

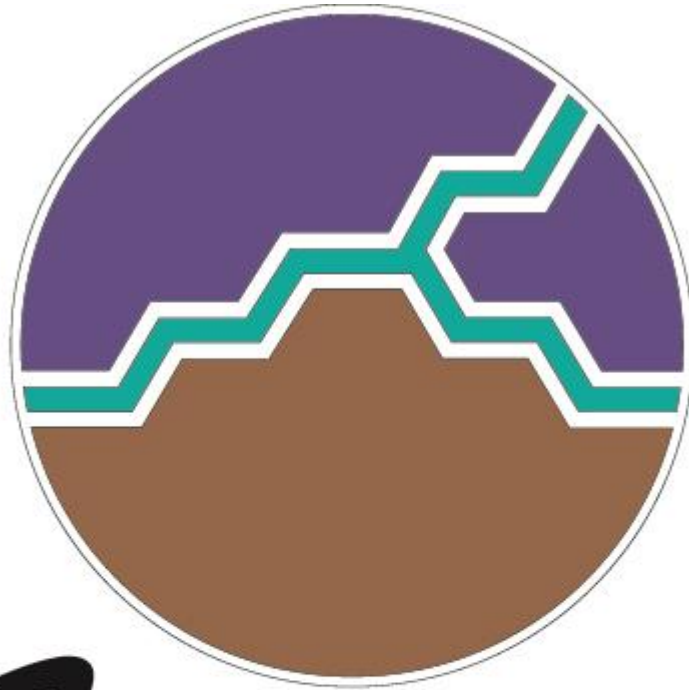
CITY OF YUMA ARIZONA



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017





CITY OF
Yuma

City of Yuma
Arizona

Comprehensive
Annual
Financial
Report

For the Fiscal Year Ended
June 30, 2017

Prepared by:

Finance Department

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Director

Lisa Marlin, MBA
Accounting Manager

Linda Johnson
Accounting Supervisor

Maura Luna

Lucia Zavala

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Accountants

About the Cover:

In Fiscal Year 2017, the City completed a major improvement of a primary intersection at 16th Street and 4th Avenue. As one of the City's most congested intersections, this project has increased capacity by adding dual left-turn lanes, dedicated right-turn lanes as well as other important features. Traffic flow has improved dramatically and the result of the project has provided an added level of safety to road traffic and pedestrians. This project is referred to as "Center Pointe" and has attracted additional businesses to the general area.

Cover Art by Miriam Limon, City of Yuma Marketing Specialist

CITY COUNCIL

Douglas J. Nicholls, Mayor
William Craft, Deputy Mayor
Gary Knight
Jacob Miller
Michael Shelton
Edward C. Thomas
Gary Wright

City Administration

Gregory K. Wilkinson
City Administrator

Ricky Rinehart
Deputy City Administrator

City Departments

City Attorney
Richard W. Files

City Clerk
Lynda L. Bushong

Community Development
Laurie L. Lineberry

Engineering
Jay Simonton, Acting

Finance
Donald (Pat) Wicks

Fire Department
Steven Irr, Chief

Human Resources
Ron Corbin

Information Technology
Ron Corbin, Acting

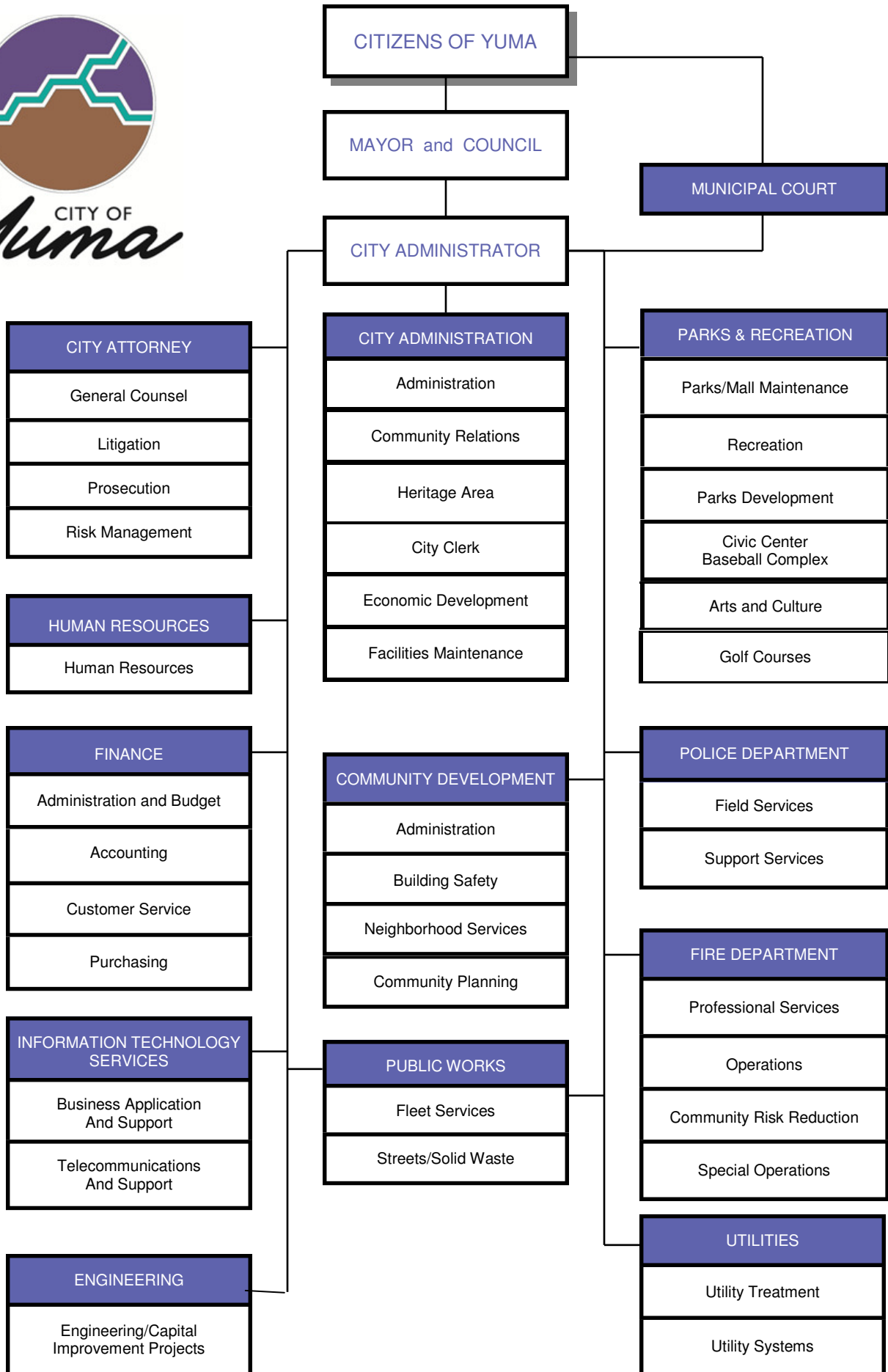
Municipal Court
James F. Coil, Judge

Parks and Recreation
Deborah Wendt

Police Department
John J. Lekan, Chief

Public Works
Joel Olea

Utilities
Jay Simonton



City of Yuma, Arizona
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2017

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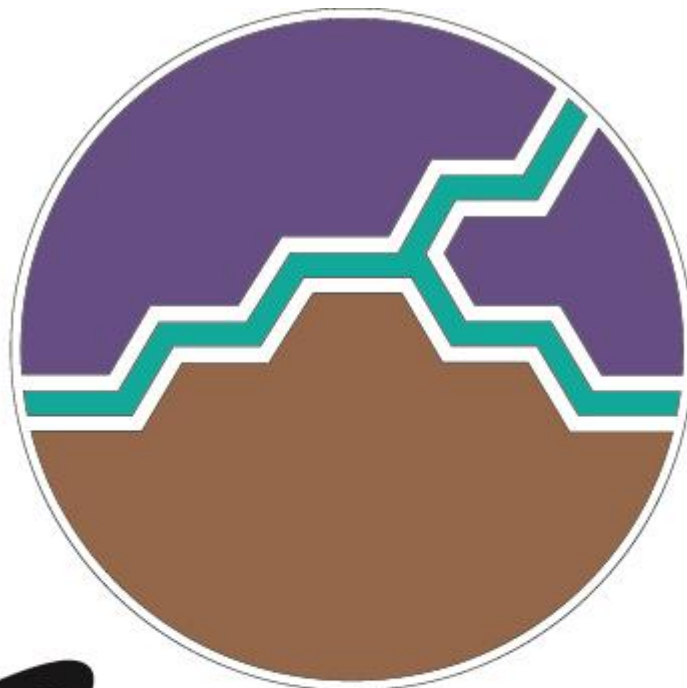
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INTRODUCTORY SECTION



CITY OF
Yuma



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

November 29, 2017

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, 2017. 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, 2017, 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, 2017, 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.

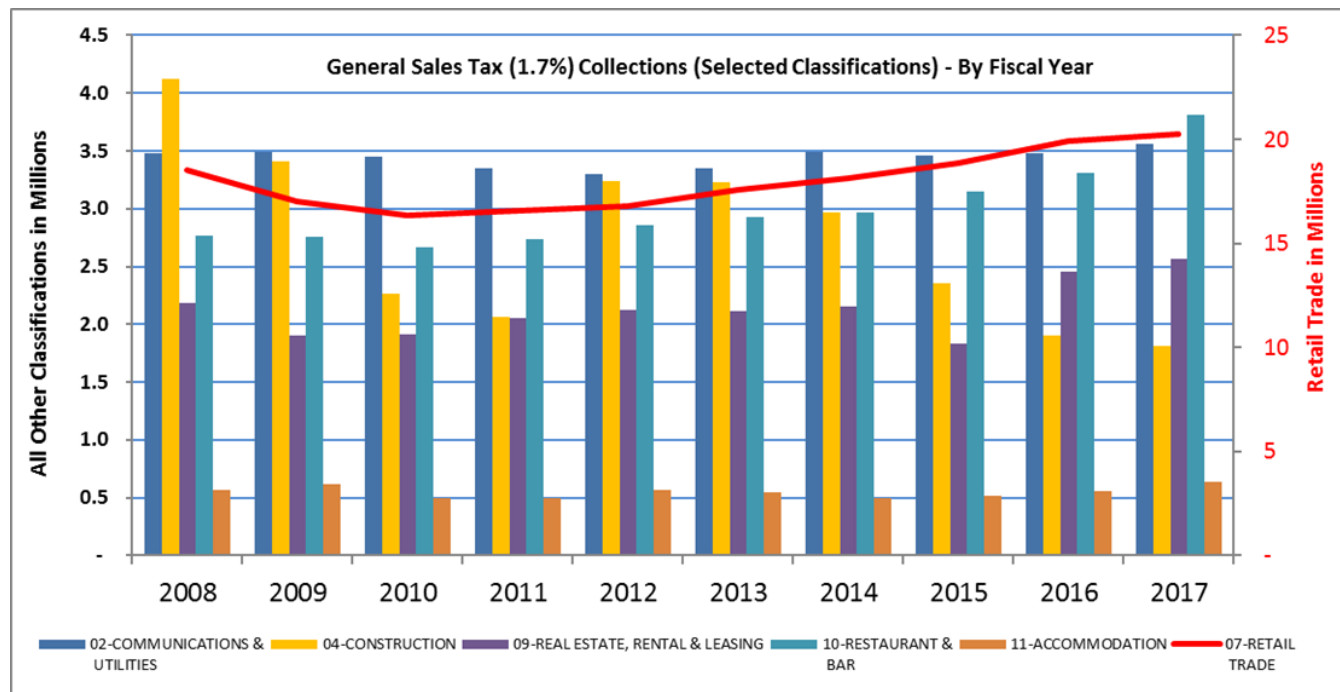
The United States Marine Corps Air Station (MCAS) and United States Army Yuma Proving Ground (YPG) help provide economic stability. These two installations continue to be cornerstones in the military’s flight training and equipment testing programs. Both should survive any continued base closure efforts 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, at least three 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 3.3% for fiscal year 2017. Tax data show that Retail Trade, annually the largest segment of the sales tax measure, increased by 1.7% over 2016. Construction sales tax again declined some (4.7)% for the year, however, compared to 2016's decrease of (19.1)%, this category is certainly headed in the right direction. Construction has begun on the new Almark processing facility and several new businesses, such as Sprouts Farmers Market and Sportsman's Warehouse have opened their doors for business here in Yuma. Overall, sales taxes are anticipated conservatively to grow 3.5% for fiscal year 2018.



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 2017. 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 2017, 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 32 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, 2016. This is the thirty fifth 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,

A handwritten signature in black ink, appearing to read "Donald Wicks", written in a cursive style.

Donald (Pat) Wicks, CPA
Finance Director



Government Finance Officers Association

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

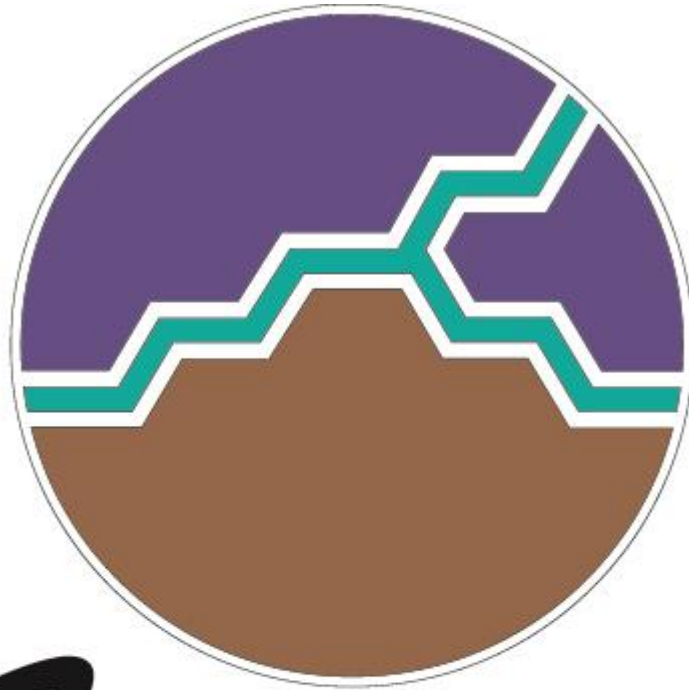
Presented to

**City of Yuma
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

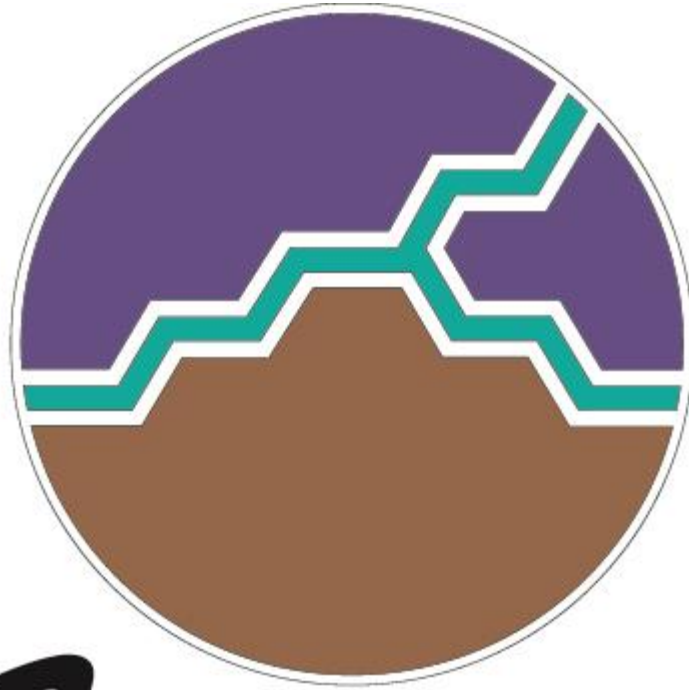
June 30, 2016

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, 2017, 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, 2017, 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.J, the city implemented the provisions of the Governmental Accounting Standards No. 77, *Tax Abatement Disclosures*, for the year ended June 30, 2017, which represents a change in the 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, and other postemployment benefit 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 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 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 November 29, 2017, on our consideration of City of Yuma, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Yuma, Arizona's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
November 29, 2017

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, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the City's net position decreased by \$3.8 million for the fiscal year, governmental activities decreased \$10.4 million while business-type activities of the City increased \$6.6 million
- The City's government-wide net position totaled \$352.6 million at June 30, 2017. 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 \$91.0 million in governmental programs and negative \$30.7 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 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 82.

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 106.

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 68 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 82.

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 \$352.7 million at the close of the fiscal year.

Net Position: (millions)	Governmental Activities		Business-type Activities		Total	
			June 30, 2017			
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 99.6	\$ 111.9	\$ 81.7	\$ 76.6	\$ 181.3	\$ 188.5
Capital assets	291.1	285.4	276.0	286.7	567.1	572.1
Total assets	390.7	397.3	357.7	363.3	748.4	760.6
Pension	36.2	25.8	2.5	1.2	38.7	27.0
Deferred Charges on Refunding	3.4	3.8	5.3	5.2	8.7	9.0
Total Deferred Outflows of Resources	39.6	29.6	7.8	6.4	47.4	36.0
Long-term liabilities outstanding	257.1	256.8	137.5	158.6	394.6	415.4
Other liabilities	22.5	12.0	14.9	5.3	37.4	17.3
Total liabilities	279.6	268.8	152.4	163.9	432.0	432.7
Pension	9.3	6.4	1.8	1.1	11.1	7.5
Total Deferred Inflows of Resources	9.3	6.4	1.8	1.1	11.1	7.5
Net position:						-
Net Investment in capital assets	194.3	193.7	150.9	152.3	345.2	346.0
Restricted	38.1	49.6	-	2.7	38.1	52.3
Unrestricted	(91.0)	(91.6)	60.4	49.7	(30.6)	(41.9)
Total net position	\$ 141.4	\$ 151.7	\$ 211.3	\$ 204.7	\$ 352.7	\$ 356.4

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 decreased to \$352.6 million, down \$3.8 million from the prior year. Governmental activities decreased \$10.4 million while business-type activities increased \$6.6 million. Capital asset acquisitions were higher than the depreciation expense this year attributing to the increase in Capital assets in governmental activities. Unrestricted net position are those assets available to finance programs in the upcoming fiscal year and would increase when the portion of taxes and other revenues exceed operating expenses but are not invested in capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Changes in Net Position Fiscal Year Ended June 30, 2017 (millions)	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	\$ 13.1	\$ 14.8	\$ 47.4	\$ 44.5	\$ 60.5	\$ 59.3
Operating grants and contributions	1.9	2.5	-	-	1.9	2.5
Capital grants and contributions	1.8	0.6	5.9	6.4	7.7	7.0
General revenues:						
Property taxes	12.3	11.0	-	-	12.3	11.0
Sales taxes	41.6	40.2	-	-	41.6	40.2
Franchise taxes	3.1	3.2	-	-	3.1	3.2
Intergovernmental, unrestricted	31.7	30.2	-	-	31.7	30.2
Unrestricted investment earnings	0.7	0.4	0.4	0.3	1.1	0.7
Total revenues	106.2	102.9	53.7	51.2	159.9	154.1
Expenses:						
General government	8.7	9.1	-	-	8.7	9.1
Public safety	68.1	55.9	-	-	68.1	55.9
Streets	16.1	12.3	-	-	16.1	12.3
Parks, recreation and culture	14.9	14.2	-	-	14.9	14.2
Environmental health and protection	-	0.7	-	-	-	0.7
Community design and development	4.5	4.3	-	-	4.5	4.3
Interest on long-term debt	4.4	4.5	-	-	4.4	4.5
Water	-	-	22.8	23.4	22.8	23.4
Wastewater	-	-	16.5	16.6	16.5	16.6
Solid Waste	-	-	3.7	3.3	3.7	3.3
Radio Communications	-	-	2.3	2.2	2.3	2.2
Golf courses	-	-	1.7	1.9	1.7	1.9
Total expenses	116.7	101.0	47.0	47.4	163.7	148.4
Increase/(Decrease) in net position before transfers	(10.5)	1.9	6.7	3.8	(3.8)	5.7
Transfers	0.1	0.3	(0.1)	(0.3)	-	-
Increase/(Decrease) in net position	(10.4)	2.2	6.6	3.5	(3.8)	5.7
Net Position - July 1	151.7	149.5	204.7	201.2	356.4	350.7
Net Position - June 30	\$ 141.3	\$ 151.7	\$ 211.3	\$ 204.7	\$ 352.6	\$ 356.4

For the fiscal year, net position decreased \$3.7 million, with \$10.3 million of the decrease coming from governmental activities.

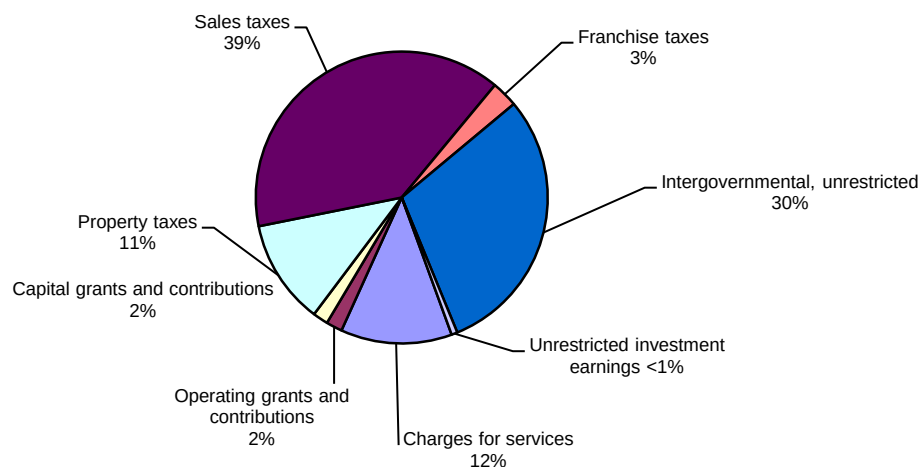
Governmental Activities

Revenues

Governmental activities revenues totaled \$106.2 million for fiscal year 2017, an increase of \$3.3 million from 2016, primarily in Sales Tax Revenues. Local sales taxes remain the largest revenue source for the City and are comprised of the 1% general sales tax along with a .5% road tax and a .2% public safety tax. State-shared revenues are the City's second largest revenue source. State-shared revenues include state sales tax, urban revenue sharing (income tax), auto in-lieu tax and highway user funds (gas tax). Sales taxes and state shared revenues account for 58.7% 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 13.1% of governmental revenues. Property taxes represent 12.3% 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 3.3% from 2016, reflecting an improvement in the economy over last year.
- Charges for services decreased by \$1.7 million primarily from a decrease in public safety usage by the public and a slight increase in development revenue.
- Property taxes increased 12.7% to \$12.3 million as the City Council allowed the property tax rate to increase to offset the increased need for public safety and road repair.

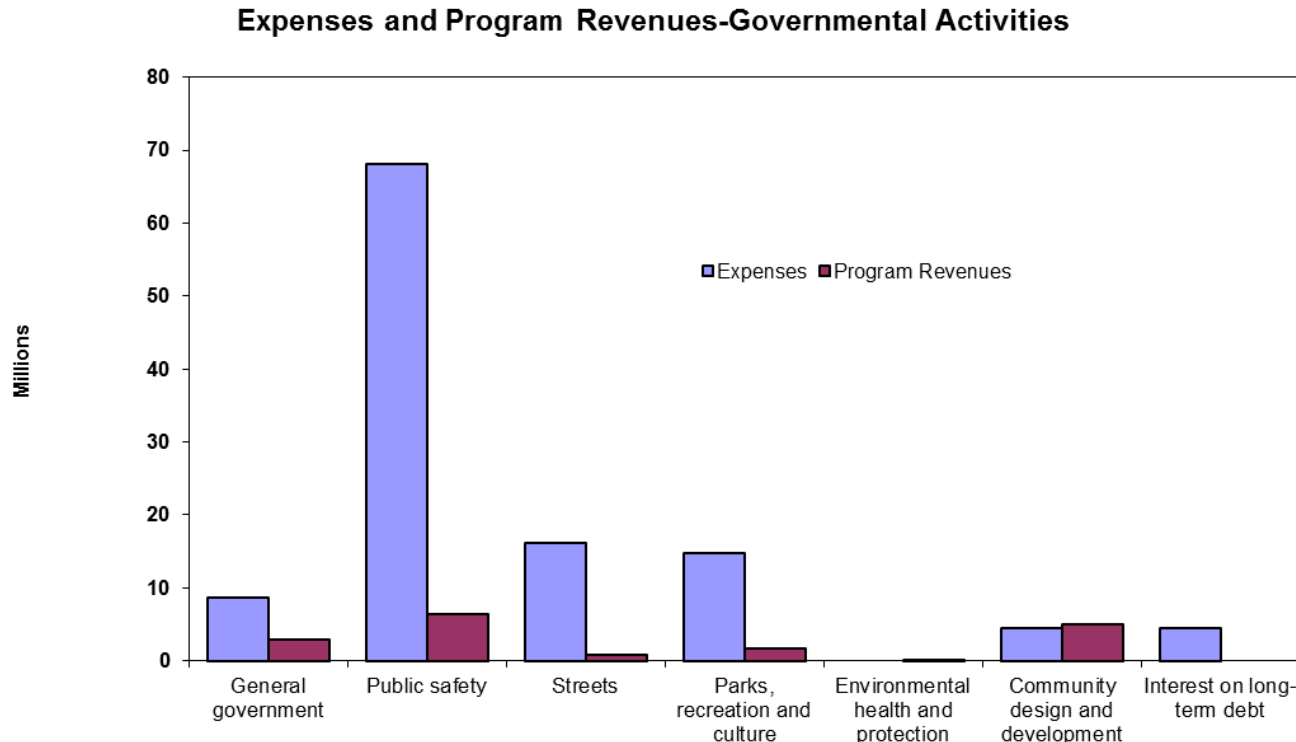
**Revenues-
Governmental Activities**



Expenses

Governmental expenses totaled \$116.8 million for the fiscal year. Of the expenses, 58.4% or \$68.2 million is related to public safety for police, fire and municipal court services. Parks, recreation and culture expenses amounted to \$14.7 million, or 12.6% and Streets was \$16.1 million, 13.8%, while community design and development expenses amounted to 3.9%. General government expenses came to \$8.7 million, or 7.5%. Interest on long-term debt was

\$4.4 million, or 3.8% of governmental expenses. Overall, governmental activities expenses increased \$15.6 million from 2016, driven primarily by an increase in Public Safety expenditures of \$12.3 million.



