

City of Yuma, Arizona

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2009

foreground: 2008 Midnight at the Oasis
at the Yuma Civic Center
background: 2008 18th Annual Balloon Festival
at the West Wetlands Park

City of Yuma
Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2009

Prepared by:

Finance Department

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Accountants

About the Cover:

The cover presents a collage of two of Yuma's premier winter events. The Annual Balloon Festival has grown with more participants each year over the last eighteen years while the Midnight at the Oasis attracts vintage cars and their drivers from all over the Western states. The three-day event boasts attendance in the tens of thousands annually for the car parade, concerts and fun.

Cover Design: Daniel Venditelli, Jr.

CITY COUNCIL

Lawrence K. Nelson, Mayor
Cody Beeson
Ross J. Hieb
Paul B. Johnson
Leslie L. McClendon
Raul Mendoza
Ema Lea Shoop

City Administration

Mark S. Watson
City Administrator

Robert L. Stull
Deputy City Administrator

City Departments

City Attorney
Steven W. Moore

City Clerk
Brigitta M. Kuiper

Community Development
Laurie L. Lineberry

Finance
Donald (Pat) Wicks

Fire Department
Jack McArthur, Chief

Information Technology
Laura S. Neinast

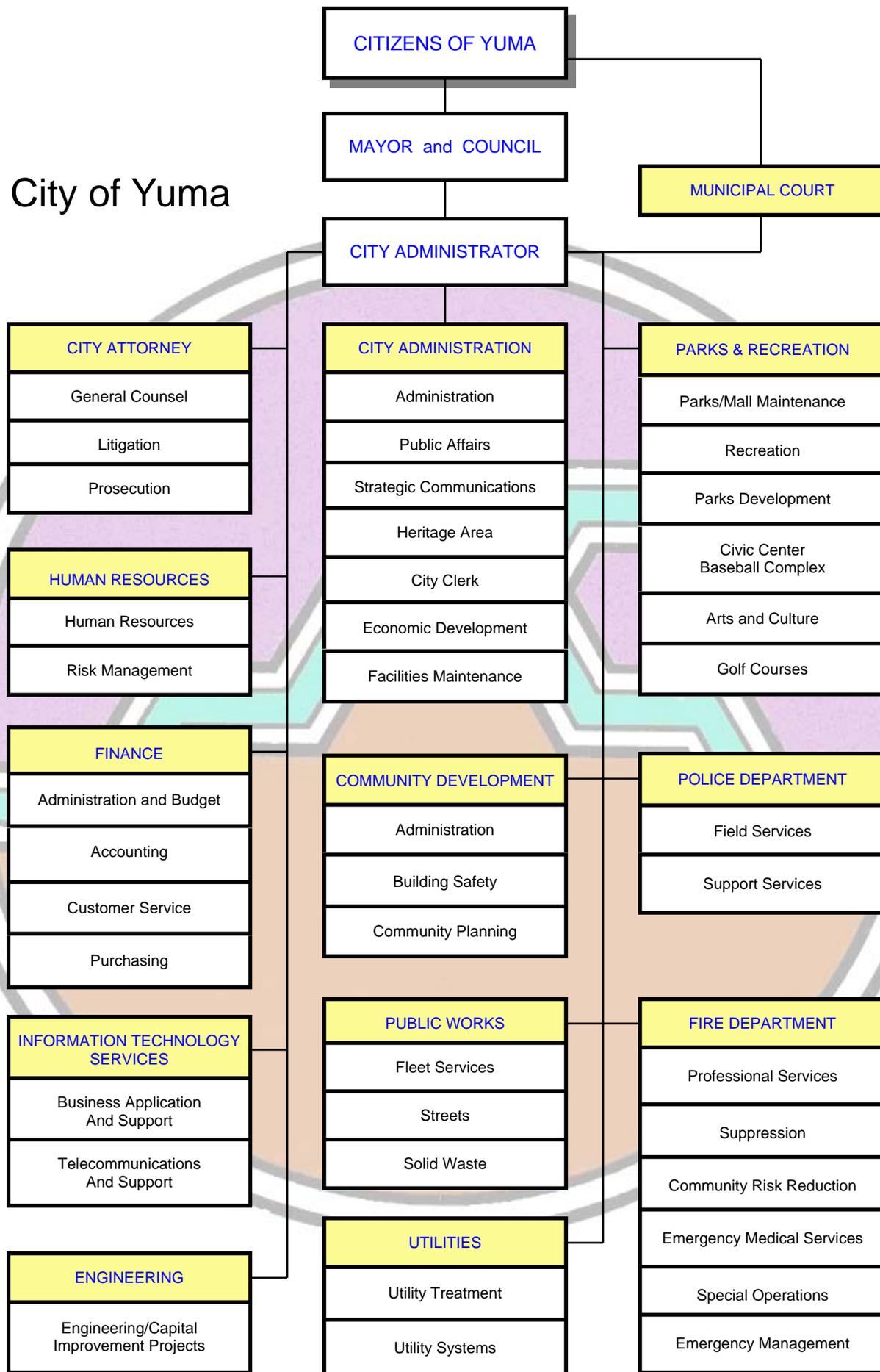
Municipal Court
Douglas S. Stanley, Judge

Parks and Recreation
Rebecca J. Chavez

Police Department
Jerry Geier, Chief

Public Works
Vacant

City of Yuma



City of Yuma, Arizona
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2009

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Assets	18
Statement of Activities	19

FUND FINANCIAL STATEMENTS

Governmental Funds:

Balance Sheet	22
Reconciliation of the Balance Sheet-Governmental Funds to the Statement of Net Assets	24
Statement of Revenues, Expenditures and Changes in Fund Balances	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds to the Statement of Activities	28

Proprietary Funds:

Statement of Net Assets	29
Statement of Revenues, Expenses and Changes in Fund Net Assets	30
Statement of Cash Flows	31

NOTES TO THE FINANCIAL STATEMENTS	33
-----------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress - Public Safety Personnel Retirement System	54
Budgetary Comparison Schedules-General Fund and Major Special Revenue Funds:	
General Fund	55
Highway User Revenue Fund	58
City Road Tax Fund	59
Grants Fund	60
Community Redevelopment Fund	61
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	62

OTHER SUPPLEMENTARY INFORMATION

Combining Balance Sheet-Nonmajor Governmental Funds	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Nonmajor Governmental Funds	68
Budgetary Comparison Schedules:	
Major Governmental Funds Not Included In Required Supplementary Information -	
Debt Service Fund	70
Capital Projects Fund	71
Nonmajor Governmental Funds	
Local Transportation Assistance Special Revenue Fund	72
Public Safety Tax Special Revenue Fund	73
Solid Waste Special Revenue Fund	74
Recreation Complex Special Revenue Fund	75
Two Percent Tax Special Revenue Fund	76
Yuma Mall Maintenance Special Revenue Fund	77

City of Yuma, Arizona
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2009

TABLE OF CONTENTS

(Concluded)

FINANCIAL SECTION (Concluded)

	Page
Nonmajor Proprietary Funds:	
Enterprise Funds:	
Combining Statement of Net Assets	80
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	81
Combining Statement of Cash Flows	82
Budgetary Comparison Schedules:	
Water Enterprise Fund	83
Wastewater Enterprise Fund	84
Desert Hills Golf Course Enterprise Fund	85
Arroyo Dunes Golf Course Enterprise Fund	86
Internal Service Funds:	
Combining Statement of Net Assets	88
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	89
Combining Statement of Cash Flows	90
Budgetary Comparison Schedule - Equipment Replacement Internal Service Fund	91
Budgetary Comparison Schedule - Equipment Maintenance Internal Service Fund	92
Budgetary Comparison Schedule - Insurance Reserve Internal Service Fund	93

STATISTICAL SECTION

Net Assets by Component - Last Eight Fiscal Years	98
Changes in Net Assets - Last Eight Fiscal Years	99
Governmental Funds Tax Revenues by Source - Last Ten Fiscal Years	101
Fund Balances of Governmental Funds - Last Ten Fiscal Years	102
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	103
Governmental Funds Intergovernmental Shared Revenues - Last Ten Fiscal Years	104
Intergovernmental Revenues - Grants and Other - Last Ten Fiscal Years	105
Taxable Sales by Category - Last Ten Fiscal Years	106
Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years	107
Ratio of Outstanding Debt by Type - Last Eight Fiscal Years	108
Ratio of General Bonded Debt to Assessed Value and General Bonded Debt per Capita - Last Ten Fiscal Years	109
Computation of Direct and Overlapping Debt	110
Legal Debt Margin Information	111
Schedule of Municipal Property Corporation Debt Service Requirements to Maturity and Coverage	112
Pledged Tax Collections	113
Demographic and Economic Statistics - Last Ten Calendar Years	114
Principal Employers	115
Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years	116
Operating Indicators by Function - Last Ten Fiscal Years	117
Capital Asset Statistics by Function - Last Ten Fiscal Years	118

INTRODUCTORY SECTION





City of YUMA

FINANCE DEPARTMENT
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August 20, 2009

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, 2009. The report includes the independent auditors' report as required by City Charter Article XIII, Section 12, and by Arizona Revised Statutes, Section 9-481. The report is prepared in conformity with generally accepted accounting principles and standards set forth by the Governmental Accounting Standards Board (GASB).

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

Heinfeld, Meech & Co., P.C., a public accounting firm fully licensed and qualified to perform audits of local governments within the State of Arizona, have audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Yuma, Arizona for the fiscal year ended June 30, 2009, 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, 2009, 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 almost \$1 billion in revenues annually¹. Several major agricultural companies, most notably Dole Food Company, 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 and United States Army Yuma Proving Ground help provide economic stability. These two installations are cornerstones in the military’s flight training and equipment testing programs and 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. The importance of these two bases to the military establishment has been magnified by the conflicts in Iraq and Afghanistan and the continued fight against terrorism.

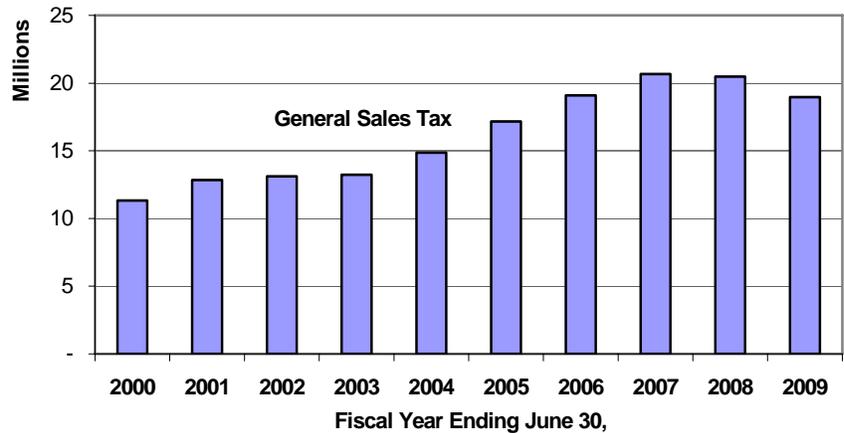
Although manufacturing currently accounts for less than 10% of countywide employment, the City’s partnership with the Greater Yuma Economic Development Council continues to attract attention to the area. Several companies have located or expanded operations in Yuma in recent years.

¹ Source: Yuma County Chamber of Commerce

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. For the first time, sales tax has seen a decline for two years running, with the tax registering a drop of 7.4%. Tax data show that construction and large purchases are the larger areas of decline, reflecting the same recessionary pattern as the rest of the country. Planning for fiscal year 2010 anticipates no further reduction in sales tax collections.

Yuma’s continued as a regional retail and services center during 2009, although the city did see the same “big box” closures of nationally-recognized stores during the year. Contrary to that statistic, however, was that several hundred hotel rooms were added to the area’s inventory during the year, including the opening of the long-planned hotel and conference center on the city’s riverfront.

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. A study at the time aimed at gaining full economic and recreational benefit from the Colorado River for the Yuma area. 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 2009, both the conference center and hotel opened for business on the riverfront. In addition, work on the East Wetlands portion of the plan continued to restore natural vegetation and wildlife habitat. With continued diligence, the City is determined to continue development of historic and cultural activities 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 newly constructed hotel and conference center are cornerstones of the public/private partnership that is developing the river area. The new Gateway park, with its improved access to the river area with new parking, restroom facilities and picnic and play facilities, has become a popular destination with local residents.

East Mesa Development. Completion of the Desert Dunes wastewater treatment plant and near completion of the Agua Viva water treatment plant means the city is ready to manage the anticipated growth of the areas as the recession comes to the end of its cycle. These two plants will not only establish the infrastructure necessary to accommodate that growth, but will improve capacity of existing plants in the older Yuma area to accommodate growth elsewhere in the city. Rate structures for both the Water Fund and the Wastewater Fund have already been passed and put in place by the City Council to assure adequate funding for the project’s debt service.

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-D in the Notes to the Financial Statements beginning on page 35 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, 2008. This is the twenty-seventh consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. The report satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Donald (Pat) Wicks, CPA
Finance Director

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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association for the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink, appearing to read "JEFFREY R. EMEN".

President

A handwritten signature in black ink, appearing to read "JEFFREY R. EMEN".

Executive Director



FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

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

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 the City of Yuma, Arizona (the City) as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2009, 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* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 5 to 14 and the pension and budgetary comparison information on pages 54 to 62 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information such as the introductory section, other supplementary information and the 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 other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

August 20, 2009

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, 2009. 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 assets grew by \$17.7 million for the fiscal year, \$5.3 million of which was generated by governmental activities while \$12.4 million was due to business-type activities of the City.
- The City's combined net assets total \$425.7 million at June 30, 2009. Of this amount, \$65.7 million is available (unrestricted) to finance ongoing programs, \$38.4 million in governmental programs and \$27.3 million in business activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 and golf course operations.

The government-wide financial statements can be found on pages 18-19 of this report.

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide

MANAGEMENT'S DISCUSSION AND ANALYSIS

financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. Moreover, these latter statements provide a ready comparison to similar financial statements produced prior to the City's implementation of GASB Statement No. 34.

The City maintains thirteen 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 seven 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 66.

Major Governmental Funds:

General
Highway User Revenue
City Road Tax
Grants
Community Redevelopment
Debt Service
Capital Projects

Nonmajor Governmental Funds:

Local Transportation Assistance
Public Safety Tax
Solid Waste
Recreation Complex
Two Percent Tax
Yuma Mall Maintenance

The City adopts annual appropriated budgets for all of its governmental funds. Budgetary comparison statements have been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found starting on page 22 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 and Sewer Authority and for its 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:

Desert Hills Golf Course
Arroyo Dunes Golf Course

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

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

The basic proprietary fund financial statements can be found on pages 29-31 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 33 of this report.

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

The combining statements referred to earlier in connection with nonmajor governmental, proprietary and internal service funds are presented immediately following the required supplementary information on pensions and budgets. Combining and individual fund statements and schedules can be found starting on page 66.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Yuma, assets exceeded liabilities by \$425.8 million at the close of the fiscal year.

Net Assets (millions)	Governmental Activities		Business-type Activities		Total	
	June 30,					
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 127.2	\$ 160.6	\$ 65.9	\$ 81.8	\$ 193.1	\$ 242.4
Capital assets	291.8	265.9	337.6	322.3	629.4	588.2
Total assets	419.0	426.5	403.5	404.1	822.5	830.6
Long-term liabilities outstanding	149.1	156.9	208.3	218.4	357.4	375.3
Other liabilities	31.9	36.9	7.5	10.4	39.4	47.3
Total liabilities	181.0	193.8	215.8	228.8	396.8	422.6
Net assets:						
Invested in capital assets, net of related debt	129.2	169.4	158.4	151.0	287.6	320.4
Restricted	70.4	18.0	2.0	0.2	72.4	18.2
Unrestricted	38.4	45.3	27.3	24.1	65.7	69.4
Total net assets	\$ 238.0	\$ 232.7	\$ 187.7	\$ 175.3	\$ 425.7	\$ 408.0

The largest portion of the City of Yuma's net assets 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 assets may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, including the City as a whole, as well as for its separate governmental and business-type activities. The same held true for the previous fiscal year. Net assets rose to \$425.7 million, up \$17.7 million from the prior year. Governmental activities accounted for \$5.3 million of the increase while business-type activities amounted to \$12.4 million. Most of the increase would be attributable to capital asset acquisitions, particularly infrastructure, as governmental capital assets increased \$25.9 million (net of depreciation), funded in part by the excess of revenues over operating expenses as reported in the Statement of Activities on page 19. These acquisitions are reflected in the portion of net assets shown above as 'Invested in capital assets, net of related debt.' Unrestricted net assets 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 assets changed during the most recent fiscal year. A chart of changes in net assets follows.

Changes in Net Assets Fiscal Year Ended June 30, (millions)	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	\$ 13.8	\$ 17.1	\$ 38.9	\$ 37.5	\$ 52.7	\$ 54.6
Operating grants and contributions	1.8	2.3	-	-	1.8	2.3
Capital grants and contributions	4.8	5.0	9.9	8.9	14.7	13.9
General revenues:						
Property taxes	8.9	8.2	-	-	8.9	8.2
Sales taxes	36.8	39.5	-	-	36.8	39.5
Franchise taxes	3.0	2.9	-	-	3.0	2.9
Intergovernmental revenues	31.3	32.8	-	-	31.3	32.8
Unrestricted grants and contributions	3.9	2.6	-	-	3.9	2.6
Unrestricted investment earnings	2.9	4.8	1.1	2.0	4.0	6.8
Total revenues	<u>107.2</u>	<u>115.2</u>	<u>49.9</u>	<u>48.4</u>	<u>157.1</u>	<u>163.6</u>
Expenses:						
General government	11.6	11.9	-	-	11.6	11.9
Public safety	41.1	38.5	-	-	41.1	38.5
Streets	16.0	18.9	-	-	16.0	18.9
Parks, recreation and culture	16.3	14.4	-	-	16.3	14.4
Environmental health and protection	4.9	4.6	-	-	4.9	4.6
Community design and development	5.5	5.8	-	-	5.5	5.8
Interest on long-term debt	6.6	5.3	-	-	6.6	5.3
Water	-	-	20.8	18.4	20.8	18.4
Wastewater	-	-	13.8	13.3	13.8	13.3
Golf courses	-	-	2.8	2.9	2.8	2.9
Total expenses	<u>102.0</u>	<u>99.4</u>	<u>37.4</u>	<u>34.6</u>	<u>139.4</u>	<u>134.0</u>
Transfers	<u>0.1</u>	<u>0.1</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>\$ 5.3</u>	<u>\$ 15.9</u>	<u>\$ 12.4</u>	<u>\$ 13.7</u>	<u>\$ 17.7</u>	<u>\$ 29.6</u>

For the fiscal year, net assets increased \$17.7 million, with \$5.3 of the increase coming from governmental activities. The increase in assets in governmental activities is related in great part to construction of capital assets, rather than accumulation of cash or other liquid assets. The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenditures while its revenues include general taxes whose primary purpose is for the construction of those very assets or their related debt service (i.e., public safety or road sales taxes).

Governmental Activities

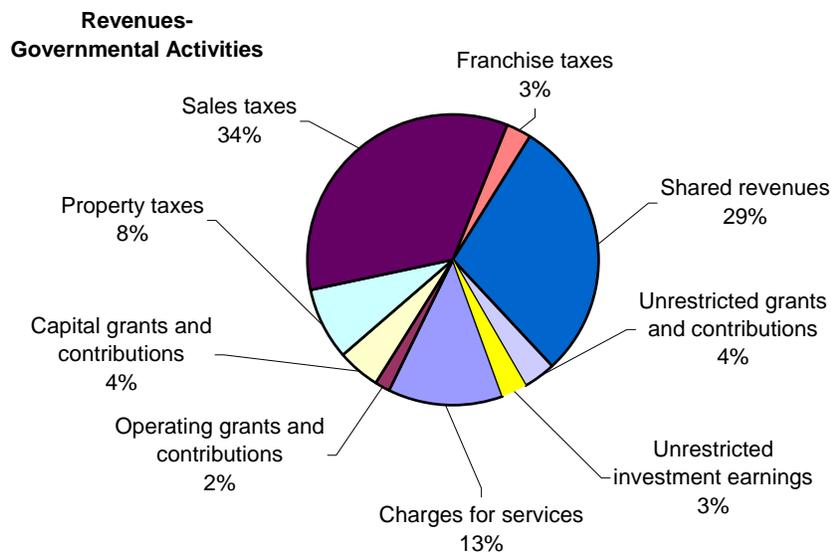
Revenues

Governmental activities revenues totaled \$107.2 million for fiscal year 2009, down from 2008, mostly in charges for services and sales taxes. 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 65% of governmental revenues for the year, which is comparable to 2008. Charges for services, the third segment of governmental activities revenues, count building permits and inspections, fines, recreation fees, solid

MANAGEMENT'S DISCUSSION AND ANALYSIS

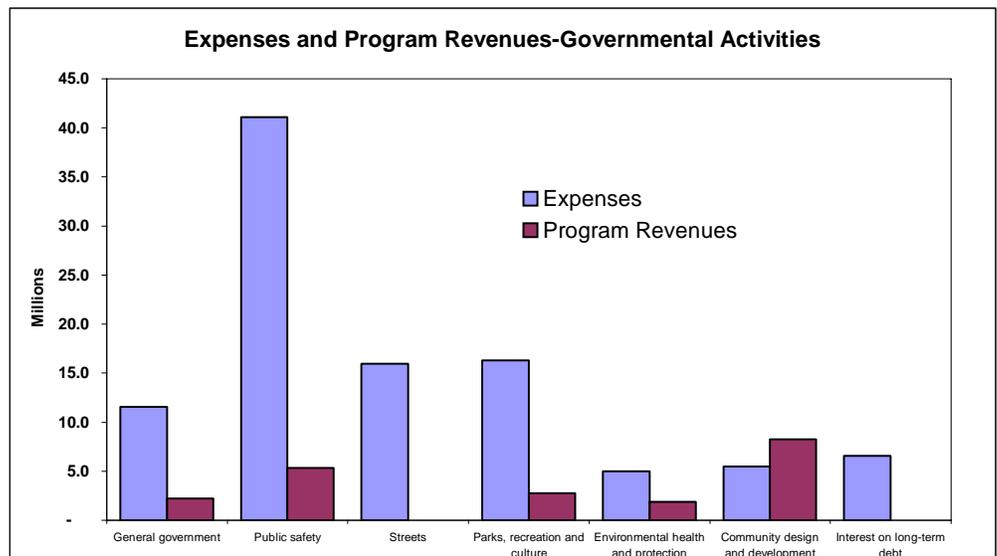
waste environmental fees, police services and civic center rental fees among its largest sources. The charges for services category amounts to 13% of governmental revenues. Property taxes represent 8% of governmental revenues. The large majority of property taxes are levied for general purposes with 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 declined 6.8% from 2008 showing that Yuma is not immune to the recession.
- Intergovernmental revenues dropped by \$1.5 million or 4.5%. State-shared income taxes rose 6.7% from 2008, as anticipated, while state-shared sales taxes declined by 33% because of the state's slowing economic output. State-shared gas tax slid by 13.6% as the state balanced its budget by reducing other entities' revenue.
- Charges for services decreased by \$3.3 million (19.3%) as the construction industry slowdown resulted in lower impact fee collections.



