937</u> | <u>\$ 10,356,386</u> | <u>\$ 1,914,790</u> | <u>\$ 1,363,742</u> | <u>\$ 6,645,938</u> | <u>\$ 41,100,997</u> |