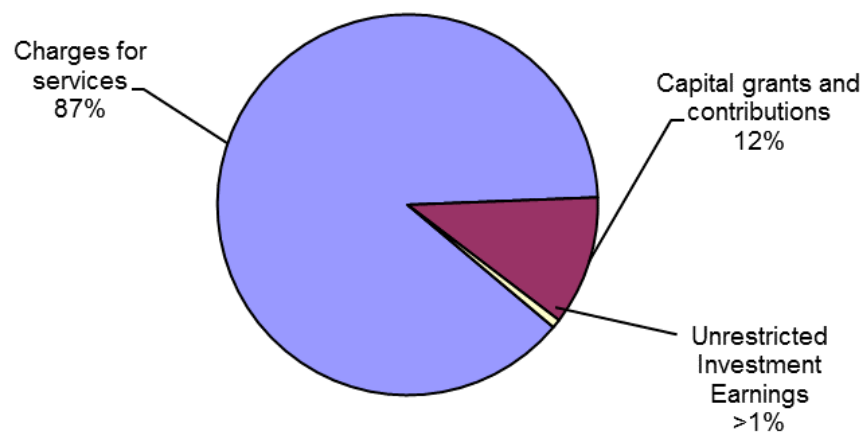
The chart above compares governmental activities with their respective program revenues, if any. Because the ultimate beneficiary of services of these types is often difficult to ascertain or the services apply to a broad spectrum of users (such as in fire protection), user fees are not created and general 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 \$47.4 million in charges for services, 88% comes from the City's two utility operations, water and wastewater. The remaining charges are from solid waste, radio communications and the City's two golf courses, Desert Hills and Desert Hills Par 3. The \$5.9 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 .74% of revenues for the City's business activities.

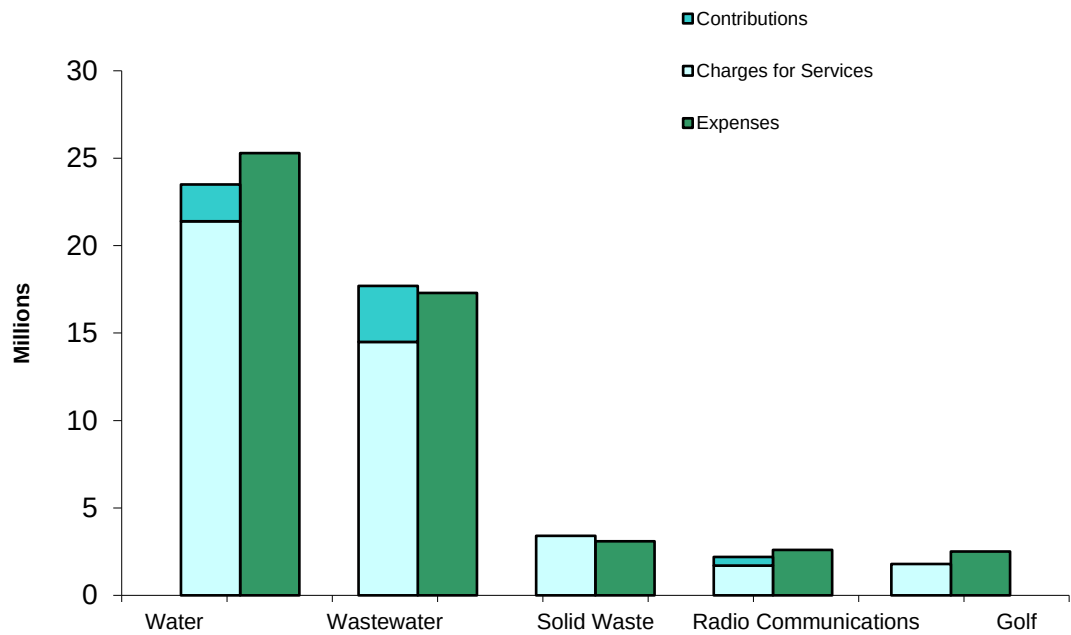
Revenues-Business-type Activities



Expenses

Water and wastewater services account for 83.6% of the City's business-type activities with solid waste, radio communication and golf courses making up the remaining 16.4%. Water expenses amounted to \$22.8 million while wastewater expenses totaled \$16.5 million. Solid Waste, Radio Communications, and Desert Hills Golf Courses recorded expenses of \$3.7 million, \$2.3 million and \$1.7 million, respectively, for a total of \$7.7 million.

Expenses vs. Program Revenues-Business-type Activities



MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2017, is \$59.0 million, a decrease from 2016 of \$15.0 million. A review of some of the more significant funds follows.

General Fund

The fund balance of the General Fund decreased by \$0.8 million for the fiscal year 2017. Revenues increased by \$3.8 million. Sales taxes, the city's largest source of General Fund revenues, increased \$0.7 million (1.68%) to \$21.2 million, representing a robust increase in retail sales. Property taxes increased by \$1.3 million to \$12.3 million. State-shared vehicle registration tax (auto lieu tax) increased 1.3% to \$3.7 million. Total expenditures increased \$5.1 million to \$67.4 million. Most of the increase occurred in Public Safety expenditures, in part due to the City again needing to use current staff operating ambulance services in an overtime status. Public Safety Retirement contributions were also increased this year.

City Road Tax Fund

This fund accounts for the one-half cent sales tax for use on the City's roadways in conjunction with HURF. The fund balance decreased by \$0.2 million for the year. In the same manner as general sales tax in the General Fund, sales taxes increased in 2017 by \$0.3 million to \$10.6 million. Operational expenditures increased by \$2.9 million from 2016.

Debt Service

Debt Service Fund expenditures increased \$0.5 million to \$11.5.

Highway User Revenue Fund (HURF)

This fund, which accounts for the expenditure of state-shared gasoline taxes, showed an increase in fund balance of \$0.8 million for the year, increasing to \$4.7 million. The City's portion of those taxes increased by 2% for the fiscal year to \$7.5 million. All maintenance expenditures for streets and retention basins are made in the HURF Fund. Expenditures increased from 2016 by \$0.8 million to \$6.7 million.

Grants Fund

The City continues to receive much needed assistance from both the state and federal levels. During 2017, revenues decreased to 2.1 million, due the expiration of several grants. Again this year, Homeland Security was the primary source of grants, funding the Operation Stone Garden. In addition, the City of Yuma received funding from the Environmental Protection Agency for conducting community wide assessments at potential Brownfields sites contaminated with Petroleum or Hazardous Substances.

Community Redevelopment Fund

The City continued to utilize, in part, its Community Development Block Grant funding for eligible street infrastructure improvements and for affordable housing rehabilitation. Community Development Block Grant revenues increased to \$0.8 million for 2017.

Capital Projects Fund

The Capital Projects Fund's fund balance has decreased to \$19.5 million this year and the city continues to expend the proceeds of the 2007 bond sale. Capital expenditures in fiscal year 2017 were \$17.7 million.

Proprietary funds. The City's enterprise funds posted an overall increase in net position of \$6.6 million for the fiscal year ended June 30, 2017. Results were mixed between the various funds. Water and Wastewater posted

MANAGEMENT'S DISCUSSION AND ANALYSIS

increases while Wastewater, Solid Waste, Radio Communications and Desert Hills Golf Course Funds posted decreases in net position.

Water Fund

Operating revenues for the Water Fund increased by \$1.2 million or 5% for the year ending June 30, 2017. Operating expenses decreased by 4.0% with attendant improvements implemented. With these changes, operating income increased to \$3.8 million. Capital contributions held steady at \$2.7 million, leading to the fund's net position increase of \$3.8 million.

Wastewater Fund

The Wastewater Fund operating revenues increased 6% from fiscal 2016. Rate-based charges increased 6% to \$16.0 million. Operating expenses increased by 2% with income from operations increasing to \$756 thousand. Capital contributions remained steady at \$3.2 million, increasing the fund's net position by \$3.7 million.

Radio Communications

With the reclassification of the Radio Communications fund to an enterprise fund, federal grants for the Yuma Regional Communications System were classified in the fund. Operating revenues increased 10.3% to \$1.9 million due to an increase in other agencies communication product purchases through the YRCS. Operating expenses increased 2.7% to \$1.9 million, with the fund's net position decreasing to \$1.9 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2017, can be found starting on page 73. A summary of that schedule follows:

	Budget		Actual	Variance with Final
	Original	Final		
Revenues and Transfers In				
Taxes	\$ 37.1	\$ 37.1	\$ 36.7	\$ (0.4)
Intergovernmental	24.5	24.5	24.2	(0.3)
Other	8.5	8.5	10.3	1.8
Transfers In	-	-	-	-
Total	70.1	70.1	71.2	1.1
Expenditures and Transfers Out				
Expenditures	67.9	67.9	67.4	0.5
Transfers Out	4.6	4.6	4.6	-
Total	72.5	72.5	72.0	0.5
Change in Fund Balance	\$ (2.4)	\$ (2.4)	\$ (0.8)	\$ 1.6

General Fund revenues and transfers ended the year \$1.1 million over expectations. Ambulance billing collections and Auto-in-Lieu Tax accounted for \$1.0 million and \$0.2 million of the increase, respectively, while State Revenue Sharing, Franchise Tax, Property Tax and State Sales Tax decreased this by \$0.4 million, \$0.2 million, \$0.2 million, and \$0.1 million respectively. The important revenue source of city sales tax decreased by less than \$0.1 million.

Expenditures for the fund came in at \$0.5 million below budget mostly due to contingency budget not being used. General Government and Community Development showed savings of \$1.8 million and \$0.3 million, respectively. However, Public Safety exceeded budget by \$1.7 million due to overtime needed in excess of projections by the Ambulance Transport division. Savings in budget occurred in most departments with the City's drive to reduce expenditures throughout the year. The City continued to target all areas of expenditure reduction. Due to the departments' diligence, the General Fund's anticipated reduction of fund balance decreased from a reduction of \$2.4 million to a reduction of \$0.8 million.

CAPITAL ASSETS

At June 30, 2017, the City of Yuma's investment in capital assets in both governmental and business-type activities amounted to \$566.8 million, net of depreciation. This includes land, buildings, equipment, and infrastructure (roadways and bridges). Capital assets for governmental activities increased by 2% while business-type capital assets decreased by 4%. These changes included the following:

- Improvements to Police Parking Garage building were completed.
- 24th Street: Avenue B to Avenue C
- The 16th and 4th Avenue Intersection Improvements construction project was completed.
- A number of major water and sewer lines were completed.
- Several land exchanges and land sales were finalized this year.
- The largest decrease was due to fewer new assets being acquired and/or constructed than depreciation expense on existing assets in the Business-Type Activities.

	Change in Capital Assets (In Millions)						
	Governmental Activities			Business-type Activities			Total
	July 1, 2016	Net Additions/ Deletions	June 30, 2017	July 1, 2016	Net Additions/ Deletions	June 30, 2017	
Land	\$ 56.0	\$ (3.5)	\$ 52.5	\$ 10.6	\$ -	\$ 10.6	\$ 63.1
Buildings	95.4	0.1	95.5	164.6	-	164.6	260.1
Improvements	50.0	0.2	50.2	274.3	7.3	281.6	331.8
Infrastructure	253.5	13.9	267.4	-	-	-	267.4
Equipment	58.3	1.1	59.4	13.6	0.2	13.8	73.2
Construction in Progress	10.5	(262.8)	(252.3)	5.1	(201.7)	(196.6)	(448.9)
Accumulated Depreciation	(238.2)	256.4	18.2	(181.6)	183.5	1.9	20.1
Total	\$ 285.5	\$ 5.4	\$ 290.9	\$ 286.6	\$ (10.7)	\$ 275.9	\$ 566.8

Additional information on capital assets can be found in Note II-E starting on page 44.

DEBT ADMINISTRATION

At June 30, 2017, after scheduled debt payments, governmental activity debt decreased by \$7.3 million while business activity debt increased to \$132.7 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 \$119.1 million. This City currently has no outstanding general obligation debt nor is there any debt outstanding for the other type of issuance.

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

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 46-50.

	Summary of Long-Term Debt					
	(Millions)					
	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Yuma Municipal Property Corporation Bonds	\$ 104.7	\$ 111.0	\$123.8	\$ 89.7	\$ 228.5	\$ 200.7
Net Unamortized						
Premium/Issuance Costs	8.0	8.7	8.9	9.5	16.9	18.2
Improvement Districts	1.4	1.7	-	-	1.4	1.7
Contracts Payable	-	-	-	45.0	-	45.0
Pension	145.9	129.3	13.6	13.4	159.5	142.7
Compensated Absences	6.4	6.1	1.1	1.0	7.5	7.1
Total Long-Term Debt	\$ 266.4	\$ 256.8	\$147.4	\$ 158.6	\$ 413.8	\$ 415.4

ECONOMIC FACTORS

Yuma County's growth is sluggish but improving. The county grew by an estimated 1,028 residents to 204,275 with the City of Yuma representing 46% of the county's population. Since 2000, the City has grown by 3% to an estimated 93,400 for 2014 (the most recent available). The City's economy is based on a triad of agriculture, tourism and military/government spending. Agribusiness continues to lead the economy, contributing well over \$3 billion annually. The area's 85,000-plus winter visitors add over \$500 million to the mix, while two prominent military installations infuse some \$300 million to the economy.

Property taxes are limited constitutionally in Arizona, so other local revenues make up the most significant reflectors of the condition of the economy. Sales tax, the City's primary source of general revenues, posted a 3.3% increase this year, compared to its historic growth rate of 7%. For fiscal year 2017, General Fund revenues were projected with a 5.4% increase.

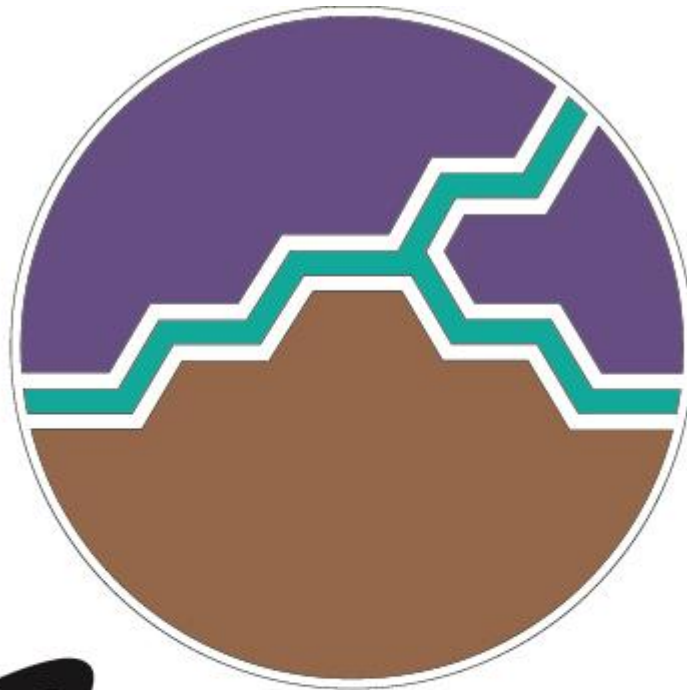
With sales tax statistics improving, the economy continues to strengthen. During 2017, the following major economic events occurred:

- MarTech Medical Products, arriving in late 2017, will ship \$100 million worth of products across the globe.
- Almark Company began construction on its new plant, which will bring 100 full-time, year-round jobs to Yuma by spring 2018.

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

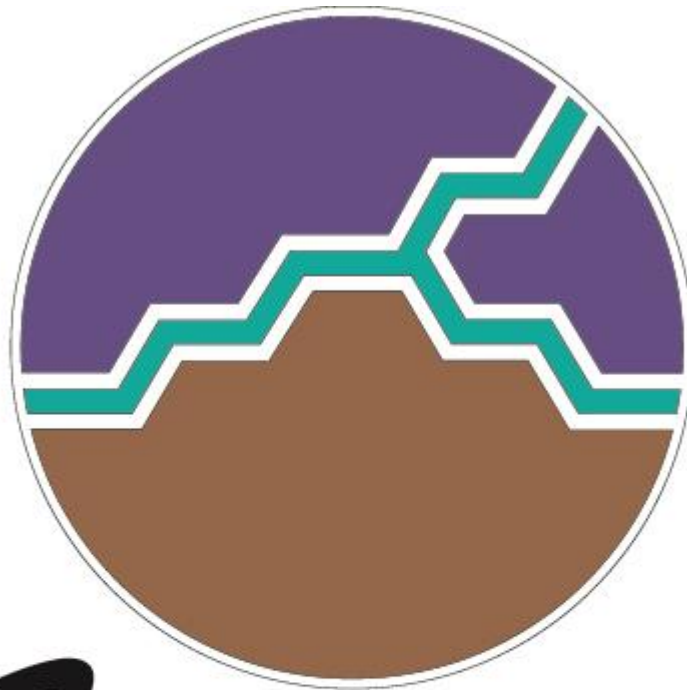
CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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



CITY OF
Yuma

BASIC FINANCIAL STATEMENTS



CITY OF
Yuma

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Yuma, Arizona
Statement of Net Position
June 30, 2017

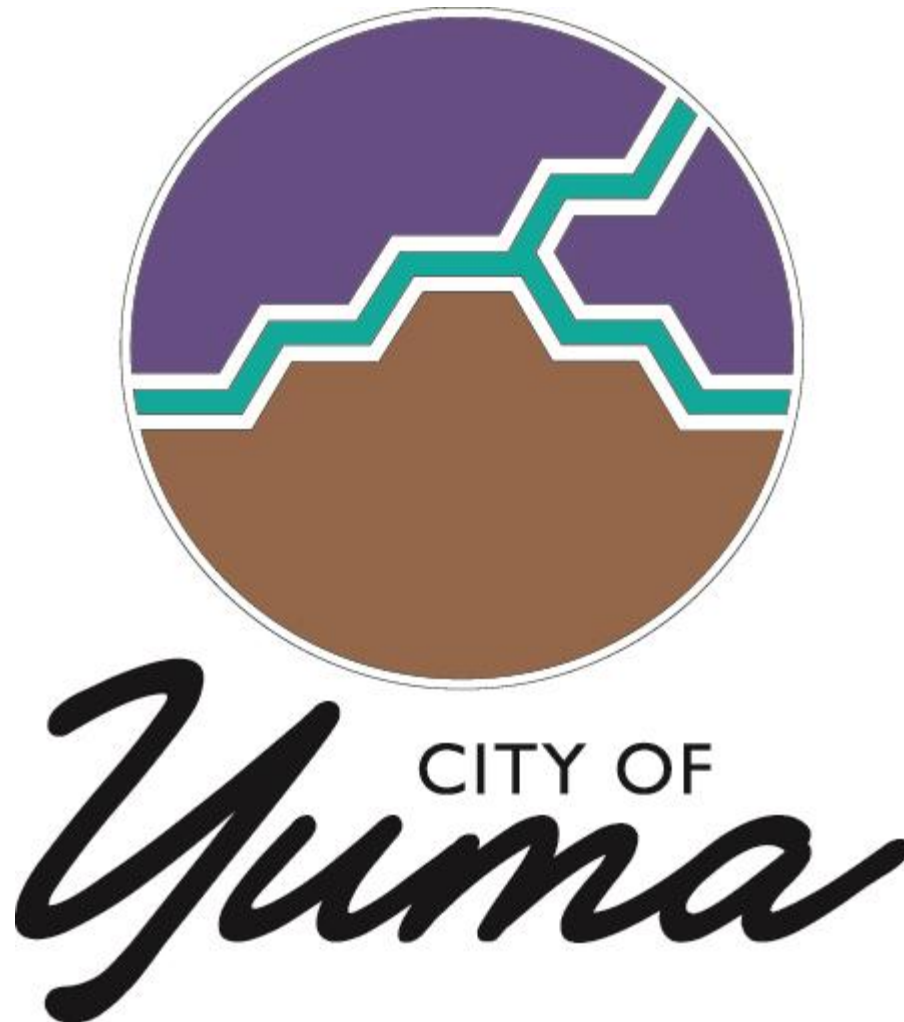
<u>Assets</u>	Governmental Activities	Business-type Activities	Total
Cash and Investments	\$ 85,502,927	\$ 77,015,282	\$ 162,518,209
Receivables, Net	12,808,849	4,842,625	17,651,474
Internal Balances	422,411	(422,411)	-
Inventory, at cost	762,306	211,691	973,997
Prepaid Items	151,954	18,363	170,317
Capital Assets:			
Non-depreciable	70,781,086	12,485,924	83,267,010
Depreciable, Net	220,175,985	263,575,113	483,751,098
Total Assets	<u>390,605,518</u>	<u>357,726,587</u>	<u>748,332,105</u>
<u>Deferred Outflows of Resources</u>			
Pension Investments PSPRS Police - Projection/Actual diff	3,447,427	-	3,447,427
Pension Investments PSPRS Fire - Projection/Actual diff	2,363,872	-	2,363,872
Pension Contributions ASRS - Current Year	2,388,682	899,701	3,288,383
Pension Contributions PSPRS Police - Current Year	4,871,869	-	4,871,869
Pension Contributions PSPRS Fire - Current Year	3,723,304	-	3,723,304
Other Pension Items ASRS	4,159,906	1,566,837	5,726,743
Other Pension Items PSPRS Police	8,787,128	-	8,787,128
Other Pension Items PSPRS Fire	6,496,903	-	6,496,903
Deferred Charges on Refunding	<u>3,420,350</u>	<u>5,307,309</u>	<u>8,727,659</u>
Total Deferred Outflows of Resources	<u>39,659,441</u>	<u>7,773,847</u>	<u>47,433,288</u>
<u>Liabilities</u>			
Accounts Payable and Deposits	5,169,544	2,314,958	7,484,502
Accrued Liabilities	3,576,532	369,432	3,945,964
Accrued Interest Payable	2,319,515	2,182,932	4,502,447
Unearned Revenue	2,207,415	161,922	2,369,337
Noncurrent Liabilities:			
Due within one year			
Current portion of Accrued Compensated Absences	2,410,678	348,368	2,759,046
Current portion of Debt	6,805,000	9,522,001	16,327,001
Due in more than one year			
Accrued Compensated Absences	3,987,931	723,753	4,711,684
Pension	145,870,705	13,594,323	159,465,028
Debt	<u>107,292,877</u>	<u>123,137,909</u>	<u>230,430,786</u>
Total Liabilities	<u>279,640,197</u>	<u>152,355,598</u>	<u>431,995,795</u>
<u>Deferred Inflows of Resources</u>			
Pension Investments ASRS - Projection/Actual difference	1,909,583	719,247	2,628,830
Pension Investments PSPRS Police - Projection/Actual diff	850,538	-	850,538
Pension Investments PSPRS Fire - Projection/Actual diff	586,391	-	586,391
Other Pension Items ASRS	2,976,688	1,121,176	4,097,864
Other Pension Items PSPRS Police	387,419	-	387,419
Other Pension Items PSPRS Fire	<u>2,591,028</u>	<u>-</u>	<u>2,591,028</u>
	<u>9,301,647</u>	<u>1,840,423</u>	<u>11,142,070</u>
<u>Net Position</u>			
Net Investment in capital assets	194,292,220	150,899,026	345,191,246
Restricted for:			
Debt Service	1,371,968	-	1,371,968
Community Development	809,823	-	809,823
Road Maintenance and Construction	16,945,261	-	16,945,261
Public Works Projects	10,117,459	-	10,117,459
PS Police equipment and facilities	1,676,702	-	1,676,702
PS Fire equipment and facilities	558,901	-	558,901
Parks, recreation and cultural facilities	6,576,548	-	6,576,548
Unrestricted	<u>(91,025,767)</u>	<u>60,405,387</u>	<u>(30,620,380)</u>
Total Net Position	<u>\$ 141,323,115</u>	<u>\$ 211,304,413</u>	<u>\$ 352,627,528</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, 2017

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	\$ 8,741,283	\$ 2,724,006	\$ 13,008	\$ 211,357	\$ (5,792,912)	\$ -	\$ (5,792,912)
Public Safety	68,133,891	5,036,941	951,336	373,890	(61,771,724)	-	(61,771,724)
Streets	16,063,406	-	-	821,516	(15,241,890)	-	(15,241,890)
Parks, Recreation and Culture	14,891,709	1,195,296	80,015	326,219	(13,290,179)	-	(13,290,179)
Environmental Health and Protection	25,821	-	-	84,265	58,444	-	58,444
Community Design and Development	4,524,183	4,204,900	831,684	231	512,632	-	512,632
Interest on Long-Term Debt	4,400,887	-	-	-	(4,400,887)	-	(4,400,887)
Total Governmental Activities	116,781,180	13,161,143	1,876,043	1,817,478	(99,926,516)	-	(99,926,516)
Business-type Activities:							
Water	22,815,907	23,786,900	-	2,672,080	-	3,643,073	3,643,073
Wastewater	16,474,087	16,752,173	-	3,239,221	-	3,517,307	3,517,307
Solid Waste	3,726,997	3,509,738	-	-	-	(217,259)	(217,259)
Radio Communications	2,312,633	1,949,337	-	-	-	(363,296)	(363,296)
Golf Courses	1,679,735	1,421,959	-	-	-	(257,776)	(257,776)
Total Business-type Activities	47,009,359	47,420,107	-	5,911,301	-	6,322,049	6,322,049
Total	\$ 163,790,539	\$ 60,581,250	\$ 1,876,043	\$ 7,728,779	(99,926,516)	6,322,049	(93,604,467)
General Revenues:							
Property taxes					12,354,493	-	12,354,493
Sales taxes					41,653,489	-	41,653,489
Franchise taxes					3,066,678	-	3,066,678
Intergovernmental, unrestricted					31,712,561	-	31,712,561
Unrestricted investment earnings					687,053	352,669	1,039,722
Total general revenues					89,474,274	352,669	89,826,943
Transfers					85,344	(85,344)	-
Total general revenues and transfers					89,559,618	267,325	89,826,943
Change in net position					(10,366,898)	6,589,374	(3,777,524)
Net position-beginning					151,690,013	204,715,039	356,405,052
Net position-ending					\$ 141,323,115	\$ 211,304,413	\$ 352,627,528