Expenses

Governmental expenses totaled \$101.9 million for the fiscal year. Of the expenses, 40.3% or \$41.1 million is related to public safety for police, fire and municipal court services. Parks, recreation and culture expenses amounted to \$16.3 million, or 16.0%, while streets and community design and development expenses amounted to 15.7% and 5.4% respectively. Interest on long-term debt rose to \$6.6 million, or 6.5% of governmental expenses. Overall, governmental



MANAGEMENT'S DISCUSSION AND ANALYSIS

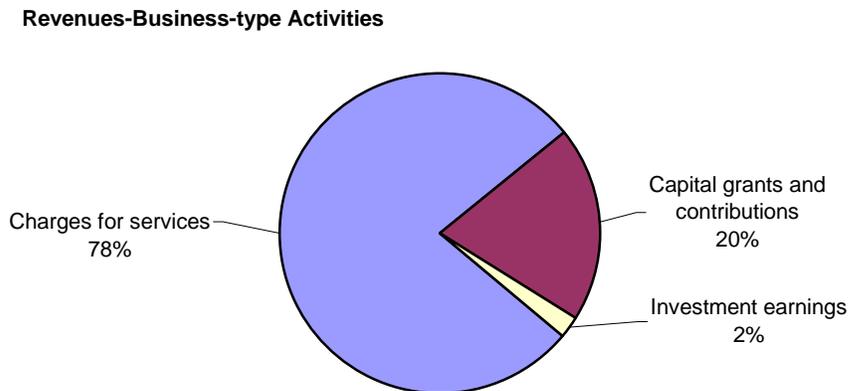
activities expenses rose 2.5%, or \$2.51 million, over 2008. This increase reflects growth in Public Safety expenses, in part because of capital-like expenditures that were not capitalized. Parks expenses exceeded Streets as the city continues its aggressive infrastructure program. Interest on long-term debt also jumped because of the 2007 bond sale.

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

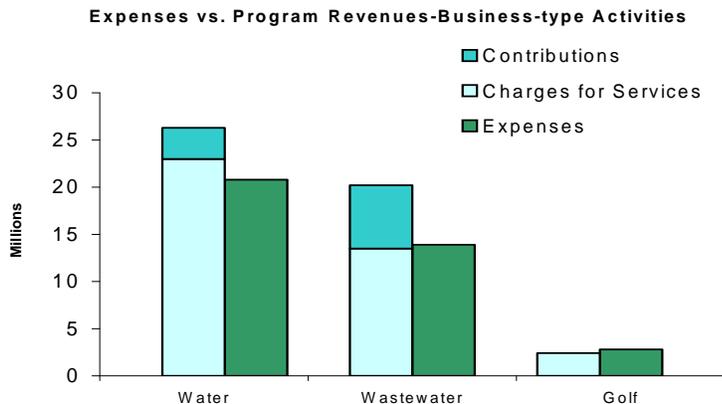
Revenues

General revenues do not support the City's business-type activities; thus, the largest source of revenues comes from charges for services. Of the \$38.9 million in charges for services, 94% comes from the City's two utility operations, water and wastewater. The remaining charges are from the City's two golf courses, Desert Hills and Arroyo Dunes. The \$9.9 million in contributions are payments for capacity charges and development fees as well as constructed additions to the City's water and wastewater infrastructure by subdivision and other developers. Finally, investment earnings make up 2% of revenues for the City's business activities.



Expenses

Water and wastewater services account for 92% of the City's business-type activities with golf courses making up the remaining 8%. Water expenses amounted to \$20.7 million while wastewater expenses totaled \$13.8 million. Desert Hills Golf Course and Arroyo Dunes Golf Course recorded expenses of \$2.5 million and \$.3 million, respectively, for a total of \$2.8 million.



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, 2009, is \$70.5 million. This represents a \$25.4 million decrease in fund balances. A review of some of the more significant funds follows.

General Fund

The fund balance of the General Fund declined by \$3.1 million for the fiscal year. Revenues decreased by \$3.1 million. Sales taxes, the city's largest source of General Fund revenues, declined \$1.5 million (7.5%) to \$18.9 million as Yuma felt the effects of the world-wide recession. State-shared sales taxes showed an even steeper decline of 13.2%, down \$1 million to \$7.1 million. Although total expenditures dropped slightly to \$59.8 million as the city reduced its capital and other discretionary expenditures to deal with its declining revenues, personal services expenditures caused both Public Safety and Parks and Recreation expenditures to increase for the year.

Highway User Revenue Fund (HURF)

This fund, which accounts for the expenditure of state-shared gasoline taxes, showed a decline in fund balance of \$1.4 million for the year. The City's portion of those taxes dropped by 14% for the fiscal year to \$7 million. A significant portion of the decrease was the result of state legislature's increasing its share unilaterally without regard to historic sharing of this important revenue source. As a result, the city reduced its discretionary expenditures and expenditures were reduced by 12% to \$8.4 million.

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. In the same manner as general sales tax in the General Fund, sales taxes declined in 2009 to \$9.5 million. Capital expenditures dropped in 2008, as the city concentrated its project expenditures for streets from bond proceeds.

Grants Fund

The City continues to receive much needed assistance from both the state and federal levels. During 2009, revenues reached \$4.3 million including grants from Homeland Security for the Yuma Regional Communication System and from the Bureau of Reclamation for use in the Yuma Heritage Area.

Community Redevelopment Fund

The City continued to utilize, in part, its Community Development Block Grant funding for eligible street infrastructure improvements and for affordable housing rehabilitation, and its U.S. Department of Justice Weed and Seed Grant Program to help with operating the Martin Luther King Community Center in the Carver revitalization area. While Community Development Block Grant revenues increased 24% to \$1.1 million for 2009, fund revenues overall declined as no state funding was received for the year.

Debt Service

Debt Service Fund expenditures increased slightly to \$13.7 million as interest payments reflect a full-year payment on the new municipal property corporation bonds sold in fiscal 2008. Fund balance reflects debt service reserves accumulated in accordance with the development agreement for the Yuma Palms regional center.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Projects Fund

The Capital Projects Fund's fund balance dropped to \$47 million this year as the city expended the proceeds of the 2007 bond sale. Capital expenditures decreased in this fund by some 46% from 2008 to \$26.4 million as the city now records capital expenditures in the operating funds.

Proprietary funds. The City's enterprise funds posted an overall increase in net assets of \$12.6 million for the fiscal year ended June 30, 2009. The City's utility funds, water and wastewater, accounted for the increase as both have benefited from system growth and rate increases to sustain that growth.

Water Enterprise Fund

Operating revenues for the Water Fund increased by \$1.4 million or 6.5% for the year ending June 30, 2009. This is due both to the final rate increase of a multi-year series and to a 1% growth in the customer account base to 26,868. Operating expenses rose by 2.5% and the fund produced operating income of \$8.6 million. Revenues increases will continue to finance the completion of construction of a new water treatment facility on the East Mesa and to make improvements within the current water system needed to maintain service levels and system pressure.

Wastewater Enterprise Fund

The Wastewater Fund operating revenues increased 1.8% over fiscal 2008. Rate-based charges increased 12% to \$11.6 million; however, contractual revenues declined based on shared charges from lower capital expenditures. Operating expenses rose negligibly with income from operations of improving to \$2.1million. Like the Water Fund, these rate increases along with capacity charge increases have been approved through 2011 to finance costs of construction of the wastewater plant and related infrastructure.

Golf Courses

Lower operating expenses for Desert Hills helped more than offset the decline in operating revenues to reduce the fund's operating loss for 2009. Operating expenses rose for Arroyo Dunes by 15% for the year leading to an operating loss of \$33,939 for the year. Operating revenues for the year increased by 3% to \$284,105. The city will continue to operate the courses and implement strategies to improve their financial outlook.

GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2009, can be found starting on page 55. A summary of that schedule follows:

	Budget		Actual	Variance with Final
	Original	Final		
Revenues and Transfers In				
Taxes	\$ 33,936,854	\$ 33,936,854	\$ 30,762,795	\$ (3,174,059)
Intergovernmental	26,230,278	26,230,278	24,096,500	(2,133,778)
Other	6,855,844	6,855,844	5,761,755	(1,094,089)
Transfers In	440,200	440,200	440,200	-
Total	67,463,176	67,463,176	61,061,250	(6,401,926)
Expenditures and Transfers Out				
Expenditures	67,361,703	67,584,979	59,777,740	7,807,239
Transfers Out	4,990,609	4,990,609	4,412,641	577,968
Total	72,352,312	72,575,588	64,190,381	8,385,207
Change in Fund Balance	\$ (4,889,136)	\$ (5,112,412)	\$ (3,129,131)	\$ 1,983,281

General Fund tax revenues didn't meet expectations because of decreases in three key areas: city sales tax, state sales tax and building permits. Overall, General Fund revenues ended the year down \$3.1 million. These

MANAGEMENT'S DISCUSSION AND ANALYSIS

three areas contributed to the decline by \$1.5 million, \$1.1 million and \$.9 million respectively. Each area decline can be attributed directly to the slowed economy and consumer's unwillingness to spend rather than a direct change in the city's economic base.

Expenditures for the fund came in at \$7.8 million under budget with the largest contributions coming from Public Safety at \$2.5 million and General Government adding \$1.6 million, although savings in budget occurred in most departments with the City's drive to reduce expenditures throughout the year. Discretionary spending, particularly in elimination of merit-based wage increases, travel and capital expenditures, helped General Fund expenditures meet the decline in revenues.

CAPITAL ASSETS

At June 30, 2009, the City of Yuma's investment in capital assets in both governmental and business-type activities amounted to \$629.4 million, net of depreciation. This includes land, buildings, equipment, and infrastructure (roadways and bridges). Capital assets for governmental activities increased by 9.7% while business-type capital assets increased 4.8%. These changes included the following:

- The new Valley Aquatic Center, a project partnered with the Yuma Union High School District, was completed.
- Construction continued on the new East Mesa water treatment plant.
- The Araby Road project was completed.
- Infrastructure additions are for street lights and traffic signal installations.

Change in Capital Assets (In Millions)

	Governmental Activities			Business-type Activities			Total
	July 1, 2008	Net Additions/ Deletions	June 30, 2009	July 1, 2008	Net Additions/ Deletions	June 30, 2009	
Land	\$ 48.4	\$ 4.7	\$ 53.1	\$ 9.9	\$ 0.1	\$ 10.0	\$ 63.1
Buildings	66.8	-	66.8	8.0	-	8.0	74.8
Improvements	37.5	0.6	38.1	148.6	2.7	151.3	189.4
Infrastructure	156.0	3.9	159.9	-	-	-	159.9
Equipment	46.0	5.9	51.9	4.5	0.2	4.7	56.6
Construction in Progress	56.5	23.3	79.8	235.9	19.1	255.0	334.8
Accumulated Depreciation	(145.3)	(12.5)	(157.8)	(84.7)	(6.7)	(91.4)	(249.2)
Total	<u>\$ 265.9</u>	<u>\$ 25.9</u>	<u>\$ 291.8</u>	<u>\$ 322.2</u>	<u>\$ 15.4</u>	<u>\$ 337.6</u>	<u>\$ 629.4</u>

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

DEBT ADMINISTRATION

At June 30, 2009, after scheduled debt payments, governmental activity debt decreased to \$149.1 million while business activity debt decreased to \$208.4 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 \$139.9 million, well above the outstanding general obligation debt of \$5.3 million. No debt is outstanding for the other type of issuance. Because all the general obligation debt is related to the water system, and because water revenues are used to pay the debt service requirements of the issues, no secondary property taxes are assessed by the City for debt service.

The City's improvement district bonds were rated by Fitch Ratings as "A". The 2007 Utility Series is rated "A", while all other bond issues have been rated "A+" rating by Fitch. Moody's Investor Services rates the bonds at "A3" while Standard and Poor's rates the Series B at "AA-" and the Series D and Utility Series at "A+", respectively. With the exception of the improvement district bonds, all City bond issues are insured, and while the

MANAGEMENT'S DISCUSSION AND ANALYSIS

city enjoys higher ratings, the guarantors can no longer provide "AAA" rating as a result of recent ratings reviews of the insurance companies.

A summary of the City's long-term debt follows. Additional information on the City's long-term debt can be found in Note II-G on pages 45-49.

	(Millions)					
	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ -	\$ -	\$ 5.3	\$ 6.4	\$ 5.3	\$ 6.4
Yuma Municipal Property Corporation Bonds	136.9	144.1	123.1	127.9	259.9	272.0
Net Unamortized Premium/Issuance Costs	1.1	1.2	3.5	3.7	4.6	4.9
Improvement Districts	7.8	8.8	-	-	7.8	8.8
Contracts Payable	-	-	76.5	80.4	76.5	80.4
Compensated Absences	3.3	2.8	-	-	3.3	2.8
Total Long-Term Debt	\$ 149.1	\$ 156.9	\$ 208.4	\$ 218.4	\$ 357.4	\$ 375.3

ECONOMIC FACTORS

Yuma County's fast growth of the last decade has slowed somewhat with the advent of the recession. The county grew by an estimated 2,500 residents to 203,779 with the City of Yuma representing 46% of the county's population. Since 2000, the City has grown by 31% to an estimated 93,719 at July 1, 2008, the most recent numbers available. The City's economy is based on a triad of agriculture, tourism and military/government spending. Agribusiness continues to lead the economy, contributing nearly \$1 billion annually. The area's 85,000-plus winter visitors add over \$400 million to the mix, while two prominent military installations infuse some \$300 million to the economy.

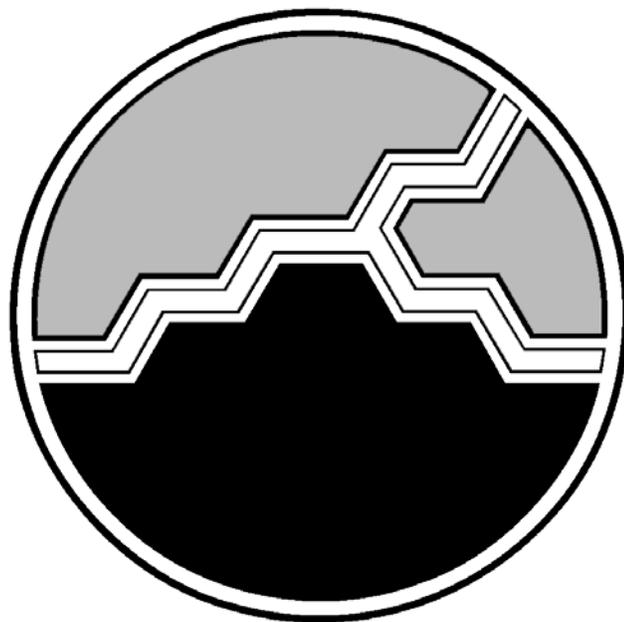
Property taxes are limited constitutionally in Arizona, so other local revenues make up the most significant reflectors of the condition of the economy. Sales tax, the City's primary source of general revenues, posted a 7.4% decrease this year, compared to its historic growth rate of 7%, and the first two-year decline in the history of the tax. This still compares more than favorably to the large metropolitan areas of the state. For fiscal year 2010, revenues were projected with no further projected reduction in sales taxes.

Not all economic statistics reflect positive results; however, in that the City continues to suffer what appears to be higher unemployment figures than most of the state, according to the Arizona Department of Economic Security (DES). One significant factor here is the effect of farm employment which skews this statistic. Still a significant issue, the City combats this problem by providing the majority of support to the Greater Yuma Economic Development Corporation in its activities to encourage new employers to the area.

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, PO Box 13012, Yuma, AZ 85366-3012, telephone (928) 373-5087. The reader may also visit the City's website at www.yumaaz.gov for an electronic version of this report.

BASIC FINANCIAL STATEMENTS



**GOVERNMENT-WIDE FINANCIAL
STATEMENTS**

City of Yuma, Arizona
Statement of Net Assets
June 30, 2009

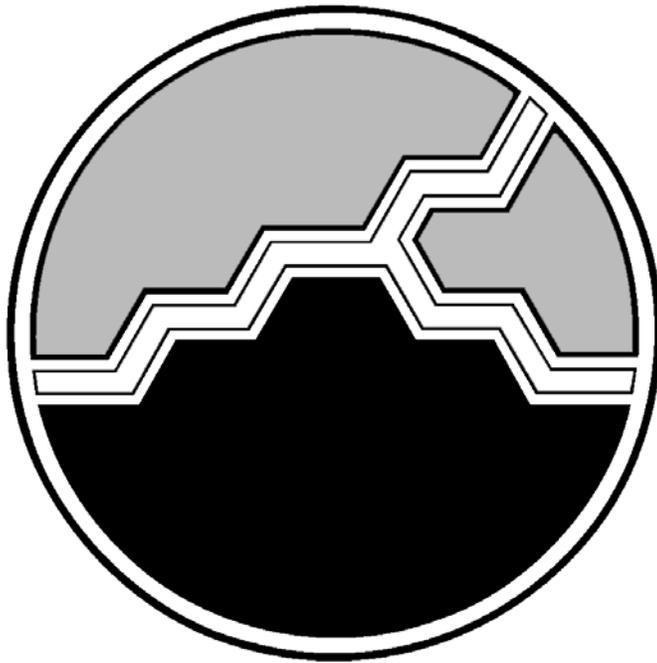
<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and Investments	\$ 110,033,041	\$ 59,011,214	\$ 169,044,255
Receivables, Net	17,114,501	5,904,275	23,018,776
Internal Balances	(773,394)	773,394	-
Inventory, at cost	729,982	231,852	961,834
Prepaid Items	88,308	12,022	100,330
Capital Assets:			
Non-depreciable	132,910,033	265,114,731	398,024,764
Depreciable, Net	<u>158,893,465</u>	<u>72,508,907</u>	<u>231,402,372</u>
Total Assets	<u>418,995,936</u>	<u>403,556,395</u>	<u>822,552,331</u>
<u>Liabilities</u>			
Accounts Payable	3,084,338	1,993,573	5,077,911
Accrued Liabilities	5,665,935	1,028,117	6,694,052
Accrued Interest Payable	3,308,309	4,428,183	7,736,492
Unearned Revenue	19,794,240	85,079	19,879,319
Long-Term Liabilities:			
Due within one year	7,120,000	8,211,778	15,331,778
Due in more than one year	<u>141,966,841</u>	<u>200,146,072</u>	<u>342,112,913</u>
Total Liabilities	<u>180,939,663</u>	<u>215,892,802</u>	<u>396,832,465</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	129,228,397	158,367,372	287,595,769
Restricted for:			
Debt Service	542,899	1,951,980	2,494,879
Streets	3,615,891	-	3,615,891
Capital Projects	64,169,174	-	64,169,174
Parks and Recreation	2,061,370	-	2,061,370
Unrestricted	<u>38,438,542</u>	<u>27,344,241</u>	<u>65,782,783</u>
Total Net Assets	<u>\$ 238,056,273</u>	<u>\$ 187,663,593</u>	<u>\$ 425,719,866</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, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities:							
General Government	\$ 11,559,335	\$ 2,207,797	\$ -	\$ -	\$ (9,351,538)	\$ -	\$ (9,351,538)
Public Safety	41,080,532	2,493,089	495,003	2,331,975	(35,760,465)	-	(35,760,465)
Streets	15,966,116	-	-	-	(15,966,116)	-	(15,966,116)
Parks, Recreation and Culture	16,281,716	1,224,006	26,863	1,502,223	(13,528,624)	-	(13,528,624)
Environmental Health and Protection	4,969,074	1,829,409	24,109	-	(3,115,556)	-	(3,115,556)
Community Design and Development	5,486,436	6,018,327	1,261,429	949,000	2,742,320	-	2,742,320
Interest on Long-Term Debt	6,591,623	-	-	-	(6,591,623)	-	(6,591,623)
Total Governmental Activities	101,934,832	13,772,628	1,807,404	4,783,198	(81,571,602)	-	(81,571,602)
Business-type Activities:							
Water	20,754,300	23,049,476	-	3,272,479	-	5,567,655	5,567,655
Wastewater	13,858,508	13,506,734	-	6,651,591	-	6,299,817	6,299,817
Golf Courses	2,818,932	2,403,623	-	-	-	(415,309)	(415,309)
Total Business-type Activities	37,431,740	38,959,833	-	9,924,070	-	11,452,163	11,452,163
Total	\$ 139,366,572	\$ 52,732,461	\$ 1,807,404	\$ 14,707,268	(81,571,602)	11,452,163	(70,119,439)
General Revenues:							
Property taxes					8,856,121	-	8,856,121
Sales taxes					36,856,900	-	36,856,900
Franchise taxes					3,013,453	-	3,013,453
Intergovernmental, unrestricted Grants and contributions					31,330,044	-	31,330,044
not restricted to specific programs					3,894,606	-	3,894,606
Unrestricted investment earnings					2,872,484	1,044,962	3,917,446
Total general revenues					86,823,608	1,044,962	87,868,570
Transfers					95,234	(95,234)	-
Total general revenues and transfers					86,918,842	949,728	87,868,570
Change in net assets					5,347,240	12,401,891	17,749,131
Net assets-beginning					232,709,033	175,261,702	407,970,735
Net assets-ending					\$ 238,056,273	\$ 187,663,593	\$ 425,719,866

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



FUND FINANCIAL STATEMENTS

City of Yuma, Arizona
Balance Sheet
Governmental Funds
June 30, 2009

<u>Assets</u>	Major Special Revenue Funds			
	General	Highway Users Revenue	City Road Tax	Grants
Cash and Investments	\$ 15,470,153	\$ 976,269	\$ 2,040,535	\$ -
Cash with Fiscal Agents	-	-	-	-
Receivables, Net of Allowances for Uncollectibles:				
Accounts Receivable	540,505	123	24,161	-
Intergovernmental	2,668,045	636,534	692,112	1,450,446
Special Assessments	20,169	-	-	-
Delinquent Property Taxes	315,325	-	-	-
Accrued Interest	89,118	2,455	14,116	449
Due from Other Funds	1,810,442	-	-	-
Inventory, at cost	177,470	-	-	-
Prepaid Items	84,980	506	-	-
Total Assets and Other Debits	\$ 21,176,207	\$ 1,615,887	\$ 2,770,924	\$ 1,450,895
<u>Liabilities and Fund Balances</u>				
Accounts Payable	\$ 865,191	\$ 122,212	\$ 76,351	\$ 276,331
Accrued Payroll, Taxes and Benefits Payable	4,097,836	264,802	87,647	30,348
Long-Term Debt - Current Portion	-	-	-	-
Due to Other Funds	-	-	-	487,223
Accrued Interest Payable	-	-	-	-
Deposits	123,952	-	-	-
Deferred Revenues	333,551	-	336,862	656,993
Total Liabilities	5,420,530	387,014	500,860	1,450,895
Fund Balance:				
Reserved for:				
Inventory	177,470	-	-	-
Prepaid Items	84,980	506	-	-
Debt Service	-	-	-	-
Unreserved:				
Designated for Uncompleted Projects	625,163	-	-	-
Designated for Debt Service	1,413,914	-	-	-
Designated for Subsequent Years' Expenditures	1,606,335	-	-	-
Designated for Future Community Improvements, reported in:				
General Fund	106,493	-	-	-
Special Revenue Funds	-	-	-	-
Undesignated, reported in:				
General Fund	11,741,322	-	-	-
Special Revenue Funds	-	1,228,367	2,270,064	-
Total Fund Balances	15,755,677	1,228,873	2,270,064	-
Total Liabilities and Fund Balances	\$ 21,176,207	\$ 1,615,887	\$ 2,770,924	\$ 1,450,895

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

<u>Community Redevelopment</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total</u>
\$ -	\$ 703,103	\$ 57,587,884	\$ 3,612,251	\$ 80,390,195
-	9,240,975	-	-	9,240,975
1,199,651	-	174,682	286,653	2,225,775
399,821	-	251,955	302,643	6,401,556
-	7,840,000	-	-	7,860,169
-	-	-	-	315,325
-	2,396	37,534	17,921	163,989
-	-	175,699	-	1,986,141
-	-	-	7,634	185,104
-	-	-	495	85,981
<u>\$ 1,599,472</u>	<u>\$ 17,786,474</u>	<u>\$ 58,227,754</u>	<u>\$ 4,227,597</u>	<u>\$ 108,855,210</u>
\$ 22,018	\$ 266	\$ 1,176,802	\$ 295,876	\$ 2,835,047
22,232	-	-	127,260	4,630,125
-	6,095,000	-	-	6,095,000
370,048	-	-	363,267	1,220,538
-	3,308,309	-	-	3,308,309
-	-	-	-	123,952
<u>1,185,174</u>	<u>7,840,000</u>	<u>9,701,825</u>	<u>55,158</u>	<u>20,109,563</u>
<u>1,599,472</u>	<u>17,243,575</u>	<u>10,878,627</u>	<u>841,561</u>	<u>38,322,534</u>
-	-	-	7,634	185,104
-	-	-	495	85,981
-	542,899	-	-	542,899
-	-	47,349,127	-	47,974,290
-	-	-	-	1,413,914
-	-	-	-	1,606,335
-	-	-	-	106,493
-	-	-	50,000	50,000
-	-	-	-	11,741,322
-	-	-	3,327,907	6,826,338
<u>-</u>	<u>542,899</u>	<u>47,349,127</u>	<u>3,386,036</u>	<u>70,532,676</u>
<u>\$ 1,599,472</u>	<u>\$ 17,786,474</u>	<u>\$ 58,227,754</u>	<u>\$ 4,227,597</u>	<u>\$ 108,855,210</u>

City of Yuma, Arizona
 Reconciliation of the Balance Sheet-Governmental Funds to the Statement of Net Assets
 June 30, 2009

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

Total Fund Balances per the Balance Sheet-Governmental Funds:	\$ 70,532,676
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	278,988,506
Property tax revenue deferred to later years recognized in year levied in governmental activities.	315,323
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(3,288,772)
MPC bonds payable	(130,755,000)
Improvement District #67	(4,380,000)
Improvement District #68	(3,460,000)
Net unamortized deferred charges or premiums are not recorded in the governmental funds	(1,108,069)
Net assets 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 assets.	<u>31,211,609</u>
Net assets of governmental activities	<u>\$ 238,056,273</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, 2009

	Major Special Revenue Funds			
	General	Highway User Revenue	City Road Tax	Grants
Revenues:				
Taxes	\$ 30,762,795	\$ -	\$ 9,479,279	\$ -
Licenses and Permits	1,362,658	-	-	-
Intergovernmental	24,096,500	7,029,312	-	4,323,325
Charges for Services	2,179,242	-	-	-
Fines and Forfeitures	1,237,672	-	-	-
Special Assessments	-	-	-	-
Use of Money and Property	700,395	11,375	579,494	4,786
Contributions and Donations	-	-	-	56,848
Miscellaneous	281,788	29,931	568,075	-
Total Revenues	<u>60,621,050</u>	<u>7,070,618</u>	<u>10,626,848</u>	<u>4,384,959</u>
Expenditures:				
Current:				
General Government	9,575,444	-	-	-
Public Safety	36,079,453	1,299,457	-	461,040
Streets	-	6,908,363	2,807,390	-
Parks, Recreation and Culture	8,961,007	-	-	16,733
Environmental Health and Protection	38,779	132,560	-	1,455,391
Community Design and Development	3,762,606	-	-	-
Capital Outlay	1,057,587	75,777	-	1,670,714
Capital Projects:				
General Government	57,356	-	-	1,289
Public Safety	28,164	-	-	417,474
Streets	-	-	2,898,771	339,404
Parks, Recreation and Culture	217,344	-	-	40,141
Environmental Health and Safety	-	-	110,673	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Agent Fees	-	-	-	-
Total Expenditures	<u>59,777,740</u>	<u>8,416,157</u>	<u>5,816,834</u>	<u>4,402,186</u>
Revenues Over/(Under) Expenditures	843,310	(1,345,539)	4,810,014	(17,227)
Other Financing Sources/(Uses):				
Transfers In	440,200	14,421	3,403	17,227
Transfers Out	(4,412,641)	(101,141)	(4,793,998)	-
Total Other Financing Sources/(Uses)	<u>(3,972,441)</u>	<u>(86,720)</u>	<u>(4,790,595)</u>	<u>17,227</u>
Net Change in Fund Balances	(3,129,131)	(1,432,259)	19,419	-
Fund Balances - Beginning	<u>18,884,808</u>	<u>2,661,132</u>	<u>2,250,645</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 15,755,677</u>	<u>\$ 1,228,873</u>	<u>\$ 2,270,064</u>	<u>\$ -</u>

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

<u>Community Redevelopment</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 8,328,015	\$ 48,570,089
-	-	-	-	1,362,658
1,221,363	-	-	394,161	37,064,661
-	-	4,910,728	1,822,718	8,912,688
-	-	-	-	1,237,672
-	949,000	-	-	949,000
20,344	355,511	942,087	694,731	3,308,723
-	-	-	40,066	96,914
83,863	-	612,565	69,357	1,645,579
<u>1,325,570</u>	<u>1,304,511</u>	<u>6,465,380</u>	<u>11,349,048</u>	<u>103,147,984</u>
-	-	-	-	9,575,444
-	-	-	68,507	37,908,457
-	-	-	-	9,715,753
-	-	-	2,879,014	11,856,754
-	-	-	3,154,187	4,780,917
1,252,332	-	-	354,871	5,369,809
3,705	-	-	95,232	2,903,015
40,377	-	423,598	749,573	1,272,193
-	-	1,330,680	142,288	1,918,606
385,112	-	20,062,406	253,225	23,938,918
-	-	4,080,898	658,896	4,997,279
-	-	576,620	16,311	703,604
-	7,075,000	-	-	7,075,000
-	6,646,000	-	-	6,646,000
<u>1,681,526</u>	<u>13,721,000</u>	<u>26,474,202</u>	<u>8,372,104</u>	<u>128,661,749</u>
(355,956)	(12,416,489)	(20,008,822)	2,976,944	(25,513,765)
355,956	12,430,206	-	2,951,884	16,213,297
-	-	(373,780)	(6,436,503)	(16,118,063)
<u>355,956</u>	<u>12,430,206</u>	<u>(373,780)</u>	<u>(3,484,619)</u>	<u>95,234</u>
-	13,717	(20,382,602)	(507,675)	(25,418,531)
-	529,182	67,731,729	3,893,711	95,951,207
<u>\$ -</u>	<u>\$ 542,899</u>	<u>\$ 47,349,127</u>	<u>\$ 3,386,036</u>	<u>\$ 70,532,676</u>

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, 2009

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

Net change in fund balances-governmental funds	\$ (25,418,531)
A portion of property tax revenues recorded on the statement of activities does not provide current financial resources and are not recorded as revenues in the funds	62,363
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	(10,865,621)
Capital outlay expenditures reported as additions to assets:	
Capital outlay expenditures-governmental funds	35,733,615
Infrastructure maintenance expenditures recorded as capital outlay but not capitalized as asset additions	(3,669,421)
Governmental funds report debt principal service payments as expenditures. The reduction in liability is recorded on the statement of net assets in the government-wide statements	7,075,000
Increase in compensated absences expense not recorded in governmental funds	(458,968)
The net effect of miscellaneous transactions involving capital assets (trades of land for rights-of-way) is to decrease net assets.	(386,698)
Investment earnings of the internal service funds are general revenues on the statement of activities	384,851
Interest payments accrued in government-wide statements are not recorded in governmental activities until paid	54,377
Net revenues of internal service funds in excess of expenses reduce governmental activities expenses on the statement of activities	(1,058,333)
Contributions of infrastructure assets are not recorded as revenues in the governmental funds	<u>3,894,606</u>
Change in net assets of governmental activities	<u>\$ 5,347,240</u>

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

City of Yuma, Arizona
Statement of Net Assets
Proprietary Funds
June 30, 2009

Assets	Business-Type Activities-Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Wastewater Fund	Other Funds	Totals	
Current Assets:					
Cash and Investments	\$ 30,426,749	\$ 4,483,242	\$ 266,763	\$ 35,176,754	\$ 20,401,871
Receivables, Net of Allowance for Uncollectibles:					
Accounts Receivable	3,905,786	1,851,408	4,944	5,762,138	78,755
Intergovernmental	712	61,960	411	63,083	30
Accrued Interest	49,616	28,789	649	79,054	68,902
Inventory, at cost	137,599	-	94,253	231,852	544,878
Prepaid Expenses	4,187	85	7,750	12,022	2,327
Total Unrestricted Current Assets	34,524,649	6,425,484	374,770	41,324,903	21,096,763
Restricted Assets:					
Cash and Investments:					
Cash with Fiscal Agents	6,065,517	1,811,778	-	7,877,295	-
Current Debt Service	1,338,558	-	-	1,338,558	-
Advancement for Future Expansion	4,181,496	10,037,014	-	14,218,510	-
Customer Deposits	400,097	-	-	400,097	-
Total Restricted Current Assets	11,985,668	11,848,792	-	23,834,460	-
Total Current Assets	46,510,317	18,274,276	374,770	65,159,363	21,096,763
Noncurrent Assets:					
Capital Assets:					
Land	1,539,241	8,535,656	-	10,074,897	219,610
Buildings	2,911,198	1,931,133	3,102,865	7,945,196	19,251
Improvements Other than Buildings	84,545,269	63,699,051	3,015,667	151,259,987	189,631
Equipment	2,680,989	1,770,675	328,899	4,780,563	29,773,447
Construction In Progress	158,614,264	96,425,570	-	255,039,834	-
Less Accumulated Depreciation	(53,740,726)	(33,880,393)	(3,855,720)	(91,476,839)	(17,386,947)
Total Capital Assets	196,550,235	138,481,692	2,591,711	337,623,638	12,814,992
Total Noncurrent Assets	196,550,235	138,481,692	2,591,711	337,623,638	12,814,992
Total Assets	243,060,552	156,755,968	2,966,481	402,783,001	33,911,755
Liabilities					
Current Liabilities Payable from Current Assets:					
Accounts Payable	458,734	214,563	50,670	723,967	125,339
Accrued Payroll and Related Taxes	519,596	351,389	157,132	1,028,117	160,587
Current Portion-Long-Term Contracts-Principal	41,628	189,393	-	231,021	-
Current Portion-Bonds Payable	2,581,700	680,800	-	3,262,500	-
Estimated Claims and Judgements	-	-	-	-	875,223
Due to Other Funds	-	-	-	-	765,603
Accrued Interest Payable	2,325,344	736,107	-	3,061,451	-
Unearned Revenue	-	-	50,551	50,551	-
Total Current Liabilities Payable from Current Assets	5,927,002	2,172,252	258,353	8,357,607	1,926,752
Current Liabilities Payable from Restricted Assets:					
Accounts Payable	832,283	37,226	-	869,509	-
Deposits	400,097	-	-	400,097	-
Unearned Revenue	10,000	24,528	-	34,528	-
Current Portion-Long-Term Contracts-Principal	1,918,841	1,891,916	-	3,810,757	-
Current Portion-Long-Term Contracts-Interest	723,740	546,574	-	1,270,314	-
Current Portion-Bonds Payable	907,500	-	-	907,500	-
Accrued Interest Payable	96,418	-	-	96,418	-
Total Current Liabilities Payable from Restricted Assets	4,888,879	2,500,244	-	7,389,123	-
Total Current Liabilities	10,815,881	4,672,496	258,353	15,746,730	1,926,752
Noncurrent Liabilities:					
Long-Term Contracts Payable	38,192,233	34,239,451	-	72,431,684	-
Bonds Payable	96,540,100	27,629,900	-	124,170,000	-
Unamortized Premium/Issuance Costs	2,710,418	833,970	-	3,544,388	-
Total Noncurrent Liabilities	137,442,751	62,703,321	-	200,146,072	-
Total Liabilities	148,258,632	67,375,817	258,353	215,892,802	1,926,752
Net Assets					
Invested in capital assets, net of related debt	77,436,133	78,339,528	2,591,711	158,367,372	12,814,992
Restricted:					
Debt Service	1,503,025	448,955	-	1,951,980	-
Unrestricted	15,862,762	10,591,668	116,417	26,570,847	19,170,011
Total Net Assets	\$ 94,801,920	\$ 89,380,151	\$ 2,708,128	186,890,199	\$ 31,985,003
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				773,394	
Net assets of business-type activities				\$ 187,663,593	

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

City of Yuma, Arizona
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

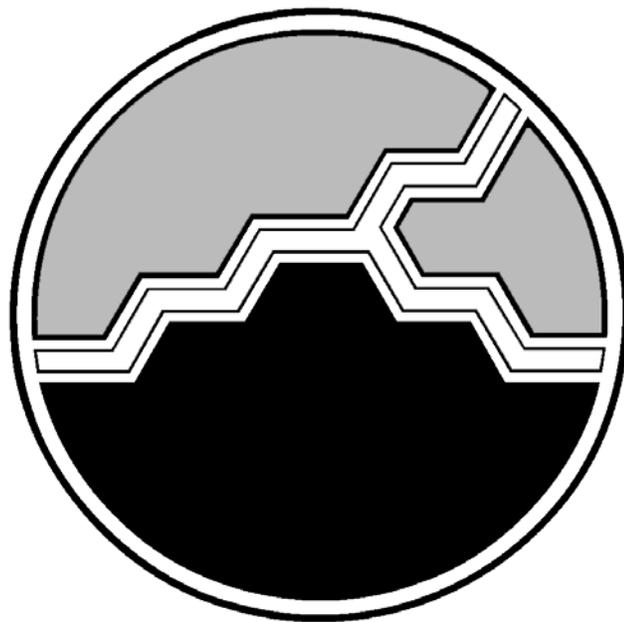
	Business-Type Activities-Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
Operating Revenues:					
Metered Water Sales	\$ 22,462,859	\$ -	\$ -	\$ 22,462,859	\$ -
Commercial Raw Water	245,742	-	-	245,742	-
Wastewater Charges	-	13,371,554	-	13,371,554	-
Meters, Connections and Services	313,937	25,218	-	339,155	-
Green Fees and Concessions	-	-	2,026,950	2,026,950	-
Equipment Rental	-	-	371,242	371,242	1,385,415
Miscellaneous Charges	778	-	-	778	5,766,092
Total Operating Revenues	<u>23,023,316</u>	<u>13,396,772</u>	<u>2,398,192</u>	<u>38,818,280</u>	<u>7,151,507</u>
Operating Expenses:					
Operations and Maintenance	10,652,164	8,516,595	2,528,108	21,696,867	5,941,749
Depreciation	3,734,343	2,754,295	242,314	6,730,952	2,551,065
Total Operating Expenses	<u>14,386,507</u>	<u>11,270,890</u>	<u>2,770,422</u>	<u>28,427,819</u>	<u>8,492,814</u>
Operating Income/(Loss)	<u>8,636,809</u>	<u>2,125,882</u>	<u>(372,230)</u>	<u>10,390,461</u>	<u>(1,341,307)</u>
Non-Operating Revenues/(Expenses):					
Interest	806,111	235,847	3,004	1,044,962	384,851
Gain/(Loss) on Disposal of Assets	(2,296)	-	-	(2,296)	31,389
Interest and Fiscal Agent Fees	(6,220,591)	(2,529,449)	-	(8,750,040)	-
Miscellaneous Revenues	26,160	109,962	5,431	141,553	-
Total Non-Operating Revenues/(Expenses)	<u>(5,390,616)</u>	<u>(2,183,640)</u>	<u>8,435</u>	<u>(7,565,821)</u>	<u>416,240</u>
Income/(Loss) before Contributions and Transfers	<u>3,246,193</u>	<u>(57,758)</u>	<u>(363,795)</u>	<u>2,824,640</u>	<u>(925,067)</u>
Capital Contributions	3,272,479	6,651,591	-	9,924,070	-
Transfers In	-	-	234,659	234,659	-
Transfers Out	(62,189)	(33,045)	(234,659)	(329,893)	-
Change in Net Assets	<u>6,456,483</u>	<u>6,560,788</u>	<u>(363,795)</u>	<u>12,653,476</u>	<u>(925,067)</u>
Net Assets - Beginning	<u>88,345,437</u>	<u>82,819,363</u>	<u>3,071,923</u>		<u>32,910,070</u>
Net Assets - Ending	<u>\$ 94,801,920</u>	<u>\$ 89,380,151</u>	<u>\$ 2,708,128</u>		<u>\$ 31,985,003</u>
Adjustment for consolidation of internal service fund activities related to enterprise funds				(251,585)	
Change in net assets of business-type activities				<u>\$ 12,401,891</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, 2009

	Business-Type Activities-Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
Cash Flow from Operating Activities:					
Cash Received from Customers	\$ 23,189,118	\$ 13,488,483	\$ 2,397,189	\$ 39,074,790	\$ 7,202,490
Cash Paid to Employees	(4,217,416)	(2,675,392)	(1,143,220)	(8,036,028)	(1,242,513)
Cash Paid to Suppliers	(6,288,674)	(5,818,286)	(1,357,741)	(13,464,701)	(206,778)
Cash Paid for Operating Expenses	-	-	-	-	(4,403,433)
Other Operating Activity Revenue	<u>26,160</u>	<u>109,962</u>	<u>5,431</u>	<u>141,553</u>	<u>-</u>
Net Cash Provided by Operating Activities	12,709,188	5,104,767	(98,341)	17,715,614	1,349,766
Cash Flows from Noncapital Financing Activities:					
Cash Received from Other Funds	-	-	234,659	234,659	(87)
Cash Paid to Other Funds	<u>(62,189)</u>	<u>(33,045)</u>	<u>(234,659)</u>	<u>(329,893)</u>	<u>-</u>
Net Cash Provided by/(Used for) Noncapital Financing Activities	(62,189)	(33,045)	-	(95,234)	(87)
Cash Flow from Capital and Related Financing Activities:					
Contributions of Capital	2,498,994	4,948,648	-	7,447,642	-
Acquisition and Construction of Assets	(18,063,097)	(4,301,445)	(50,000)	(22,414,542)	(3,800,828)
Proceeds from Sale of Capital Assets	-	-	-	-	38,190
Principal Payments on Bonds	(4,823,924)	(1,112,050)	-	(5,935,974)	-
WIFA - Contracted Loan	(1,960,469)	(2,014,606)	-	(3,975,075)	-
Interest and Fiscal Agent Fee Payments	<u>(6,433,630)</u>	<u>(2,622,690)</u>	<u>-</u>	<u>(9,056,320)</u>	<u>-</u>
Net Cash Provided by/(Used for) Capital and Related Financing Activities	(28,782,126)	(5,102,143)	(50,000)	(33,934,269)	(3,762,638)
Cash Flows from Investing Activities:					
Receipt of Interest	<u>1,014,904</u>	<u>283,757</u>	<u>4,174</u>	<u>1,302,835</u>	<u>441,017</u>
Net Cash Provided by Investing Activities	1,014,904	283,757	4,174	1,302,835	441,017
Net Increase/(Decrease) in Cash and Cash Equivalents	(15,120,223)	253,336	(144,167)	(15,011,054)	(1,971,942)
Cash and Cash Equivalents, July 1	<u>57,532,640</u>	<u>16,078,698</u>	<u>410,930</u>	<u>74,022,268</u>	<u>22,373,813</u>
Cash and Cash Equivalents, June 30	<u>\$ 42,412,417</u>	<u>\$ 16,332,034</u>	<u>\$ 266,763</u>	<u>\$ 59,011,214</u>	<u>\$ 20,401,871</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:					
Operating Income/(Loss)	\$ 8,636,809	\$ 2,125,882	\$ (372,230)	\$ 10,390,461	\$ (1,341,307)
Adjustments to Reconcile Operating Income/(Loss)					
Depreciation and Amortization Expense	3,734,343	2,754,295	242,314	6,730,952	2,551,065
(Increase)/Decrease in Accounts Receivable	161,580	201,275	(431)	362,424	52,201
(Increase)/Decrease in Inventories	6,943	-	(4,858)	2,085	18,944
(Increase) in Deposits	5,600	-	-	5,600	-
(Increase)/Decrease in Prepaid Items	(4,187)	219	408	(3,560)	(1,280)
Increase/(Decrease) in Accounts Payable	18,432	(17,105)	13,865	15,192	(162,484)
Increase in Accrued Payroll and Related Taxes	116,940	39,802	17,733	174,475	23,736
(Decrease) in Claims Incurred but Not Reported	-	-	-	-	208,891
Increase/(Decrease) in Customer Deposits	6,568	(109,563)	(573)	(103,568)	-
Other Operating Activity Revenue	<u>26,160</u>	<u>109,962</u>	<u>5,431</u>	<u>141,553</u>	<u>-</u>
Total Adjustments	4,072,379	2,978,885	273,889	7,325,153	2,691,073
Net Cash Provided by Operating Activities	<u>\$ 12,709,188</u>	<u>\$ 5,104,767</u>	<u>\$ (98,341)</u>	<u>\$ 17,715,614</u>	<u>\$ 1,349,766</u>
Noncash Transactions Affecting Financial Position					
Purchase of Assets with Vendor					
Provided Financing	\$ 840,129	\$ 36,929	\$ -	\$ 877,057	\$ -
Contributions of Capital Assets	<u>1,702,944</u>	<u>1,900,177</u>	<u>-</u>	<u>3,603,121</u>	<u>-</u>
Total Noncash Transactions Affecting Financial Position	<u>\$ 2,543,073</u>	<u>\$ 1,937,106</u>	<u>\$ -</u>	<u>\$ 4,480,178</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, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. With respect to proprietary activities, the City has adopted GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. The City has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. 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, PO Box 13012, Yuma, AZ 85366-3012.