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



FUND FINANCIAL STATEMENTS

City of Yuma, Arizona
Balance Sheet
Governmental Funds
June 30, 2017

<u>Assets</u>	General	City Road Tax	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total
Cash and Investments	\$ 12,944,632	\$ 12,363,377	\$ 1,101	\$ 22,743,846	\$ 9,559,917	\$ 57,612,873
Cash with Fiscal Agents	-	-	8,803,415	-	-	8,803,415
Receivables, Net of Allowances for Uncollectibles:						
Accounts Receivable	4,398,115	39,890	6,905	145,518	1,163,705	5,754,133
Intergovernmental	2,398,277	544,189	-	310,531	1,785,195	5,038,192
Special Assessments	20,169	-	1,370,000	-	-	1,390,169
Delinquent Property Taxes	533,775	-	-	-	3,427	537,202
Accrued Interest	24,080	18,709	-	6,954	13,203	62,946
Due from Other Funds	1,991,793	-	-	-	-	1,991,793
Inventory, at cost	27,221	-	-	-	7,849	35,070
Prepaid Items	90,895	4,094	-	-	53,915	148,904
Total Assets and Other Debits	22,428,957	12,970,259	10,181,421	23,206,849	12,587,211	81,374,697
<u>Liabilities</u>						
Accounts Payable	\$ 795,632	\$ 868,112	\$ -	\$ 1,858,384	\$ 687,092	\$ 4,209,220
Accrued Payroll, Taxes and Benefits Payable	1,953,181	69,918	-	-	173,184	2,196,283
Long-Term Debt - Current Portion	-	-	6,485,000	-	-	6,485,000
Due to Other Funds	-	-	4,940	-	586,509	591,449
Accrued Interest Payable	-	-	2,319,515	-	-	2,319,515
Deposits	381,214	13,672	-	-	32,063	426,949
Unearned Revenues	15,564	900	-	1,806,235	384,716	2,207,415
Total Liabilities	3,145,591	952,602	8,809,455	3,664,619	1,863,564	18,435,831
<u>Deferred Inflows of Resources</u>						
Unavailable Revenues	1,729,669	-	1,370,000	-	813,251	3,912,920
<u>Fund Balances:</u>						
Nonspendable:						
Inventory	27,221	-	-	-	7,849	35,070
Prepaid Items	90,895	4,094	-	-	53,915	148,904
Spendable	-					
Restricted	-	12,013,563	1,966	14,012,675	9,848,632	35,876,836
Committed	-	-	-	5,529,555	-	5,529,555
Unassigned	17,435,581	-	-	-	-	17,435,581
Total Fund Balances	17,553,697	12,017,657	1,966	19,542,230	9,910,396	59,025,946
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 22,428,957	\$ 12,970,259	\$ 10,181,421	\$ 23,206,849	\$ 12,587,211	\$ 81,374,697

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, 2017

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

Total Fund Balances per the Balance Sheet-Governmental Funds:	\$ 59,025,946
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	283,331,682
Revenues deferred to later years recognized in year levied in governmental activities.	
Special Assessment/Loan Principal	\$ 2,179,818
Property Tax	537,202
Ambulance Billings	<u>1,195,900</u>
	3,912,920
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(6,333,056)
Pension Liability	(119,237,286)
MPC bonds payable	(98,250,000)
Improvement District #68	(1,370,000)
Net unamortized deferred charges or premiums are not recorded in the governmental funds	(7,992,877)
Deferred charges on debt refunding are not recognized in the current period	3,420,350
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>24,815,436</u>
Net position - Governmental Activities per the Statement of Net Position	<u><u>\$ 141,323,115</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, 2017

	General	City Road Tax	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 36,713,465	\$ 10,601,757	\$ -	\$ -	\$ 9,707,258	\$ 57,022,480
Licenses and Permits	2,063,660	-	-	-	-	2,063,660
Intergovernmental	24,210,198	-	-	-	10,279,151	34,489,349
Charges for Services	5,966,022	21,378	-	2,493,846	670,551	9,151,797
Fines and Forfeitures	1,228,496	-	-	-	-	1,228,496
Special Assessments	-	-	305,000	-	-	305,000
Use of Money and Property	304,488	244,120	72,502	184,465	84,025	889,600
Contributions and Donations	-	-	-	-	170,003	170,003
Miscellaneous	745,558	391,982	-	-	309,469	1,447,009
Total Revenues	71,231,887	11,259,237	377,502	2,678,311	21,220,457	106,767,394
Expenditures:						
Current:						
General Government	7,835,951	-	-	-	86,678	7,922,629
Public Safety	47,971,752	683,631	-	-	3,190,882	51,846,265
Streets	-	2,518,689	-	-	5,739,860	8,258,549
Parks, Recreation and Culture	8,059,752	-	-	-	5,121,852	13,181,604
Environmental Health and Protection	-	-	-	-	50,298	50,298
Community Design and Development	3,409,401	-	-	-	1,075,892	4,485,293
Capital Outlay	136,800	18,924	-	-	1,547,465	1,703,189
Capital Projects:						
General Government	-	-	-	173,895	287,103	460,998
Public Safety	-	-	-	34,834	36,535	71,369
Streets	-	2,768,232	-	4,968,866	357,212	8,094,310
Parks, Recreation and Culture	-	383,305	-	12,342,941	184,720	12,910,966
Environmental Health and Safety	-	477,522	-	158,764	-	636,286
Debt Service						
Principal	-	-	6,790,000	-	-	6,790,000
Interest and Fiscal Agent Fees	-	-	4,720,309	-	-	4,720,309
Total Expenditures	67,413,656	6,850,303	11,510,309	17,679,300	17,678,497	121,132,065
Revenues Over/(Under) Expenditures	3,818,231	4,408,934	(11,132,807)	(15,000,989)	3,541,960	(14,364,671)
Other Financing Sources/(Uses):						
Transfers In	-	-	11,131,416	-	123,775	11,255,191
Transfers Out	(4,610,060)	(4,557,518)	-	-	(2,718,091)	(11,885,669)
Total Other Financing Sources/(Uses)	(4,610,060)	(4,557,518)	11,131,416	-	(2,594,316)	(630,478)
Net Change in Fund Balances	(791,829)	(148,584)	(1,391)	(15,000,989)	947,644	(14,995,149)
Fund Balances - Beginning	18,345,526	12,166,241	3,357	34,543,219	8,962,752	74,021,095
Fund Balances - Ending	\$ 17,553,697	\$ 12,017,657	\$ 1,966	\$ 19,542,230	\$ 9,910,396	\$ 59,025,946

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, 2017

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

Net change in fund balances-governmental funds	\$ (14,995,149)
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	40,727
Public safety ambulance revenue	(1,224,144)
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	(3,996)
Special Assessment Principal Payments	(305,000)
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	(13,668,604)
Capital outlay expenditures reported as additions to assets:	
Capital outlay expenditures-governmental funds	23,877,118
Infrastructure maintenance expenditures recorded as capital outlay but not capitalized as asset additions	(898,167)
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	6,790,000
Increase in compensated absences expense not recorded in governmental funds	(251,569)
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.	(8,976,369)
The net effect of miscellaneous transactions involving capital assets (trades of land for rights-of-way) is to decrease net position.	(3,575,572)
Investment earnings of the internal service funds are general revenues on the statement of activities	83,902
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 refunds accrued in government-wide statements are not recorded in governmental activities until paid	(304,027)
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	1,230,921
Contributions of infrastructure assets are not recorded as revenues in the governmental funds	<u>777,787</u>
Change in net position of governmental activities	<u><u>\$ (10,366,898)</u></u>

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

City of Yuma, Arizona
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-Type Activities-Enterprise Funds				Governmental Activities Internal Service Funds
<u>Assets</u>	Water Fund	Wastewater Fund	Other Funds	Totals	
Current Assets:					
Cash and Investments	\$ 21,815,998	\$ 23,028,898	\$ 3,163,735	\$ 48,008,631	\$ 19,086,639
Receivables, Net of Allowance for Uncollectibles:					
Accounts Receivable	2,626,097	1,459,373	368,555	4,454,025	7,560
Intergovernmental	1,691	230,822	77,458	309,971	24
Accrued Interest	31,586	43,216	3,827	78,629	18,623
Inventory, at cost	88,656	-	123,035	211,691	727,236
Prepaid Expenses	14,185	3,842	336	18,363	3,050
Total Unrestricted Current Assets	<u>24,578,213</u>	<u>24,766,151</u>	<u>3,736,946</u>	<u>53,081,310</u>	<u>19,843,132</u>
Restricted Assets:					
Cash and Investments:					
Cash with Fiscal Agents	7,531,887	4,178,804	-	11,710,691	-
Advancement for Future Expansion	4,354,652	12,385,537	-	16,740,189	-
Customer Deposits	555,771	-	-	555,771	-
Total Restricted Current Assets	<u>12,442,310</u>	<u>16,564,341</u>	<u>-</u>	<u>29,006,651</u>	<u>-</u>
Total Current Assets	<u>37,020,523</u>	<u>41,330,492</u>	<u>3,736,946</u>	<u>82,087,961</u>	<u>19,843,132</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	159,048,486	119,250,026	3,341,093	281,639,605	222,733
Equipment	2,836,944	2,190,021	8,817,123	13,844,088	29,688,166
Construction In Progress	1,487,070	395,695	-	1,882,765	-
Less Accumulated Depreciation	(109,419,197)	(73,952,326)	(13,185,461)	(196,556,984)	(22,524,371)
Total Capital Assets	<u>161,821,554</u>	<u>112,163,863</u>	<u>2,075,620</u>	<u>276,061,037</u>	<u>7,625,389</u>
Total Noncurrent Assets	<u>161,821,554</u>	<u>112,163,863</u>	<u>2,075,620</u>	<u>276,061,037</u>	<u>7,625,389</u>
Total Assets	<u>198,842,077</u>	<u>153,494,355</u>	<u>5,812,566</u>	<u>358,148,998</u>	<u>27,468,521</u>
<u>Deferred Outflows of Resources</u>					
Pension Contributions - Current Year	425,188	302,860	171,653	899,701	-
Other Pension Items	740,468	527,433	298,936	1,566,837	-
Deferred Charges on Refunding	3,995,671	1,311,638	-	5,307,309	-
Total Deferred Outflows of Resources	<u>5,161,327</u>	<u>2,141,931</u>	<u>470,589</u>	<u>7,773,847</u>	<u>-</u>
<u>Liabilities</u>					
Current Liabilities Payable from Current Assets:					
Accounts Payable	728,165	307,146	221,576	1,256,887	229,350
Accrued Payroll and Related Taxes	171,276	127,845	70,311	369,432	33,906
Current Portion-Bonds Payable	5,877,138	3,644,863	-	9,522,001	-
Current Portion-Accrued Compensated Absences	152,134	113,920	82,314	348,368	21,828
Estimated Claims and Judgements	-	-	-	-	1,346,343
Due to Other Funds	-	-	-	-	1,400,344
Accrued Interest Payable	1,607,363	575,569	-	2,182,932	-
Unearned Revenue	-	-	136,302	136,302	-
Total Current Liabilities Payable from Current Assets	<u>8,536,076</u>	<u>4,769,343</u>	<u>510,503</u>	<u>13,815,922</u>	<u>3,031,771</u>
Current Liabilities Payable from Restricted Assets:					
Accounts Payable	475,349	5,201	-	480,550	-
Deposits	577,521	-	-	577,521	-
Unearned Revenue	-	25,620	-	25,620	-
Total Current Liabilities Payable from Restricted Assets	<u>1,052,870</u>	<u>30,821</u>	<u>-</u>	<u>1,083,691</u>	<u>-</u>
Total Current Liabilities	<u>9,588,946</u>	<u>4,800,164</u>	<u>510,503</u>	<u>14,899,613</u>	<u>3,031,771</u>
Noncurrent Liabilities:					
Bonds Payable	88,325,645	34,812,264	-	123,137,909	-
Pension Liability	6,424,510	4,576,159	2,593,654	13,594,323	-
Accrued Compensated Absences	350,624	228,027	145,102	723,753	43,725
Total Noncurrent Liabilities	<u>95,100,779</u>	<u>39,616,450</u>	<u>2,738,756</u>	<u>137,455,985</u>	<u>43,725</u>
Total Liabilities	<u>104,689,725</u>	<u>44,416,614</u>	<u>3,249,259</u>	<u>152,355,598</u>	<u>3,075,496</u>
<u>Deferred Inflows of Resources</u>					
Pension Investments - Projection/Actual difference	339,908	242,115	137,224	719,247	-
Other Pension Items	529,854	377,413	213,909	1,121,176	-
Total Deferred Inflows of Resources	<u>869,762</u>	<u>619,528</u>	<u>351,133</u>	<u>1,840,423</u>	<u>-</u>
<u>Net Position</u>					
Net investment in capital assets	73,805,032	75,018,374	2,075,620	150,899,026	7,625,389
Unrestricted	<u>24,638,885</u>	<u>35,581,770</u>	<u>607,143</u>	<u>60,827,798</u>	<u>16,767,636</u>
Total Net Position	<u>\$ 98,443,917</u>	<u>\$ 110,600,144</u>	<u>\$ 2,682,763</u>	<u>211,726,824</u>	<u>\$ 24,393,025</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				(422,411)	
Net position of business-type activities				<u>\$ 211,304,413</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, 2017

	Business-Type Activities-Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Wastewater Fund	Other Funds	Totals	
Operating Revenues:					
Metered Water Sales	\$ 22,133,979	\$ -	\$ -	\$ 22,133,979	\$ -
Commercial Raw Water	119,739	-	-	119,739	-
Wastewater Charges	-	16,043,416	-	16,043,416	-
Meters, Connections and Services	1,355,632	50,915	-	1,406,547	-
Charges for Services	-	-	5,442,180	5,442,180	5,470,799
Green Fees and Concessions	-	-	1,206,411	1,206,411	-
Equipment Rental	-	-	167,196	167,196	2,122,521
Miscellaneous Charges	-	-	-	-	2,149,638
Total Operating Revenues	<u>23,609,350</u>	<u>16,094,331</u>	<u>6,815,787</u>	<u>46,519,468</u>	<u>9,742,958</u>
Operating Expenses:					
Operations and Maintenance	11,437,313	9,433,398	7,305,171	28,175,882	5,767,977
Depreciation	8,355,205	5,903,422	699,786	14,958,413	2,301,696
Total Operating Expenses	<u>19,792,518</u>	<u>15,336,820</u>	<u>8,004,957</u>	<u>43,134,295</u>	<u>8,069,673</u>
Operating Income/(Loss)	<u>3,816,832</u>	<u>757,511</u>	<u>(1,189,170)</u>	<u>3,385,173</u>	<u>1,673,285</u>
Non-Operating Revenues/(Expenses):					
Interest	159,019	177,523	16,126	352,668	83,902
Gain/(Loss) on Disposal of Assets	-	-	-	-	(237,434)
Interest and Fiscal Agent Fees	(3,014,018)	(1,077,612)	-	(4,091,630)	-
Miscellaneous Revenues	177,550	657,842	65,247	900,639	-
Total Non-Operating Revenues/(Expenses)	<u>(2,677,449)</u>	<u>(242,247)</u>	<u>81,373</u>	<u>(2,838,323)</u>	<u>(153,532)</u>
Income/(Loss) before Contributions and Transfers	1,139,383	515,264	(1,107,797)	546,850	1,519,753
Capital Contributions	2,672,080	3,239,221	-	5,911,301	-
Transfers In	-	-	242,655	242,655	719,813
Transfers Out	<u>(59,563)</u>	<u>(65,939)</u>	<u>(202,497)</u>	<u>(327,999)</u>	<u>(3,991)</u>
Change in Net Position	3,751,900	3,688,546	(1,067,639)	6,372,807	2,235,575
Net Position - Beginning	<u>94,686,517</u>	<u>106,907,681</u>	<u>3,748,183</u>		<u>22,157,450</u>
Net Position - Ending	<u>\$ 98,438,417</u>	<u>\$ 110,596,227</u>	<u>\$ 2,680,544</u>		<u>\$ 24,393,025</u>
Adjustment for consolidation of internal service fund activities related to enterprise funds				<u>204,930</u>	
Change in net position of business-type activities				<u>\$ 6,577,737</u>	

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

City of Yuma, Arizona
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Business-Type Activities-Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Wastewater Fund	Other Funds	Totals	
Cash Flow from Operating Activities:					
Cash Received from Customers	\$ 23,778,532	\$ 16,132,395	\$ 6,921,464	\$ 46,832,391	\$ 9,688,526
Cash Paid to Employees	(5,254,982)	(3,943,033)	(2,187,013)	(11,385,028)	(1,069,438)
Cash Paid to Suppliers	(5,826,151)	(5,728,975)	(5,079,106)	(16,634,232)	(1,371,579)
Cash Paid for Operating Expenses	-	-	-	-	(2,226,091)
Other Operating Activity Revenue	177,550	657,842	65,246	900,638	-
Net Cash Provided by/(used for) Operating Activities	12,874,949	7,118,229	(279,409)	19,713,769	5,021,418
Cash Flows from Noncapital Financing Activities:					
Cash Received from Other Funds	-	-	242,655	242,655	719,813
Cash Paid to Other Funds	(59,563)	(65,939)	(202,498)	(328,000)	(3,991)
Net Cash Provided by/(Used for) Noncapital Financing Activities	(59,563)	(65,939)	40,157	(85,345)	715,822
Cash Flow from Capital and Related Financing Activities:					
Contributions of Capital	2,478,328	2,888,261	-	5,366,589	-
Acquisition and Construction of Assets	(2,751,928)	(1,022,877)	(32,259)	(3,807,064)	(1,480,075)
Proceeds from Sale of Capital Assets	-	-	-	-	34,538
Issuance of Debt - 2016 Sr Utility Bond	21,187,609	16,647,400	-	37,835,009	-
Premiums - Revenue Bonds	-	-	-	-	-
Principal Payments on Bonds	(2,891,350)	(863,650)	-	(3,755,000)	-
WIFA - Contracted Loan	(24,831,766)	(20,221,883)	-	(45,053,649)	-
Interest and Fiscal Agent Fee Payments	(3,846,866)	(1,547,598)	-	(5,394,464)	-
Net Cash (Used for) Capital and Related Financing Activities	(10,655,973)	(4,120,347)	(32,259)	(14,808,579)	(1,445,537)
Cash Flows from Investing Activities:					
Receipt of Interest	145,172	161,847	15,021	322,040	77,387
Net Cash Provided by Investing Activities	145,172	161,847	15,021	322,040	77,387
Net Increase/(Decrease) in Cash and Cash Equivalents	2,304,585	3,093,790	(256,491)	5,141,884	4,369,090
Cash and Cash Equivalents, July 1	31,953,723	36,499,449	3,420,226	71,873,398	14,717,549
Cash and Cash Equivalents, June 30	<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>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(used for) Operating Activities:					
Operating Income/(Loss)	\$ 3,816,832	\$ 757,511	\$ (1,189,170)	\$ 3,385,173	\$ 1,673,285
Adjustments to Reconcile Operating Income/(Loss)					
Depreciation and Amortization Expense	8,355,205	5,903,422	699,786	14,958,413	2,301,696
Decrease in Accounts Receivable	74,200	41,091	98,063	213,354	20,317
(Increase)/Decrease in Inventories	22,331	-	34,889	57,220	204,714
(Increase)/Decrease in Prepaid Items	(11,902)	(3,841)	33,612	17,869	871,457
Increase/(Decrease) in Accounts Payable	480,426	(181,510)	15,229	314,145	89,490
Increase/(Decrease) in Accrued Payroll and Related Taxes	62,147	41,322	18,136	121,605	(4,635)
Increase in Due from Other Gov't Units	-	-	(903)	(903)	-
(Decrease) in Claims Incurred but Not Reported	-	-	-	-	(285,081)
Increase in Customer Dep/Unearned Rev	35,193	-	1,023	36,216	-
Increase in Due to Other Funds	-	-	-	-	150,175
(Decrease) in Pension Exp/Def Outflows/Inflows	(137,033)	(97,608)	(55,321)	(289,962)	-
Other Operating Activity Revenue	177,550	657,842	65,246	900,638	-
Total Adjustments	9,058,117	6,360,718	909,761	16,328,596	3,348,133
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 12,874,949</u>	<u>\$ 7,118,229</u>	<u>\$ (279,409)</u>	<u>\$ 19,713,769</u>	<u>\$ 5,021,418</u>
Noncash Transactions Affecting Financial Position					
Contributions of Capital Assets	\$ 193,752	\$ 350,960	\$ -	\$ 544,712	\$ -
Total Noncash Transactions Affecting Financial Position	<u>\$ 193,752</u>	<u>\$ 350,960</u>	<u>\$ -</u>	<u>\$ 544,712</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, 2017

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, 2017, the City did not adopt any new accounting pronouncements.

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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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.

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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.

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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

- v. Formal budgetary integration is employed as a management control device during the fiscal year for all funds with legally adopted budgets (only the Employee Benefits Trust Internal Service Funds is not budgeted). Appropriations not expended at fiscal year-end lapse.
- vi. Budgetary amounts include those as originally adopted, and as amended by Council or City Administrator through the end of the fiscal year. Arizona State Statute does not allow supplemental budgets.
- vii. Expenditures incurred during the fiscal year may not legally exceed the publicly published budget. The maximum legal expenditure permitted for the fiscal year is the total adopted budget.

2) Budgetary Reporting and Budgetary Basis of Accounting:

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

F. Assets, Liabilities and Fund Equity Disclosures

1) Transactions between Funds:

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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, 2017, the estimated amounts of unbilled revenues for the Water, Wastewater and Solid Waste Enterprise Funds are \$981,681, \$641,870, and \$151,356, respectively.

6) Capital Assets:

In Fiscal Year 2017, the City amended its policy with regard to the capitalization of assets. In previous years, the City booked all capital assets acquired during a given fiscal year as of June 30 of said year. In its amended policy, the City books all acquired assets on a monthly basis and all CIP assets on a quarterly basis.

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. 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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

9) Pensions:

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

10) Fund Balance Policies:

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

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

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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	\$ 27,221	\$ -	\$ -	\$ -	\$ 7,849	\$ 35,070
Prepaid Items	90,895	4,094	-	-	53,915	148,904
Restricted for:						
Debt Service	-	-	1,968	-	-	1,968
Road Maintenance and Construction	-	12,013,563	-	219,125	4,712,573	16,945,261
PS-Police equipment and facilities	-	-	-	129,443	1,547,258	1,676,702
PS-Fire equipment and facilities	-	-	-	43,148	515,753	558,901
Parks, recreation and cultural facilities	-	-	-	3,503,500	3,073,048	6,576,548
Public works projects	-	-	-	10,117,459	-	10,117,459
Committed to:						
General government projects	-	-	-	24,136	-	24,136
Road Maintenance and Construction	-	-	-	831,946	-	831,946
PS-Police equipment and facilities	-	-	-	1,800,714	-	1,800,714
PS-Fire equipment and facilities	-	-	-	846,670	-	846,670
Parks, recreation and cultural facilities	-	-	-	1,988,995	-	1,988,995
Sanitation facilities	-	-	-	2,439	-	2,439
Public works projects	-	-	-	34,655	-	34,655
Unassigned:	17,435,581	-	-	-	-	17,435,581
Total Fund Balances	<u>\$ 17,553,697</u>	<u>\$ 12,017,657</u>	<u>\$ 1,968</u>	<u>\$ 19,542,230</u>	<u>\$ 9,910,396</u>	<u>\$ 59,025,948</u>

G. Revenues, Expenditures, Expenses and Other Disclosures

1) Property Tax Revenue Recognition:

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

2) Compensated Absences:

The City's administrative regulations provide permanent City employees with general and major illness leave in varying amounts based on years of service. In addition, employees may accrue hours worked on holidays for absences or payment in the future. General leave vests with the employee as it is earned. General and holiday leave with related benefits for the governmental funds, \$5,304,048, and for the internal service funds, \$44,456, are recorded in the governmental activities column of the government-wide financial statements. The amounts of general and holiday leave pay and related benefits attributable to the Water, Wastewater, Solid Waste, Radio Communications, and Desert Hills Enterprise Funds are \$399,606, \$271,636, \$67,769, \$67,345 and \$49,031, respectively, and are recorded in those funds and in the business-type activities of the government-wide statements and accrued as earned.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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, 2017, the amount accumulated in sick pay and related benefits is \$7,795,583 including \$48,559 attributable to Internal Service Funds and \$1,440,150 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, \$1,029,008, is reported within the governmental activities column of the government-wide financial statements, as current amounts of that liability have been determined to be immaterial and are not recorded within the respective governmental funds. The provision for probable future major illness leave and related benefits attributable to the Equipment Maintenance and Insurance Reserve Internal Service Funds is \$17,656 and \$3,441, respectively, and Water, Wastewater, Solid Waste, Radio Communications, and Desert Hills Golf Course Enterprise Funds of \$103,152, \$70,311, \$16,396, \$16,162 and \$10,713, 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 judgments 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, 2017, each agreement and all agreements in the aggregate are deemed immaterial for financial reporting purposes.

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, 2017, the City’s deposits had a carrying value of \$876,542 and a bank balance of \$3,653,560. 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, 2017 included petty cash and change fund balances of \$34,720.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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, 2017, 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, 2017, were as follows:

Investment Type	Fair Value	Investment Maturities in Years			
		< 1 Year	1-2 Years	2-3 Years	3-5 Years
US Treasury Notes/Bills	\$ 5,598,332	\$ 3,994,698	\$ 1,603,626	\$ -	\$ -
Commercial Paper	3,999,720	3,999,720	-	-	-
US Agencies:					
Federal Farm Credit Bank	8,986,421	8,986,421	-	-	-
Federal Home Loan Bank	9,503,610	1,499,312	6,004,492	1,999,806	-
Federal Home Loan Mtg. Corp.	26,905,070	10,991,912	9,963,420	3,985,752	1,963,986
Federal National Mtg. Assoc.	4,968,407	2,995,041	1,973,366	-	-
Federal Agricultural Mtg. Corp.	3,996,682	1,997,852	1,998,830	-	-
Money Market Funds	27,156,473	27,156,473	-	-	-
Wells Fargo-Bus Market Fund	-	-	-	-	-
State Investment Pool 5	70,492,449	70,492,449	-	-	-
Total Value	<u>\$ 161,607,164</u>	<u>\$ 132,113,878</u>	<u>\$ 21,543,734</u>	<u>\$ 5,985,558</u>	<u>\$ 1,963,986</u>

Credit Risk

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

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

At June 30, 2017, 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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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%	3.46%
U. S. Government agencies, instrumentalities and government sponsored enterprises	No more than 80%	33.64%
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%	2.47%
Maximum per issuer	10% of total C. P	0%
Repurchase Agreements	100%	0%
Money Market Funds	100%	16.80%
State Investment Pool	100%	43.62%

Interest Rate Risk

Interest Rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with State law and its investment policy, the City sets a maximum maturity on any investment of five years. Unless matched to a specific requirement, no more than 25% of the portfolio may have maturities greater than three years. There are no investments with maturities greater than five years, and there are no holdings with a stated maturity beyond five years. The portfolio at June 30, 2017, had a weighted average maturity of 378 days. The policy does not set a maximum for this measurement.