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, PO Box 13012, Yuma, AZ 85366-3012.

B. 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 Assets and the Statement of Activities, a statement showing changes in net assets. 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, 2009

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.

Highway User Revenue Fund – This fund accounts for the receipt and expenditure of the state-shared Highway User Revenue Fund (primarily gas tax) for maintenance and construction of roadways.

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.

Grant Fund – The Grant Fund accounts for all of the federal and state grants provided to the City with the exception of the Community Development Block Grant, the Economic Development grant and the Weed and Seed Grant.

Community Redevelopment Fund – This fund accounts for the financial activities of Community Development Block Grant, Economic Development Grant and Weed and Seed Grant funds.

Debt Service Fund – This fund accounts for expenditures to service the debt 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 Fund – The Capital Projects Fund accounts for the expenditure of monies for purchase or construction of long-lived capital assets including land and buildings and streets infrastructure.

Other 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 Local Transportation Assistance; Public Safety Tax; Solid Waste; Recreation Complex; 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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

Other 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 Desert Hills Golf Course and Arroyo Dunes 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 Assets. Rather, they are combined with the governmental activities on that statement. Moreover, because of their essentially duplicative nature in accounting for their operations (revenues of the internal service funds are expenses of the operating funds), the operations of the internal service funds have been eliminated from the operations of the Statement of Activities. Internal service funds include the Equipment Replacement, Equipment Maintenance, Insurance Reserve, Workers Compensation and Employee Benefits Trust Funds.

C. 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). Expenditures are recorded when the liability is incurred. Exceptions include debt service expenditures (recorded when the payment is due) and compensated absences (recorded when earned exclusive of long-term portions not expected to be paid within one 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 deferred revenue. Grants and similar awards received before the eligibility requirements are met are also recorded as deferred revenue. Receivables that will not be collected within the available period have also been reported as deferred 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.

D. 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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

- iii. On or before the third Monday in August, the budget is legally enacted through passage of an ordinance.
- iv. At any time during the fiscal year, the City Administrator may transfer part or all of any unencumbered appropriation balance among programs within a fund. Upon written request by the City Administrator, the Council may, by ordinance, transfer part or all of any unencumbered appropriation balance from one fund to another.
- v. Formal budgetary integration is employed as a management control device during the fiscal year for all funds with legally adopted budgets (only the Workers Compensation and Employee Benefits Trust Internal Service Funds are not budgeted). Appropriations not expended at fiscal year end lapse.
- vi. Budgetary amounts include those as originally adopted, and as amended by Council or City Administrator through the end of the fiscal year. Arizona State Statute does not allow supplemental budgets.
- vii. Expenditures incurred during the fiscal year may not legally exceed the publicly published budget. The maximum legal expenditure permitted for the fiscal year is the total adopted budget.

2) Budgetary Reporting and Budgetary Basis of Accounting:

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

E. 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, and in-lieu property taxes are recorded as revenues in the General Fund and expenses in the Enterprise Funds; (2) transfers are made in certain other funds to shift resources from a fund legally required to receive revenue to a fund authorized to expend the revenue; and (3) charges for services of the Internal Service Funds are recorded as expenditures in the funds receiving the service. For purposes of government-wide presentation, these latter transactions are eliminated.

2) Cash and Investments:

Cash balances of the City's funds are pooled and invested by the City. The policy of the City is to invest public funds in a manner which will provide the maximum security of principal invested and conform to all applicable State statutes and City ordinances while providing the highest yield and meeting 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.

In accordance with GASB Statement 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:

Inventories of the General Fund, Special Revenue Funds, Internal Service Funds, and Enterprise Funds consist primarily of expendable supplies held for consumption. These inventories are maintained on a perpetual inventory basis verified through annual physical counts. Items are valued using the weighted

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

average method. Expenditures are recorded at the time inventories are used in the governmental funds; therefore, the reserve for inventory is equal to the inventory level needed to maintain adequate operating supplies and indicates 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, 2009, the estimated amounts of unbilled revenues for the Water and Wastewater Enterprise Funds and the Solid Waste Special Revenue Fund are \$2,561,594, \$1,060,930, and \$170,273, respectively.

6) Capital Assets:

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

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

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

7) Contributions:

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

8) Long-term obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and 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 issuance costs are reported as deferred charges 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, 2009

9) Reserves and Designated Fund Balances:

In the governmental fund financial statements, reserves are recorded to signify that a portion of the fund equity is segregated for future use and is not available for appropriation or expenditure. Designated fund balances are recorded to represent resources available to finance intended future expenditures based upon managerial plans.

F. 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, at fiscal year end, delinquent property taxes expected to be collected within 60 days are recognized as revenue and recorded as receivable. The balance of delinquent taxes is recorded in the property tax receivable account with a corresponding entry to the deferred 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. At fiscal year end, the Governmental Funds include an accrual of general and holiday leave pay and related benefits that would normally be liquidated with expendable available financial resources. All governmental funds (excepting the Capital Projects, Debt Service, Local Transportation Assistance and Two Percent Tax Funds), to varying degrees, liquidate these benefits. General and holiday leave with related benefits in excess of this accumulation, \$2,598,676 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, Desert Hills, and Arroyo Dunes Enterprise Funds are \$277,008, \$199,268, \$86,097 and \$8,512 respectively, and are recorded in those funds and in the business-type activities of the government-wide statements and accrued as earned.

Major illness leave benefits provided for ordinary sick pay are not vested with the employee. Unused benefits are payable only upon the death or retirement of the employee. At June 30, 2009, the amount accumulated in sick pay and related benefits is \$7,740,811, including \$187,284 attributable to Internal Service Funds and \$1,032,359 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, \$690,095, 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 Internal Service Fund is \$19,246 and Water, Wastewater, and Desert Hills and Arroyo Dunes Golf Course Enterprise Funds of \$60,486, \$41,241, \$15,043 and \$1,453 respectively, are recorded in those funds and are accrued as earned.

G. Investment Income

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

H. Use of Estimates

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

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, 2009, the City's deposits had a carrying value of \$180,307 and a bank balance of \$615,117. The difference represents outstanding checks and other reconciling items. The main City checking accounts sweeps nightly to a money market fund and is disclosed with investments.

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, 2009, there are no deposits exposed to custodial credit risk. The petty cash and change fund balances totaled \$25,960.

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.

The City's investment balances at June 30, 2009 were as follows:

Investment Type	Fair Value	Investment Maturities in Years			
		< 1 Year	1-2 Years	2-3 Years	3-5 Years
Commercial Paper	\$ 2,493,854	\$ 2,493,854	\$ -	\$ -	\$ -
US Agencies:					
Federal Home Loan Bank	15,656,067	6,999,626	6,665,191	1,991,250	-
Federal Home Loan Mtg. Corp.	17,180,079	2,028,378	13,156,753	-	1,994,948
Federal National Mtg. Assoc.	28,629,667	1,025,000	25,731,854	-	1,872,813
Money Market Funds	75,570,457	75,570,457	-	-	-
State Investment Pool	29,350,387	29,350,387	-	-	-
Total Value	\$ 168,880,511	\$ 117,467,702	\$ 45,553,798	\$ 1,991,250	\$ 3,867,761

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;

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

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, 2009, all investments, with the exception of the State Investment Pool, are rated AAA by Standard and Poor's and Aaa by Moody's. The State Investment Pool is not rated.

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%	0%
U. S. Government agencies, instrumentalities and government sponsored enterprises	No more than 80%	37%
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%	1%
Maximum per issuer.....	10% of total C. P	1%
Repurchase Agreements.....	100%	0%
Money Market Funds.....	100%	45%
State Investment Pool	100%	17%

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 three investments with maturities greater than three years which represents 2.29% of the portfolio, and there are no holdings with a stated maturity beyond five years. The portfolio at June 30, 2009 had a weighted average maturity of 286 days. The policy does not set a maximum for this measurement.

Custodial Credit Risk

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

B. Property Tax

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

November and May, respectively. Liens are filed when taxes are delinquent for two years. Assessed values, levies and collections for fiscal year 2007-08 (Tax Year 2007) and fiscal year 2008-09 (Tax Year 2008), follow:

	Tax Year 2007	Tax Year 2008
Primary Assessed Valuation	\$ 481,651,142	\$ 560,857,139
Primary Tax Rate	1.6744	1.5570
Primary Tax Levy	\$ 8,064,476	\$ 8,732,640
Secondary Assessed Valuation	\$ 572,280,942	\$ 699,754,765
Secondary Tax Rate/Levy	None	None
Current Tax Collections	\$ 7,890,159	\$ 8,402,121
Delinquent Tax Collections	\$ 136,702	\$ 143,441
Delinquent Taxes Outstanding as of June 30	\$ 252,962	\$ 315,325

C. Accounts Receivable

Receivable balances are stated net of an allowance for doubtful accounts. Within the Special Revenue Solid Waste 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 follow:

	Accounts	Intergovern- mental	Special Assessments	Delinquent Property Taxes	Accrued Interest	Total
General	\$ 540,505	\$ 2,668,045	\$ 20,169	\$ 315,325	\$ 89,118	\$ 3,633,162
Highway User Revenue	123	636,534	-	-	2,455	639,112
City Road Tax	24,161	692,112	-	-	14,116	730,389
Grants	-	1,450,446	-	-	449	1,450,895
Community Redevelopment	1,199,651	399,821	-	-	-	1,599,472
Debt Service	-	-	7,840,000	-	2,396	7,842,396
Capital Projects	174,682	251,955	-	-	37,534	464,171
Water	3,905,786	712	-	-	49,616	3,956,114
Wastewater	1,851,408	61,960	-	-	28,789	1,942,157
Other Funds-Governmental	286,653	302,643	-	-	17,921	607,217
Other Funds-Enterprise	4,944	411	-	-	649	6,004
Internal Service	78,755	30	-	-	68,902	147,687
Total	\$ 8,066,668	\$ 6,464,669	\$ 7,860,169	\$ 315,325	\$ 311,945	\$ 23,018,776

	Allowance Amount	
	2009	2008
Special Revenue Funds -		
Solid Waste	\$ 5,527	\$ 5,358
Enterprise Funds:		
Water	121,404	105,786
Wastewater	51,855	43,318

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

D. Due from Other Governments (Intergovernmental Receivables)

Amounts due from other government units at June 30, 2009, are as follows:

	Agencies				
	Federal	State	County	Local	Total
Governmental Funds					
Major Funds					
General	\$ -	\$ 2,273,730	\$ 390,784	\$ 3,531	\$ 2,668,045
Highway User Revenue	-	630,075	6,459	-	636,534
City Road Tax	-	692,112	-	-	692,112
Grants	1,450,446	-	-	-	1,450,446
Community Redevelopment	399,821	-	-	-	399,821
Capital Projects	-	251,955	-	-	251,955
Non-major Funds					
Public Safety Tax	-	276,751	-	-	276,751
Solid Waste	-	15	-	-	15
Recreation Complex	-	-	5,130	-	5,130
Mall Maintenance	-	-	20,747	-	20,747
Enterprise Funds:					
Major Funds					
Water	-	712	-	-	712
Wastewater	45,674	-	-	16,286	61,960
Non-major Funds					
Desert Hills Golf Course	-	411	-	-	411
Internal Service Funds					
Equipment Maintenance	-	30	-	-	30
Total	<u>\$ 1,895,941</u>	<u>\$ 4,125,791</u>	<u>\$ 423,120</u>	<u>\$ 19,817</u>	<u>\$ 6,464,669</u>

E. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2009, follows:

	Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009
Capital Assets Not Being Depreciated:				
Land	\$ 48,432,815	\$ 5,225,222	\$ 513,238	\$ 53,144,799
Construction in Progress	56,528,475	23,482,480	245,721	79,765,234
Total Capital Assets Not Being Depreciated	<u>104,961,290</u>	<u>28,707,702</u>	<u>758,959</u>	<u>132,910,033</u>
Other Capital Assets:				
Buildings	66,823,452	-	-	66,823,452
Improvements	37,460,440	659,972	-	38,120,412
Infrastructure	156,027,900	3,894,605	-	159,922,505
Equipment	45,950,394	6,869,944	917,359	51,902,979
Total Other Capital Assets	<u>306,262,186</u>	<u>11,424,521</u>	<u>917,359</u>	<u>316,769,348</u>
Less Accumulated Depreciation for:				
Buildings	19,607,774	2,191,904	-	21,799,678
Improvements	16,604,852	3,110,454	-	19,715,306
Infrastructure	82,084,216	3,820,895	-	85,905,111
Equipment	27,072,913	4,293,433	910,558	30,455,788
Total Accumulated Depreciation	<u>145,369,755</u>	<u>13,416,686</u>	<u>910,558</u>	<u>157,875,883</u>
Other Capital Assets, Net	<u>160,892,431</u>	<u>(1,992,165)</u>	<u>6,801</u>	<u>158,893,465</u>
Total Capital Assets, Governmental Activities	<u>\$ 265,853,721</u>	<u>\$ 26,715,537</u>	<u>\$ 765,760</u>	<u>\$ 291,803,498</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

Government activities capital assets net of accumulated depreciation at June 30, 2009, include:

General Capital Assets, Net	\$ 278,988,506
Internal Service Fund Capital Assets, Net	<u>12,814,992</u>
Total	<u>\$ 291,803,498</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,501,709
Public Safety	2,341,743
Parks, Recreation, and Culture	2,936,930
Environmental Health and Protection	34,487
Community Design and Development	101,952
Streets	3,948,800
Assets held by Internal Service Funds are charged based on usage of assets	<u>2,551,065</u>
Total	<u>\$ 13,416,686</u>

Business-type activities:

	Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009
Capital Assets Not Being Depreciated:				
Land	\$ 9,985,297	\$ 89,600	\$ -	\$ 10,074,897
Construction in Progress	<u>235,900,810</u>	<u>19,139,024</u>	<u>-</u>	<u>255,039,834</u>
Total Capital Assets Not Being Depreciated	<u>245,886,107</u>	<u>19,228,624</u>	<u>-</u>	<u>265,114,731</u>
Other Capital Assets:				
Buildings	7,945,196	-	-	7,945,196
Improvements	148,647,734	2,612,253	-	151,259,987
Equipment	<u>4,532,097</u>	<u>257,101</u>	<u>8,635</u>	<u>4,780,563</u>
Total Other Capital Assets	<u>161,125,027</u>	<u>2,869,354</u>	<u>8,635</u>	<u>163,985,746</u>
Less Accumulated Depreciation for:				
Buildings	4,606,679	198,822	-	4,805,501
Improvements	77,117,598	6,233,580	-	83,351,178
Equipment	<u>3,027,949</u>	<u>298,550</u>	<u>6,339</u>	<u>3,320,160</u>
Total Accumulated Depreciation	<u>84,752,226</u>	<u>6,730,952</u>	<u>6,339</u>	<u>91,476,839</u>
Other Capital Assets, Net	<u>76,372,801</u>	<u>(3,861,598)</u>	<u>2,296</u>	<u>72,508,907</u>
Total Capital Assets, Business-type activities	<u>\$ 322,258,908</u>	<u>\$ 15,367,026</u>	<u>\$ 2,296</u>	<u>\$ 337,623,638</u>

Depreciation was charged to programs as follows:

Water	\$ 3,734,343
Wastewater	2,754,296
Golf courses	<u>242,313</u>
Total	<u>\$ 6,730,952</u>

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

F. Retirement Plans

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

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

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

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

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

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

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

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

Cost-sharing plans - For the year ended June 30, 2009, active ASRS members and the City were required by statute to contribute at the actuarially determined rate of 9.45 percent (8.95 percent retirement and 0.50 percent long-term disability) of the members' annual covered payroll. The City's contributions to ASRS for the years ended June 30, 2009, 2008, and 2007 were \$2,684,557, \$2,619,640, and \$2,403,198, respectively, which were equal to the required contributions for the year. In addition, active EORP members and the City were required by statute to contribute 7 percent and 28 percent, respectively, of the members' annual covered payroll. The City's contributions to EORP for the years ended June 30, 2009, 2008 and 2007 were \$65,134, \$44,206, and \$40,782, respectively, which were equal to the required contributions for the year.

Agent plans - For the year ended June 30, 2009 active PSPRS members were required by statute to contribute 7.65 percent of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 19.67 percent for police and 26.74 percent for fire.

Funded Status and Funding Progress – Funding progress of the two agent plans as of June 30, 2008, the most recent valuation, appears below.

	Actual Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Payroll
POLICE	\$ 40,781,540	\$ 55,369,298	\$ 14,587,758	73.7%	\$ 9,619,242	151.7%
FIRE	27,991,354	44,521,592	16,530,238	62.9%	6,081,510	271.8%

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

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

Annual Pension Cost - The City's pension cost for the two agent plans for the year ended June 30, 2008 (the date of the most recent actuarial report) follows:

	<u>Police</u>	<u>Fire</u>
Contribution Rates	19.67%	26.74%
Annual Pension Cost	\$1,421,698	\$1,321,441
Contributions Made	\$1,421,698	\$1,321,441
Actuarial Valuation Date	June 30, 2008	June 30, 2008
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Investment Rate of Return	8.50%	8.50%
Projected Salary Increases	5.5% - 8.5%	5.5% - 8.5%
Inflation projection	5.00%	5.00%
Cost-of-Living Adjustments	None	None
Amortization Method	Level Percentage Open	Level Percentage Open
Remaining Amortization Period	20 years	20 years
Asset Valuation Method	Smoothed market	Smoothed market

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

		<u>Annual Pension Cost</u>	<u>Percent Contributed</u>	<u>Net Pension Obligation</u>
POLICE	2006	\$ 828,088	100.0%	-
	2007	1,134,675	100.0%	-
	2008	1,421,698	100.0%	-
FIRE	2006	825,129	100.0%	-
	2007	1,120,319	100.0%	-
	2008	1,321,441	100.0%	-

G. Long-Term Liabilities

The following changes occurred in long-term liabilities during the fiscal year ended June 30, 2009:

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2009</u>	<u>Due Within One Year</u>
Governmental activities:					
Yuma Municipal Property Corporation	\$ 144,100,000	\$ -	\$ 7,250,000	\$ 136,850,000	\$ 6,095,000
Improvement District #67	5,150,000	-	770,000	4,380,000	805,000
Improvement District #68	3,670,000	-	210,000	3,460,000	220,000
Unamortized Discount/Issuance Costs	(548,219)	-	(35,658)	(512,561)	-
Unamortized Premium	1,710,665	-	90,035	1,620,630	-
Compensated Absences	2,829,801	598,268	139,297	3,288,772	-
Total Governmental Activity					
Long-Term Liabilities	<u>\$ 156,912,247</u>	<u>\$ 598,268</u>	<u>\$ 8,423,674</u>	<u>\$ 149,086,841</u>	<u>\$ 7,120,000</u>
Business-type activities:					
General Obligation Bonds	\$ 6,420,000	\$ -	\$ 1,170,000	\$ 5,250,000	\$ 1,210,000
Yuma Municipal Property Corporation	127,925,000	-	4,835,000	123,090,000	2,960,000
Unamortized Discount/Issuance Costs	(768,888)	-	(76,049)	(692,839)	-
Unamortized Premium	4,421,454	-	184,227	4,237,227	-
Contracts Payable	80,379,513	-	3,906,051	76,473,462	4,041,778
Total Business-type Activity					
Long-Term Liabilities	<u>\$ 218,377,079</u>	<u>\$ -</u>	<u>\$ 10,019,229</u>	<u>\$ 208,357,850</u>	<u>\$ 8,211,778</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

On the Statement of Net Assets, the current portion of governmental activity long-term liabilities of \$7,120,000 excludes the current portion of compensated absences of \$2,190,126 that is recorded within accrued liabilities.

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

Contracts Payable

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

Bonded Debt - Excluding Refunded Debt

The following is a description of bonded indebtedness at June 30, 2009. 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.

General Obligation Bonds – These bonds are backed by the full faith and credit of the City and may be repaid through the levying of property taxes. However, because the bonds were issued for the construction or expansion of the City's water treatment and delivery system, the bonds are recorded in the Water Enterprise Fund and are repaid through that fund.

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

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

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

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 and Desert Hills Golf Course Enterprise Funds, and Highway User Revenue and Solid Waste Special Revenue Funds, as determined by the projects acquired or constructed by the debt proceeds.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

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

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

For the year ended June 30, 2009, the pledged revenues described above amounted to \$69,240,060 for governmental activities and \$45,045,809 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, 2009, debt service for governmental activities totaled \$13,721,000 and for business-type activities \$17,069,996, or 20% and 38% of pledged revenues, respectively.

Summary of Bonded Debt

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding</u>	<u>Net Unamortized Premium/ (Issue Costs)</u>
General Obligation Bonds:						
1997 Refunding	4.90%	12/1/1997	2012	\$ 8,085,000	\$ 5,250,000	\$ (68,389)
Yuma Municipal Property Corporation Bonds:						
2001 Issue	4.94%	3/21/2001	2025	34,150,000	30,370,000	-
2003 - Series A Refunding	4.21%	2/18/2003	2015	14,640,000	9,470,000	-
2003 - Series B Refunding	3.67%	2/18/2003	2015	2,905,000	1,835,000	-
2003 - Series C Refunding	2.97%	2/18/2003	2010	1,445,000	445,000	-
2003 - Series B Addition	4.18%	2/18/2003	2022	9,000,000	7,175,000	(64,639)
2007 - Series B	4.50%	11/20/2007	2027	30,785,000	29,335,000	(173,213)
2007 - Series D	4.50%	11/20/2007	2027	61,100,000	58,220,000	1,345,921
2007 - Series Utilities	4.50%	11/20/2007	2032	<u>127,925,000</u>	<u>123,090,000</u>	<u>3,612,777</u>
Total MPC Bonds				<u>281,950,000</u>	<u>259,940,000</u>	<u>4,720,846</u>
Total Bonds Authorized and Issued				<u>\$ 290,035,000</u>	<u>\$ 265,190,000</u>	<u>\$ 4,652,457</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, 2009 follows:

	<u>Water, Etc. (20%)</u>	<u>All Other (6%)</u>
Secondary Assessed Valuation	\$699,754,765	
Legal Limit	\$ 139,950,953	\$ 41,985,286
Outstanding G.O. Debt	<u>5,250,000</u>	<u>-</u>
Available Debt Margin	<u>\$ 134,700,953</u>	<u>\$ 41,985,286</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

BONDS AND IMPROVEMENT DISTRICTS

July 1	MPC Bonds 2007 Series B			MPC Bonds 2007 Series D			MPC Bonds 2007 Series Utility		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2009	1,025,000	1,273,220	2,298,220	2,030,000	2,719,725	4,749,725	2,960,000	5,925,138	8,885,138
2010	1,075,000	1,221,970	2,296,970	2,125,000	2,638,525	4,763,525	3,105,000	5,806,738	8,911,738
2011	1,125,000	1,168,220	2,293,220	2,230,000	2,553,525	4,783,525	3,260,000	5,682,538	8,942,538
2012	1,175,000	1,111,970	2,286,970	2,330,000	2,442,025	4,772,025	3,425,000	5,519,538	8,944,538
2013	1,230,000	1,064,970	2,294,970	2,435,000	2,348,825	4,783,825	3,585,000	5,382,538	8,967,538
2014	1,280,000	1,015,770	2,295,770	2,540,000	2,251,425	4,791,425	3,750,000	5,239,138	8,989,138
2015	1,335,000	964,570	2,299,570	2,655,000	2,149,825	4,804,825	3,920,000	5,089,138	9,009,138
2016	1,390,000	911,170	2,301,170	2,760,000	2,043,625	4,803,625	4,095,000	4,893,138	8,988,138
2017	1,445,000	855,570	2,300,570	2,870,000	1,905,625	4,775,625	4,270,000	4,688,388	8,958,388
2018	1,505,000	797,770	2,302,770	2,985,000	1,762,125	4,747,125	4,440,000	4,453,538	8,893,538
2019	1,565,000	737,570	2,302,570	3,110,000	1,612,875	4,722,875	4,620,000	4,231,538	8,851,538
2020	1,630,000	674,970	2,304,970	3,240,000	1,457,375	4,697,375	4,810,000	4,000,538	8,810,538
2021	1,700,000	606,510	2,306,510	3,375,000	1,323,725	4,698,725	5,015,000	3,802,125	8,817,125
2022	1,770,000	534,260	2,304,260	3,520,000	1,154,975	4,674,975	5,225,000	3,551,375	8,776,375
2023	1,850,000	458,150	2,308,150	3,670,000	978,975	4,648,975	5,450,000	3,290,125	8,740,125
2024	1,930,000	365,650	2,295,650	3,825,000	795,475	4,620,475	5,685,000	3,017,625	8,702,625
2025	2,010,000	281,212	2,291,212	3,995,000	604,225	4,599,225	5,930,000	2,733,375	8,663,375
2026	2,100,000	193,275	2,293,275	4,170,000	404,475	4,574,475	6,190,000	2,436,875	8,626,875
2027	2,195,000	98,775	2,293,775	4,355,000	195,975	4,550,975	6,460,000	2,127,375	8,587,375
2028	-	-	-	-	-	-	6,745,000	1,844,750	8,589,750
2029	-	-	-	-	-	-	7,050,000	1,507,500	8,557,500
2030	-	-	-	-	-	-	7,365,000	1,155,000	8,520,000
2031	-	-	-	-	-	-	7,695,000	786,750	8,481,750
2032	-	-	-	-	-	-	8,040,000	402,000	8,442,000
	<u>\$ 29,335,000</u>	<u>\$ 14,335,572</u>	<u>\$ 43,670,572</u>	<u>\$ 58,220,000</u>	<u>\$ 31,343,325</u>	<u>\$ 89,563,325</u>	<u>\$ 123,090,000</u>	<u>\$ 87,566,781</u>	<u>\$ 210,656,781</u>

CONTRACTS PAYABLE

July 1	WIFA Loan #920069-03			WIFA Loan #910043-03			WIFA Loan #920088-04		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2009	454,747	262,753	717,500	2,081,310	1,202,580	3,283,890	1,505,711	1,180,533	2,686,244
2010	469,804	247,696	717,500	2,150,222	1,133,668	3,283,890	1,562,205	1,122,979	2,685,184
2011	485,359	232,141	717,500	2,221,416	1,062,474	3,283,890	1,620,819	1,063,265	2,684,084
2012	501,429	216,071	717,500	2,294,967	988,923	3,283,890	1,681,632	1,001,311	2,682,943
2013	518,032	199,468	717,500	2,370,953	912,937	3,283,890	1,744,727	937,033	2,681,760
2014	535,184	182,316	717,500	2,449,455	834,435	3,283,890	1,810,189	870,342	2,680,532
2015	552,904	164,596	717,500	2,530,557	753,333	3,283,890	1,878,108	801,150	2,679,258
2016	571,210	146,290	717,500	2,614,343	669,547	3,283,890	1,948,574	729,361	2,677,936
2017	590,123	127,377	717,500	2,700,904	582,986	3,283,890	2,021,685	654,879	2,676,564
2018	609,662	107,838	717,500	2,790,331	493,559	3,283,890	2,097,539	577,603	2,675,141
2019	629,848	87,652	717,500	2,882,719	401,171	3,283,890	2,176,238	497,427	2,673,665
2020	650,702	66,798	717,500	2,978,166	305,724	3,283,890	2,257,891	414,242	2,672,133
2021	672,247	45,253	717,500	3,076,773	207,117	3,283,890	2,342,607	327,937	2,670,544
2022	694,505	22,995	717,500	3,178,645	105,245	3,283,890	2,430,501	238,393	2,668,895
2023	-	-	-	-	-	-	2,521,694	145,490	2,667,184
2024	-	-	-	-	-	-	2,616,825	49,092	2,665,916
	<u>\$ 7,935,756</u>	<u>\$ 2,109,245</u>	<u>\$ 10,045,001</u>	<u>\$ 36,320,760</u>	<u>\$ 9,653,699</u>	<u>\$ 45,974,459</u>	<u>\$ 32,216,946</u>	<u>\$ 10,611,036</u>	<u>\$ 42,827,981</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

H. Interfund Transfers

<i>Transfers Out</i>		<i>Transfers In</i>	
Governmental funds - major funds:			
General Fund	Solid Waste Mall Maintenance Debt Service Grant Fund	\$ 1,345,700 106,184 2,959,831 926	General Fund - HURF Road Tax Grants
HURF	Debt Service	101,141	Two Percent Tax Capital Projects
Road Tax	Grants	16,301	Capital Projects General Fund
Capital Projects	Debt Service HURF Road Tax Grants	4,777,697 14,421 3,403 355,956	Road Tax Capital Projects General Fund HURF Road Tax Public Safety Tax Solid Waste Desert Hills G.C. Wastewater Water
			926 16,301 355,956 2,959,831 101,141 4,777,697 4,240,722 20,922 234,659 33,045 62,189
Nonmajor funds:			
Public Safety Tax	Debt Service	4,240,722	Solid Waste Recreation Complex Mall Maintenance
Solid Waste	Debt Service	20,922	General Fund Two Percent Tax General Fund
Two Percent Tax	Recreation Complex General Fund Desert Hill G.C.	1,500,000 440,200 234,659	1,345,700 1,500,000 106,184
Total Governmental Activities		16,118,063	Total Governmental Activities
			16,213,297
Enterprise funds:			
Desert Hills G.C.	Debt Service	234,659	Desert Hills G.C. Two Percent Tax
Water	Debt Service	62,189	234,659
Wastewater	Debt Service	33,045	
	Total Enterprise Funds	329,893	Total Enterprise Funds
			234,659
	Total Transfers Out	\$ 16,447,956	Total Transfers In
			\$ 16,447,956

The majority of the transfers listed above are for capital projects expenditures or for debt service requirements and are recognizable by the fund to which the transfer is made. This includes Enterprise Fund transfers to debt service as the majority of the related bond debt service is governmental in nature and is recorded in the Debt Service Fund rather than within the Enterprise Funds. As for the remaining transfers, they include operating subsidies from the General Fund to Solid Waste Fund (\$1,345,700) and Mall Maintenance (\$106,184); and from the Two Percent Tax Fund to the General Fund (\$440,200 per a riverfront development agreement), to the Recreation Complex Fund (\$1,500,000) and Desert Hills Golf Course (\$234,659).

Interfund activity is eliminated within the governmental activities column of the Statement of Activities. Only transfers between governmental and business-type activities appear on that statement. The net transfers of \$95,234 are for debt service.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

I. Interfund Receivables and Payables

Interfund balances at June 30, 2009, follow:

<u>Interfund Payable</u>	<u>Interfund Receivable</u>		<u>Total</u>
	<u>Major Funds</u>		
	<u>General</u>	<u>Capital Projects</u>	
Major Governmental Funds:			
Community Redevelopment Fund	\$ 370,048	\$ -	\$ 370,048
Grants Fund	311,524	175,699	487,223
Nonmajor Governmental Funds:			
Public Safety Tax Fund	240,000	-	240,000
Solid Waste Fund	108,267	-	108,267
Mall Maintenance Fund	15,000	-	15,000
Internal Service Funds:			
Equipment Maintenance	495,603	-	495,603
Workers Compensation	270,000	-	270,000
Total Receivable	<u>\$ 1,810,442</u>	<u>\$ 175,699</u>	<u>\$ 1,986,141</u>

Because they serve primarily governmental funds, the interfund activity noted above in the Internal Service Equipment Maintenance and Workers Compensation are combined within the governmental activities for government-wide reporting. As such, the interfund activity is eliminated in the governmental activities column of the Statement of Net Assets. The internal balances amount appearing on that statement, \$773,394, represents net balances allocated to business-type activities for consolidation of internal service funds net profits.

J. Fund Equity

Unreserved Fund Balances – Designations - Uncompleted Projects - \$47,974,290 is the uncompleted portion of capital projects for which Council has authorized the funding from current year available resources. Expenditures for these projects are rebudgeted in the subsequent fiscal year since unexpended appropriations lapse at year-end. *Subsequent Years' Expenditures* - \$1,606,335 includes sales tax rebates of \$1,106,066, capital projects of \$500,000 and the remaining \$269 is for public/educational/government (PEG) facility for the local cable system. *Future Community Improvements* – In General Fund, \$106,493 in Community Investment Trust represents special projects in subsequent years as designated by City Council, and \$50,000 in Special Revenue Funds is a contingency account, designated by City Council, for the Yuma Civic Center.

K. Risk Management

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

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

Fiscal Year	Insurance Reserve Fund				Workers Compensation Fund			
	Beginning of Year Liability	Claims and Changes In Estimates	Claim Payments	End of Year Liability	Beginning of Year Liability	Claims and Changes In Estimates	Claim Payments	End of Year Liability
2008-09	\$ 30,347	\$ 109,096	\$ 115,303	\$ 24,140	\$ 635,985	\$ 1,032,587	\$ 817,489	\$ 851,083
2007-08	34,660	22,527	26,840	30,347	818,060	4,433	186,508	635,985
2006-07	29,331	118,661	113,332	34,660	663,933	761,715	607,588	818,060

L. Construction Commitments

The City has active construction projects as of June 30, 2009. At year-end the government's commitments with contractors for specific projects are as follows:

Construction Commitments	Original Contract	Spent to Date	Remaining Commitment
Public Safety	3,751,790	3,748,692	3,098
Parks & Recreation	9,143,603	8,461,626	681,977
Environmental Health	845,154	773,685	71,469
Streets	33,730,565	26,825,488	6,905,077
Water System	23,035,153	21,084,066	1,951,087
Wastewater	1,058,200	498,765	559,435
	<u>\$ 71,564,465</u>	<u>\$ 61,392,322</u>	<u>\$ 10,172,143</u>

IV. 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, 2009.

B. Compliance

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

	<u>Actual Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funding Liability (Excess)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Liability as Percentage of Payroll</u>
<i>POLICE</i>						
2006	\$ 39,606,532	\$ 47,038,163	\$ 7,431,631	84.2%	\$ 8,334,721	89.2%
2007	38,668,154	51,924,584	13,256,430	74.5%	9,149,431	144.9%
2008	40,781,540	55,369,298	14,587,758	73.7%	9,619,242	151.7%
<i>FIRE</i>						
2006	28,456,219	39,701,588	11,245,339	71.7%	5,206,722	216.0%
2007	26,853,367	43,029,776	16,176,409	62.4%	5,634,967	287.1%
2008	27,991,354	44,521,592	16,530,238	62.9%	6,081,510	271.8%

City of Yuma, Arizona
 Budgetary Comparison Schedule
 General Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2009

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ 17,652,468	\$ 17,652,468	\$ 18,884,808	\$ 1,232,340
Resources (inflows):				
Taxes:				
Property Tax - Primary	8,732,640	8,732,640	8,402,121	(330,519)
Property Tax - Delinquent	100,000	100,000	143,441	43,441
City Sales Tax	22,031,214	22,031,214	18,961,780	(3,069,434)
Public Enterprise In-Lieu	242,000	242,000	242,000	-
Franchise Tax	2,831,000	2,831,000	3,013,453	182,453
Total Taxes	<u>33,936,854</u>	<u>33,936,854</u>	<u>30,762,795</u>	<u>(3,174,059)</u>
Licenses:				
Business Licenses	320,000	320,000	319,631	(369)
Liquor Licenses	37,200	37,200	35,715	(1,485)
Building Permits	1,969,936	1,969,936	996,801	(973,135)
Alcohol Permits	9,000	9,000	10,511	1,511
Total Licenses	<u>2,336,136</u>	<u>2,336,136</u>	<u>1,362,658</u>	<u>(973,478)</u>
Intergovernmental:				
Sales Tax - State	8,992,614	8,992,614	7,105,468	(1,887,146)
State Revenue Sharing	13,243,000	13,243,000	13,355,612	112,612
Auto Lieu Tax	3,881,917	3,881,917	3,445,491	(436,426)
Other Governmental Charges	112,747	112,747	189,929	77,182
Total Intergovernmental	<u>26,230,278</u>	<u>26,230,278</u>	<u>24,096,500</u>	<u>(2,133,778)</u>
Charges for Services:				
Building Inspection Fees	686,800	686,800	389,792	(297,008)
Recreation Fees	460,472	460,472	563,437	102,965
Police Services	678,968	678,968	865,625	186,657
Other Charges	761,488	761,488	360,388	(401,100)
Total Charges for Services	<u>2,587,728</u>	<u>2,587,728</u>	<u>2,179,242</u>	<u>(408,486)</u>
Fines and Forfeitures:				
City Court Fines	895,280	895,280	1,237,672	342,392
Total Fines and Forfeitures	<u>895,280</u>	<u>895,280</u>	<u>1,237,672</u>	<u>342,392</u>
Use of Money and Property:				
Interest	775,000	775,000	504,146	(270,854)
Rental Receipts	143,700	143,700	196,249	52,549
Total Use of Money and Property	<u>918,700</u>	<u>918,700</u>	<u>700,395</u>	<u>(218,305)</u>
Miscellaneous				
Sales of Surplus Property	3,000	3,000	12,616	9,616
Other	115,000	115,000	269,172	154,172
Total Miscellaneous	<u>118,000</u>	<u>118,000</u>	<u>281,788</u>	<u>163,788</u>
Total Revenues	<u>67,022,976</u>	<u>67,022,976</u>	<u>60,621,050</u>	<u>(6,401,926)</u>
Transfers In	440,200	440,200	440,200	-
Amounts Available for Appropriation	<u>85,115,644</u>	<u>85,115,644</u>	<u>79,946,058</u>	<u>(5,169,586)</u>

Continued on next page

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 General Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2009

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Charges to Appropriations (outflows):				
General Government:				
Mayor and Council	356,895	356,895	316,814	40,081
Elections	45,000	45,000	40,323	4,677
City Administrator	1,270,110	1,270,110	1,168,515	101,595
Strategic Communications	853,415	853,415	741,485	111,930
Economic Development	112,384	112,384	105,730	6,654
Facilities Maintenance	935,401	935,401	900,123	35,278
General Government	2,630,807	2,630,807	2,197,347	433,460
City Clerk	331,867	331,867	308,933	22,934
Community Investment Trust	-	-	120,348	(120,348)
City Attorney	1,270,746	1,270,746	1,356,205	(85,459)
City Prosecutor	272,660	272,660	238,632	34,028
Finance-Administration	308,155	308,155	284,621	23,534
Accounting	761,146	761,146	744,488	16,658
Customer Services	463,704	463,704	453,066	10,638
Information Technology Services	3,220,372	3,351,912	3,156,446	195,466
Purchasing	627,474	627,474	504,950	122,524
Human Resources	795,649	795,649	610,000	185,649
Intragovernmental Charges	(3,672,582)	(3,672,582)	(3,672,582)	-
Total General Government Operating Expenditures	10,583,203	10,714,743	9,575,444	1,139,299
Capital Outlay	1,334,168	1,356,036	922,205	433,831
Capital Projects	172,284	173,359	57,356	116,003
Total General Government Operating Expenditures	12,089,655	12,244,138	10,555,005	1,689,133
Public Safety:				
Police Administration - Field Operations	19,637,318	19,562,818	18,189,146	1,373,672
Police Support Services	2,931,949	2,851,187	2,584,135	267,052
Police Communication Center	2,264,911	2,188,385	2,046,074	142,311
Police 911 Administration	-	76,526	31,297	45,229
Fire Administration	466,424	466,424	442,323	24,101
Fire Training	571,539	571,539	475,594	95,945
Fire Suppression	9,645,282	9,645,282	9,573,456	71,826
Community Risk Reduction	959,048	959,048	924,191	34,857
Fire Special Operations	124,354	124,354	59,491	64,863
Fire Emergency Medical Services	166,707	166,707	89,309	77,398
Fire Emergency Management	142,322	142,322	95,861	46,461
Municipal Court	1,729,441	1,729,441	1,568,576	160,865
Total Public Safety Operating Expenditures	38,639,295	38,484,033	36,079,453	2,404,580
Capital Outlay	151,575	287,279	85,579	201,700
Capital Projects	-	-	28,164	(28,164)
Total Public Safety Expenditures	38,790,870	38,771,312	36,193,196	2,578,116