Custodial Credit Risk

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

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, 2017

The City has the following recurring fair value measurements as of June 30, 2017:

Investments Measured at Fair Value

		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)
	June 30, 2017			
Investments by fair value level:				
U.S. Treasury Notes/Bills	\$ 5,598,324	\$ 5,598,324	\$ -	\$ -
Commerical Paper	3,999,511	3,999,511	-	-
US Agencies:				
Federal Farm Credit Bank	8,986,421	8,986,421	-	-
Federal Home Loan Bank	9,503,610	9,503,610	-	-
Federal Home Loan Mtg. Corp.	26,905,070	26,905,070	-	-
Federal National Mtg. Assoc.	4,968,407	4,968,407	-	-
Federal Agricultural Mtg.Corp.	3,996,682	3,996,682	-	-
Total investments by fair value level	<u>63,958,025</u>	<u>\$ 63,958,025</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV)				
Money Market Funds	\$ 27,156,473			
State Investment Pool 5	<u>70,492,449</u>			
Total investments measured at the NAV	<u>97,648,922</u>			
Total investments measured at fair value	<u>\$ 161,606,947</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 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 2015-16 (Tax Year 2015) and fiscal year 2016-17 (Tax Year 2016), follow:

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

	<u>Tax Year 2015</u>	<u>Tax Year 2016</u>
Primary Assessed Valuation	\$ 521,876,027	\$ 516,395,727
Primary Tax Rate	2.0704	2.0704
Primary Tax Levy	10,854,190	12,144,078
Secondary Assessed Valuation	591,748,335	557,377,145
Secondary Tax Rate/Levy	None	None
Current Tax Collections	10,562,850	11,965,580
Delinquent Tax Collections	194,190	223,021
Delinquent Taxes Outstanding as of June 30	486,090	533,775.15

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	\$ 4,398,115	\$ 2,398,277	\$ 20,169	\$ 533,775	\$ 24,080	\$ 7,374,416
City Road Tax	39,890	544,189	-	-	18,709	602,788
Debt Service	6,905	-	1,370,000	-	-	1,376,905
Capital Projects	145,518	310,531	-	-	6,954	463,003
Water	2,626,097	1,691	-	-	31,586	2,659,374
Wastewater	1,459,373	230,822	-	-	43,216	1,733,411
Other Funds-Governmental	1,163,705	1,785,195	-	3,427	13,203	2,965,530
Other Funds-Enterprise	368,555	77,458	-	-	3,827	449,840
Internal Service	7,560	24	-	-	18,623	26,207
Total	<u>\$10,215,718</u>	<u>\$5,348,187</u>	<u>\$ 1,390,169</u>	<u>\$ 537,202</u>	<u>\$160,198</u>	<u>\$17,651,474</u>

	<u>Allowance Amount</u>	
	<u>2017</u>	<u>2016</u>
Enterprise Funds:		
Solid Waste	\$ 9,575	\$ 10,483
Water	85,661	106,482
Wastewater	47,770	56,440

During the year, 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 is receivable in October of FY18.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

D. Due from Other Governments (Intergovernmental Receivables)

Amounts due from other government units at June 30, 2017, are as follows:

	Agencies				
	Federal	State	County	Local	Total
Governmental Funds					
Major Funds					
General	\$ -	\$1,998,312	\$225,052	\$174,913	\$2,398,277
City Road Tax	-	543,821	-	368	544,189
Capital Projects	-	308,846	1,685		310,531
Non-major Funds					
Highway User Revenue	-	669,027	-	-	669,027
Public Safety Tax	-	217,454	-	-	217,454
Two Percent Tax	-	264,596	-	-	264,596
Mall Maintenance	-	-	7,153	-	7,153
Grants	402,380	37,957	-	-	440,337
Community Redevelopment	186,628	-	-	-	186,628
Enterprise Funds:					
Major Funds					
Water	-	1,691	-	-	1,691
Wastewater	193,821	382	-	36,619	230,822
Non-major Funds					
Solid Waste	-	4,690	-	-	4,690
Radio Communications	-	26	4,525	66,586	71,137
Desert Hills Golf Course	-	1,631	-	-	1,631
Internal Service Funds					
Equipment Maintenance	-	24	-	-	24
Total	\$ 782,829	\$4,048,457	\$238,415	\$278,486	\$5,348,187

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

E. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2017, follows:

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
Capital Assets Not Being Depreciated:				
Land	\$ 55,923,403	\$ 152,044	\$ 3,543,432	\$ 52,532,015
Construction in Progress	10,568,523	21,138,243	13,457,695	18,249,071
Total Capital Assets Not Being Depreciated	66,491,926	21,290,287	17,001,127	70,781,086
Other Capital Assets:				
Buildings	95,383,062	104,617	-	95,487,679
Improvements	50,033,314	133,824	-	50,167,138
Infrastructure	253,447,145	13,997,041	-	267,444,186
Equipment	58,271,371	3,350,154	2,259,671	59,361,854
Total Other Capital Assets	457,134,892	17,585,636	2,259,671	472,460,857
Less Accumulated Depreciation for:				
Buildings	40,404,735	3,126,375	-	43,531,110
Improvements	39,315,670	1,986,222	-	41,301,892
Infrastructure	114,415,218	6,578,648	-	120,993,866
Equipment	44,113,361	4,279,055	1,934,412	46,458,004
Total Accumulated Depreciation	238,248,984	15,970,300	1,934,412	252,284,872
Other Capital Assets, Net	218,885,908	1,615,336	325,259	220,175,985
Total Capital Assets, Governmental Activities	\$ 285,377,834	\$ 22,905,623	\$ 17,326,386	\$ 290,957,071

Government activities capital assets net of accumulated depreciation at June 30, 2017, include:

Governmental Funds Capital Assets, Net	\$ 283,331,682
Internal Service Funds Capital Assets, Net	7,625,389
Total	<u>\$ 290,957,071</u>

Depreciation was charged to governmental functions as follows:

General Government and Unclassified	\$ 1,992,889
Public Safety	3,332,421
Streets	6,612,599
Parks, Recreation, and Culture	1,460,709
Environmental Health and Protection	98,536
Community Design and Development	171,450
Assets held by Internal Service Funds are charged based on usage of assets	2,301,696
Total	<u>\$ 15,970,300</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

Capital asset activity for business-type activities for the year ended June 30, 2017, follows:

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
Capital Assets Not Being Depreciated:				
Land	\$ 10,603,159	\$ -	\$ -	\$ 10,603,159
Construction in Progress	5,180,162	3,516,924	6,814,322	1,882,764
Total Capital Assets Not Being Depreciated	<u>15,783,321</u>	<u>3,516,924</u>	<u>6,814,322</u>	<u>12,485,923</u>
Other Capital Assets:				
Buildings	164,648,404	-	-	164,648,404
Improvements	274,280,569	7,359,034	-	281,639,603
Equipment	13,581,693	290,140	27,747	13,844,086
Total Other Capital Assets	<u>452,510,666</u>	<u>7,649,174</u>	<u>27,747</u>	<u>460,132,093</u>
Less Accumulated Depreciation for:				
Buildings	21,429,316	3,301,003	-	24,730,319
Improvements	148,522,780	10,960,781	-	159,483,561
Equipment	11,674,224	696,627	27,747	12,343,104
Total Accumulated Depreciation	<u>181,626,320</u>	<u>14,958,411</u>	<u>27,747</u>	<u>196,556,984</u>
Other Capital Assets, Net	<u>270,884,344</u>	<u>(7,309,237)</u>	<u>-</u>	<u>263,575,109</u>
Total Capital Assets, Business-type activities	<u>\$ 286,667,667</u>	<u>\$ (3,792,313)</u>	<u>\$ 6,814,322</u>	<u>\$ 276,061,032</u>

Depreciation was charged to programs as follows:

Water	\$ 8,355,204
Wastewater	5,903,421
Solid Waste	32,380
Radio Communications	499,024
Golf courses	168,382
Total	<u>\$ 14,958,411</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 \$7.7 million.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

F. Noncurrent Liabilities

The following changes occurred in noncurrent liabilities during the fiscal year ended June 30, 2017:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017	Due Within One Year
Governmental activities:					
Yuma Municipal Property Corporation	\$111,010,000	\$ -	\$ 6,275,000	\$ 104,735,000	\$ 6,485,000
Improvement District #68	1,675,000	-	305,000	1,370,000	320,000
Unamortized Premium	8,659,486	-	666,609	7,992,877	-
Pension	129,306,805	145,870,705	129,306,805	145,870,705	-
Compensated Absences	6,154,190	253,898	9,477	6,398,611	2,410,678
Total Governmental Activity					
Noncurrent Liabilities	<u>\$256,805,481</u>	<u>\$ 146,124,603</u>	<u>\$ 136,562,891</u>	<u>\$ 266,367,193</u>	<u>\$ 9,215,678</u>
Business-type activities:					
Yuma Municipal Property Corporation	\$ 89,675,000	\$ 37,835,000	\$ 3,755,000	\$ 123,755,000	\$ 9,522,001
Unamortized Premium	9,498,560	-	593,660	8,904,900	-
Contracts Payable	45,053,649	-	45,053,649	-	-
Pension	13,371,326	13,594,323	13,371,326	13,594,323	-
Compensated Absences	993,826	99,776	21,476	1,072,126	348,367
Total Business-type Activity					
Noncurrent Liabilities	<u>\$158,592,361</u>	<u>\$ 51,529,099</u>	<u>\$ 62,795,111</u>	<u>\$ 147,326,349</u>	<u>\$ 9,870,368</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.

Bonded Debt - Excluding Refunded Debt

New Debt Issues

MPC Senior Utility System Revenue Refunding Bonds, Series 2016 - On November 8, 2016 the Yuma Municipal Property Corporation issued \$37,835,000 in private placement bonds with a true interest cost of 1.50 percent, for a refunding of \$40,414,511 of three outstanding loans issued by the Water Infrastructure Finance Authority of Arizona (WIFA) with interest rates of 2.252% and 3.311%. The net proceeds of \$37,699,720 (after payment of \$135,280 in issuance cost) along with \$2,714,791 of Debt Service Reserve funds, were used to pay off the full outstanding balance of the loans. As a result, the outstanding balances on the loans have been paid in full and the liability for those bonds has been removed from the government-wide financial statements. The acquisition price exceeded the net carrying amount of the old debt by \$495,005. This amount is reported as deferred charges and amortized over the new debt's life. This refunding was undertaken to reduce total debt service payments over the next 8 years by \$5,856,110 and resulted in an economic gain of \$2,807,574.

The following is a description of bonded indebtedness at June 30, 2017. 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.

Defeasances – The City defeased WIFA Loans by using 2016 Senior Utility Bond proceeds and City funds to pay off the outstanding total loan amount of \$39,919,507.

In prior years, the City defeased certain Revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. At year end, \$153.8 million of the defeased bonds are still outstanding.

The following is a description of bonded indebtedness at June 30, 2017. 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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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, 2017, the pledged revenues described above amounted to \$77,881,834 for governmental activities and \$46,242,202 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, 2017, debt service for governmental activities totaled \$11,510,309 and for business-type activities \$13,820,470, or 15% and 30% of pledged revenues, respectively.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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	\$ 20,785,000	\$ 259,897
2015 - Sr Lien Excise Rev & Refunding	3.5 - 5.0%	10/21/2015	2035	48,105,000	46,375,000	3,131,461
2015 - Sr Lien Road Tax Refunding	2.0 - 5.0%	10/21/2015	2027	40,280,000	37,575,000	4,601,519
2015 - Sr Lien Utility System Rev Refunding	3.25 - 5.0%	10/21/2015	2032	89,675,000	85,920,000	8,904,900
2016 - Sr Lien Utility System Rev Refunding	1.50%	11/8/2016	2024	37,835,000	37,835,000	-
Total MPC Bonds				<u>\$ 245,425,000</u>	<u>\$ 228,490,000</u>	<u>\$ 16,897,777</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, 2017, follows:

	Water, Etc. (20%)	All Other (6%)
Secondary Assessed Valuation	\$595,290,568	
Legal Limit	\$ 119,058,114	\$ 35,717,434
Outstanding G.O. Debt	-	-
Available Debt Margin	<u>\$ 119,058,114</u>	<u>\$ 35,717,434</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

Annual Debt Service Requirements to Maturity

BONDS AND IMPROVEMENT DISTRICTS

July 1	Principal	Interest	Total	Principal	Interest	Total
	MPC Bonds 2016 WIFA Repayment			MPC Bonds 2015 Excise		
2017	5,617,000	367,315	5,984,315	1,815,000	1,931,300	3,746,300
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>\$ 37,835,000</u>	<u>\$ 2,033,530</u>	<u>\$ 39,868,530</u>	<u>\$ 46,375,000</u>	<u>\$ 19,958,025</u>	<u>\$ 66,333,025</u>

July 1	Principal	Interest	Total	Principal	Interest	Total
	MPC Bonds 2015 Road Refunding 2007			MPC Bonds 2015 Series Utility Refunding 2007		
2017	\$ 2,760,000	\$ 1,767,950	\$ 4,527,950	\$ 3,905,000	\$ 3,798,338	\$ 7,703,338
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>\$ 37,575,000</u>	<u>\$ 11,114,700</u>	<u>\$ 48,689,700</u>	<u>\$ 85,920,000</u>	<u>\$ 32,886,258</u>	<u>\$ 118,806,258</u>

City of Yuma, Arizona
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July 1	Principal	Interest	Total	Principal	Interest	Total
	MPC Bonds 2010 Refunding 2001			Improvement District No. 68 Bonds		
2017	\$ 1,910,000	\$ 939,781	\$ 2,849,781	\$ 320,000	\$ 64,390	\$ 384,390
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>\$ 20,785,000</u>	<u>\$ 4,886,756</u>	<u>\$ 25,671,756</u>	<u>\$ 1,370,000</u>	<u>\$ 164,500</u>	<u>\$ 1,534,500</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.

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

At June 30, 2017, 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	\$ 145,870,705	\$ 13,594,323	\$ 159,465,028
Deferred outflows of resources	36,183,896	2,454,902	38,638,798
Deferred inflows of resources	9,301,647	1,840,423	11,142,070
Pension expense	19,984,518	598,101	20,582,619

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.

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

ASRS	Retirement	
	Initial membership date:	
	<u>Before July 1, 2011</u>	<u>On or after July 1, 2011</u>
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, 2017, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 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 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 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 9.47 percent (9.17 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.09 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, 2017 were \$3,288,383. The City's contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

ASRS	Health Benefit Supplement Fund	Long-Term Disability Fund
Year ended June 30		
2017	\$ 169,211	\$ 42,205
2016	142,902	34,404
2015	168,848	34,420

During fiscal year 2017, the City paid for ASRS pension and OPEB contributions as follows: approximately 55 percent from the General Fund, 26 percent from major funds, and 18 percent from other funds.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

Pension Liability – At June 30, 2017, the City reported a liability of \$49,686,854 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2016. 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, 2015, to the measurement date of June 30, 2016. The total pension liability as of June 30, 2016 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, 2016, increased by \$815,048 from the City's prior year liability of \$48,871,806 because of changes in the ASRS' net pension liability and the City's proportionate share of that liability. The ASRS' publicly available financial report provides details on the change in the net pension liability.

The City's proportion of the net pension liability was based on \$16,141,004,583. The City's proportion measured as of June 30, 2016, was 0.307830 percent, which was a decrease of 0.005920 from its proportion measured as of June 30, 2015.

Pension Expense and Deferred Outflows/Inflows of Resources – For the year ended June 30, 2017, the City recognized pension expense for ASRS of \$2,184,062. At June 30, 2017, 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
Differences between expected and actual experience	\$ 301,944	\$ 3,418,092
Changes of assumptions or other inputs	-	2,628,831
Net difference between projected and actual earnings on pension plan investments	5,384,401	-
Changes in proportion and differences between city contributions and proportionate share of contributions	40,398	679,772
City contributions subsequent to the measurement date	3,288,383	-
Total	<u>\$ 9,015,126</u>	<u>\$ 6,726,695</u>

The \$3,288,383 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, 2018. 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	
2018	\$ (2,618,195)
2019	(2,024,461)
2020	2,132,933
2021	1,509,770

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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

ASRS

Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
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

The actuarial assumptions used in June 30, 2015 valuation were based on results from an actuarial experience study for the 5-year period ended June 30, 2012.

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

ASRS	Long-Term	
Asset Class	Target 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 8.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
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ASRS	Current		
	1% Decrease (7%)	Discount Rate (8%)	1% Increase (9%)
City's proportionate share of the net pension liability	\$ 63,354,512	\$ 49,686,854	\$ 38,728,380

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
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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:

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
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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.

Employees Covered by Benefit Terms – At June 30, 2017, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Police	PSPRS Fire
Inactive employees or beneficiaries currently receiving benefits	120	79
Inactive employees entitled to but not yet receiving benefits	42	6
Active employees	164	108
Total	<u>326</u>	<u>193</u>

Contributions and Annual OPEB Cost – State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2017, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police	PSPRS Fire
Active members--Pension	11.65%	11.65%
City Pension	53.43%	59.46%
Health insurance premium benefit	0.00%	0.34%

For the agent plans, the City's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2017, were:

	PSPRS Police	PSPRS Fire
Pension Contributions made	\$ 4,871,869	\$ 3,723,304
Health Insurance Premium Benefit		
Annual OPEB cost	-	14,831
Contributions made	-	14,831

During fiscal year 2017, the City paid for PSPRS pension and OPEB contributions as follows: approximately 97 percent from the General Fund, 3 percent from other funds.

Pension Liability (Asset) – At June 30, 2017, the City reported the following net pension liabilities:

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
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	Net Pension Liability
PSPRS Police	\$ 59,214,489
PSPRS Fire	50,563,685

The net pension liabilities were measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	7.50%
Projected salary increases	4.0% - 8.0%
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table (adjusted by 105% for both males and females)

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011. The target allocation and best estimates of arithmetical real values of return for each major asset class are summarized in the following table:

PSPRS		Long-Term Expected Real
Asset Class	Target Allocation	Rate of Return
U.S. equity	16%	6.23%
Non-U.S. equity	14%	8.25%
Credit opportunities	13%	7.08%
Private equity	11%	9.50%
GTAA	10%	4.38%
Real Estate	10%	4.48%
Real Assets	8%	4.77%
Fixed income	7%	2.92%
Absolute Return	5%	4.11%
Risk Parity	4%	5.13%
Short Term Inv	2%	0.75%
Total	<u>100%</u>	

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

	PSPRS Police	PSPRS Fire
Discount rates	7.50%	7.50%

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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.

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, 2016	\$ 91,492,762	\$ 41,658,507	\$ 49,834,255
Changes for the year:			
Service cost	2,001,398	-	2,001,398
Interest on the total pension liability	7,036,487	-	7,036,487
Changes of benefit terms	2,526,647	-	2,526,647
Differences between expected and actual experience in the measurement of the pension liability	29,904	-	29,904
Changes of assumptions or other inputs	3,687,996	-	3,687,996
Contributions-employer	-	4,511,261	(4,511,261)
Contributions-employee	-	1,286,467	(1,286,467)
Net investment income	-	242,213	(242,213)
Benefit payments, including refunds of employee contributions	(5,713,372)	(5,713,372)	-
Administrative expense	-	(35,254)	35,254
Other changes	-	(102,489)	102,489
Net changes	9,569,060	188,826	9,380,234
Balances at June 30, 2017	<u>\$ 101,061,822</u>	<u>\$ 41,847,333</u>	<u>\$ 59,214,489</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

PSPRS Yuma Fire Department	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2016	\$ 72,687,330	\$ 28,715,260	\$ 43,972,070
Changes for the year:			
Service cost	1,504,175	-	1,504,175
Interest on the total pension liability	5,580,799	-	5,580,799
Changes of benefit terms	3,597,460	-	3,597,460
Differences between expected and actual experience in the measurement of the pension liability	(2,260,983)	-	(2,260,983)
Changes of assumptions or other inputs	2,732,266	-	2,732,266
Contributions-employer	-	3,700,007	(3,700,007)
Contributions-employee	-	947,173	(947,173)
Net investment income	-	166,820	(166,820)
Benefit payments, including refunds of employee contributions	(4,692,861)	(4,692,861)	-
Administrative expense	-	(24,404)	24,404
Other changes	-	(227,494)	227,494
Net changes	6,460,856	(130,759)	6,591,615
Balances at June 30, 2017	\$ 79,148,186	\$ 28,584,501	\$ 50,563,685

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	6.50%	7.50%	8.50%
Net pension liability	\$ 72,110,750	\$ 59,214,489	\$ 48,585,969
PSPRS Fire			
Rate	6.50%	7.50%	8.50%
Net pension liability	\$ 60,468,721	\$ 50,563,685	\$ 42,358,535

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, 2017

Pension Expense - For the year ended June 30, 2017, the City recognized the following pension expense:

	Pension Expense
PSPRS Police	\$ 9,526,986
PSPRS Fire	9,011,859

Pension Deferred Outflows/Inflows of Resources-At June 30, 2017, 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	\$ 25,545	\$ 387,419
Changes of assumptions or other inputs	8,761,583	-
Net difference between projected and actual earnings on pension plan investments	3,447,427	850,538
City contributions subsequent to the measurement date	4,871,869	-
Total	<u>\$ 17,106,424</u>	<u>\$ 1,237,957</u>

PSPRS Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 644,124	\$ 2,591,028
Changes of assumptions or other inputs	5,852,779	-
Net difference between projected and actual earnings on pension plan investments	2,363,872	586,391
City contributions subsequent to the measurement date	3,723,304	-
Total	<u>\$ 12,584,079</u>	<u>\$ 3,177,419</u>

City of Yuma, Arizona
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For the Year Ended June 30, 2017

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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred outflow/inflow amortization	PSPRS Police	PSPRS Fire
Year ending June 30		
2018	\$ 2,371,060	\$ 1,261,505
2019	2,371,060	1,261,502
2020	2,796,329	1,554,700
2021	2,454,088	1,313,593
2022	537,873	189,695
Thereafter	466,188	102,361

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

Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS Police			
2017	\$ -	100.00%	\$ -
2016	-	100.00%	-
2015	144,073	100.00%	-
PSPRS Fire			
2017	14,831	100.00%	-
2016	24,296	100.00%	-
2015	120,263	100.00%	-

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

Projections of benefits are based on (1) the plans as understood by the City and plans' members and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the City and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all PSPRS plans and related benefits (unless noted), and the actuarial methods and assumptions used to establish the fiscal year 2017 contribution requirements are as follows:

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
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PSPRS - OPEB Contribution Requirements

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level of percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.0% - 8.0%
includes inflation at	4.0%

The funded status of the PSPRS health insurance premium benefit plans in the June 30, 2016, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement.

PSPRS - OPEB Funded Status

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Amortization method	Level of percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	20 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4.0%-8.0%
includes inflation at	4.0%

Agent Plan OPEB Funded Status—The following table presents the funded status of the health insurance premium benefit plans as of the most recent valuation date, June 30, 2016. The Schedule of Funding Progress follows the notes to the financial statement, it is included in the required supplementary information.

	PSPRS Police	PSPRS Fire
Actuarial value of assets (a)	\$ 2,877,257	\$ 1,800,027
Actuarial accrued liability (b)	2,023,929	1,645,109
Unfunded actuarial accrued liability (funding excess) (b) - (a)	(853,328)	(154,918)
Funded ratio (a)/(b)	142.16%	109.42%
Annual covered payroll (c)	\$ 10,042,139	\$ 7,513,360
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (b) - (a) / (c)	-8.50%	-2.06%

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
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I. Interfund Receivables and Payables

Interfund balances at June 30, 2017, follow:

Interfund Receivable	
Major Funds	
Interfund Payable	General
Major Governmental Funds:	
Debt Service Fund	\$ 4,940
Nonmajor Governmental Funds:	
Community Redevelopment Fund	170,323
Grants Fund	416,186
Internal Service Funds:	
Equipment Maintenance Fund	1,400,344
Total Receivable	\$ 1,991,793

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, \$422,411, 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 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,

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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			
	Beginning	Claims and	Claim	End of Year	Beginning of	Claims and	Claim	End of Year
	of Year	Changes in			Year Liability	Changes in		
	Liability	Estimates	Payments	Liability	Year Liability	Estimates	Payments	Liability
2016-17	\$ 89,633	\$ 144,095	\$ 129,583	\$ 104,145	\$ 1,541,791	\$ 668,881	\$ 968,474	\$ 1,242,198
2015-16	71,170	75,703	57,240	89,633	2,127,429	855,671	1,441,309	1,541,791
2014-15	71,801	24,363	24,994	71,170	1,429,195	1,691,704	993,470	2,127,429

K. Construction Commitments

The City has active construction projects as of June 30, 2017. At year-end the government's commitments with contractors for specific projects are as follows:

Construction Commitments	Original Contract	Spent to Date	Remaining Commitment
Parks & Recreation	\$ 13,396,845	\$ 10,258,003	\$ 3,138,841
Streets	7,694,535	7,015,415	679,120
Wastewater	1,130,376	210,278	920,097
Water System	3,824,784	878,779	2,946,004
	<u>\$ 26,046,540</u>	<u>\$ 18,362,476</u>	<u>\$ 7,684,063</u>

L. Deficits in Fund Equity

At June 30, 2017, 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 \$358,297 at June 30, 2017. The City intends to adjust its internal charges in future fiscal years to eliminate this deficit.

M. Subsequent Event

On June 15, 2017, the City of Yuma loaned the Housing Authority of the City of Yuma (HACY), a non-profit organization and independent agency of the City of Yuma, a principal sum of \$1,900,000. This loan was due and payable within 90 days of the Promissory Note date of June 15, 2017. Subsequent to the close of these financial statements, HACY paid the full principal of the loan on October 2, 2017.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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, 2017.

B. Compliance

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

REQUIRED SUPPLEMENTARY INFORMATION

City of Yuma, Arizona
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Cost-Sharing Pension Plans
June 30, 2017

Arizona State Retirement System

	Reporting Fiscal Year			
	(Measurement Date)			
	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2006
City's proportion of the net pension liability	0.307830%	0.313750%	0.313075%	Information
City's proportionate share of the net pension liability	\$ 49,686,854	\$ 48,871,806	\$ 46,324,403	not available
City's covered payroll	\$ 30,108,876	\$ 28,462,610	\$ 28,442,751	
City's proportionate share of the net pension liability as a percentage of its covered payroll	165.02%	171.71%	162.87%	
Plan fiduciary net position as a percentage of the total pension liability	67.06%	63.85%	69.49%	

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, 2017

PSPRS Police

	Reporting Fiscal Year (Measurement Date)			2014 through 2006
	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability				Information not available
Service cost	\$ 2,001,398	\$ 2,064,841	\$ 2,043,247	
Interest on the total pension liability	7,036,487	6,836,389	5,718,621	
Changes of benefit terms	2,526,647	-	2,022,309	
Differences between expected and actual experience in the measurement of the pension liability	29,904	(500,429)	(53,936)	
Changes of assumptions or other inputs	3,687,996	-	9,770,998	
Benefit payments, including refunds of employee contributions	(5,713,372)	(5,926,760)	(4,619,148)	
Net change in total pension liability	9,569,060	2,474,041	14,882,091	
Total pension liability - beginning	91,492,762	89,018,721	74,136,630	
Total pension liability - ending (a)	<u>\$ 101,061,822</u>	<u>\$ 91,492,762</u>	<u>\$ 89,018,721</u>	
Plan fiduciary net position				
Contributions - employer	\$ 4,511,261	\$ 3,321,709	\$ 3,099,353	
Contributions - employee	1,286,467	1,313,708	1,103,885	
Net investment income	242,213	1,497,736	5,100,174	
Benefit payments, including refunds of employee contributions	(5,713,372)	(5,926,760)	(4,619,148)	
Administrative expense	(35,254)	(36,917)	(41,075)	
Other changes	(102,489)	(106,535)	(80,531)	
Net change in plan fiduciary net position	188,826	62,941	4,562,658	
Plan fiduciary net position - beginning	41,658,507	41,595,566	37,032,908	
Plan fiduciary net position - ending (b)	<u>\$ 41,847,333</u>	<u>\$ 41,658,507</u>	<u>\$ 41,595,566</u>	
City's net pension liability - ending (a) - (b)	\$ 59,214,489	\$ 49,834,255	\$ 47,423,155	

PSPRS Police

	Reporting Fiscal Year (Measurement Date)			2014 through 2006
	2017 (2016)	2016 (2015)	2015 (2014)	
Plan fiduciary net position as a percentage of the total pension liability	41.41%	45.53%	46.73%	Information not available
Covered payroll	\$ 10,042,139	\$ 10,739,726	\$ 10,916,220	
City's net pension liability as a percentage of covered payroll	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, 2017

PSPRS Fire

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

PSPRS Fire

	Reporting Fiscal Year (Measurement Date)			2014 through 2006
	2017 (2016)	2016 (2015)	2015 (2014)	Information not available
Plan fiduciary net position as a percentage of the total pension liability	36.12%	39.51%	41.34%	
Covered payroll	\$ 7,513,360	\$ 7,592,493	\$ 7,516,425	
City's net pension liability as a percentage of covered payroll	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, 2017

Arizona State Retirement System

	Reporting Fiscal Year				2013 through 2006
	2017	2016	2015	2014	
Statutorily required contribution	\$ 3,288,383	\$ 3,129,314	\$ 3,145,752	\$ 2,960,244	Information not available
City's contributions in relation to the statutorily required contribution	3,288,383	3,129,314	3,145,752	2,960,244	
City's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
City's covered payroll	\$ 30,108,876	\$ 28,462,610	\$ 28,442,751	\$ 27,663,180	
City's contributions as a percentage of covered payroll	10.92%	10.99%	11.06%	10.70%	

PSPRS Police

	Reporting Fiscal Year				2013 through 2006
	2017	2016	2015	2014	
Statutorily required contribution	\$ 4,871,869	\$ 4,514,793	\$ 3,301,671	\$ 3,099,836	Information not available
City's contributions in relation to the statutorily required contribution	4,871,869	4,514,793	3,301,671	3,099,836	
City's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
City's covered payroll	\$ 11,327,293	\$ 10,739,726	\$ 10,916,220	\$ 10,475,959	
City's contributions as a percentage of covered payroll	43.01%	42.04%	30.25%	29.59%	

PSPRS Fire

	Reporting Fiscal Year				2013 through 2006
	2017	2016	2015	2014	
Statutorily required contribution	\$ 3,723,304	\$ 3,543,790	\$ 2,608,314	\$ 2,441,615	Information not available
City's contributions in relation to the statutorily required contribution	3,723,304	3,543,790	2,608,314	2,441,615	
City's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
City's covered payroll	\$ 7,806,048	\$ 7,592,493	\$ 7,516,425	\$ 7,294,375	
City's contributions as a percentage of covered payroll	47.70%	46.67%	34.70%	33.47%	

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 Agent OPEB Plans' Funding Progress
June 30, 2017

Health Insurance Premium Benefit

Actuarial Valuation Date	Actuarial value of assets (a)	Actuarial accrued liability (b)	Unfunded actuarial accrued liability (UAAL) (funding excess) (b) - (a)	Funded ratio (a)/(b)	Annual covered payroll (c)	UAAL (funding excess) as a percentage of covered payroll ((b) - (a)/c)
PSPRS Police						
6/30/2016	\$ 2,877,257	\$ 2,023,929	\$ (853,328)	142.16%	\$ 10,042,139	0.00%
6/30/2015	2,820,572	1,712,824	(1,107,748)	164.67%	10,341,453	0.00%
6/30/2014	2,614,548	1,692,255	(922,293)	154.50%	10,206,675	0.00%
6/30/2013	-	1,593,473	1,593,473	0.00%	10,013,175	15.91%
PSPRS Fire						
6/30/2016	1,800,027	1,645,109	(154,918)	109.42%	7,513,360	0.00%
6/30/2015	1,742,539	1,609,310	(133,229)	108.28%	7,376,810	0.00%
6/30/2014	1,617,986	1,684,184	66,198	96.07%	7,145,551	0.93%
6/30/2013	-	1,634,614	1,634,614	0.00%	7,295,392	22.41%

City of Yuma, Arizona
 Budgetary Comparison Schedule
 General Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Budgetary Fund Balance, July 1	\$ 16,459,853	\$ 16,459,853	\$ 18,345,526	\$ 1,885,673
Resources (inflows):				
Taxes:				
Property Tax - Primary	12,144,078	12,144,078	11,965,580	(178,498)
Property Tax - Delinquent	175,000	175,000	223,021	48,021
City Sales Tax	21,231,745	21,231,745	21,207,119	(24,626)
Public Enterprise In-Lieu	242,000	242,000	251,067	9,067
Franchise Tax	3,265,000	3,265,000	3,066,678	(198,322)
Total Taxes	37,057,823	37,057,823	36,713,465	(344,358)
Licenses:				
Business Licenses	250,350	250,350	250,890	540
Liquor Licenses	33,000	33,000	30,140	(2,860)
Building Permits	1,639,600	1,639,600	1,708,329	68,729
Alcohol Permits	9,000	9,000	8,672	(328)
Animal Licenses	105,000	105,000	65,629	(39,371)
Total Licenses	2,036,950	2,036,950	2,063,660	26,710
Intergovernmental:				
Sales Tax - State	9,000,000	9,000,000	8,902,248	(97,752)
State Revenue Sharing	11,900,000	11,900,000	11,517,228	(382,772)
Auto Lieu Tax	3,570,000	3,570,000	3,759,665	189,665
Other Governmental Charges	25,000	25,000	31,057	6,057
Total Intergovernmental	24,495,000	24,495,000	24,210,198	(284,802)
Charges for Services:				
Building Inspection Fees	328,100	328,100	390,827	62,727
Recreation Fees	466,706	466,706	465,281	(1,425)
Police Services	827,000	827,000	771,219	(55,781)
Fire Ambulance Services	3,196,000	3,196,000	4,261,370	1,065,370
Other Charges	42,466	42,466	77,325	34,859
Total Charges for Services	4,860,272	4,860,272	5,966,022	1,105,750
Fines and Forfeitures:				
City Court Fines	1,210,000	1,210,000	1,228,496	18,496
Total Fines and Forfeitures	1,210,000	1,210,000	1,228,496	18,496
Use of Money and Property:				
Interest	100,000	100,000	95,984	(4,016)
Rental Receipts	186,968	186,968	208,504	21,536
Total Use of Money and Property	286,968	286,968	304,488	17,520
Miscellaneous				
Sales of Surplus Property	-	-	43,916	43,916
Other	123,000	123,000	701,642	578,642
Total Miscellaneous	123,000	123,000	745,558	622,558
Total Revenues	70,070,013	70,070,013	71,231,887	1,161,874
Amounts Available for Appropriation	86,529,866	86,529,866	89,577,413	3,047,547

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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Charges to Appropriations (outflows):				
General Government:				
Mayor and Council	237,901	237,901	292,743	(54,842)
Elections	-	-	35,201	(35,201)
City Administrator	847,831	847,831	832,189	15,641
Strategic Communications	624,747	617,647	592,811	24,836
Economic Development	335,990	335,990	275,853	60,137
Facilities Maintenance	899,203	899,203	857,222	41,981
General Government	2,082,911	2,082,911	650,621	1,432,290
City Clerk	330,044	330,044	322,308	7,736
City Attorney	1,223,726	1,223,726	1,152,157	71,569
City Prosecutor	335,588	335,588	290,400	45,188
Finance-Administration	409,026	409,026	391,245	17,781
Accounting	1,128,544	1,128,544	971,547	156,997
Customer Services	113,265	113,265	104,113	9,152
Information Technology Services	3,024,179	3,078,563	3,077,538	1,025
Purchasing	465,503	465,503	436,768	28,735
Human Resources	1,130,434	1,130,434	1,122,280	8,154
Intragovernmental Charges	(3,660,269)	(3,660,269)	(3,569,045)	(91,224)
Total General Government Operating Expenditures	9,528,620	9,575,904	7,835,951	1,739,953
Capital Outlay	145,200	97,916	78,549	19,367
Total General Government Expenditures	9,673,820	9,673,820	7,914,500	1,759,320
Public Safety:				
Police Administration - Field Operations	22,234,905	22,225,705	23,215,270	(989,565)
Police Animal Control	730,882	730,882	712,793	18,089
Police Support Services	2,036,501	2,036,501	1,792,885	243,616
Police Communication Center	2,371,567	2,371,567	2,316,951	54,616
Fire Administration	859,882	859,882	963,569	(103,687)
Fire Training	331,420	334,420	345,875	(11,455)
Fire Suppression	10,269,681	10,266,681	10,842,784	(576,103)
Fire Suppression - Ambulance	3,536,095	3,536,095	4,264,210	(728,115)
Community Risk Reduction	525,831	525,831	500,530	25,301
Facilities Maintenance	1,524,461	1,503,499	1,321,976	181,523
Fire Special Operations	24,635	24,635	18,676	5,959
Municipal Court	1,838,219	1,838,219	1,676,233	161,986
Total Public Safety Operating Expenditures	46,284,078	46,253,916	47,971,752	(1,717,836)
Capital Outlay	-	30,162	58,251	(28,089)
Total Public Safety Expenditures	46,284,078	46,284,078	48,030,003	(1,745,925)

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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Parks, Recreation and Culture:				
Parks and Recreation Administration	666,810	666,810	663,483	3,327
Parks Maintenance	4,560,495	4,560,495	4,643,833	(83,338)
Parks Development	154,165	154,165	160,556	(6,391)
Recreation Administration	647,860	647,860	620,883	26,977
Senior Adult Activities	69,741	69,741	39,892	29,849
Adult Activities	231,907	231,907	195,565	36,342
Youth Activities	264,237	264,237	278,618	(14,381)
Aquatics	357,665	357,665	300,110	57,555
Yuma Readiness Center	92,399	92,399	87,221	5,178
Facilities Maintenance	1,424,987	1,424,987	1,349,756	75,231
Intragovernmental Charges	(280,165)	(280,165)	(280,165)	-
Total Parks, Recreation and Culture Operating Expenditures	<u>8,190,100</u>	<u>8,190,100</u>	<u>8,059,752</u>	<u>130,348</u>
Total Parks, Recreation and Culture Expenditures	<u>8,190,100</u>	<u>8,190,100</u>	<u>8,059,752</u>	<u>130,348</u>
Community Design and Development:				
Community Development Administration	496,935	496,935	478,789	18,146
Development Engineering	280,559	280,559	294,475	(13,916)
Planning and Building Safety	2,582,625	2,582,625	2,281,763	300,862
Neighborhood Services	362,408	362,408	354,374	8,034
Total Community Design and Development Operating Expenditures	<u>3,722,527</u>	<u>3,722,527</u>	<u>3,409,401</u>	<u>313,126</u>
Total Community Design and Development Expenditures	<u>3,722,527</u>	<u>3,722,527</u>	<u>3,409,401</u>	<u>313,126</u>
Total Operating Expenditures	<u>67,725,325</u>	<u>67,742,447</u>	<u>67,276,856</u>	<u>465,591</u>
Capital Outlay	<u>145,200</u>	<u>128,078</u>	<u>136,800</u>	<u>(8,722)</u>
Total Expenditures	<u>67,870,525</u>	<u>67,870,525</u>	<u>67,413,656</u>	<u>456,869</u>
Transfers Out	<u>4,604,076</u>	<u>4,604,076</u>	<u>4,610,060</u>	<u>(5,984)</u>
Total Charges to Appropriations	<u>72,474,601</u>	<u>72,474,601</u>	<u>72,023,716</u>	<u>450,885</u>
Budgetary Fund Balance, June 30	<u>\$ 14,055,265</u>	<u>\$ 14,055,265</u>	<u>\$ 17,553,697</u>	<u>\$ 3,498,432</u>

Concluded

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 City Road Tax Fund
 For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Budgetary Fund Balance, July 1	\$ 11,815,169	\$ 11,815,169	\$ 12,166,241	\$ 351,072
Resources (inflows):				
Taxes				
Special Road Sales Tax	10,614,070	10,614,070	10,601,757	(12,313)
Use of Money and Property				
Rent	135,000	135,000	163,252	28,252
Interest	30,000	30,000	80,868	50,868
Charges For Services				
Developer Charges	-	-	21,378	21,378
Miscellaneous				
Other	-	-	391,982	391,982
Total Revenues	<u>10,779,070</u>	<u>10,779,070</u>	<u>11,259,237</u>	<u>480,167</u>
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts Available for Appropriation	<u>22,594,239</u>	<u>22,594,239</u>	<u>23,425,478</u>	<u>831,239</u>
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Traffic Signals, Signs, and Striping	816,776	816,776	683,631	133,145
Streets				
Engineering	2,689,017	2,683,448	2,158,832	524,616
Street Maintenance	41,901	41,901	34,467	7,434
Pathways and Trails	163,836	163,836	154,264	9,572
Right-Of-Way Management	191,013	191,013	171,126	19,887
Capital Outlay	21,000	26,569	18,924	7,645
Capital Projects				
Parks, Recreation and Culture	385,000	385,000	383,305	1,695
Streets	5,488,000	5,488,000	2,768,232	2,719,768
Environmental, Health and Safety	478,000	478,000	477,522	478
Total Expenditures	<u>10,274,543</u>	<u>10,274,543</u>	<u>6,850,303</u>	<u>3,424,240</u>
Transfers Out	<u>4,556,317</u>	<u>4,556,317</u>	<u>4,557,518</u>	<u>(1,201)</u>
Total Charges to Appropriations	<u>14,830,860</u>	<u>14,830,860</u>	<u>11,407,821</u>	<u>3,423,039</u>
Budgetary Fund Balance, June 30	<u>\$ 7,763,379</u>	<u>\$ 7,763,379</u>	<u>\$ 12,017,657</u>	<u>\$ 4,254,278</u>

See accompanying notes to this schedule

City of Yuma, Arizona
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017

A. Pension Plan Schedule Note

1. Actuarially Determined Contribution Rates

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

Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period as of the 2013 actuarial valuation	23 years for unfunded actuarial accrued liability, 20 years for excess (2012 actuarial used 24 years for unfunded actuarial accrued liability, 20 years for excess)
Asset valuation method	7-year smoothed market value, 80%/120% market
Actuarial assumptions:	
Investment rate of return	In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected salary increases	In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS
Wage growth	In the 2013 actuarial valuation, wage growth was decreased from 4.0% to 5.0% for PSPRS
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

B. Schedule of Agent OPEB Plans' Funding Progress Note

1. Factors That Affect the Identification of Trends

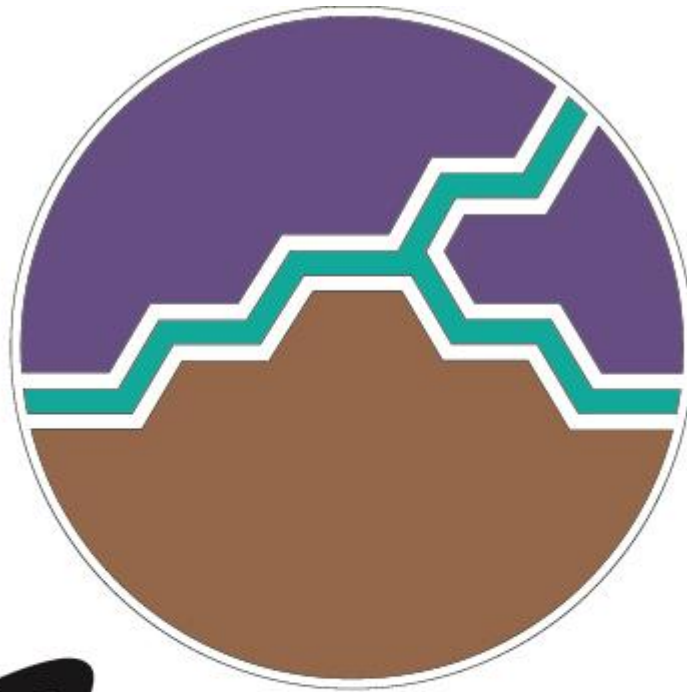
Beginning in fiscal year 2014, PSPRS established separate funds for pension benefits and health insurance premium benefits. Previously, the plans recorded both pension and health insurance premium contributions in the same Pension Fund. During fiscal year 2014, the plans transferred prior-year health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

C. Budgetary Reporting and Budgetary Basis of Accounting

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

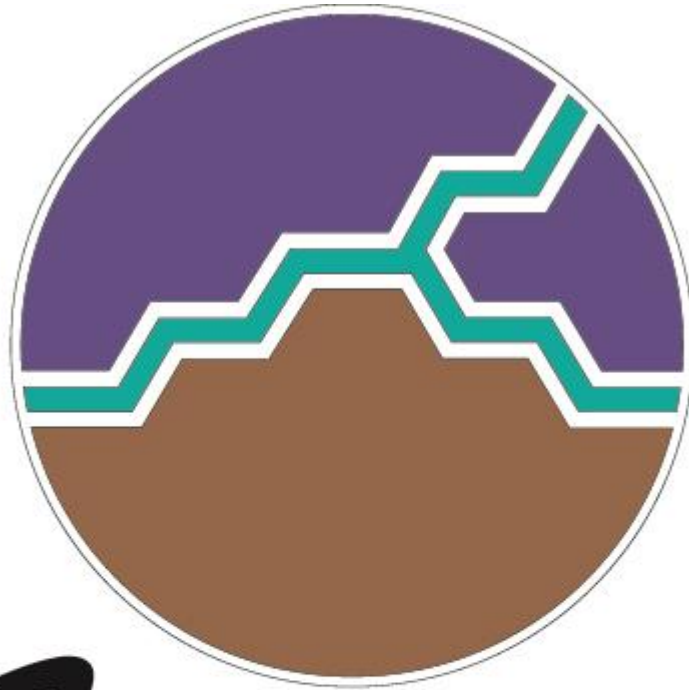
D. Excess of Expenditures Over Appropriations

The City's expenditures exceeded appropriations in 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.



CITY OF
Yuma

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.

City of Yuma, Arizona
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	Special Revenue		
	Public Safety Tax	Highway Users Revenue	Grants
<u>Assets</u>			
Cash and Investments	\$ 1,816,782	\$ 4,284,232	\$ 406,936
Receivables (Net of Allowances for Uncollectibles):			
Accounts Receivable	92,970	9,299	90,986
Intergovernmental	217,454	669,027	440,337
Delinquent Property Taxes	-	-	-
Accrued Interest	2,787	5,146	206
Inventory, at cost	-	-	-
Prepaid Items	-	194	-
Total Assets	<u>\$ 2,129,993</u>	<u>\$ 4,967,898</u>	<u>\$ 938,465</u>
<u>Liabilities</u>			
Liabilities:			
Accounts Payable	\$ 31,675	\$ 182,002	\$ 222,463
Accrued Payroll, Taxes and Benefits Payable	2,899	73,129	20,069
Due to Other Funds	-	-	416,186
Deposits	-	-	3,354
Unearned Revenues	32,408	-	276,393
Total Liabilities	<u>66,982</u>	<u>255,131</u>	<u>938,465</u>
<u>Deferred Inflows of Resources</u>			
Unavailable Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>			
Nonspendable:			
Inventory	-	-	-
Prepaid Items	-	194	-
Spendable			
Restricted	<u>2,063,011</u>	<u>4,712,573</u>	<u>-</u>
Total Fund Balances	<u>2,063,011</u>	<u>4,712,767</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 2,129,993</u>	<u>\$ 4,967,898</u>	<u>\$ 938,465</u>

Special Revenue			Total
Community Redevelopment	Two Percent Tax	Yuma Mall Maintenance	Nonmajor Governmental Funds
\$ -	\$ 3,035,822	\$ 16,145	\$ 9,559,917
819,275	150,815	360	1,163,705
186,628	264,596	7,153	1,785,195
-	-	3,427	3,427
-	5,064	-	13,203
-	7,849	-	7,849
-	53,721	-	53,915
<u>\$ 1,005,903</u>	<u>\$ 3,517,867</u>	<u>\$ 27,085</u>	<u>\$ 12,587,211</u>
\$ 23,509	\$ 206,846	\$ 20,597	\$ 687,092
2,245	71,780	3,062	173,184
170,323	-	-	586,509
-	28,709	-	32,063
1	75,914	-	384,716
<u>196,078</u>	<u>383,249</u>	<u>23,659</u>	<u>1,863,564</u>
<u>809,825</u>	<u>-</u>	<u>3,426</u>	<u>813,251</u>
-	7,849	-	7,849
-	53,721	-	53,915
-	-	-	-
<u>-</u>	<u>3,073,048</u>	<u>-</u>	<u>9,848,632</u>
<u>-</u>	<u>3,134,618</u>	<u>-</u>	<u>9,910,396</u>
<u>\$ 1,005,903</u>	<u>\$ 3,517,867</u>	<u>\$ 27,085</u>	<u>\$ 12,587,211</u>

City of Yuma, Arizona

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2017

	Special Revenue		
	Public Safety Tax	Highway User Revenue	Grants
Revenues:			
Taxes	\$ 4,239,261	\$ -	\$ -
Intergovernmental	-	7,533,420	1,914,047
Charges for Services	-	-	-
Use of Money and Property	43,112	20,460	341
Contributions/Donations	-	-	170,003
Miscellaneous	116,771	126,513	-
Total Revenues	<u>4,399,144</u>	<u>7,680,393</u>	<u>2,084,391</u>
Expenditures:			
Current:			
General Government	-	-	13,008
Public Safety	1,626,402	442,237	1,122,243
Streets	-	5,739,860	-
Parks, Recreation and Culture	-	-	77,172
Environmental Health and Protection	-	6,569	43,729
Community Design and Development	-	-	-
Capital Outlay	882,175	161,540	503,750
Capital Projects			
General Government	-	-	287,103
Public Safety	36,535	-	-
Streets	-	357,212	-
Parks, Recreation and Culture	-	-	37,386
Total Expenditures	<u>2,545,112</u>	<u>6,707,418</u>	<u>2,084,391</u>
Revenues Over/(Under) Expenditures	1,854,032	972,975	-
Transfers In	-	-	-
Transfers Out	(946,928)	(128,430)	-
Total Other Financing Sources/(Uses)	<u>(946,928)</u>	<u>(128,430)</u>	<u>-</u>
Net Changes in Fund Balances	907,104	844,545	-
Fund Balances, Beginning	<u>1,155,907</u>	<u>3,868,222</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 2,063,011</u></u>	<u><u>\$ 4,712,767</u></u>	<u><u>\$ -</u></u>

Special Revenue			Total
Community Redevelopment	Two Percent Tax	Yuma Mall Maintenance	Nonmajor Governmental Funds
\$ -	\$ 5,354,285	\$ 113,712	\$ 9,707,258
831,684	-	-	10,279,151
-	670,551	-	670,551
-	20,112	-	84,025
-	-	-	170,003
4,063	59,464	2,658	309,469
835,747	6,104,412	116,370	21,220,457
-	73,670	-	86,678
-	-	-	3,190,882
-	-	-	5,739,860
-	5,044,680	-	5,121,852
-	-	-	50,298
835,747	-	240,145	1,075,892
-	-	-	1,547,465
-	-	-	287,103
-	-	-	36,535
-	-	-	357,212
-	147,334	-	184,720
835,747	5,265,684	240,145	17,678,497
-	838,728	(123,775)	3,541,960
-	-	123,775	123,775
-	(1,642,733)	-	(2,718,091)
-	(1,642,733)	123,775	(2,594,316)
-	(804,005)	-	947,644
-	3,938,623	-	8,962,752
\$ -	\$ 3,134,618	\$ -	\$ 9,910,396

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Budgetary Fund Balance, July 1	\$ 3,286	\$ 3,286	\$ 3,357	\$ 71
Resources (inflows):				
Special Assessments:				
Principal Payments	305,000	305,000	305,000	-
Use of Money and Property:				
Interest	71,558	71,558	72,502	944
Total Revenues	376,558	376,558	377,502	944
Transfers In	11,128,982	11,128,982	11,131,416	2,434
Amounts Available for Appropriation	11,508,826	11,508,826	11,512,275	3,449
Charges to Appropriations (outflows):				
Debt Service:				
Bond Principal	6,790,000	6,790,000	6,790,000	-
Bond Interest	4,713,890	4,713,890	4,717,159	(3,269)
Fiscal Agent Fees	2,400	2,400	3,150	(750)
Total Expenditures	11,506,290	11,506,290	11,510,309	(4,019)
Total Charges to Appropriations	11,506,290	11,506,290	11,510,309	(4,019)
Budgetary Fund Balance, June 30	\$ 2,536	\$ 2,536	\$ 1,966	\$ (570)