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, 2009

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Parks, Recreation and Culture:				
Parks and Recreation Administration	745,727	745,727	655,833	89,894
Parks Maintenance	5,225,055	5,240,055	5,009,916	230,139
Parks Development	244,233	229,233	189,830	39,403
Recreation Administration	685,615	685,615	616,975	68,640
Senior Adult Activities	212,228	212,312	171,256	41,056
Adult Activities	279,816	279,732	267,808	11,924
Youth Activities	303,404	303,404	216,746	86,658
Aquatics	927,630	927,630	823,219	104,411
Yuma Readiness Center	184,419	184,419	165,520	18,899
Yuma Art Center	1,010,798	1,010,798	998,997	11,801
Intragovernmental Charges	<u>(155,093)</u>	<u>(155,093)</u>	<u>(155,093)</u>	<u>-</u>
Total Parks, Recreation and Culture				
Operating Expenditures	9,663,832	9,663,832	8,961,007	702,825
Capital Outlay	29,000	29,000	34,571	(5,571)
Capital Projects	<u>270,000</u>	<u>268,925</u>	<u>217,344</u>	<u>51,581</u>
Total Parks, Recreation and Culture Expenditures	<u>9,962,832</u>	<u>9,961,757</u>	<u>9,212,922</u>	<u>748,835</u>
Environmental Health and Protection:				
Environmental Management	1,031,735	1,031,735	962,921	68,814
Intragovernmental Charges	<u>(924,142)</u>	<u>(924,142)</u>	<u>(924,142)</u>	<u>-</u>
Environmental Health and Protection				
Operating Expenditures	<u>107,593</u>	<u>107,593</u>	<u>38,779</u>	<u>68,814</u>
Community Design and Development:				
Community Development Administration	273,952	273,452	273,950	(498)
Development Engineering	356,706	356,706	441,236	(84,530)
Planning and Neighborhood Services	3,090,108	3,022,462	2,485,695	536,767
Heritage Area Development	<u>484,960</u>	<u>484,960</u>	<u>561,725</u>	<u>(76,765)</u>
Total Community Design and Development				
Operating Expenditures	4,205,726	4,137,580	3,762,606	374,974
Capital Outlay	<u>124,000</u>	<u>124,000</u>	<u>15,232</u>	<u>108,768</u>
Total Community Design and Development				
Expenditures	<u>4,329,726</u>	<u>4,261,580</u>	<u>3,777,838</u>	<u>483,742</u>
Total Operating Expenditures	65,280,676	65,346,380	58,417,289	6,929,091
Capital Outlay	1,638,743	1,796,315	1,057,587	738,728
Capital Projects	<u>442,284</u>	<u>442,284</u>	<u>302,864</u>	<u>139,420</u>
Total Expenditures	<u>67,361,703</u>	<u>67,584,979</u>	<u>59,777,740</u>	<u>7,807,239</u>
Transfers Out	4,990,609	4,990,609	4,412,641	577,968
Total Charges to Appropriations	<u>72,352,312</u>	<u>72,575,588</u>	<u>64,190,381</u>	<u>8,385,207</u>
Budgetary Fund Balance, June 30	<u>\$ 12,763,332</u>	<u>\$ 12,540,056</u>	<u>\$ 15,755,677</u>	<u>\$ 3,215,621</u>
				Concluded

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Highway User Revenue Fund
 For the Year Ended June 30, 2009

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,484,597	\$ 3,484,597	\$ 2,661,132	\$ (823,465)
Resources (inflows):				
Intergovernmental				
State Gasoline Tax	8,532,647	8,532,647	7,029,312	(1,503,335)
Use of Money and Property				
Interest	150,000	150,000	11,375	(138,625)
Miscellaneous				
Engineering Oversight Fees	80,000	80,000	19,541	(60,459)
Other	10,000	10,000	10,390	390
Total Revenues	8,772,647	8,772,647	7,070,618	(1,702,029)
Transfers In	-	-	14,421	14,421
Amounts Available for Appropriation	12,257,244	12,257,244	9,746,171	(2,511,073)
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Traffic Signals, Signs, and Striping Streets	1,444,276	1,444,276	1,299,457	144,819
Engineering	2,217,687	2,198,687	1,310,651	888,036
Street Maintenance	3,674,484	3,620,769	3,059,143	561,626
Street Lighting	624,771	624,771	837,782	(213,011)
Street Sweeping	750,989	680,989	604,308	76,681
Storm Drain Maintenance	781,022	781,022	624,992	156,030
Curbs, Gutters, and Sidewalks	499,439	499,439	471,487	27,952
Environmental Health				
Lot Cleaning	94,809	148,524	132,560	15,964
Capital Outlay	316,550	405,550	75,777	329,773
Capital Projects				
Streets	1,220,000	1,250,000	-	1,250,000
Total Expenditures	11,624,027	11,654,027	8,416,157	3,237,870
Transfers Out	100,987	100,987	101,141	(154)
Total Charges to Appropriations	11,725,014	11,755,014	8,517,298	3,237,716
Budgetary Fund Balance, June 30	\$ 532,230	\$ 502,230	\$ 1,228,873	\$ 726,643

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 City Road Tax Fund
 For the Year Ended June 30, 2009

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 346,322	\$ 346,322	\$ 2,250,645	\$ 1,904,323
Resources (inflows):				
Taxes				
Special Road Sales Tax	11,013,991	11,013,991	9,479,279	(1,534,712)
Use of Money and Property				
Rent	-	-	515,820	515,820
Interest	250,000	250,000	63,674	(186,326)
Miscellaneous				
Other	200,000	200,000	568,075	368,075
Total Revenues	11,463,991	11,463,991	10,626,848	(837,143)
Transfers In	-	-	3,403	3,403
Amounts Available for Appropriation	11,810,313	11,810,313	12,880,896	1,070,583
Charges to Appropriations (outflows):				
Current:				
Streets				
Right-Of-Way Management	-	-	95,126	(95,126)
Street Maintenance	1,125,441	1,125,441	1,710,492	(585,051)
Retention Basin Maintenance	1,045,116	1,045,116	1,001,772	43,344
Capital Outlay	16,000	16,000	-	16,000
Capital Projects				
Streets	4,500,000	4,460,000	2,898,771	1,561,229
Environmental, Health and Safety	130,000	170,000	110,673	59,327
Total Expenditures	6,816,557	6,816,557	5,816,834	999,723
Transfers Out	4,749,725	4,749,725	4,793,998	(44,273)
Total Charges to Appropriations	11,566,282	11,566,282	10,610,832	955,450
Budgetary Fund Balance, June 30	\$ 244,031	\$ 244,031	\$ 2,270,064	\$ 2,026,033

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Grants Fund
 For the Year Ended June 30, 2009

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		\$
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	2,883,419	2,883,419	3,939,699	1,056,280
State Government	119,600	119,600	383,626	264,026
Budget Authority Reserve	23,777,116	23,777,116	-	(23,777,116)
Use of Money and Property				
Interest	-	-	4,786	4,786
Contributions/Donations	105,640	105,640	56,848	(48,792)
Total Revenues	26,885,775	26,885,775	4,384,959	(22,500,816)
Transfers In	-	-	17,227	17,227
Amounts Available for Appropriation	26,885,775	26,885,775	4,402,186	(22,483,589)
Charges to Appropriations (outflows):				
Current:				
General Government	250,000	250,000	-	250,000
Public Safety	2,875,227	2,840,532	461,040	2,379,492
Parks, Recreation and Culture	518,000	517,488	16,733	500,755
Environmental Health and Protection	1,505,090	1,519,180	1,455,391	63,789
Community Design & Development	1,000	1,000	-	1,000
Capital Outlay	466,458	487,575	1,670,714	(1,183,139)
Capital Projects				
General Government	6,920,000	6,861,681	1,289	6,860,392
Public Safety	3,050,000	3,050,000	417,474	2,632,526
Streets	6,415,000	6,415,000	339,404	6,075,596
Parks, Recreation and Culture	4,885,000	4,943,319	40,141	4,903,178
Total Expenditures	26,885,775	26,885,775	4,402,186	22,483,589
Total Charges to Appropriations	26,885,775	26,885,775	4,402,186	22,483,589
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Community Redevelopment Fund
 For the Year Ended June 30, 2009

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	1,824,981	1,824,981	1,221,363	(603,618)
Use of Money and Property				
Rental Receipts	-	-	20,344	20,344
Miscellaneous				
Loan Repayments	-	-	63,530	63,530
Other	534,358	534,358	20,333	(514,025)
Total Revenues	<u>2,359,339</u>	<u>2,359,339</u>	<u>1,325,570</u>	<u>(1,033,769)</u>
Transfers In	<u>-</u>	<u>-</u>	<u>355,956</u>	<u>355,956</u>
Amounts Available for Appropriation	<u>2,359,339</u>	<u>2,359,339</u>	<u>1,681,526</u>	<u>(677,813)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development	1,898,939	1,898,939	1,252,332	646,607
Capital Outlay	8,000	8,000	3,705	4,295
Capital Projects				
General Government	100,000	65,000	40,377	24,623
Streets	352,400	387,400	385,112	2,288
Total Expenditures	<u>2,359,339</u>	<u>2,359,339</u>	<u>1,681,526</u>	<u>677,813</u>
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>2,359,339</u>	<u>2,359,339</u>	<u>1,681,526</u>	<u>677,813</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to this schedule

City of Yuma, Arizona
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2009

A. Budgetary Reporting and Budgetary Basis of Accounting

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

B. Excess of Expenditures Over Appropriations

The City's expenditures exceeded appropriations in one fund. Unbudgeted fiscal agent fees caused expenditures within the Debt Service Fund to exceed appropriations by \$10,200.

**OTHER SUPPLEMENTARY
INFORMATION**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

Solid Waste To record the financial activities of the city-owned and operated residential garbage collection service. Expenditures in excess of fees are financed by a transfer from the General Fund.

Recreation Complex To record the financial activities of the Civic Center and Baseball Complex.

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 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, 2009

<u>Assets</u>	Special Revenue			
	Local Transportation Assistance	Public Safety Tax	Solid Waste	Recreation Complex
Cash and Investments	\$ 116,733	\$ 8,696	\$ -	\$ 1,313,375
Receivables (Net of Allowances for Uncollectibles):				
Accounts Receivable	-	-	259,519	19,028
Intergovernmental	-	276,751	15	5,130
Accrued Interest	838	6,443	-	4,853
Inventory, at cost	-	-	-	7,634
Prepaid Items	-	-	-	495
Total Assets	\$ 117,571	\$ 291,890	\$ 259,534	\$ 1,350,515
<u>Liabilities</u>				
Liabilities:				
Accounts Payable	\$ 111	\$ 3,817	\$ 95,309	\$ 72,332
Accrued Payroll and Related Taxes	-	5,058	55,958	58,834
Due to Other Funds	-	240,000	108,267	-
Unearned Revenue	-	-	-	55,158
Total Liabilities	111	248,875	259,534	186,324
<u>Fund Balances</u>				
Reserved for:				
Inventory	-	-	-	7,634
Prepaid Items	-	-	-	495
Unreserved:				
Designated For				
Future Community Improvements	-	-	-	-
Undesignated	117,460	43,015	-	1,156,062
Total Fund Balance	117,460	43,015	-	1,164,191
Total Liabilities and Fund Balance	\$ 117,571	\$ 291,890	\$ 259,534	\$ 1,350,515

<u>Special Revenue</u>		Total
<u>Two Percent Tax</u>	<u>Yuma Mall Maintenance</u>	<u>Nonmajor Governmental Funds</u>
\$ 2,169,609	\$ 3,838	\$ 3,612,251
7,560	546	286,653
-	20,747	302,643
5,787	-	17,921
-	-	7,634
-	-	495
<u>\$ 2,182,956</u>	<u>\$ 25,131</u>	<u>\$ 4,227,597</u>
\$ 121,586	\$ 2,721	\$ 295,876
-	7,410	127,260
-	15,000	363,267
-	-	55,158
<u>121,586</u>	<u>25,131</u>	<u>841,561</u>
-	-	7,634
-	-	495
50,000	-	50,000
<u>2,011,370</u>	<u>-</u>	<u>3,327,907</u>
<u>2,061,370</u>	<u>-</u>	<u>3,386,036</u>
<u>\$ 2,182,956</u>	<u>\$ 25,131</u>	<u>\$ 4,227,597</u>

City of Yuma, Arizona
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue			
	Local Transportation Assistance	Public Safety Tax	Solid Waste	Recreation Complex
Revenues:				
Taxes	\$ -	\$ 3,790,422	\$ -	\$ -
Intergovernmental	394,161	-	-	-
Charges for Services	-	-	1,822,718	-
Use of Money and Property	3,015	24,755	-	633,284
Contributions/Donations	40,066	-	-	-
Miscellaneous	-	-	6,691	6,075
Total Revenues	<u>437,242</u>	<u>3,815,177</u>	<u>1,829,409</u>	<u>639,359</u>
Expenditures:				
Current:				
Public Safety	-	68,507	-	-
Parks, Recreation and Culture	-	-	-	1,851,324
Environmental Health and Protection	-	-	3,154,187	-
Community Design and Development	87,922	-	-	-
Capital Outlay Capital Projects	-	53,594	-	41,638
General Government	-	-	-	-
Public Safety	-	142,288	-	-
Streets	253,225	-	-	-
Parks, Recreation and Culture	-	-	-	563,891
Environmental, Health and Safety	16,311	-	-	-
Total Expenditures	<u>357,458</u>	<u>264,389</u>	<u>3,154,187</u>	<u>2,456,853</u>
Revenues Over/(Under) Expenditures	79,784	3,550,788	(1,324,778)	(1,817,494)
Other Financing Sources/(Uses):				
Transfers In	-	-	1,345,700	1,500,000
Transfers Out	-	(4,240,722)	(20,922)	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(4,240,722)</u>	<u>1,324,778</u>	<u>1,500,000</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	79,784	(689,934)	-	(317,494)
Fund Balances, July 1	<u>37,676</u>	<u>732,949</u>	<u>-</u>	<u>1,481,685</u>
Fund Balances, June 30	<u>\$ 117,460</u>	<u>\$ 43,015</u>	<u>\$ -</u>	<u>\$ 1,164,191</u>

<u>Special Revenue</u>		<u>Total</u>
<u>Two Percent Tax</u>	<u>Yuma Mall Maintenance</u>	<u>Nonmajor Governmental Funds</u>
\$ 4,383,419	\$ 154,174	\$ 8,328,015
-	-	394,161
-	-	1,822,718
33,677	-	694,731
-	-	40,066
50,000	6,591	69,357
<u>4,467,096</u>	<u>160,765</u>	<u>11,349,048</u>
-	-	68,507
1,027,690	-	2,879,014
-	-	3,154,187
-	266,949	354,871
-	-	95,232
749,573	-	749,573
-	-	142,288
-	-	253,225
95,005	-	658,896
-	-	16,311
<u>1,872,268</u>	<u>266,949</u>	<u>8,372,104</u>
2,594,828	(106,184)	2,976,944
-	106,184	2,951,884
<u>(2,174,859)</u>	<u>-</u>	<u>(6,436,503)</u>
<u>(2,174,859)</u>	<u>106,184</u>	<u>(3,484,619)</u>
419,969	-	(507,675)
<u>1,641,401</u>	<u>-</u>	<u>3,893,711</u>
<u>\$ 2,061,370</u>	<u>\$ -</u>	<u>\$ 3,386,036</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Year Ended June 30, 2009

	<u>Budget</u>		<u>Actual</u> Amounts	Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary Fund Balance, July 1	\$ 529,182	\$ 529,182	\$ 529,182	\$ -
Resources (inflows):				
Special Assessments:				
Principal Payments	950,000	950,000	949,000	(1,000)
Use of Money and Property:				
Interest	<u>371,795</u>	<u>371,795</u>	355,511	<u>(16,284)</u>
Total Revenues	<u>1,321,795</u>	<u>1,321,795</u>	<u>1,304,511</u>	<u>(17,284)</u>
Transfers In	<u>12,386,942</u>	<u>12,386,942</u>	<u>12,430,206</u>	<u>43,264</u>
Amounts Available for Appropriation	<u>14,237,919</u>	<u>14,237,919</u>	<u>14,263,899</u>	<u>25,980</u>
Charges to Appropriations (outflows):				
Debt Service:				
Bond Principal	7,075,000	7,075,000	7,075,000	-
Bond Interest	6,635,800	6,635,800	6,635,800	-
Fiscal Agent Fees	<u>-</u>	<u>-</u>	<u>10,200</u>	<u>(10,200)</u>
Total Expenditures	<u>13,710,800</u>	<u>13,710,800</u>	<u>13,721,000</u>	<u>(10,200)</u>
Total Charges to Appropriations	<u>13,710,800</u>	<u>13,710,800</u>	<u>13,721,000</u>	<u>(10,200)</u>
Budgetary Fund Balance, June 30	<u>\$ 527,119</u>	<u>\$ 527,119</u>	<u>\$ 542,899</u>	<u>\$ 15,780</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Capital Projects Fund
 For the Year Ended June 30, 2009

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 67,739,351	\$ 67,739,351	\$ 67,731,729	\$ (7,622)
Resources (inflows):				
Charges for Services				
Developer Charges	8,043,407	8,043,407	4,910,728	(3,132,679)
Use of Money and Property				
Rents	515,140	515,140	-	(515,140)
Interest	509,500	509,500	942,087	432,587
Miscellaneous	19,888,700	19,888,700	612,565	(19,276,135)
Total Revenues	28,956,747	28,956,747	6,465,380	(22,491,367)
Amounts Available for Appropriation	96,696,098	96,696,098	74,197,109	(22,498,989)
Charges to Appropriations (outflows):				
Capital Outlay:				
General Government	9,455,000	5,753,500	423,598	5,329,902
Public Safety	11,338,500	11,338,500	1,330,680	10,007,820
Streets	52,569,663	56,411,163	20,062,406	36,348,757
Parks, Recreation and Culture	11,811,185	11,811,185	4,080,898	7,730,287
Environmental Health and Safety	5,629,000	5,489,000	576,620	4,912,380
Total Expenditures	90,803,348	90,803,348	26,474,202	64,329,146
Transfers Out	-	-	373,780	(373,780)
Total Charges to Appropriations	90,803,348	90,803,348	26,847,982	63,955,366
Budgetary Fund Balance, June 30	\$ 5,892,750	\$ 5,892,750	\$ 47,349,127	\$ 41,456,377

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Local Transportation Assistance Special Revenue Fund
 For the Year Ended June 30, 2009

	<u>Budget</u>		Actual	Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(Negative)</u>
Budgetary Fund Balance, July 1	\$ 20,000	\$ 20,000	\$ 37,676	\$ 17,676
Resources (inflows):				
Intergovernmental				
State Lottery Distribution	426,236	426,236	394,161	(32,075)
Use of Money and Property				
Interest	10,000	10,000	3,015	(6,985)
Contributions/Donations	<u>42,623</u>	<u>42,623</u>	<u>40,066</u>	<u>(2,557)</u>
Total Revenues	<u>478,859</u>	<u>478,859</u>	<u>437,242</u>	<u>(41,617)</u>
Amounts Available for Appropriation	<u>498,859</u>	<u>498,859</u>	<u>474,918</u>	<u>(23,941)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development				
Outside Agencies - Cultural Activities	92,922	92,922	87,922	5,000
Capital Projects:				
Streets	385,937	385,937	253,225	132,712
Environmental, Health and Safety	<u>-</u>	<u>-</u>	<u>16,311</u>	<u>(16,311)</u>
Total Expenditures	<u>478,859</u>	<u>478,859</u>	<u>357,458</u>	<u>121,401</u>
Total Charges to Appropriations	<u>478,859</u>	<u>478,859</u>	<u>357,458</u>	<u>121,401</u>
Budgetary Fund Balance, June 30	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 117,460</u>	<u>\$ 97,460</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Public Safety Tax Special Revenue Fund
 For the Year Ended June 30, 2009

	<u>Budget</u>		Actual	Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(Negative)</u>
Budgetary Fund Balance, July 1	\$ 858,752	\$ 858,752	\$ 732,949	\$ (125,803)
Resources (inflows):				
Taxes				
Public Safety Sales Tax	4,404,094	4,404,094	3,790,422	(613,672)
Use of Money and Property				
Interest	<u>120,000</u>	<u>120,000</u>	<u>24,755</u>	<u>(95,245)</u>
Total Revenues	<u>4,524,094</u>	<u>4,524,094</u>	<u>3,815,177</u>	<u>(708,917)</u>
Amounts Available for Appropriation	<u>5,382,846</u>	<u>5,382,846</u>	<u>4,548,126</u>	<u>(834,720)</u>
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Police Support Services	67,047	67,047	68,507	(1,460)
Capital Outlay	-	188,458	53,594	134,864
Capital Projects:				
Public Safety	<u>499,500</u>	<u>499,500</u>	<u>142,288</u>	<u>357,212</u>
Total Expenditures	<u>566,547</u>	<u>755,005</u>	<u>264,389</u>	<u>490,616</u>
Transfers Out	<u>4,300,153</u>	<u>4,300,153</u>	<u>4,240,722</u>	<u>59,431</u>
Total Charges to Appropriations	<u>4,866,700</u>	<u>5,055,158</u>	<u>4,505,111</u>	<u>550,047</u>
Budgetary Fund Balance, June 30	<u>\$ 516,146</u>	<u>\$ 327,688</u>	<u>\$ 43,015</u>	<u>\$ (284,673)</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Solid Waste Special Revenue Fund
 For the Year Ended June 30, 2009

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Charges for Service				
Collection Fees	1,809,300	1,809,300	1,822,718	13,418
Miscellaneous				
Other	10,000	10,000	6,691	(3,309)
Total Revenues	1,819,300	1,819,300	1,829,409	10,109
Transfers In	1,927,155	1,927,155	1,345,700	(581,455)
Amounts Available for Appropriation	3,746,455	3,746,455	3,175,109	(571,346)
Charges to Appropriations (outflows):				
Current:				
Environmental Health and Protection				
Residential Services	3,269,666	3,269,666	2,779,984	489,682
Uncontained Waste	375,373	375,373	326,316	49,057
Recycling	80,525	80,525	47,887	32,638
Total Expenditures	3,725,564	3,725,564	3,154,187	571,377
Transfers Out	20,891	20,891	20,922	(31)
Total Charges to Appropriations	3,746,455	3,746,455	3,175,109	571,346
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Recreation Complex Special Revenue Fund
 For the Year Ended June 30, 2009

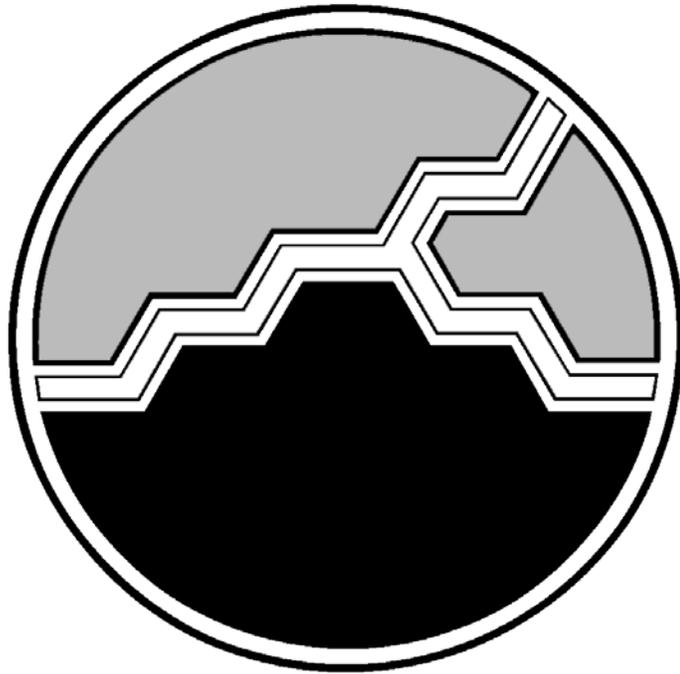
	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,435,231	\$ 1,435,231	\$ 1,481,685	\$ 46,454
Resources (inflows):				
Use of Money and Property				
Rents and Concessions	677,999	677,999	604,494	(73,505)
Interest	85,000	85,000	28,790	(56,210)
Miscellaneous				
Other	7,075	7,075	6,075	(1,000)
Total Revenues	770,074	770,074	639,359	(130,715)
Transfers In	1,500,000	1,500,000	1,500,000	-
Amounts Available for Appropriation	3,705,305	3,705,305	3,621,044	(84,261)
Charges to Appropriations (outflows):				
Current:				
Parks, Recreation and Culture				
Civic and Convention Center	1,373,566	1,350,953	1,228,905	122,048
Baseball Complex	707,598	707,598	622,419	85,179
Capital Outlay	10,800	33,413	41,638	(8,225)
Capital Projects:				
Parks, Recreation and Culture	716,500	716,500	563,891	152,609
Total Expenditures	2,808,464	2,808,464	2,456,853	351,611
Total Charges to Appropriations	2,808,464	2,808,464	2,456,853	351,611
Budgetary Fund Balance, June 30	\$ 896,841	\$ 896,841	\$ 1,164,191	\$ 267,350

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Two Percent Tax Special Revenue Fund
 For the Year Ended June 30, 2009

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ 1,727,786	\$ 1,727,786	\$ 1,641,401	\$ (86,385)
Resources (inflows):				
Taxes				
Two Percent Tax	4,508,537	4,508,537	4,383,419	(125,118)
Use of Money and Property				
Interest	60,000	60,000	33,677	(26,323)
Miscellaneous				
Other	-	-	50,000	50,000
Total Revenues	<u>4,568,537</u>	<u>4,568,537</u>	<u>4,467,096</u>	<u>(101,441)</u>
Amounts Available for Appropriation	<u>6,296,323</u>	<u>6,296,323</u>	<u>6,108,497</u>	<u>(187,826)</u>
Charges to Appropriations (outflows):				
Current:				
Parks, Recreation and Culture				
Administration	129,420	129,420	137,166	(7,746)
Outside Agencies	925,000	925,000	890,524	34,476
Capital Projects:				
General Government	1,830,000	1,830,000	749,573	1,080,427
Parks, Recreation and Culture	170,000	170,000	95,005	74,995
Total Expenditures	<u>3,054,420</u>	<u>3,054,420</u>	<u>1,872,268</u>	<u>1,182,152</u>
Transfers Out	<u>2,174,663</u>	<u>2,174,663</u>	<u>2,174,859</u>	<u>(196)</u>
Total Charges to Appropriations	<u>5,229,083</u>	<u>5,229,083</u>	<u>4,047,127</u>	<u>1,181,956</u>
Budgetary Fund Balance, June 30	<u>\$ 1,067,240</u>	<u>\$ 1,067,240</u>	<u>\$ 2,061,370</u>	<u>\$ 994,130</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Yuma Mall Maintenance Special Revenue Fund
 For the Year Ended June 30, 2009

	<u>Budget</u>		<u>Actual</u> Amounts	Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Taxes				
Mall Assessments	110,000	110,000	154,174	44,174
Miscellaneous				
Other	<u>15,000</u>	<u>15,000</u>	<u>6,591</u>	<u>(8,409)</u>
Total Revenues	<u>125,000</u>	<u>125,000</u>	<u>160,765</u>	<u>35,765</u>
Transfers In	<u>168,787</u>	<u>168,787</u>	<u>106,184</u>	<u>(62,603)</u>
Amounts Available for Appropriation	<u>293,787</u>	<u>293,787</u>	<u>266,949</u>	<u>(26,838)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development				
Mall Maintenance	<u>293,787</u>	<u>293,787</u>	<u>266,949</u>	<u>26,838</u>
Total Expenditures	<u>293,787</u>	<u>293,787</u>	<u>266,949</u>	<u>26,838</u>
Total Charges to Appropriations	<u>293,787</u>	<u>293,787</u>	<u>266,949</u>	<u>26,838</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



NONMAJOR ENTERPRISE FUNDS

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

Desert Hills Golf Course To account for the financial activity of the operation of the Desert Hills Municipal Golf Course.

Arroyo Dunes Golf Course To account for the financial activity of the operation of the Arroyo Dunes Municipal Golf Course.

City of Yuma, Arizona
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Proprietary Funds
For the Year Ended June 30, 2009

	Enterprise Funds		Total Nonmajor Proprietary Funds
	Desert Hills Golf Course	Arroyo Dunes Golf Course	
Operating Revenues:			
Green Fees	\$ 971,089	\$ 271,308	\$ 1,242,397
Cart and Club Rental	360,200	11,042	371,242
Pro Shop Sales	253,961	1,755	255,716
Restaurant Sales	528,837	-	528,837
Total Operating Revenues	<u>2,114,087</u>	<u>284,105</u>	<u>2,398,192</u>
Operating Expenses:			
Operations and Maintenance	2,238,533	289,575	2,528,108
Depreciation and Amortization	213,845	28,469	242,314
Total Operating Expenses	<u>2,452,378</u>	<u>318,044</u>	<u>2,770,422</u>
Operating Income/(Loss)	<u>(338,291)</u>	<u>(33,939)</u>	<u>(372,230)</u>
Non-Operating Revenues/(Expenses):			
Interest	-	3,004	3,004
Miscellaneous Revenues	3,565	1,866	5,431
Net Non-Operating Revenues	<u>3,565</u>	<u>4,870</u>	<u>8,435</u>
Income/(Loss) before Contributions and Transfers	(334,726)	(29,069)	(363,795)
Transfers In	234,659	-	234,659
Transfers Out	<u>(234,659)</u>	<u>-</u>	<u>(234,659)</u>
Change in Net Assets	(334,726)	(29,069)	(363,795)
Net Assets-beginning	<u>2,710,599</u>	<u>361,324</u>	<u>3,071,923</u>
Net Assets-ending	<u>\$ 2,375,873</u>	<u>\$ 332,255</u>	<u>\$ 2,708,128</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2009

	Enterprise Funds		Total
	Desert Hills Golf Course	Arroyo Dunes Golf Course	Nonmajor Proprietary Funds
Cash Flow from Operating Activities:			
Cash Received from Customers	\$ 2,113,084	\$ 284,105	\$ 2,397,189
Cash Paid to Employees	(1,016,284)	(126,936)	(1,143,220)
Cash Paid to Suppliers	(1,200,552)	(157,189)	(1,357,741)
Other Operating Activity Revenue	3,565	1,866	5,431
Net Cash Provided by Operating Activities	(100,187)	1,846	(98,341)
Cash Flows from Noncapital Financing Activities:			
Cash Received from Other Funds	234,659	-	234,659
Cash Paid to Other Funds	(234,659)	-	(234,659)
Net Cash Provided (Used for) Noncapital Financing Activities	-	-	-
Cash Flow from Capital and Related Financing Activities:			
Acquisition and Construction of Assets	(50,000)	-	(50,000)
Net Cash Used for Capital and Related Financing Activities	(50,000)	-	(50,000)
Cash Flows from Investing Activities:			
Receipt of Interest	726	3,448	4,174
Net Cash Provided by Investing Activities	726	3,448	4,174
Net Increase/(Decrease) in Cash and Cash Equivalents	(149,461)	5,294	(144,167)
Cash and Cash Equivalents, July 1	201,455	209,475	410,930
Cash and Cash Equivalents, June 30	<u>\$ 51,994</u>	<u>\$ 214,769</u>	<u>\$ 266,763</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating (Loss)	\$ (338,291)	\$ (33,939)	\$ (372,230)
Adjustments to Reconcile Operating Income/(Loss)			
Depreciation and Amortization Expense	213,845	28,469	242,314
(Increase)Decrease in Accounts Receivables	(431)	-	(431)
(Increase)/Decrease in Inventories	(3,740)	(1,118)	(4,858)
(Increase)Decrease in Prepaid Items	408	-	408
Increase/(Decrease) in Accounts Payable	10,235	3,630	13,865
Increase(decrease) in Accrued Wages and Taxes Payable	14,795	2,938	17,733
Increase(decrease) in Unearned Revenue	(573)	-	(573)
Other Operating Activity Revenue	3,565	1,866	5,431
Total Adjustments	238,104	35,785	273,889
Net Cash Provided by Operating Activities	<u>\$ (100,187)</u>	<u>\$ 1,846</u>	<u>\$ (98,341)</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Water Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2009

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Resources (inflows):				
Inside City	\$ 18,414,000	\$ 18,414,000	\$ 19,699,978	\$ 1,285,978
Outside City	2,759,100	2,759,100	2,762,881	3,781
Commercial Raw Water	299,000	299,000	245,742	(53,258)
Meters, Connections and Services	427,209	427,209	313,937	(113,272)
Capital Contributions:				
System Development	350,000	350,000	172,716	(177,284)
Capacity Rights	3,000,000	3,000,000	2,326,278	(673,722)
Interest	425,700	425,700	806,111	380,411
Miscellaneous	5,691	5,691	26,938	21,247
Total Revenues	25,680,700	25,680,700	26,354,581	673,881
Amounts Available for Appropriation	25,680,700	25,680,700	26,354,581	673,881
Charges to Appropriations (outflows):				
Current:				
Administration	2,482,218	2,482,218	2,399,665	82,553
Treatment	7,170,588	7,165,095	5,243,772	1,921,323
Water Transmission	1,637,433	1,639,933	1,545,589	94,344
Customer Services	1,352,476	1,354,776	1,185,572	169,204
Water Transfer	104,097	104,097	51,896	52,201
Laboratory	293,716	293,716	225,670	68,046
Capital Outlay:				
Capital Outlay	339,184	339,877	139,528	200,349
Capital Projects	32,066,947	32,066,947	16,061,547	16,005,400
Debt Service:				
Principal Retirement	5,449,669	5,449,669	5,449,669	-
Interest and Fiscal Agent Fees	6,290,993	6,290,993	6,292,510	(1,517)
Total Expenditures	57,187,321	57,187,321	38,595,418	18,591,903
Transfers Out	62,094	62,094	62,189	(95)
Total Charges to Appropriations	57,249,415	57,249,415	38,657,607	18,591,808
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	\$ (31,568,715)	\$ (31,568,715)	(12,303,026)	\$ 19,265,689
Reconciliation to Change in Net Assets:				
Capital Outlay			139,528	
Capital Projects			16,061,547	
Principal Retirement			5,449,669	
Capital Contributions for Developer Additions to System			773,485	
Amortization of Debt Issuance Costs			141,855	
Amortization of Bond Premium			(69,936)	
Loss on Disposal of Assets			(2,296)	
Depreciation and Amortization			(3,734,343)	
Change in Net Assets			\$ 6,456,483	

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, 2009

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Inside City	\$ 9,700,000	\$ 9,700,000	\$ 10,763,676	\$ 1,063,676
Outside City	666,000	666,000	898,935	232,935
Contractual/Industrial Services	1,805,000	1,805,000	1,708,943	(96,057)
Meters, Connections and Services	42,700	42,700	25,218	(17,482)
Capital Contributions:				
Capacity Rights	1,973,100	1,973,100	4,702,138	2,729,038
Wastewater Interceptor	200,000	200,000	236,309	36,309
Wastewater Trunk Line Charges	3,500	3,500	10,200	6,700
Interest	386,700	386,700	235,847	(150,853)
Miscellaneous	(3,117)	(3,117)	109,962	113,079
Total Revenues	<u>14,773,883</u>	<u>14,773,883</u>	<u>18,691,228</u>	<u>3,917,345</u>
Amounts Available for Appropriation	<u>14,773,883</u>	<u>14,773,883</u>	<u>18,691,228</u>	<u>3,917,345</u>
Charges to Appropriations (outflows):				
Current:				
Administration	1,240,770	1,240,770	1,112,578	128,192
Treatment	6,233,802	6,268,802	5,989,491	279,311
Pretreatment	484,028	484,028	400,912	83,116
Collection	902,101	907,101	835,008	72,093
Laboratory	337,610	337,610	178,606	159,004
Capital Outlay:				
Capital Outlay	159,600	119,600	67,573	52,027
Capital Projects	8,726,000	8,726,000	3,302,898	5,423,102
Debt Service:				
Principal Retirement	2,762,109	2,762,109	2,762,109	-
Interest and Fiscal Agent Fees	2,565,362	2,565,362	2,565,708	(346)
Total Expenditures	<u>23,411,382</u>	<u>23,411,382</u>	<u>17,214,883</u>	<u>6,196,499</u>
Transfers Out	23,962	23,962	33,045	(9,083)
Total Charges to Appropriations	<u>23,435,344</u>	<u>23,435,344</u>	<u>17,247,928</u>	<u>6,187,416</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (8,661,461)</u>	<u>\$ (8,661,461)</u>	<u>1,443,300</u>	<u>\$ 10,104,761</u>
Reconciliation to Change in Net Assets:				
Capital Outlay			67,573	
Capital Projects			3,302,898	
Principal Retirement			2,762,109	
Amortization of Debt Issuance Costs			36,259	
Capital Contributions for Subdivider Additions to System			1,702,944	
Depreciation and Amortization			(2,754,295)	
Change in Net Assets			<u>\$ 6,560,788</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, 2009

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Green Fees	\$ 1,136,894	\$ 1,136,894	\$ 971,089	\$ (165,805)
Cart and Club Rental	372,957	372,957	360,200	(12,757)
Pro Shop Sales	324,005	324,005	253,961	(70,044)
Restaurant Sales	613,748	613,748	528,837	(84,911)
Interest	3,500	3,500	-	(3,500)
Miscellaneous	1,000	1,000	3,565	2,565
Total Revenues	2,452,104	2,452,104	2,117,652	(334,452)
Transfers In	234,463	234,463	234,659	196
Amounts Available for Appropriation	2,686,567	2,686,567	2,352,311	(334,256)
Charges to Appropriations (outflows):				
Current:				
Maintenance	1,292,389	1,292,389	1,070,227	222,162
Concession	596,978	596,978	513,918	83,060
Restaurant	685,447	685,447	654,388	31,059
Capital Outlay	66,500	66,500	50,000	16,500
Total Expenditures	2,641,314	2,641,314	2,288,533	352,781
Transfers Out	234,463	234,463	234,659	(196)
Total Charges to Appropriations	2,875,777	2,875,777	2,523,192	352,585
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	\$ (189,210)	\$ (189,210)	(170,881)	\$ 18,329
Reconciliation to Change in Net Assets:				
Capital Outlay			50,000	
Capital Projects			-	
Loss on Disposal of Assets			-	
Depreciation and Amortization			(213,845)	
Change in Net Assets			\$ (334,726)	

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
 Arroyo Dunes Golf Course Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Resources (inflows):				
Green Fees	\$ 268,245	\$ 268,245	\$ 271,308	\$ 3,063
Cart and Club Rental	14,994	14,994	11,042	(3,952)
Pro Shop Sales	1,623	1,623	1,755	132
Interest	5,000	5,000	3,004	(1,996)
Miscellaneous	-	-	1,866	1,866
Total Revenues	289,862	289,862	288,975	(887)
Amounts Available for Appropriation	289,862	289,862	288,975	(887)
Charges to Appropriations (outflows):				
Current:				
Maintenance	265,619	265,619	246,765	18,854
Concession	50,615	50,615	42,810	7,805
Total Expenditures	316,234	316,234	289,575	26,659
Total Charges to Appropriations	316,234	316,234	289,575	26,659
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	\$ (26,372)	\$ (26,372)	(600)	\$ 25,772
Reconciliation to Change in Net Assets:				
Depreciation and Amortization			(28,469)	
Change in Net Assets			\$ (29,069)	

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

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

City of Yuma, Arizona
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009

<u>Assets</u>	<u>Equipment Replacement</u>	<u>Equipment Maintenance</u>	<u>Insurance Reserve</u>	<u>Employee Benefits Trust</u>	<u>Workers Compensation</u>	<u>Totals</u>
Current Assets:						
Cash and Investments	\$ 16,293,498	\$ 167,165	\$ 2,310,257	\$ 482,836	\$ 1,148,115	\$ 20,401,871
Accounts Receivable	-	33,303	39,006	-	6,446	78,755
Intergovernmental Receivable	-	30	-	-	-	30
Accrued Interest	56,879	-	7,339	1,636	3,048	68,902
Inventory, at cost	-	544,878	-	-	-	544,878
Prepaid Items	-	220	2,107	-	-	2,327
Total Current Assets	<u>16,350,377</u>	<u>745,596</u>	<u>2,358,709</u>	<u>484,472</u>	<u>1,157,609</u>	<u>21,096,763</u>
Noncurrent Assets:						
Capital Assets:						
Land	-	219,610	-	-	-	219,610
Buildings	-	19,251	-	-	-	19,251
Improvements Other than Buildings	-	189,631	-	-	-	189,631
Equipment	29,567,963	205,484	-	-	-	29,773,447
Less Accumulated Depreciation	<u>(17,279,832)</u>	<u>(107,115)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,386,947)</u>
Total Noncurrent Assets	<u>12,288,131</u>	<u>526,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,814,992</u>
Total Assets	<u>28,638,508</u>	<u>1,272,457</u>	<u>2,358,709</u>	<u>484,472</u>	<u>1,157,609</u>	<u>33,911,755</u>
 Liabilities						
Liabilities:						
Accounts Payable	10,814	15,015	99,311	179	20	125,339
Accrued Payroll, Taxes and Benefits Payable	-	160,587	-	-	-	160,587
Estimated Claims and Judgements	-	-	24,140	-	851,083	875,223
Due to Other Funds	-	495,603	-	-	270,000	765,603
Total Liabilities	<u>10,814</u>	<u>671,205</u>	<u>123,451</u>	<u>179</u>	<u>1,121,103</u>	<u>1,926,752</u>
 Net Assets						
Invested in capital assets, net of related debt	12,288,131	526,861	-	-	-	12,814,992
Unrestricted	<u>16,339,563</u>	<u>74,391</u>	<u>2,235,258</u>	<u>484,293</u>	<u>36,506</u>	<u>19,170,011</u>
Total Net Assets	<u>\$ 28,627,694</u>	<u>\$ 601,252</u>	<u>\$ 2,235,258</u>	<u>\$ 484,293</u>	<u>\$ 36,506</u>	<u>\$ 31,985,003</u>

City of Yuma, Arizona
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2009

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Operating Revenues:						
Charges For Services	\$ -	\$ 3,749,458	\$ 1,112,186	\$ -	\$ -	\$ 4,861,644
Contributions						
City	-	-	-	-	850,791	850,791
Property Damage Restitution	-	-	16,718	-	-	16,718
Equipment Rental	1,385,415	-	-	-	-	1,385,415
Miscellaneous	17,088	1,490	9,213	7,121	2,027	36,939
Total Operating Revenues	<u>1,402,503</u>	<u>3,750,948</u>	<u>1,138,117</u>	<u>7,121</u>	<u>852,818</u>	<u>7,151,507</u>
Operating Expenses:						
Claims Incurred	-	-	115,303	-	817,489	932,792
Premiums to Insurance Carriers	-	-	529,832	59,660	150,562	740,054
Administration	1,223	3,550,881	680,210	9,263	27,326	4,268,903
Depreciation	2,526,173	24,892	-	-	-	2,551,065
Total Operating Expenses	<u>2,527,396</u>	<u>3,575,773</u>	<u>1,325,345</u>	<u>68,923</u>	<u>995,377</u>	<u>8,492,814</u>
Operating Income/(Loss)	<u>(1,124,893)</u>	<u>175,175</u>	<u>(187,228)</u>	<u>(61,802)</u>	<u>(142,559)</u>	<u>(1,341,307)</u>
Non-Operating Revenue/(Expenses):						
Interest	334,328	-	41,064	9,173	286	384,851
Gain on the Sale of Assets	31,389	-	-	-	-	31,389
Total Non-Operating Revenues	<u>365,717</u>	<u>-</u>	<u>41,064</u>	<u>9,173</u>	<u>286</u>	<u>416,240</u>
Change in Net Assets	(759,176)	175,175	(146,164)	(52,629)	(142,273)	(925,067)
Net Assets, Beginning	<u>29,386,870</u>	<u>426,077</u>	<u>2,381,422</u>	<u>536,922</u>	<u>178,779</u>	<u>32,910,070</u>
Net Assets, Ending	<u>\$ 28,627,694</u>	<u>\$ 601,252</u>	<u>\$ 2,235,258</u>	<u>\$ 484,293</u>	<u>\$ 36,506</u>	<u>\$ 31,985,003</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2009