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Capital Projects Fund
 For the Year Ended June 30, 2017

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	\$ 34,568,909	\$ 34,568,909	\$ 34,543,219	\$ (25,690)
Resources (inflows):				
Charges for Services				
Developer Charges	3,016,770	3,016,770	2,493,846	(522,924)
Use of Money and Property				
Interest	36,525	36,525	184,465	147,940
Total Revenues	3,053,295	3,053,295	2,678,311	(374,984)
Amounts Available for Appropriation	37,622,204	37,622,204	37,221,530	(400,674)
Charges to Appropriations (outflows):				
Capital Outlay:				
General Government	477,500	608,403	173,895	434,508
Public Safety	-	97,500	34,834	62,666
Streets	5,380,000	5,382,630	4,968,866	413,764
Parks, Recreation and Culture	23,225,000	22,993,967	12,342,941	10,651,026
Environmental Health and Safety	-	-	158,764	(158,764)
Total Expenditures	29,082,500	29,082,500	17,679,300	11,403,200
Total Charges to Appropriations	29,082,500	29,082,500	17,679,300	11,403,200
Budgetary Fund Balance, June 30	\$ 8,539,704	\$ 8,539,704	\$ 19,542,230	\$ 11,002,526

City of Yuma, Arizona
Budgetary Comparison Schedule
Public Safety Tax Fund
For the Year Ended 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Budgetary Fund Balance, July 1	\$ 1,661,332	\$ 1,661,332	\$ 1,155,907	\$ (505,425)
Resources (inflows):				
Taxes				
Public Safety Sales Tax	4,244,180	4,244,180	4,239,261	(4,919)
Use of Money and Property				
Rent	30,547	30,547	31,463	916
Interest	2,000	2,000	11,649	9,649
Miscellaneous				
Other	-	-	116,771	116,771
Total Revenues	<u>4,276,727</u>	<u>4,276,727</u>	<u>4,399,144</u>	<u>122,417</u>
Amounts Available for Appropriation	<u>5,938,059</u>	<u>5,938,059</u>	<u>5,555,051</u>	<u>(383,008)</u>
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Police Support Services	946,182	955,319	953,227	2,092
Fire Support Services	737,873	760,020	665,476	94,544
Facility Maintenance	25,000	25,000	-	25,000
General Government	-	-	7,699	(7,699)
Capital Outlay	<u>1,042,500</u>	<u>1,011,216</u>	<u>882,175</u>	<u>129,041</u>
Capital Projects:				
Public Safety	<u>-</u>	<u>-</u>	<u>36,535</u>	<u>(36,535)</u>
Total Expenditures	<u>2,751,555</u>	<u>2,751,555</u>	<u>2,545,112</u>	<u>206,443</u>
Transfers Out	<u>946,613</u>	<u>946,613</u>	<u>946,928</u>	<u>(315)</u>
Total Charges to Appropriations	<u>3,698,168</u>	<u>3,698,168</u>	<u>3,492,040</u>	<u>206,128</u>
Budgetary Fund Balance, June 30	<u>\$ 2,239,891</u>	<u>\$ 2,239,891</u>	<u>\$ 2,063,011</u>	<u>\$ (176,880)</u>

City of Yuma, Arizona
Budgetary Comparison Schedule
Highway User Revenue Fund
For the Year Ended June 30, 2017

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 3,235,390	\$ 3,235,390	\$ 3,868,222	\$ 632,832
Resources (inflows):				
Intergovernmental				
State Gasoline Tax	7,000,000	7,000,000	7,533,420	533,420
Use of Money and Property				
Interest	4,000	4,000	20,460	16,460
Miscellaneous				
Other	2,000	2,000	126,513	124,513
Total Revenues	7,006,000	7,006,000	7,680,393	674,393
Amounts Available for Appropriation	10,241,390	10,241,390	11,548,615	1,307,225
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Traffic Signals, Signs, and Striping	523,782	527,782	442,237	85,545
Streets				
Street Maintenance	3,180,517	3,168,938	2,790,987	377,951
Street Lighting	886,784	882,784	879,233	3,551
Street Sweeping	444,383	444,383	463,069	(18,686)
Storm Drain Maintenance	382,418	382,418	305,909	76,509
Curbs, Gutters, and Sidewalks	377,276	377,276	389,273	(11,997)
Retention Basin Maintenance	1,120,515	1,120,515	911,389	209,126
Code Enforcement	64,168	64,168	6,569	57,599
Capital Outlay	167,200	178,779	161,540	17,239
Capital Projects				
Streets	-	-	357,212	(357,212)
Total Expenditures	7,147,044	7,147,044	6,707,418	439,626
Transfers Out	128,391	128,391	128,430	(39)
Total Charges to Appropriations	7,275,435	7,275,435	6,835,848	439,587
Budgetary Fund Balance, June 30	\$ 2,965,955	\$ 2,965,955	\$ 4,712,767	\$ 1,746,812

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Grants Fund
 For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	1,233,720	2,092,648	1,462,123	(630,525)
State Government	657,221	986,065	440,874	(545,191)
County Government	18,300	18,300	11,050	(7,250)
Budget Authority Reserve	10,802,458	9,201,003	-	(9,201,003)
Use of Money and Property				
Interest	-	-	341	341
Contributions/Donations	812,002	921,981	170,003	(751,978)
Total Revenues	13,523,701	13,219,997	2,084,391	(11,135,606)
Amounts Available for Appropriation	13,523,701	13,219,997	2,084,391	(11,135,606)
Charges to Appropriations (outflows):				
Current:				
General Government	7,571	18,293	13,008	5,285
Public Safety	10,560,052	9,579,085	1,122,243	8,456,842
Parks, Recreation and Culture	263,778	333,544	77,172	256,372
Environmental Health and Protection	278,500	278,500	43,729	234,771
Capital Outlay	207,000	742,479	503,750	238,729
Capital Projects				
General Government	525,000	525,000	287,103	237,897
Parks, Recreation and Culture	1,681,800	1,681,800	37,386	1,644,414
Total Expenditures	13,523,701	13,158,701	2,084,391	11,074,310
Total Charges to Appropriations	13,523,701	13,158,701	2,084,391	11,074,310
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Community Redevelopment Fund
 For the Year Ended June 30, 2017

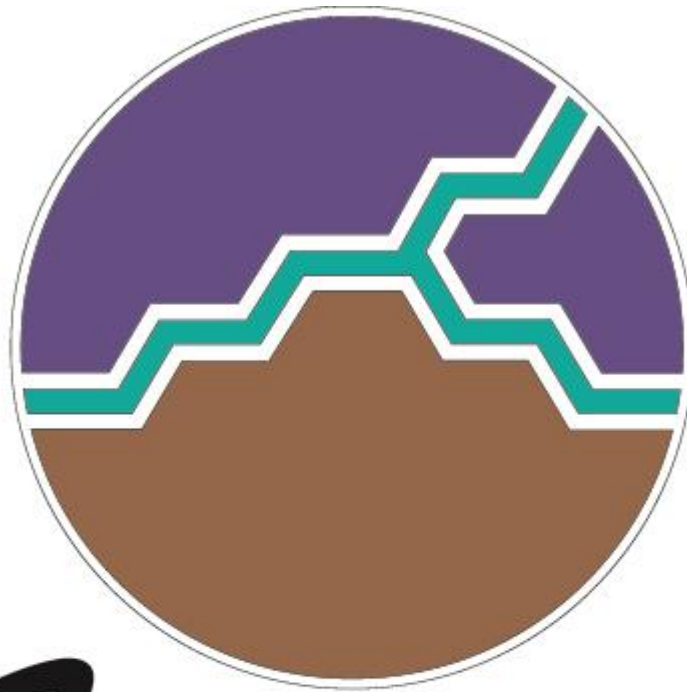
	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	1,119,183	1,484,183	831,684	(652,499)
Miscellaneous				
Loan Repayments	-	-	4,063	4,063
Total Revenues	1,119,183	1,484,183	835,747	(648,436)
Amounts Available for Appropriation	1,119,183	1,484,183	835,747	(648,436)
Charges to Appropriations (outflows):				
Current:				
Community Design and Development	1,119,183	1,484,183	835,747	648,436
Total Expenditures	1,119,183	1,484,183	835,747	648,436
Total Charges to Appropriations	1,119,183	1,484,183	835,747	648,436
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

City of Yuma, Arizona
Budgetary Comparison Schedule
Two Percent Tax Fund
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Budgetary Fund Balance, July 1	\$ 3,499,658	\$ 3,499,658	\$ 3,938,623	\$ 438,965
Resources (inflows):				
Taxes				
Two PercentTax	5,004,337	5,004,337	5,354,285	349,948
Charges for Services				
Rents and Concessions	336,000	336,000	506,543	170,543
Recreation Fees	112,750	112,750	164,008	51,258
Use of Money and Property				
Interest	7,500	7,500	20,112	12,612
Miscellaneous				
Other	13,000	13,000	59,464	46,464
Total Revenues	5,473,587	5,473,587	6,104,412	630,825
Amounts Available for Appropriation	8,973,245	8,973,245	10,043,035	1,069,790
Charges to Appropriations (outflows):				
Current:				
Parks, Recreation and Culture				
Administration	342,982	342,982	326,029	16,953
Outside Agencies	950,000	950,000	737,070	212,930
Civic and Convention Center	1,212,990	1,212,990	1,172,498	40,492
Baseball Complex	656,839	656,839	628,192	28,647
Art Center	757,020	757,020	795,298	(38,278)
Heritage Events	159,433	159,433	127,195	32,238
Heritage Area Development	468,785	468,785	468,913	(128)
Facilities Maintenance	912,267	912,267	789,485	122,782
General Government	72,936	72,936	73,670	(734)
Capital Projects:				
Parks, Recreation and Culture	291,200	291,200	147,334	143,866
Total Expenditures	5,824,453	5,824,453	5,265,684	558,769
Transfers Out	1,399,705	1,399,705	1,642,733	(243,028)
Total Charges to Appropriations	7,224,158	7,224,158	6,908,417	315,741
Budgetary Fund Balance, June 30	\$ 1,749,087	\$ 1,749,087	\$ 3,134,618	\$ 1,385,531

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Yuma Mall Maintenance Fund
 For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Taxes				
Mall Assessments	105,000	105,000	103,720	(1,280)
Property Tax - Delinquent	12,000	12,000	9,992	(2,008)
Total Taxes	117,000	117,000	113,712	(3,288)
Miscellaneous				
Other	2,000	2,000	2,658	658
Total Revenues	119,000	119,000	116,370	(2,630)
Transfers In	118,200	118,200	123,775	5,575
Amounts Available for Appropriation	237,200	237,200	240,145	2,945
Charges to Appropriations (outflows):				
Current:				
Community Design and Development				
Mall Maintenance	237,200	237,200	240,145	(2,945)
Total Expenditures	237,200	237,200	240,145	(2,945)
Total Charges to Appropriations	237,200	237,200	240,145	(2,945)
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -



CITY OF
Yuma

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, 2017

<u>Assets</u>	Enterprise Funds			Total Nonmajor Proprietary Funds
	Solid Waste	Radio Communication	Desert Hills Golf Course	
Current Assets:				
Cash and Investments	\$ 1,372,668	\$ 1,787,330	\$ 3,737	\$ 3,163,735
Receivables, Net of Allowance for Uncollectibles:				
Accounts Receivable	339,559	1,950	27,046	368,555
Intergovernmental	4,690	71,137	1,631	77,458
Accrued Interest	1,743	2,084	-	3,827
Inventory, at cost	-	82,312	40,723	123,035
Prepaid Expenses	336	-	-	336
Total Current Assets	<u>1,718,996</u>	<u>1,944,813</u>	<u>73,137</u>	<u>3,736,946</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	<u>331,971</u>	<u>8,159,554</u>	<u>325,598</u>	<u>8,817,123</u>
Gross Capital Assets	382,709	8,159,554	6,718,818	15,261,081
Less Accumulated Depreciation	<u>(380,827)</u>	<u>(7,441,228)</u>	<u>(5,363,406)</u>	<u>(13,185,461)</u>
Capital Assets Net of Depreciation	<u>1,882</u>	<u>718,326</u>	<u>1,355,412</u>	<u>2,075,620</u>
Total Noncurrent Assets	<u>1,882</u>	<u>718,326</u>	<u>1,355,412</u>	<u>2,075,620</u>
Total Assets	<u>1,720,878</u>	<u>2,663,139</u>	<u>1,428,549</u>	<u>5,812,566</u>
<u>Deferred Outflows of Resources</u>				
Pension Contributions - Current Year	60,506	38,145	73,002	171,653
Other Pension Items	<u>105,372</u>	<u>66,430</u>	<u>127,134</u>	<u>298,936</u>
Total Deferred Outflows of Resources	<u>165,878</u>	<u>104,575</u>	<u>200,136</u>	<u>470,589</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts Payable	142,838	42,644	36,094	221,576
Accrued Payroll and Related Taxes	26,809	19,928	23,574	70,311
Current Portion-Accrued Compensated Absences	23,677	27,558	31,079	82,314
Unearned Revenue	<u>-</u>	<u>32,342</u>	<u>103,960</u>	<u>136,302</u>
Total Current Liabilities Payable from Current Assets	<u>193,324</u>	<u>122,472</u>	<u>194,707</u>	<u>510,503</u>
Noncurrent Liabilities:				
Pension Liability	914,238	576,368	1,103,048	2,593,654
Accrued Compensated Absences	60,488	55,949	28,665	145,102
Total Long-Term Liabilities	<u>974,726</u>	<u>632,317</u>	<u>1,131,713</u>	<u>2,738,756</u>
Total Liabilities	<u>1,168,050</u>	<u>754,789</u>	<u>1,326,420</u>	<u>3,249,259</u>
<u>Deferred Inflows of Resources</u>				
Pension Investments - Projection/Actual difference	48,370	30,494	58,360	137,224
Other Pension Items	<u>75,401</u>	<u>47,535</u>	<u>90,973</u>	<u>213,909</u>
	<u>123,771</u>	<u>78,029</u>	<u>149,333</u>	<u>351,133</u>
<u>Net Position</u>				
Net investment in capital assets	1,882	718,326	1,355,412	2,075,620
Unrestricted (deficit)	<u>593,053</u>	<u>1,216,570</u>	<u>(1,202,480)</u>	<u>607,143</u>
Total Net Position	<u>\$ 594,935</u>	<u>\$ 1,934,896</u>	<u>\$ 152,932</u>	<u>\$ 2,682,763</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, 2017

	Enterprise Funds			Total Nonmajor Proprietary Funds
	Solid Waste	Radio Communication	Desert Hills Golf Course	
Operating Revenues:				
Charges for Services	\$ 3,494,185	\$ 1,947,995	\$ -	\$ 5,442,180
Green Fees	-	-	841,929	841,929
Cart and Club Rental	-	-	167,196	167,196
Pro Shop Sales	-	-	202,460	202,460
Restaurant Sales	-	-	162,022	162,022
Total Operating Revenues	<u>3,494,185</u>	<u>1,947,995</u>	<u>1,373,607</u>	<u>6,815,787</u>
Operating Expenses:				
Operations and Maintenance	3,685,814	1,818,249	1,798,889	7,302,952
Depreciation and Amortization	32,380	499,024	168,382	699,786
Total Operating Expenses	<u>3,718,194</u>	<u>2,317,273</u>	<u>1,967,271</u>	<u>8,002,738</u>
Operating Income/(Loss)	<u>(224,009)</u>	<u>(369,278)</u>	<u>(593,664)</u>	<u>(1,186,951)</u>
Non-Operating Revenues/(Expenses):				
Interest	7,505	8,584	37	16,126
Miscellaneous Revenues	15,553	1,342	48,352	65,247
Net Non-Operating Revenues	<u>23,058</u>	<u>9,926</u>	<u>48,389</u>	<u>81,373</u>
Income/(Loss) before Contributions and Transfers	(200,951)	(359,352)	(545,275)	(1,105,578)
Transfers In	-	-	242,655	242,655
Transfers Out	<u>(176,873)</u>	<u>-</u>	<u>(25,624)</u>	<u>(202,497)</u>
Change in Net Position	(377,824)	(359,352)	(328,244)	(1,065,420)
Net Position-beginning	<u>972,759</u>	<u>2,294,248</u>	<u>481,176</u>	<u>3,748,183</u>
Net Position-ending	<u>\$ 594,935</u>	<u>\$ 1,934,896</u>	<u>\$ 152,932</u>	<u>\$ 2,682,763</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2017

	Enterprise Funds			Total Nonmajor Proprietary Funds
	Solid Waste	Radio Communication	Desert Hills Golf Course	
Cash Flow from Operating Activities:				
Cash Received from Customers	\$ 3,491,878	\$ 2,077,192	\$ 1,352,394	\$ 6,921,464
Cash Paid to Employees	(862,804)	(522,514)	(801,695)	(2,187,013)
Cash Paid to Suppliers	(2,857,933)	(1,216,441)	(1,004,732)	(5,079,106)
Other Operating Activity Revenue	15,553	1,342	48,351	65,246
Net Cash Provided by/(used for) Operating Activities	(213,306)	339,579	(405,682)	(279,409)
Cash Flows from Noncapital Financing Activities:				
Cash Received from Other Funds	-	-	242,655	242,655
Cash Paid to Other Funds	(176,873)	-	(25,625)	(202,498)
Net Cash Flows Provide by/ (Used for) Noncapital Financing Activities	(176,873)	-	217,030	40,157
Cash Flow from Capital and Related Financing Activities:				
Acquisition and Construction of Assets	(957)	(31,302)	-	(32,259)
Net Cash Provided by/(Used for) Capital and Related Financing Activities	(957)	(31,302)	-	(32,259)
Cash Flows from Investing Activities:				
Receipt of Interest	7,180	7,467	374	15,021
Net Cash Provided by Investing Activities	7,180	7,467	374	15,021
Net Increase/(Decrease) in Cash and Cash Equivalents	(383,956)	315,743	(188,278)	(256,491)
Cash and Cash Equivalents, July 1	1,756,624	1,471,587	192,015	3,420,226
Cash and Cash Equivalents, June 30	\$ 1,372,668	\$ 1,787,330	\$ 3,737	\$ 3,163,735
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(used for) Operating Activities:				
Operating Income/(Loss)	\$ (224,791)	\$ (369,771)	\$ (594,608)	\$ (1,189,170)
Adjustments to Reconcile Operating Income/(Loss)				
Depreciation and Amortization Expense	32,380	499,024	168,382	699,786
(Increase)/Decrease in Accounts Receivables	(2,307)	120,681	(20,311)	98,063
(Increase) in Inventories	-	6,164	28,725	34,889
(Increase)/Decrease in Prepaid Items	(336)	33,948	-	33,612
Increase/(Decrease) in Accounts Payable	(3,117)	27,349	(9,003)	15,229
Increase/(Decrease) in Accrued Wages and Taxes Payable	(11,188)	24,620	4,704	18,136
Increase/(Decrease) in Due from Other Gov't Units	-	-	(903)	(903)
Increase/(Decrease) in Unearned Revenue	-	8,515	(7,492)	1,023
Increase/(Decrease) in Pension Exp/Def Outflows/Inflows	(19,500)	(12,294)	(23,528)	(55,321)
Other Operating Activity Revenue	15,553	1,342	48,351	65,246
Total Adjustments	11,485	709,350	188,926	909,761
Net Cash Provided by/(used for) Operating Activities	\$ (213,306)	\$ 339,579	\$ (405,682)	\$ (279,409)

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Water Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Resources (inflows):				
Inside City	\$ 20,038,600	\$ 20,038,600	\$ 19,834,171	\$ (204,429)
Outside City	2,506,700	2,506,700	2,299,808	(206,892)
Commercial Raw Water	120,000	120,000	119,739	(261)
Meters, Connections and Services	1,001,450	1,001,450	1,355,632	354,182
Capital Contributions:				
System Development	125,000	125,000	122,164	(2,836)
Capacity Rights	1,500,000	1,500,000	2,356,164	856,164
Intergovernmental:				
Federal Government	350,000	350,000	-	(350,000)
Issuance of Long-Term Debt	-	-	21,187,600	21,187,600
Interest	33,700	33,700	159,019	125,319
Miscellaneous	30,050	30,050	177,550	147,500
Total Revenues	<u>25,705,500</u>	<u>25,705,500</u>	<u>47,611,847</u>	<u>21,906,347</u>
Amounts Available for Appropriation	<u>25,705,500</u>	<u>25,705,500</u>	<u>47,611,847</u>	<u>21,906,347</u>
Charges to Appropriations (outflows):				
Current:				
Administration	2,428,981	2,412,898	2,310,093	102,805
Treatment	7,320,711	7,296,905	6,149,125	1,147,780
Water Transmission	1,801,225	1,809,107	1,684,711	124,396
Customer Services	1,070,640	1,051,140	972,187	78,953
Water Transfer	65,750	65,750	29,453	36,297
Laboratory	349,435	349,435	271,571	77,864
Facilities Maintenance	193,986	193,986	146,570	47,416
Environmental Health and Protection	350,000	350,000	-	350,000
Infrastructure Maintenance	-	-	10,627	(10,627)
Capital Outlay:				
Capital Outlay	111,200	162,707	126,467	36,240
Capital Projects	7,775,000	7,775,000	2,625,460	5,149,540
Debt Service:				
Principal Retirement	5,618,672	5,618,672	5,877,138	(258,466)
Interest and Fiscal Agent Fees	3,746,170	3,746,170	3,186,278	559,892
Total Expenditures	<u>30,831,771</u>	<u>30,831,771</u>	<u>23,389,680</u>	<u>7,442,091</u>
Transfers Out	59,543	59,543	59,563	(20)
Payment to Refunded Bond Escrow	-	-	22,589,170	(22,589,170)
Total Charges to Appropriations	<u>30,891,314</u>	<u>30,891,314</u>	<u>46,038,413</u>	<u>(15,147,100)</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (5,185,814)</u>	<u>\$ (5,185,814)</u>	<u>1,573,434</u>	<u>\$ 6,759,248</u>
Reconciliation to Change in Net Position:				
Capital Outlay			126,467	
Capital Projects			2,625,460	
Principal Retirement			5,877,138	
Issuance of Long-Term Debt			(21,187,600)	
Payment to Refunded Bond Escrow			22,589,170	
Capital Contributions for Developer Additions to System			193,752	
Amortization of Deferred Charges on Refunding			172,260	
Pension Contributions in excess of Expense			137,024	
Depreciation and Amortization			(8,355,205)	
Change in Net Position			<u>\$ 3,751,900</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, 2017

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Resources (inflows):				
Inside City	\$ 13,119,800	\$ 13,119,800	\$ 13,073,731	\$ (46,069)
Outside City	1,080,000	1,080,000	1,067,718	(12,282)
Contractual/Industrial Services	1,513,000	1,513,000	1,901,967	388,967
Meters, Connections and Services	29,000	29,000	50,915	21,915
Capital Contributions:				
Capacity Rights	2,500,000	2,500,000	2,697,843	197,843
Wastewater Interceptor	150,000	150,000	175,218	25,218
Wastewater Trunk Line Charges	15,000	15,000	15,200	200
Issuance of Long-Term Debt	-	-	16,647,400	16,647,400
Interest	67,100	67,100	177,523	110,423
Miscellaneous	5,000	5,000	657,842	652,842
Total Revenues	<u>18,478,900</u>	<u>18,478,900</u>	<u>36,465,357</u>	<u>17,986,457</u>
Amounts Available for Appropriation	<u>18,478,900</u>	<u>18,478,900</u>	<u>36,465,357</u>	<u>17,986,457</u>
Charges to Appropriations (outflows):				
Current:				
Administration	1,475,790	1,465,238	1,425,633	39,605
Treatment	7,204,656	7,229,158	6,097,640	1,131,518
Pretreatment	514,224	514,224	383,077	131,147
Collection	1,392,735	1,392,735	1,291,700	101,035
Laboratory	297,025	297,025	188,181	108,844
Facilities Maintenance	193,972	193,972	144,773	49,199
Capital Outlay:				
Capital Outlay	242,200	228,250	131,414	96,836
Capital Projects	6,101,000	6,101,000	891,462	5,209,538
Debt Service:				
Principal Retirement	3,599,054	3,599,054	3,644,863	(45,809)
Interest and Fiscal Agent Fees	1,456,983	1,456,983	1,112,191	344,792
Total Expenditures	<u>22,477,639</u>	<u>22,477,639</u>	<u>15,310,934</u>	<u>7,166,705</u>
Transfers Out	<u>65,917</u>	<u>65,917</u>	<u>65,939</u>	<u>(22)</u>
Payment to Refunded Bond Escrow	<u>-</u>	<u>-</u>	<u>17,825,341</u>	<u>(17,825,341)</u>
Total Charges to Appropriations	<u>22,543,556</u>	<u>22,543,556</u>	<u>33,202,214</u>	<u>(10,658,658)</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (4,064,656)</u>	<u>\$ (4,064,656)</u>	<u>3,263,143</u>	<u>\$ 7,327,799</u>
Reconciliation to Change in Net Position:				
Capital Outlay			131,414	
Capital Projects			891,462	
Principal Retirement			3,644,863	
Issuance of Long-Term Debt			(16,647,400)	
Payment to Refunded Bond Escrow			17,825,341	
Amortization of Deferred Charges on Refunding			34,579	
Capital Contributions for Subdivider Additions to System			350,960	
Pension Contributions in excess of Expense			97,606	
Depreciation and Amortization			(5,903,422)	
Change in Net Position			<u>\$ 3,688,546</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, 2017

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Resources (inflows):				
Charges for Service				
Collection Fees	\$ 3,305,000	\$ 3,305,000	\$ 3,494,185	\$ 189,185
Interest	3,000	3,000	7,505	4,505
Miscellaneous				
Other	20,500	20,500	15,553	(4,947)
Total Revenues	3,328,500	3,328,500	3,517,243	188,743
Amounts Available for Appropriation	3,328,500	3,328,500	3,517,243	188,743
Charges to Appropriations (outflows):				
Current:				
Environmental Health and Protection				
Residential Services	3,128,075	3,074,194	3,152,729	(78,535)
Uncontained Waste	394,865	394,865	368,482	26,383
Recycling	131,423	184,423	184,886	(463)
Capital Outlay	5,000	5,881	957	4,924
Total Expenditures	3,659,363	3,659,363	3,707,054	(47,691)
Transfers Out	176,818	176,818	176,873	(55)
Total Charges to Appropriations	3,836,181	3,836,181	3,883,927	(47,746)
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	\$ (507,681)	\$ (507,681)	(366,684)	\$ 140,997
Reconciliation to Change in Net Position:				
Capital Outlay			957	
Pension Contributions in excess of Expense			19,501	
Depreciation and Amortization			(32,380)	
Change in Net Position			\$ (378,606)	

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, 2017

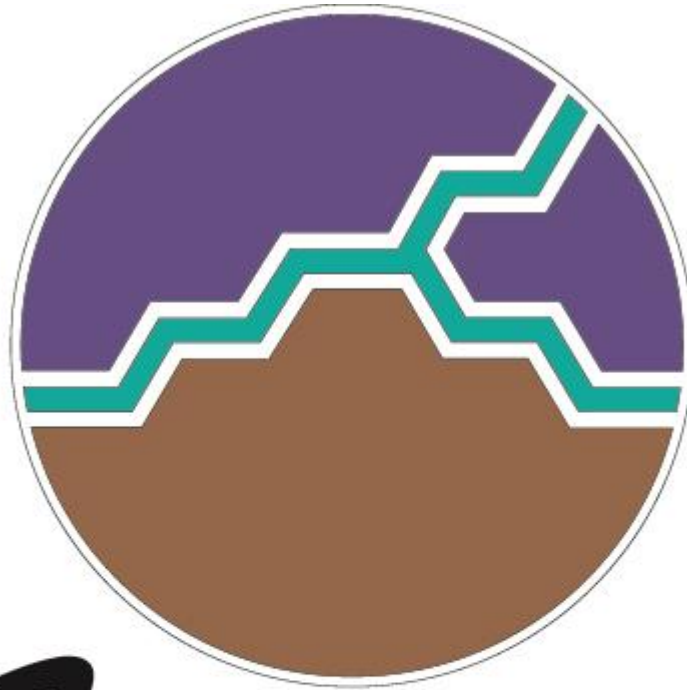
	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Resources (inflows):				
Charges for Service				
Radio Equipment Fees	\$ 826,181	\$ 826,181	\$ 929,883	\$ 103,702
Software Fees	917,676	917,676	919,776	2,100
911 Admin Fees	98,336	98,336	98,336	-
Intergovernmental:				
Federal Government	27,903	27,903	-	(27,903)
Budget Authority Reserve	1,650,000	1,650,000	-	(1,650,000)
Use of Money and Property				
Interest	3,500	3,500	8,584	5,084
Miscellaneous				
Other	-	-	1,342	1,342
Total Revenues	<u>3,523,596</u>	<u>3,523,596</u>	<u>1,957,921</u>	<u>(1,565,675)</u>
Amounts Available for Appropriation	<u>3,523,596</u>	<u>3,523,596</u>	<u>1,957,921</u>	<u>(1,565,675)</u>
Charges to Appropriations (outflows):				
Current:				
Environmental Health				
Radio Communications	927,451	927,451	780,448	147,003
Radio Software	1,163,524	1,163,524	982,587	180,937
911 Administration	83,094	83,094	68,001	15,093
Public Safety	1,650,000	1,650,000	-	1,650,000
Capital Outlay				
Capital Outlay	<u>72,903</u>	<u>72,903</u>	<u>31,302</u>	<u>41,601</u>
Total Expenditures	<u>3,896,972</u>	<u>3,896,972</u>	<u>1,862,338</u>	<u>2,034,634</u>
Total Charges to Appropriations	<u>3,896,972</u>	<u>3,896,972</u>	<u>1,862,338</u>	<u>2,034,634</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (373,376)</u>	<u>\$ (373,376)</u>	<u>95,583</u>	<u>\$ 468,959</u>
Reconciliation to Change in Net Position:				
Capital Outlay			31,302	
Pension Contributions in excess of Expense			12,294	
Depreciation and Amortization			(499,024)	
Change in Net Position			<u>\$ (359,845)</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, 2017

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Resources (inflows):				
Green Fees	\$ 955,000	\$ 955,000	\$ 841,929	\$ (113,071)
Cart and Club Rental	260,700	260,700	167,196	(93,504)
Pro Shop Sales	210,500	210,500	202,460	(8,040)
Restaurant Sales	132,631	132,631	162,022	29,391
Interest	500	500	37	(463)
Miscellaneous	-	-	48,352	48,352
Total Revenues	<u>1,559,331</u>	<u>1,559,331</u>	<u>1,421,996</u>	<u>(137,335)</u>
Transfers In	<u>-</u>	<u>-</u>	<u>242,655</u>	<u>242,655</u>
Amounts Available for Appropriation	<u>1,559,331</u>	<u>1,559,331</u>	<u>1,664,651</u>	<u>105,320</u>
Charges to Appropriations (outflows):				
Current:				
Maintenance	1,137,559	1,137,559	1,010,671	126,888
Concession	650,330	650,330	596,809	53,521
Restaurant	69,947	69,947	17,630	52,317
Facility Maintenance	261,192	261,192	198,251	62,941
Total Expenditures	<u>2,119,028</u>	<u>2,119,028</u>	<u>1,823,361</u>	<u>295,667</u>
Transfers Out	<u>25,624</u>	<u>25,624</u>	<u>25,624</u>	<u>-</u>
Total Charges to Appropriations	<u>2,144,652</u>	<u>2,144,652</u>	<u>1,848,985</u>	<u>295,667</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (585,321)</u>	<u>\$ (585,321)</u>	<u>(184,334)</u>	<u>\$ 400,987</u>
Reconciliation to Change in Net Assets:				
Pension Contributions in excess of Expense			23,528	
Depreciation and Amortization			<u>(168,382)</u>	
Change in Net Assets			<u>\$ (329,188)</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

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, 2017

<u>Assets</u>	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Current Assets:						
Cash and Investments	\$ 11,385,420	\$ -	\$ 2,924,540	\$ 279,435	\$ 4,497,244	\$ 19,086,639
Accounts Receivable	4,136	1,111	1,418	-	895	7,560
Intergovernmental Receivable	-	24	-	-	-	24
Accrued Interest	12,333	-	3,280	323	2,687	18,623
Inventory, at cost	-	727,236	-	-	-	727,236
Prepaid Items	-	3,050	-	-	-	3,050
Total Current Assets	11,401,889	731,421	2,929,238	279,758	4,500,826	19,843,132
Noncurrent Assets:						
Capital Assets:						
Land	-	219,610	-	-	-	219,610
Buildings	-	19,251	-	-	-	19,251
Improvements Other than Buildings	-	222,733	-	-	-	222,733
Equipment	29,442,677	245,489	-	-	-	29,688,166
Less Accumulated Depreciation	(22,236,808)	(287,563)	-	-	-	(22,524,371)
Total Noncurrent Assets	7,205,869	419,520	-	-	-	7,625,389
Total Assets	18,607,758	1,150,941	2,929,238	279,758	4,500,826	27,468,521
<u>Liabilities</u>						
Liabilities:						
Current Liabilities:						
Accounts Payable	8,725	27,271	152,685	-	40,669	229,350
Accrued Payroll, Taxes and Benefits Payable	-	31,109	2,797	-	-	33,906
Current Portion-Accrued Compensated Absences	-	19,140	2,688	-	-	21,828
Estimated Claims and Judgements	-	-	104,145	-	1,242,198	1,346,343
Due to Other Funds	-	1,400,344	-	-	-	1,400,344
Total Current Liabilities Payable	8,725	1,477,864	262,315	-	1,282,867	3,031,771
Noncurrent Liabilities:						
Accrued Compensated Absences	-	31,374	12,351	-	-	43,725
Total Long-Term Liabilities	-	31,374	12,351	-	-	43,725
Total Liabilities	8,725	1,509,238	274,666	-	1,282,867	3,075,496
<u>Net Position</u>						
Net investment in capital assets	7,205,869	419,520	-	-	-	7,625,389
Unrestricted (deficit)	11,393,164	(777,817)	2,654,572	279,758	3,217,959	16,767,636
Total Net Position	\$ 18,599,033	\$ (358,297)	\$ 2,654,572	\$ 279,758	\$ 3,217,959	\$ 24,393,025

City of Yuma, Arizona
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2017

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Operating Revenues:						
Charges For Services	\$ -	\$ 3,488,819	\$ 1,981,980	\$ -	\$ -	\$ 5,470,799
Contributions						
City	-	-	-	-	2,064,026	2,064,026
Equipment Rental	2,122,521	-	-	-	-	2,122,521
Miscellaneous	65,182	9,567	4,588	-	6,275	85,612
Total Operating Revenues	<u>2,187,703</u>	<u>3,498,386</u>	<u>1,986,568</u>	<u>-</u>	<u>2,070,301</u>	<u>9,742,958</u>
Operating Expenses:						
Claims Incurred	-	-	144,095	-	409,858	553,953
Premiums to Insurance Carriers	-	-	781,132	-	155,470	936,602
Administration	36,032	3,512,736	680,914	-	47,740	4,277,422
Depreciation	2,278,345	23,351	-	-	-	2,301,696
Total Operating Expenses	<u>2,314,377</u>	<u>3,536,087</u>	<u>1,606,141</u>	<u>-</u>	<u>613,068</u>	<u>8,069,673</u>
Operating Income/(Loss)	<u>(126,674)</u>	<u>(37,701)</u>	<u>380,427</u>	<u>-</u>	<u>1,457,233</u>	<u>1,673,285</u>
Non-Operating Revenue/(Expenses):						
Interest	47,924	-	10,890	1,441	23,647	83,902
Gain on the Sale of Assets	(237,434)	-	-	-	-	(237,434)
Total Non-Operating Revenues	<u>(189,510)</u>	<u>-</u>	<u>10,890</u>	<u>1,441</u>	<u>23,647</u>	<u>(153,532)</u>
Income/(Loss) before Transfers	<u>(316,184)</u>	<u>(37,701)</u>	<u>391,317</u>	<u>1,441</u>	<u>1,480,880</u>	<u>1,519,753</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	403,629	(41,692)	391,317	1,441	1,480,880	2,235,575
Net Position, Beginning	<u>18,195,404</u>	<u>(316,605)</u>	<u>2,263,255</u>	<u>278,317</u>	<u>1,737,079</u>	<u>22,157,450</u>
Net Position, Ending	<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>

City of Yuma, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2017

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Cash Flows from Operating Activities:						
Cash Received from Customers	\$ 2,122,521	\$ 3,502,219	\$ 1,993,485	\$ -	\$ 2,070,301	\$ 9,688,526
Cash Paid to Employees		(982,420)	(87,018)	-	-	(1,069,438)
Cash Paid to Suppliers	(2,743)	(2,504,030)	1,135,194	-	-	(1,371,579)
Cash Paid For Operating Expenses	36,032	9,567	(1,519,122)	-	(752,568)	(2,226,091)
Net Cash Flows Provided by Operating Activities	2,155,810	25,336	1,522,539	-	1,317,733	5,021,418
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	34,538	-	-	-	-	34,538
Payments for Capital Acquisitions	(1,458,730)	(21,345)	-	-	-	(1,480,075)
Net Cash Flows Used for Capital and Related Financing Activities	(1,424,192)	(21,345)	-	-	-	(1,445,537)
Cash Flows from Investing Activities:						
Receipt of Interest	45,481	-	9,229	1,118	21,559	77,387
Net Cash Flows Provided by Investing Activities	45,481	-	9,229	1,118	21,559	77,387
Net Increase/(Decrease) in Cash and Cash Equivalents	1,496,912	-	1,531,768	1,118	1,339,292	4,369,090
Cash and Cash Equivalents, July 1	9,888,508	-	1,392,772	278,317	3,157,952	14,717,549
Cash and Cash Equivalents, June 30	<u>\$ 11,385,420</u>	<u>\$ -</u>	<u>\$ 2,924,540</u>	<u>\$ 279,435</u>	<u>\$ 4,497,244</u>	<u>\$ 19,086,639</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Operating Income/(Loss)	\$ (126,674)	\$ (37,701)	\$ 380,427	\$ -	\$ 1,457,233	\$ 1,673,285
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation Expense	2,278,345	23,351	-	-	-	2,301,696
Decrease in Accounts Receivable	-	13,400	6,917	-	-	20,317
(Increase)/Decrease in Inventory	-	(97,650)	302,364	-	-	204,714
(Increase)/Decrease in Prepaid Items	-	(3,050)	747,590	-	126,917	871,457
Increase/(Decrease) in Accounts Payable	4,139	(16,822)	68,997	-	33,176	89,490
Increase in Payroll Liabilities	-	(6,367)	1,732	-	-	(4,635)
Increase in Due to Other Funds	-	150,175	-	-	-	150,175
Increase/(Decrease) in Estimated Claims	-	-	14,512	-	(299,593)	(285,081)
Total Adjustments	2,282,484	63,037	1,142,112	-	(139,500)	3,348,133
Net Cash Provided by Operating Activities	<u>\$ 2,155,810</u>	<u>\$ 25,336</u>	<u>\$ 1,522,539</u>	<u>\$ -</u>	<u>\$ 1,317,733</u>	<u>\$ 5,021,418</u>
Noncash Transactions Affecting Financial Position:						
Contributions of Capital Assets	-	(3,528)	-	-	-	(3,528)
Total Noncash Transactions Affecting Financial Position	<u>\$ -</u>	<u>\$ (3,528)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,528)</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Equipment Replacement Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2017

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Resources (inflows):				
Charges for Services	\$ 2,065,718	\$ 2,065,718	\$ 2,122,521	\$ 56,803
Interest	25,000	25,000	47,924	22,924
Miscellaneous	-	-	65,182	65,182
Total Revenues	<u>2,090,718</u>	<u>2,090,718</u>	<u>2,235,627</u>	<u>144,909</u>
Transfers In	<u>719,813</u>	<u>719,813</u>	<u>719,813</u>	<u>-</u>
Amounts Available for Appropriation	<u>2,810,531</u>	<u>2,810,531</u>	<u>2,955,440</u>	<u>144,909</u>
Charges to Appropriations (outflows):				
Current				
Administration	36,029	36,029	36,032	(3)
Capital Outlay	<u>5,670,000</u>	<u>5,670,000</u>	<u>1,458,730</u>	<u>4,211,270</u>
Total Expenditures	<u>5,706,029</u>	<u>5,706,029</u>	<u>1,494,762</u>	<u>4,211,267</u>
Total Charges to Appropriations	<u>5,706,029</u>	<u>5,706,029</u>	<u>1,494,762</u>	<u>4,211,267</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ (2,895,498)</u>	<u>\$ (2,895,498)</u>	<u>1,460,678</u>	<u>\$ 4,356,176</u>
Reconciliation to Change in Net Position:				
Capital Outlay			1,458,730	
Gain/(Loss) on Sale of Assets			(237,434)	
Depreciation and Amortization			(2,278,345)	
Change in Net Position			<u>\$ 403,629</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, 2017

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Resources (inflows):				
Charges for Services	\$ 3,630,868	\$ 3,630,868	\$ 3,488,819	\$ (142,049)
Miscellaneous	-	-	9,567	9,567
Total Revenues	3,630,868	3,630,868	3,498,386	(132,482)
Amounts Available for Appropriation	3,630,868	3,630,868	3,498,386	(132,482)
Charges to Appropriations (outflows):				
Current				
Administration	3,687,355	3,687,355	3,512,736	174,619
Capital Outlay	-	-	17,817	(17,817)
Total Expenditures	3,687,355	3,687,355	3,530,553	156,802
Transfers Out	3,991	3,991	3,991	-
Total Charges to Appropriations	3,691,346	3,691,346	3,534,544	156,802
Excess of Resources Over				
Charges to Appropriations	\$ (60,478)	\$ (60,478)	(36,158)	\$ 24,320
Reconciliation to Change in Net Position:				
Capital Outlay			17,817	
Depreciation and Amortization			(23,351)	
Change in Net Position			<u>\$ (41,692)</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, 2017

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Resources (inflows):				
Charges for Services	\$ 1,981,981	\$ 1,981,981	\$ 1,981,980	\$ (1)
Miscellaneous	-	-	4,588	4,588
Interest	3,000	3,000	10,890	7,890
Total Revenues	1,984,981	1,984,981	1,997,458	12,477
Amounts Available for Appropriation	1,984,981	1,984,981	1,997,458	12,477
Charges to Appropriations (outflows):				
Current				
Premiums to Insurance Carriers	825,464	825,464	781,132	44,332
Claims Incurred	292,000	292,000	144,095	147,905
Administration	727,439	727,439	680,914	46,525
Total Expenditures	1,844,903	1,844,903	1,606,141	238,762
Total Charges to Appropriations	1,844,903	1,844,903	1,606,141	238,762
Excess of Resources Over				
Charges to Appropriations	\$ 140,078	\$ 140,078	\$ 391,317	\$ 251,239
Reconciliation to Change in Net Position:				
Change in Net Position			\$ 391,317	

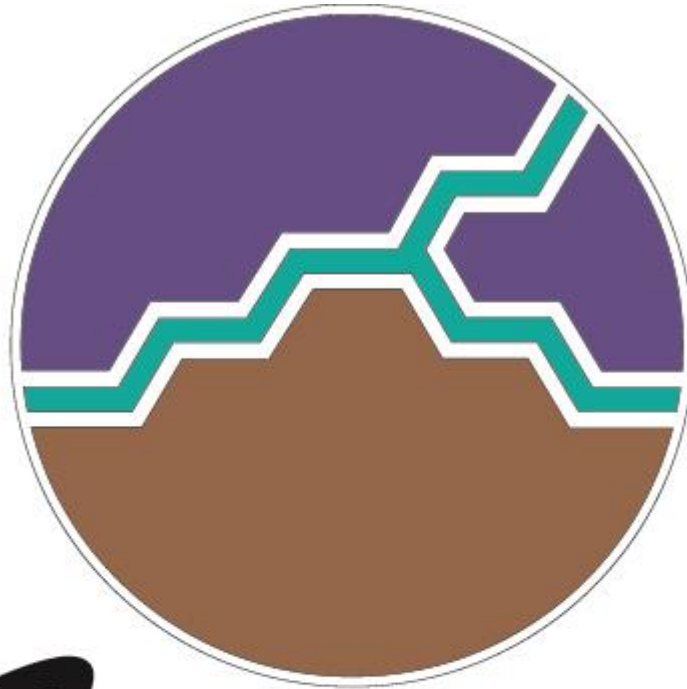
NOTE: This exhibit is prepared on the modified accrual basis to correspond with the City's budget practices. It is not intended to present the operations in accordance with generally accepted accounting principles.

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Workers Compensation Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2017

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Resources (inflows):				
Contributions - City	\$ 2,032,631	\$ 2,032,631	\$ 2,064,026	\$ 31,395
Miscellaneous	-	-	6,275	6,275
Interest	3,000	3,000	23,647	20,647
Total Revenues	<u>2,035,631</u>	<u>2,035,631</u>	<u>2,093,948</u>	<u>58,317</u>
Amounts Available for Appropriation	<u>2,035,631</u>	<u>2,035,631</u>	<u>2,093,948</u>	<u>58,317</u>
Charges to Appropriations (outflows):				
Current				
Premiums to Insurance Carriers	235,808	235,808	155,470	80,338
Claims Incurred	1,372,657	1,372,657	409,858	962,799
Administration	32,400	32,400	47,740	(15,340)
Total Expenditures	<u>1,640,865</u>	<u>1,640,865</u>	<u>613,068</u>	<u>1,027,797</u>
Total Charges to Appropriations	<u>1,640,865</u>	<u>1,640,865</u>	<u>613,068</u>	<u>1,027,797</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ 394,766</u>	<u>\$ 394,766</u>	<u>\$ 1,480,880</u>	<u>\$ 1,086,114</u>
Reconciliation to Change in Net Position:				
Change in Net Position			<u>\$ 1,480,880</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



CITY OF
Yuma

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	116
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	124
These schedules contain information to help the reader assess the City's most significant local revenue source - sales tax.	
Debt Capacity	126
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.	
Demographic and Economic Information	132
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	135
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

City of Yuma, Arizona
Net Position by Component
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	As restated									
Governmental activities										
Net investment in capital assets	\$ 169,403	\$ 129,228	\$ 192,145	\$ 196,837	\$ 209,377	\$ 208,428	\$ 197,997	\$ 194,763	\$ 193,687	\$ 194,292
Restricted	17,952	70,389	14,762	15,773	24,835	22,456	19,166	23,223	49,652	38,057
Unrestricted	45,354	38,439	40,261	44,357	36,851	39,115	43,244	(68,462)	(91,649)	(91,026)
Total governmental activities net position	\$ 232,709	\$ 238,056	\$ 247,168	\$ 256,967	\$ 271,063	\$ 269,999	\$ 260,407	\$ 149,524	\$ 151,690	\$ 141,323
Business-type activities										
Net investment in capital assets	\$ 151,032	\$ 158,367	\$ 160,883	\$ 166,782	\$ 164,295	\$ 163,246	\$ 159,458	\$ 147,573	\$ 152,343	\$ 150,899
Restricted	151	1,952	3,754	5,556	7,357	9,009	9,009	9,009	2,715	-
Unrestricted	24,079	27,344	29,027	31,699	37,842	43,362	46,877	44,607	49,657	60,405
Total business-type activities net position	\$ 175,262	\$ 187,663	\$ 193,664	\$ 204,037	\$ 209,494	\$ 215,617	\$ 215,344	\$ 201,189	\$ 204,715	\$ 211,304
Primary government										
Net investment in capital assets	\$ 320,435	\$ 287,595	\$ 353,028	\$ 363,619	\$ 373,672	\$ 371,674	\$ 357,455	\$ 342,336	\$ 346,030	\$ 345,191
Restricted	18,103	72,341	18,516	21,329	32,192	31,465	28,175	32,232	52,367	38,057
Unrestricted	69,433	65,783	69,288	76,056	74,693	82,477	90,121	(23,855)	(41,992)	(30,621)
Total primary government net position	\$ 407,971	\$ 425,719	\$ 440,832	\$ 461,004	\$ 480,557	\$ 485,616	\$ 475,751	\$ 350,713	\$ 356,405	\$ 352,627

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)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government										
Public Safety	\$ 11,875	\$ 11,559	\$ 10,563	\$ 9,684	\$ 12,534	\$ 10,345	\$ 10,335	\$ 9,056	\$ 9,102	\$ 8,741
Streets	38,511	41,080	39,224	40,232	41,735	43,051	46,585	55,785	55,883	68,133
Parks, Recreation and Culture	18,943	15,966	13,969	14,536	12,741	14,980	25,265	14,964	12,272	16,063
Environmental Health and Protection	14,353	16,282	13,863	13,804	14,226	12,787	13,606	14,364	14,219	14,892
Community Design and Development	4,604	4,969	4,905	1,538	804	156	89	178	686	26
Interest on Long-Term Debt	5,807	5,486	4,981	5,007	4,521	5,134	5,167	4,439	4,331	4,524
Total governmental activities expenses	5,331	6,592	6,291	5,803	5,461	5,153	4,781	4,462	4,505	4,400
Business-type activities:										
Water	99,424	101,934	93,796	90,604	92,022	91,606	105,828	103,248	100,998	116,779
Wastewater	18,389	20,754	20,277	20,555	23,353	23,227	24,762	25,259	23,337	22,821
Solid Waste	13,270	13,859	13,673	13,882	16,191	16,165	17,073	17,253	16,643	16,478
Radio Communications	-	-	-	2,902	2,948	3,213	3,085	3,070	3,347	3,728
Golf Courses	-	-	-	-	-	4,663	4,153	2,623	2,184	2,313
Total business-type activities expenses	2,889	2,819	2,496	2,377	2,403	2,469	3,474	2,518	1,864	1,681
Total primary government expenses	34,548	37,432	36,446	39,716	44,895	49,737	52,547	50,723	47,375	47,021
	<u>\$ 133,972</u>	<u>\$ 139,366</u>	<u>\$ 130,242</u>	<u>\$ 130,320</u>	<u>\$ 136,917</u>	<u>\$ 141,343</u>	<u>\$ 158,375</u>	<u>\$ 153,971</u>	<u>\$ 148,373</u>	<u>\$ 163,800</u>
Program Revenues										
Governmental activities:										
Charges for Services	\$ 710	\$ 390	\$ 384	\$ 333	\$ 307	\$ 413	\$ 545	\$ 368	\$ 351	\$ 391
Building Inspection Fees	6,657	4,911	2,674	4,369	1,589	1,419	2,326	1,104	1,458	2,515
Developer Charges	-	-	-	-	477	3,830	2,490	3,444	4,241	4,261
Ambulance Services	764	865	821	471	567	617	701	840	776	771
Other Charges	8,916	7,607	7,491	6,936	5,775	6,082	5,708	4,283	7,933	5,223
Operating Grants and Contributions	2,294	1,807	3,659	4,968	3,965	3,980	3,305	3,519	2,528	1,876
Capital Grants and Contributions	5,000	4,783	5,944	3,245	19,145	1,744	577	1,481	609	1,817
Total governmental activities program revenues	24,341	20,363	20,973	20,322	31,825	18,085	15,652	15,039	17,896	16,854
Business-type activities:										
Charges for Services										
Metered Water Sales	21,027	22,463	21,651	21,598	20,710	21,233	21,809	20,532	20,999	22,254
Wastewater Charges	13,126	13,372	13,699	14,854	14,485	14,625	14,785	14,400	15,107	16,043
Radio Communications	-	-	-	-	-	1,714	1,564	1,739	1,765	1,948
Solid Waste Charges	-	-	-	3,147	3,266	3,301	3,325	3,351	3,327	3,494
Green Fees and Concessions	2,140	2,027	1,964	1,890	1,919	2,152	2,230	1,789	1,681	1,374
Other Charges	1,181	1,098	1,041	961	775	562	670	960	1,631	2,307
Capital Grants and Contributions	8,874	9,924	3,969	7,391	9,071	7,776	7,044	5,748	6,405	5,911
Total business-type activities program revenues	46,348	48,884	42,324	49,841	50,226	51,363	51,427	48,519	50,915	53,331
Total primary government program revenues	<u>\$ 70,689</u>	<u>\$ 69,247</u>	<u>\$ 63,297</u>	<u>\$ 70,163</u>	<u>\$ 82,051</u>	<u>\$ 69,448</u>	<u>\$ 67,079</u>	<u>\$ 63,558</u>	<u>\$ 68,811</u>	<u>\$ 70,185</u>

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)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (expense)/revenue										
Governmental activities	\$ (75,083)	\$ (81,571)	\$ (72,823)	\$ (70,282)	\$ (60,197)	\$ (73,521)	\$ (90,176)	\$ (88,209)	\$ (83,100)	\$ (99,927)
Business-type activities	11,800	11,452	5,878	10,125	5,331	1,626	(1,120)	(2,204)	3,540	6,322
Total primary government net expense	<u>\$ (63,283)</u>	<u>\$ (70,119)</u>	<u>\$ (66,945)</u>	<u>\$ (60,157)</u>	<u>\$ (54,866)</u>	<u>\$ (71,895)</u>	<u>\$ (91,296)</u>	<u>\$ (90,413)</u>	<u>\$ (79,560)</u>	<u>\$ (93,605)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 8,250	\$ 8,856	\$ 9,498	\$ 9,986	\$ 10,099	\$ 9,549	\$ 9,451	\$ 9,650	\$ 10,955	\$ 12,354
Sales taxes	39,478	36,857	34,177	34,644	36,304	37,624	37,994	38,283	40,149	41,653
Franchise taxes	2,893	3,013	3,010	3,002	3,059	3,043	3,010	3,095	3,163	3,067
Shared revenues	32,788	31,330	28,239	25,379	23,936	25,917	26,552	29,441	30,272	31,713
Grants and contributions not restricted to specific programs	2,600	3,895	5,776	5,929	-	-	-	-	-	-
Unrestricted investment earnings	4,842	2,872	1,139	1,001	930	796	545	269	449	687
Gain from sale of fixed assets	-	-	-	259	-	-	-	-	-	-
Transfers	(96)	95	95	126	(37)	(122)	(730)	(1,323)	280	85
Total governmental activities	<u>90,755</u>	<u>86,918</u>	<u>81,934</u>	<u>80,326</u>	<u>74,291</u>	<u>76,807</u>	<u>76,822</u>	<u>79,415</u>	<u>85,268</u>	<u>89,559</u>
Business-type activities:										
Investment earnings	1,916	1,045	217	130	89	26	222	165	265	353
Transfers	96	(95)	(95)	(126)	37	122	730	1,323	(280)	(85)
Total business-type activities	<u>2,012</u>	<u>950</u>	<u>122</u>	<u>4</u>	<u>126</u>	<u>148</u>	<u>952</u>	<u>1,488</u>	<u>(15)</u>	<u>268</u>
Total primary government	<u>\$ 92,767</u>	<u>\$ 87,868</u>	<u>\$ 82,056</u>	<u>\$ 80,330</u>	<u>\$ 74,417</u>	<u>\$ 76,955</u>	<u>\$ 77,774</u>	<u>\$ 80,903</u>	<u>\$ 85,253</u>	<u>\$ 89,827</u>
Change in Net Position										
Governmental activities	\$ 15,865	\$ 5,347	\$ 9,112	\$ 10,044	\$ 14,095	\$ 3,391	\$ (13,354)	\$ (8,794)	\$ 2,166	\$ (10,368)
Business-type activities	13,620	12,402	6,000	10,128	5,457	1,669	(168)	(715)	3,526	6,590
Total primary government	<u>\$ 29,485</u>	<u>\$ 17,749</u>	<u>\$ 15,112</u>	<u>\$ 20,172</u>	<u>\$ 19,552</u>	<u>\$ 5,060</u>	<u>\$ (13,522)</u>	<u>\$ (9,509)</u>	<u>\$ 5,692</u>	<u>\$ (3,778)</u>

Concluded

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

City of Yuma, Arizona

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 277	\$ 262	\$ 156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	18,608	15,493	18,796	-	-	-	-	-	-	-
Nonspendable	-	-	-	103	169	187	178	144	127	118
Committed	-	-	-	2,383	1,864	935	-	-	-	-
Assigned	-	-	-	88	868	-	-	-	-	-
Unassigned	-	-	-	19,060	15,655	18,693	17,732	17,348	18,218	17,436
Total General Fund	\$18,885	\$15,755	\$18,952	\$21,634	\$18,556	\$19,815	\$17,910	\$17,492	\$18,345	\$17,554
All other										
Governmental funds										
Reserved	\$ 543	\$ 552	\$ 553	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	8,791	6,876	7,848	-	-	-	-	-	-	-
Capital projects funds	67,732	47,349	31,267	-	-	-	-	-	-	-
Nonspendable	-	-	-	141	18	19	16	20	17	66
Restricted	-	-	-	2,388	24,834	22,456	19,167	20,280	47,003	35,877
Committed	-	-	-	34,441	11,235	7,252	7,018	7,847	8,655	(5,530)
Assigned	-	-	-	2,037	633	-	-	-	-	-
Total all other governmental funds	\$77,066	\$54,777	\$39,668	\$39,007	\$36,720	\$29,727	\$26,201	\$28,147	\$55,675	\$30,413

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)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 50,503	\$ 48,569	\$ 46,561	\$ 47,606	\$ 49,450	\$ 50,282	\$ 50,425	\$ 50,991	\$ 54,166	\$ 57,022
Licenses and permits	2,068	1,363	1,413	1,292	1,288	1,723	1,880	1,858	1,932	2,064
Intergovernmental	39,238	37,064	36,984	32,510	33,173	30,780	30,254	32,951	32,947	34,489
Charges for services	11,599	8,913	7,007	7,055	4,160	7,293	7,086	6,846	7,965	9,152
Fines and forfeitures	1,143	1,238	1,437	1,484	1,550	1,526	1,210	1,162	1,298	1,229
Special Assessments	914	949	817	1,039	1,089	1,134	1,183	280	290	305
Use of money and property	5,358	3,309	1,752	1,665	1,365	819	971	643	766	889
Contributions and donations	65	97	85	77	47	69	88	1,021	436	170
Miscellaneous	633	1,646	763	2,442	493	1,053	456	555	899	1,447
Total revenues	111,521	103,148	96,819	95,170	92,615	94,679	93,553	96,307	100,699	106,767
Expenditures										
General government	9,723	9,575	7,740	6,969	9,451	9,409	8,964	7,566	7,875	7,923
Public Safety	37,874	37,908	35,234	36,285	38,475	40,769	42,938	45,692	47,635	51,846
Streets	8,913	9,716	8,195	8,186	7,945	7,662	7,592	7,718	7,551	8,259
Parks, Recreation and Culture	11,547	11,857	10,619	10,171	10,688	10,964	11,200	12,117	12,593	13,182
Environmental Health and Protection	4,757	4,781	4,480	1,556	733	104	72	70	20	50
Community Design and Development	5,726	5,370	4,870	4,899	4,458	5,134	5,096	4,288	4,237	4,485
Capital Outlay	51,148	35,734	25,249	13,659	12,666	11,792	8,702	5,502	9,321	23,878
Debt Service										
Principal	8,312	7,075	6,315	7,680	8,010	8,350	8,700	8,080	6,565	6,790
Interest and fiscal agent fees	5,885	6,646	6,764	5,858	5,516	5,209	4,885	4,566	3,777	4,720
Issuance Cost									914	-
Total expenditures	143,885	128,662	109,466	95,263	97,942	99,393	98,149	95,599	100,488	121,133
Excess of revenues over (under) expenditures	(32,364)	(25,514)	(12,647)	(93)	(5,327)	(4,714)	(4,596)	708	211	(14,366)
Other financing sources (uses)										
Proceeds from long-term debt	93,686	-	30,017	-	-	-	-	-	97,386	-
Payment to Refunded Bond Escrow	-	-	(29,378)	-	-	-	-	-	(72,265)	-
Transfers in	29,685	16,213	14,564	14,675	14,522	12,772	13,474	14,416	13,551	11,255
Transfers out	(29,589)	(16,118)	(14,468)	(14,548)	(14,559)	(12,893)	(14,204)	(13,595)	(10,502)	(11,886)
Total other financing sources (uses)	93,782	95	735	127	(37)	(121)	(730)	821	28,170	(631)
Net change in fund balances	\$ 61,418	\$ 25,419	\$ (11,912)	\$ 34	\$ 5,364	\$ (4,835)	\$ (5,326)	\$ 1,529	\$ 3,299	\$ (14,996)
Debt service as a percentage of noncapital expenditures	15.3%	14.8%	15.5%	16.6%	15.9%	15.5%	15.2%	14.0%	11.3%	11.8%

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		City Road	Public Safety	Two Percent	Utility	Public		Total
	Property Tax	Tax	Sales Tax	Sales Tax	Tax	Franchise	In-Lieu	Mall District Levy	
2008	\$ 8,026,861	\$ 20,479,641	\$ 10,238,080	\$ 4,093,839	\$ 4,424,358	\$ 2,893,077	\$ 242,000	\$ 105,394	\$ 50,503,250
2009	8,545,562	18,961,780	9,479,279	3,790,422	4,383,419	3,013,453	242,000	154,174	48,570,089
2010	9,256,633	17,461,635	8,729,333	3,490,546	4,253,079	3,009,794	242,000	117,798	46,560,818
2011	9,740,940	17,635,454	8,816,228	3,525,292	4,425,556	3,001,939	242,000	218,925	47,606,334
2012	9,944,517	18,470,938	9,233,899	3,692,304	4,665,296	3,058,634	242,000	142,151	49,449,739
2013	9,495,271	19,248,864	9,622,796	3,847,810	4,652,121	3,043,054	252,413	119,403	50,281,732
2014	9,339,855	19,517,306	9,756,994	3,901,471	4,576,061	3,009,904	242,000	81,320	50,424,911
2015	9,508,914	19,536,924	9,766,802	3,905,392	4,832,187	3,095,540	242,000	103,350	50,991,109
2016	10,757,040	20,531,463	10,263,987	4,104,199	5,007,109	3,162,691	242,000	97,151	54,165,640
2017	12,188,601	21,207,119	10,601,757	4,239,261	5,354,285	3,066,678	251,067	103,720	57,012,488

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	Sales Tax	Revenue Sharing	Auto In-Lieu	Highway Users	Local		Total
					Transportation Assistance	Grants and Others*	
2008	\$ 8,183,395	\$ 12,518,215	\$ 3,518,863	\$ 8,144,889	\$ 423,058	\$ 6,448,868	\$ 39,237,288
2009	7,105,468	13,355,612	3,445,491	7,029,312	394,161	5,734,617	37,064,661
2010	6,553,759	11,530,342	3,302,490	6,626,027	226,308	8,744,867	36,983,793
2011	6,856,996	8,692,400	3,250,436	6,503,532	75,764	7,131,364	32,510,492
2012	7,272,049	7,854,670	3,108,562	5,700,428	-	9,237,197	33,172,906
2013	7,600,328	9,506,288	2,948,529	5,862,202	-	4,862,601	30,779,948
2014	7,507,882	9,656,745	3,111,124	6,276,058	-	3,702,063	30,253,872
2015	8,285,303	10,974,954	3,271,810	6,908,773	-	3,510,123	32,950,963
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

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			
2008	\$ 1,001,408	\$ 621,480	\$ 899,272	\$ -	\$ 1,335,165	\$ 505,838	\$ 1,844,645	\$ 214,649	\$ 26,411	\$ -	\$ -	\$ 6,448,868
2009	583,702	1,469,327	1,121,334	-	2,176,628	-	297,024	5,393	81,210	-	-	5,734,617
2010	252,169	1,446,751	1,167,310	-	5,336,400	5,607	1,840	-	533,859	931	8,744,867	
2011	271,296	741,740	1,059,135	255,855	4,165,343	-	-	-	637,996	-	7,131,364	
2012	373,294	635,092	786,120	87,292	2,501,119	5,125	-	2,893,392	1,588,327	367,436	9,237,197	
2013	459,826	726,689	1,207,608	-	1,855,100	10,400	296,263	240,044	66,670	-	4,862,601	
2014	700,071	64,489	1,249,005	93,283	1,465,997	10,000	-	62,592	29,549	27,077	3,702,063	
2015	799,620	-	941,585	-	1,517,358	-	-	5,599	185,812	60,149	3,510,123	
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	

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Mining	\$ 155	\$ 6	\$ 82	\$ 6	\$ 44	\$ 20	\$ 24	\$ 34	\$ 38	\$ 68
Construction	249,315	207,592	118,996	121,132	190,490	190,260	174,693	138,657	111,924	106,814
Manufacturing	59,931	48,964	44,764	50,676	38,167	50,539	43,626	51,945	55,173	52,315
Transportation, Communications, and Utilities	207,693	206,089	207,112	197,764	194,646	197,687	206,056	205,300	205,077	210,261
Wholesale Trade	22,480	33,785	35,334	42,580	38,720	36,578	39,897	42,766	51,912	52,872
Retail Trade	1,089,001	1,001,579	962,699	973,426	987,416	1,036,092	1,068,106	1,110,680	1,172,122	1,191,484
Restaurants and Bars	162,560	162,404	157,024	160,742	168,358	172,056	174,309	200,951	194,761	224,191
Finance, Insurance and Real Estate	132,593	115,857	116,046	123,876	129,208	129,208	131,450	114,418	151,109	158,526
Hotels and Other Lodging Accommodation	33,642	36,093	29,502	29,507	33,368	32,054	29,049	32,624	33,051	37,630
Services	52,012	50,858	43,356	45,208	45,804	51,404	49,649	49,819	54,437	60,651
Arts, Entertainment, Government and All Others Not Specified	38,503	32,743	31,055	18,434	20,670	22,871	34,656	27,236	23,332	25,774
	<u>\$ 2,047,885</u>	<u>\$ 1,895,970</u>	<u>\$ 1,745,970</u>	<u>\$ 1,763,351</u>	<u>\$ 1,846,891</u>	<u>\$ 1,918,769</u>	<u>\$ 1,951,516</u>	<u>\$ 1,974,430</u>	<u>\$ 2,052,936</u>	<u>\$ 2,120,585</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>
2008	1.70%	2.00%	1.10%	5.60%
2009	1.70%	2.00%	1.10%	5.60%
2010	1.70%	2.00%	1.10%	6.60%
2011	1.70%	2.00%	1.10%	6.60%
2012	1.70%	2.00%	1.10%	6.60%
2013	1.70%	2.00%	1.10%	5.60%
2014	1.70%	2.00%	1.11%	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%

Source: Arizona Department of Revenue

City of Yuma, Arizona

Ratio of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Municipal Property Corporation Bonds	Special Assessment Bonds	Long-term Contracts Payable	Municipal Property Corporation Bonds	General Obligation Bonds	Long-term Contracts Payable				
2008	-	148,092,247 **	8,820,000	-	131,638,694 **	6,358,872 **	80,379,513	375,289,326	8.05%	1,931	
2009	-	141,246,841 **	7,840,000	-	126,683,860 **	5,200,528 **	76,473,462	357,444,691	7.38%	1,849	
2010	-	135,516,812 **	6,815,000	-	123,597,128 **	3,999,805 **	72,431,684	342,360,429	6.85%	1,749	
2011	-	126,682,719 **	5,745,000	-	120,350,368 **	2,736,957 **	68,249,441	323,764,485	6.11%	1,645	
2012	-	120,017,028 **	4,625,000	-	116,931,350 **	1,406,662 **	63,921,836	306,901,876	5.64%	1,528	
2013	-	113,071,335 **	3,460,000	-	113,335,361 **	-	59,443,795	289,310,491	5.36%	1,446	
2014	-	106,355,784 **	2,245,000	-	109,791,531 **	-	54,810,083	273,202,398	4.94%	1,358	
2015	-	98,766,464	1,965,000	-	105,872,834	-	50,015,230	256,619,528	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	

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
2008	93,212	572,280,942	6,420,000	1.1%	69
2009	93,719	699,754,765	5,250,000	0.8%	56
2010	90,660	747,149,498	4,040,000	0.5%	45
2011	91,359	733,033,525	2,765,000	0.4%	30
2012	93,814	666,827,282	1,420,000	0.2%	15
2013	93,013	625,801,724	-	0.0%	-
2014	91,923	632,734,838	-	0.0%	-
2015	93,400	615,552,203	-	0.0%	-
2016	94,139	622,921,086	-	0.0%	-
2017	94,906	595,290,568	-	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, 2017

Jurisdiction	2017 Outstanding	Allocable to City of Yuma	
		Percent	Amount
City of Yuma	\$ 106,105,000	100.00%	\$ 106,105,000
Total Direct Debt			<u>\$ 106,105,000</u>
Yuma County	6,330,000	47.30%	2,994,090
Yuma County Jail District	3,669,992	47.30%	1,735,906
Yuma County Library District	25,670,000	47.30%	12,141,910
Yuma County Special Assessment District	2,898,864	47.30%	1,371,163
Yuma County Community College District	54,410,000	46.14%	25,104,774
Yuma Union High School District No. 70	39,975,000	52.30%	20,906,925
Yuma School District No. 1	18,500,000	55.64%	10,293,400
Crane Elementary School District No. 13	19,730,810	69.46%	<u>13,705,021</u>
Total Overlapping Debt			<u>\$ 88,253,189</u>
Total Direct and Overlapping Debt			<u>\$ 194,358,189</u>

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, 2017

(amounts expressed in thousands)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit										
Water, Sewer, Lights, Parks (20%)	\$ 114,456	\$ 139,951	\$ 149,430	\$ 146,607	\$ 133,365	\$ 125,160	\$ 126,547	\$ 123,110	\$ 124,584	\$ 119,058
All Others (6%)	34,337	41,985	44,829	43,982	40,010	37,548	37,964	36,933	37,375	35,717
Total net debt applicable to limit										
Water, Sewer, Lights, Parks (20%)	6,420	5,250	4,040	2,765	1,420	-	-	-	-	-
All Others (6%)	-	-	-	-	-	-	-	-	-	-
Legal debt margin										
Water, Sewer, Lights, Parks (20%)	\$ 108,036	\$ 134,701	\$ 145,390	\$ 143,842	\$ 131,945	\$ 125,160	\$ 126,547	\$ 123,110	\$ 124,584	\$ 119,058
All Others (6%)	34,337	41,985	44,829	-	40,010	37,548	37,964	36,933	37,375	35,717
Total net debt applicable to the limit as a percentage of debt limit										
Water, Sewer, Lights, Parks (20%)	5.61%	3.75%	2.70%	1.89%	1.06%	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 2017										
General Obligation Bonds										
Water, Sewer, Lights, Parks (20%)										
2017 Tax Year Secondary Assessed Valuation \$ 595,291 \$ 119,058 \$ 35,717										
Outstanding General Obligation Debt:										
Project 1997 - - -										
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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
2016-17 Pledged Taxes	\$ 55,414,798	\$ 64,526,106	\$ 65,678,785	\$ -
2016-17 Net Revenue	-	-	-	25,136,862
Total Taxes/Net Revenue	<u>\$ 55,414,798</u>	<u>\$ 64,526,106</u>	<u>\$ 65,678,785</u>	<u>\$ 25,136,862</u>
2017-18 Debt related to pledge:				Total
2010 Series B	\$ 2,854,282	\$ -	\$ -	\$ 2,854,282
2015 Excise Rev & Refunding	-	3,750,550	-	3,750,550
2015 Road Tax Refunding	-	-	4,512,550	4,512,550
2015 Utility System Rev Refunding	-	-	-	-
2016 Utility System Rev Refunding				7,648,088
Total Debt	<u>\$ 2,854,282</u>	<u>\$ 3,750,550</u>	<u>\$ 4,512,550</u>	<u>\$ 11,117,382</u>
Coverage	19.4	17.2	14.6	13,632,358
Required Coverage	3.0	1.5	1.5	1.8
Collective Coverage				
Total 2016-17 Taxes/Net Revenue	<u>\$ 55,414,798</u>	<u>\$ 64,526,106</u>	<u>\$ 65,678,785</u>	<u>\$ 25,136,862</u>
Total 2017-18 Debt	<u>\$ 11,117,382</u>	<u>\$ 11,117,382</u>	<u>\$ 11,117,382</u>	<u>\$ 13,632,358</u>
Coverage	5.0	5.8	5.9	1.8
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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Local Taxes										
Sales Tax (1%)	\$ 20,479,641	\$ 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
Franchise Fee	3,135,077	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
Intergovernmental Revenues:										
State Revenue Sharing	12,518,215	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
State Sales Tax	8,183,395	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
Auto In-Lieu Tax	3,518,863	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
Emergency Services and Other	133,560	189,929	44,700	55,745	34,252	37,974	23,913	44,062	196,457	31,057
Licenses:										
Business Licenses	332,122	319,631	315,580	302,668	288,133	261,323	250,365	250,957	246,528	250,890
Liquor Licenses	34,700	35,715	34,130	35,131	31,670	32,955	32,560	33,310	33,090	30,140
Fees for Services:										
Building Permits and Inspection Fees	2,401,049	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
Recreation Fees	546,680	563,437	628,264	609,192	546,940	478,911	513,535	544,212	487,166	465,281
Police Services and Other Public Safety Fees	1,852,400	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
Use of Money and Property:										
Investment Income	1,021,862	504,146	166,500	108,396	53,277	14,717	99,738	47,095	64,755	95,984
Fines, Forfeitures and Penalties:										
City Court Fines	1,143,006	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
Total Series B Pledged Taxes	55,300,570	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
Additional Excise Series Pledged Taxes										
City Public Safety Taxes (.2%)	4,093,839	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
City Special Taxes (2%)	4,424,358	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
Total Excise Series Pledged Taxes	59,724,928	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
Additional Road Tax Series Pledged Taxes										
City Road Tax (.5%)	10,238,080	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
Total Road Tax Series Pledged Taxes	\$ 65,538,650	\$ 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
Gross Excise Tax Pledged Revenues	\$ 74,056,847	\$ 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

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.

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
2007	190,557	4,320,000	23	13.90%	1,141	105,194,398	801	61,578,063
2008	194,322	4,661,000	24	17.10%	740	101,217,617	972	50,218,987
2009	193,299	4,840,484	25	21.30%	510	17,348,000	748	48,260,000
2010	195,751	4,994,489	26	26.30%	546	33,118,172	759	40,924,654
2011	196,830	5,300,165	27	27.10%	610	52,240,172	782	26,660,688
2012	200,870	5,441,761	27	28.40%	325	19,892,725	787	24,553,421
2013	200,022	5,399,670	27	28.70%	21	28,859,856	378	61,650,122
2014	201,201	5,529,669	27.5	23.30%	27	23,994,422	321	58,424,149
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

Note: Unemployment rate and population presented represents the Yuma Metropolitan Statistical Area and it reflects revised inputs, reestimation, and new statewide controls through 2016.

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	2007			2016		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Marine Corps Air Station	6,156	1	9.05%	4,723	1	26.69%
U. S. Army Yuma Proving Ground	3,000	2	4.41%	2,510	2	14.18%
Yuma Regional Medical Center	1,995	3	2.93%	1,991	3	11.25%
Yuma School District #1	1,700	4	2.50%	1,400	4	7.91%
Yuma County	1,416	5	2.08%	1,336	5	7.55%
DatePac, LLC	-	-	-	1,275	6	7.20%
TRAX	-	-	-	1,262	7	7.13%
City of Yuma	998	8	1.47%	1,200	8	6.78%
Yuma Union High School District	925	9	1.36%	1,000	9	5.65%
United States Border Patrol	-	-	-	1,000	10	5.65%
Growers Company	1,200	6	1.76%	-	-	-
Salier American Fresh	1,000	7	1.47%	-	-	-
Other	879	10	1.29%	-	-	-
Total	19,269		28.34%	17,697		100.00%

Source: Greater Yuma Economic Development Corporation/Employers

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	228	241	235	192	201	192	198	205	208	208
Public Safety										
Police	269	266	267	239	249	258	259	272	276	277
Fire	122	122	133	129	131	125	125	125	131	131
Public Works										
Engineering	44	44	41	33	32	32	24	35	28	28
Maintenance	47	56	56	46	46	46	52	47	48	48
Solid Waste	16	17	17	13	13	13	13	13	13	13
Water	75	76	80	73	73	76	76	69	77	77
Wastewater	52	47	51	49	49	52	52	52	53	53
Parks and recreation	145	133	133	116	116	116	117	124	119	120
Total	998	1,002	1,013	890	910	910	916	942	953	955

Source: City of Yuma Annual Budget, Fiscal Year 2016-2017

City of Yuma, Arizona

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Calls for service*	81,347	84,332	83,226	76,232	NA	76,080	89,027	93,463	90,694	91,603
Case reports	13,746	13,740	13,434	13,535	NA	14,651	12,855	12,905	12,185	12,371
Fire										
Number of calls answered*	11,455	11,045	11,565	12,067	12,037	12,664	12,529	13,191	13,888	14,205
Inspections*	2,059	2,322	745	864	NA	1,399	1,460	883	2,448	2,438
Streets										
Streets slurry sealed (miles)	22	11	2	15	10	24	30	30	23	32.60
Solid Waste										
Refuse collected (tons)	34,919	33,996	33,288	32,638	32,177	32,010	26,650	26,848	25,622	30,710
Parks and recreation										
Ramada rentals	3,160	2,673	2,519	2,554	2,327	2,551	2,097	2,171	1,946	1,625
Water										
Connections	27,174	27,622	28,058	28,984	29,009	27,396	29,361	29,945	30,400	30,921
Daily treatment capacity (million gallons)	48.0	60.0	64.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0
Annual quantity processed (billion gallons)	9.5	8.2	7.5	8.4	8.3	8.1	7.1	8.0	7.8	7.8
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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police stations	1	1	1	1	1	2	2	2	2	2
Police vehicles	150	163	164	163	156	172	179	181	194	181
Fire stations	6	6	6	6	6	6	6	6	6	6
Streets										
Streets (miles)	361	384	389	395	420	421	442	448	450	454
Streetlights	5,375	5,463	5,606	5,750	5,753	5,764	6,757	6,757	6,773	6,795
Traffic Signals	42	42	49	50	50	79	79	79	79	81
Solid Waste										
Collection trucks	13	13	13	13	11	11	11	11	11	11
Parks and Recreation										
Parks acreage	607	607	607	607	607	607	620	633	682	682
Parks/Athletic Fields	32	79*	79	79	79	79	80	84	90	96
Swimming pools	3	4	4	4	4	4	4	4	4	4
Tennis courts	1	2	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	501	507	520	525	525	527	527	527	530
Fire hydrants	3,267	3,400	3,438	3,450	3,573	3,646	3,754	3,790	3,831	3,859
Wastewater										
Sanitary sewers (miles)	320	320	342	340	341	350	350	350	362	356
Manholes							5,318	5,318	5,376	5,510

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.