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Cash Flows from Operating Activities:						
Cash Received from Customers	\$ 1,401,280	\$ 3,772,424	\$ 1,141,672	\$ 7,121	\$ 879,993	\$ 7,202,490
Cash Paid to Employees	-	(1,242,513)	-	-	-	(1,242,513)
Cash Paid to Suppliers	-	(137,843)	-	(68,935)	-	(206,778)
Cash Paid For Operating Expenses	-	(2,284,857)	(1,330,933)	-	(787,643)	(4,403,433)
Net Cash Flows Provided by/(Used for) Operating Activities	1,401,280	107,211	(189,261)	(61,814)	92,350	1,349,766
Cash Flows from Noncapital Financing Activities:						
Cash Received from Other Funds	-	-	-	-	(87)	(87)
Net Cash Flows Provided by/(Used for) Noncapital Financing Activities	-	-	-	-	(87)	(87)
Cash Flows from Capital and Related Financing Activities:						
Proceeds from Sale of Capital Assets	38,190	-	-	-	-	38,190
Payments for Capital Acquisitions	(3,798,835)	(1,993)	-	-	-	(3,800,828)
Net Cash Flows Used for Capital and Related Financing Activities	(3,760,645)	(1,993)	-	-	-	(3,762,638)
Cash Flows from Investing Activities						
Receipt of Interest	383,270	-	45,783	10,832	1,132	441,017
Net Cash Flows Provided by Investing Activities	383,270	-	45,783	10,832	1,132	441,017
Net Increase/(Decrease) in Cash and Cash Equivaler	(1,976,095)	105,218	(143,478)	(50,982)	93,395	(1,971,942)
Cash and Cash Equivalents, July 1, 2008	18,269,593	61,947	2,453,735	533,818	1,054,720	22,373,813
Cash and Cash Equivalents, June 30, 2009	<u>\$ 16,293,498</u>	<u>\$ 167,165</u>	<u>\$ 2,310,257</u>	<u>\$ 482,836</u>	<u>\$ 1,148,115</u>	<u>\$ 20,401,871</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Operating Income/(Loss)	\$ (1,124,893)	\$ 175,175	\$ (187,228)	\$ (61,802)	\$ (142,559)	\$ (1,341,307)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation Expense	2,526,173	24,892	-	-	-	2,551,065
(Increase)/Decrease in Accounts Receivable	-	21,471	3,555	-	27,175	52,201
(Increase)/Decrease in Inventory	-	18,944	-	-	-	18,944
(Increase)/Decrease in Prepaid Items	-	827	(2,107)	-	-	(1,280)
Increase/(Decrease) in Accounts Payable	-	(157,834)	2,726	(12)	(7,364)	(162,484)
Increase/(Decrease) in Payroll Liabilities	-	23,736	-	-	-	23,736
Increase/(Decrease) in Claims Incurred but Not Reported	-	-	(6,207)	-	215,098	208,891
Total Adjustments	2,526,173	(67,964)	(2,033)	(12)	234,909	2,691,073
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 1,401,280</u>	<u>\$ 107,211</u>	<u>\$ (189,261)</u>	<u>\$ (61,814)</u>	<u>\$ 92,350</u>	<u>\$ 1,349,766</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Equipment Replacement Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2009

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Resources (inflows):				
Charges for Services	\$ 3,453,372	\$ 3,453,372	\$ 1,385,415	\$ (2,067,957)
Miscellaneous	-	-	17,088	17,088
Interest	<u>775,000</u>	<u>775,000</u>	<u>334,328</u>	<u>(440,672)</u>
Total Revenues	<u>4,228,372</u>	<u>4,228,372</u>	<u>1,736,831</u>	<u>(2,491,541)</u>
Amounts Available for Appropriation	<u>4,228,372</u>	<u>4,228,372</u>	<u>1,736,831</u>	<u>(2,491,541)</u>
Charges to Appropriations (outflows):				
Current				
Administration	1,223	1,223	1,223	-
Capital Outlay	<u>5,655,570</u>	<u>5,655,570</u>	<u>3,799,162</u>	<u>1,856,408</u>
Total Expenditures	<u>5,656,793</u>	<u>5,656,793</u>	<u>3,800,385</u>	<u>1,856,408</u>
Total Charges to Appropriations	<u>5,656,793</u>	<u>5,656,793</u>	<u>3,800,385</u>	<u>1,856,408</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ (1,428,421)</u>	<u>\$ (1,428,421)</u>	<u>(2,063,554)</u>	<u>\$ (635,133)</u>
Reconciliation to Change in Net Assets:				
Capital Outlay			3,799,162	
Gain on Sale of Assets			31,389	
Depreciation and Amortization			<u>(2,526,173)</u>	
Change in Net Assets			<u>\$ (759,176)</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, 2009

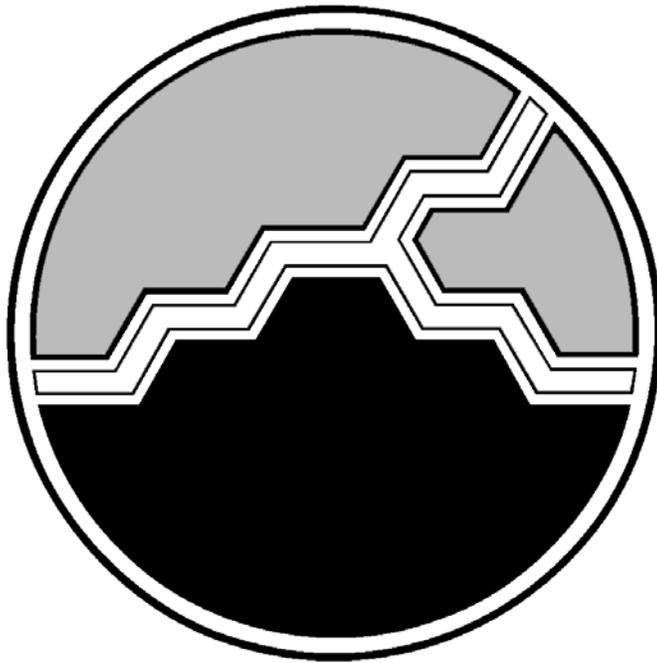
	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Resources (inflows):				
Charges for Services	\$ 4,115,354	\$ 4,115,354	\$ 3,749,458	\$ (365,896)
Miscellaneous	-	-	1,490	1,490
Total Revenues	4,115,354	4,115,354	3,750,948	(364,406)
Amounts Available for Appropriation	4,115,354	4,115,354	3,750,948	(364,406)
Charges to Appropriations (outflows):				
Current				
Administration	4,154,396	4,159,396	3,550,881	608,515
Capital Outlay	26,400	21,400	1,992	19,408
Capital Outlay				
Total Expenditures	4,180,796	4,180,796	3,552,873	627,923
Total Charges to Appropriations	4,180,796	4,180,796	3,552,873	627,923
Excess of Resources Over				
Charges to Appropriations	\$ (65,442)	\$ (65,442)	198,075	\$ 263,517
Reconciliation to Change in Net Assets:				
Capital Outlay			1,992	
Depreciation and Amortization			(24,892)	
Change in Net Assets			\$ 175,175	

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, 2009

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Resources (inflows):				
Charges for Services	\$ 1,112,186	\$ 1,112,186	\$ 1,112,186	\$ -
Property Damage Restitution	5,000	5,000	16,718	11,718
Miscellaneous	2,000	2,000	9,213	7,213
Interest	<u>55,000</u>	<u>55,000</u>	<u>41,064</u>	<u>(13,936)</u>
Total Revenues	<u>1,174,186</u>	<u>1,174,186</u>	<u>1,179,181</u>	<u>4,995</u>
Amounts Available for Appropriation	<u>1,174,186</u>	<u>1,174,186</u>	<u>1,179,181</u>	<u>4,995</u>
Charges to Appropriations (outflows):				
Current				
Premiums to Insurance Carriers	562,062	562,062	529,832	32,230
Claims Incurred	183,000	183,000	115,303	67,697
Administration	<u>1,089,500</u>	<u>1,089,500</u>	<u>680,210</u>	<u>409,290</u>
Total Expenditures	<u>1,834,562</u>	<u>1,834,562</u>	<u>1,325,345</u>	<u>509,217</u>
Total Charges to Appropriations	<u>1,834,562</u>	<u>1,834,562</u>	<u>1,325,345</u>	<u>509,217</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ (660,376)</u>	<u>\$ (660,376)</u>	<u>\$ (146,164)</u>	<u>\$ 514,212</u>
Reconciliation to Change in Net Assets:				
Change in Net Assets			<u>\$ (146,164)</u>	

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



STATISTICAL SECTION



STATISTICAL SECTION

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

Contents	Page
Financial Trends	98
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	106
These schedules contain information to help the reader assess the City's most significant local revenue source - sales tax.	
Debt Capacity	108
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.	
Demographic and Economic Information	114
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	116
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 Assets by Component
Last Eight Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities								
Invested in capital assets, net of related debt	\$ 69,300	\$ 81,689	\$ 95,005	\$ 111,268	\$ 130,176	\$ 160,214	\$ 169,403	\$ 129,228
Restricted	1,484	-	-	330	24,820	12,991	17,952	70,389
Unrestricted	44,208	50,234	55,748	57,707	42,605	43,638	45,354	38,439
Total governmental activities net assets	\$ 114,993	\$ 131,922	\$ 150,752	\$ 169,305	\$ 197,601	\$ 216,844	\$ 232,709	\$ 238,056
Business-type activities								
Invested in capital assets, net of related debt	\$ 80,224	\$ 85,380	\$ 86,266	\$ 105,944	\$ 119,734	\$ 154,054	\$ 151,032	\$ 158,367
Restricted	-	-	-	-	-	-	151	1,952
Unrestricted	23,251	22,511	31,537	27,122	26,569	7,587	24,079	27,344
Total business-type activities net assets	\$ 103,475	\$ 107,891	\$ 117,803	\$ 133,067	\$ 146,303	\$ 161,641	\$ 175,262	\$ 187,663
Primary government								
Invested in capital assets, net of related debt	\$ 149,524	\$ 167,069	\$ 181,271	\$ 217,212	\$ 249,910	\$ 314,268	\$ 320,435	\$ 287,595
Restricted	1,484	-	-	330	24,820	12,991	18,103	72,341
Unrestricted	67,460	72,744	87,284	84,829	69,174	51,225	69,433	65,783
Total primary government net assets	\$ 218,468	\$ 239,813	\$ 268,555	\$ 302,372	\$ 343,904	\$ 378,485	\$ 407,971	\$ 425,719

Data for ten years as required for this table is not available as presentation of Net Assets as part of the financial statement began in FY2002.

City of Yuma, Arizona

Changes in Net Assets
Last Eight Fiscal Years
(amounts expressed in thousands)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses								
Governmental activities:								
General government	\$ 3,478	\$ 6,950	\$ 7,059	\$ 7,117	\$ 9,124	\$ 10,919	\$ 11,875	\$ 11,559
Public Safety	23,567	25,455	26,988	30,707	33,057	36,067	38,511	41,080
Streets	9,098	7,944	8,654	9,061	12,326	13,384	18,943	15,966
Parks, Recreation and Culture	8,526	8,862	9,475	9,841	12,173	15,400	14,353	16,282
Environmental Health and Protection	3,251	2,936	2,994	3,608	3,410	2,098	4,604	4,969
Community Design and Development	5,246	6,369	5,551	5,438	6,529	6,791	5,807	5,486
Interest on Long-Term Debt	3,227	2,878	2,972	3,042	2,899	2,948	5,331	6,592
Total governmental activities expenses	<u>56,393</u>	<u>61,393</u>	<u>63,692</u>	<u>68,815</u>	<u>79,519</u>	<u>87,606</u>	<u>99,424</u>	<u>101,934</u>
Business-type activities:								
Water	9,836	10,326	10,884	11,456	13,010	14,562	18,389	20,754
Wastewater	6,484	7,024	7,341	8,750	10,403	11,538	13,270	13,859
Golf Courses	2,490	2,524	2,493	2,514	2,641	2,676	2,889	2,819
Total business-type activities expenses	<u>18,810</u>	<u>19,874</u>	<u>20,719</u>	<u>22,720</u>	<u>26,053</u>	<u>28,777</u>	<u>34,548</u>	<u>37,432</u>
Total primary government expenses	<u>\$ 75,204</u>	<u>\$ 81,267</u>	<u>\$ 84,411</u>	<u>\$ 91,536</u>	<u>\$ 105,572</u>	<u>\$ 116,383</u>	<u>\$ 133,971</u>	<u>\$ 139,366</u>
Program Revenues								
Governmental activities:								
Charges for Services								
Building Inspection Fees	\$ 356	\$ 612	\$ 926	\$ 1,023	\$ 1,019	\$ 985	\$ 710	\$ 390
Police Services	460	644	488	605	698	805	764	865
Other Charges	4,735	5,709	7,374	8,768	8,968	8,407	8,916	7,607
Developer Charges	545	129	365	3,995	3,520	4,517	6,657	4,911
Operating Grants and Contributions	2,795	3,684	3,290	3,568	2,840	2,661	2,294	1,807
Capital Grants and Contributions	1,650	1,398	3,703	1,747	5,679	5,341	5,000	4,783
Total governmental activities program revenues	<u>10,539</u>	<u>12,175</u>	<u>16,145</u>	<u>19,705</u>	<u>22,723</u>	<u>22,718</u>	<u>24,342</u>	<u>20,363</u>
Business-type activities:								
Charges for Services								
Metered Water Sales	8,821	9,458	10,481	12,297	14,797	17,522	21,027	22,463
Wastewater Charges	5,583	6,578	7,613	8,000	9,081	10,387	13,126	13,372
Green Fees and Concessions	2,123	1,937	1,992	1,994	2,191	2,189	2,140	2,027
Other Charges	681	890	1,023	1,221	1,393	1,390	1,181	1,098
Operating Grants and Contributions	-	-	-	-	-	-	-	-
Capital Grants and Contributions	6,260	5,439	8,923	11,657	11,025	11,249	8,874	9,924
Total business-type activities program revenues	<u>23,468</u>	<u>24,302</u>	<u>30,032</u>	<u>35,169</u>	<u>38,487</u>	<u>42,736</u>	<u>46,348</u>	<u>48,884</u>
Total primary government program revenues	<u>\$ 34,008</u>	<u>\$ 36,477</u>	<u>\$ 46,177</u>	<u>\$ 54,874</u>	<u>\$ 61,210</u>	<u>\$ 65,454</u>	<u>\$ 70,690</u>	<u>\$ 69,247</u>

Continued on next page

City of Yuma, Arizona

Changes in Net Assets
Last Eight Fiscal Years
(amounts expressed in thousands)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Net (expense)/revenue								
Governmental activities	\$ (45,854)	\$ (49,218)	\$ (47,547)	\$ (49,110)	\$ (56,795)	\$ (64,889)	\$ (75,082)	\$ (81,571)
Business-type activities	4,658	4,428	9,313	12,449	12,434	13,959	11,800	11,452
Total primary government net expense	<u>\$ (41,196)</u>	<u>\$ (44,790)</u>	<u>\$ (38,234)</u>	<u>\$ (36,661)</u>	<u>\$ (44,361)</u>	<u>\$ (50,929)</u>	<u>\$ (63,281)</u>	<u>\$ (70,119)</u>
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes	\$ 5,338	\$ 5,678	\$ 5,953	\$ 6,076	\$ 6,832	\$ 7,430	\$ 8,250	\$ 8,856
Sales taxes	25,039	25,484	28,529	32,795	36,557	39,616	39,478	36,857
Franchise taxes	1,836	1,719	1,936	2,105	3,116	2,678	2,893	3,013
Shared revenues	23,258	24,225	24,021	25,462	28,226	30,558	32,788	31,330
Grants and contributions not restricted to specific programs	-	7,577	5,198	1,673	7,826	115	2,600	3,895
Unrestricted investment earnings	2,227	877	292	1,370	2,190	4,097	4,842	2,872
Gain from sale of fixed assets	-	-	920	307	348	-	-	-
Transfers	382	587	(473)	(2,124)	(4)	(363)	(96)	95
Total governmental activities	<u>58,079</u>	<u>66,148</u>	<u>66,377</u>	<u>67,663</u>	<u>85,091</u>	<u>84,132</u>	<u>90,755</u>	<u>86,919</u>
Business-type activities:								
Investment earnings	999	575	125	691	798	1,016	1,916	1,045
Special Item - Litigation	(1,220)	-	-	-	-	-	-	-
Transfers	(382)	(587)	473	2,124	4	363	96	(95)
Total business-type activities	<u>(603)</u>	<u>(12)</u>	<u>599</u>	<u>2,815</u>	<u>802</u>	<u>1,379</u>	<u>2,012</u>	<u>950</u>
Total primary government	<u>\$ 57,476</u>	<u>\$ 66,136</u>	<u>\$ 66,976</u>	<u>\$ 70,478</u>	<u>\$ 85,894</u>	<u>\$ 85,511</u>	<u>\$ 92,767</u>	<u>\$ 87,869</u>
Change in Net Assets								
Governmental activities	\$ 12,225	\$ 16,930	\$ 18,830	\$ 18,553	\$ 28,296	\$ 19,243	\$ 15,865	\$ 5,347
Business-type activities	4,055	4,416	9,912	15,264	13,236	15,338	13,620	12,402
Total primary government	<u>\$ 16,280</u>	<u>\$ 21,346</u>	<u>\$ 28,742</u>	<u>\$ 33,816</u>	<u>\$ 41,532</u>	<u>\$ 34,582</u>	<u>\$ 29,486</u>	<u>\$ 17,749</u>

Concluded

City of Yuma, Arizona

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 507	\$ 490	\$ 539	\$ 489	\$ 101	\$ 296	\$ 614	\$ 309	\$ 277	\$ 262
Unreserved	7,806	11,073	13,012	15,087	17,436	19,704	21,125	19,893	18,608	15,493
Total General Fund	<u>\$ 8,312</u>	<u>\$ 11,563</u>	<u>\$ 13,551</u>	<u>\$ 15,576</u>	<u>\$ 17,537</u>	<u>\$ 20,000</u>	<u>\$ 21,739</u>	<u>\$ 20,202</u>	<u>\$ 18,885</u>	<u>\$ 15,756</u>
All other										
governmental funds										
Reserved	\$ 89	\$ 3,173	\$ 1,567	\$ 85	\$ 63	\$ 339	\$ 535	\$ 513	\$ 543	\$ 552
Unreserved, reported in:										
Special revenue funds	14,404	10,704	9,424	10,495	13,407	17,036	19,908	12,892	8,791	6,876
Capital projects funds	1,143	25,450	3,355	5,967	6,920	1,104	5,976	926	67,732	47,349
Total all other										
governmental funds	<u>\$ 15,636</u>	<u>\$ 39,327</u>	<u>\$ 14,346</u>	<u>\$ 16,548</u>	<u>\$ 20,391</u>	<u>\$ 18,479</u>	<u>\$ 26,418</u>	<u>\$ 14,331</u>	<u>\$ 77,066</u>	<u>\$ 54,777</u>

City of Yuma, Arizona

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 28,413	\$ 31,995	\$ 32,132	\$ 32,812	\$ 36,411	\$ 41,078	\$ 46,474	\$ 49,686	\$ 50,503	\$ 48,570
Licenses and permits	1,250	1,464	1,439	2,063	3,016	3,416	3,836	2,845	2,068	1,363
Intergovernmental	24,683	24,587	27,699	29,298	31,041	30,729	36,044	37,915	39,237	37,065
Charges for services	2,111	2,411	2,876	2,983	3,905	7,937	7,737	8,804	11,599	8,913
Fines and forfeitures	448	588	671	801	726	806	863	1,039	1,143	1,238
Special Assessments	13	6	-	-	-	-	649	679	914	949
Use of money and property	1,923	2,630	2,494	1,429	1,154	1,971	2,809	4,374	5,358	3,309
Contributions and donations	77	50	26	28	33	84	80	78	65	97
Miscellaneous	281	298	259	336	480	1,152	548	624	633	1,646
Total revenues	<u>59,198</u>	<u>64,030</u>	<u>67,594</u>	<u>69,750</u>	<u>76,766</u>	<u>87,173</u>	<u>99,041</u>	<u>106,045</u>	<u>111,521</u>	<u>103,148</u>
Expenditures										
General government	\$ 3,834	\$ 3,498	\$ 4,001	\$ 4,732	\$ 5,409	\$ 5,033	\$ 7,185	\$ 7,641	\$ 9,723	\$ 9,575
Public Safety	19,423	20,733	22,660	24,364	25,752	29,296	31,863	35,014	37,874	37,908
Streets	4,157	4,163	4,393	4,884	4,767	4,899	5,626	7,155	8,913	9,716
Parks, Recreation and Culture	6,541	6,704	7,428	7,765	7,828	8,534	9,727	11,022	11,547	11,857
Environmental Health and Protection	2,401	2,823	3,175	3,000	3,062	3,014	3,365	3,551	4,757	4,781
Community Design and Development	4,827	4,811	5,331	6,338	5,429	5,344	6,422	6,698	5,726	5,370
Capital Outlay	12,774	23,092	37,311	19,198	19,656	21,151	22,688	41,450	51,149	35,734
Debt Service										
Principal	3,786	3,897	4,346	5,248	3,825	3,447	4,209	3,837	8,312	7,075
Interest and fiscal agent fees	1,914	2,151	3,227	2,872	2,962	3,032	2,890	2,939	5,885	6,646
Total expenditures	<u>59,655</u>	<u>71,872</u>	<u>91,872</u>	<u>78,402</u>	<u>78,689</u>	<u>83,750</u>	<u>93,975</u>	<u>119,306</u>	<u>143,885</u>	<u>128,662</u>
Excess of revenues over (under) expenditures	\$ (457)	\$ (7,841)	\$ (24,277)	\$ (8,651)	\$ (1,922)	\$ 3,423	\$ 5,066	\$ (13,261)	\$ (32,364)	\$ (25,514)
Other financing sources (uses)										
Proceeds from long-term debt	\$ -	\$ 34,209	\$ 909	\$ 31,490	\$ 7,280	\$ -	\$ 3,875	\$ -	\$ 93,686	\$ -
Sale of real property	-	281	455	(19,199)	920	307	742	-	-	-
Transfers in	17,511	23,490	21,423	21,117	21,609	20,219	25,016	38,410	29,685	16,213
Transfers out	(17,145)	(23,198)	(21,501)	(20,530)	(22,082)	(23,398)	(25,021)	(38,773)	(29,589)	(16,118)
Total other financing sources (uses)	<u>365</u>	<u>34,783</u>	<u>1,285</u>	<u>12,878</u>	<u>7,727</u>	<u>(2,872)</u>	<u>4,612</u>	<u>(363)</u>	<u>93,782</u>	<u>95</u>
Net change in fund balances	<u>\$ (91)</u>	<u>\$ 26,941</u>	<u>\$ (22,993)</u>	<u>\$ 4,226</u>	<u>\$ 5,805</u>	<u>\$ 551</u>	<u>\$ 9,678</u>	<u>\$ 13,624</u>	<u>\$ 61,418</u>	<u>\$ 25,419</u>
Debt service as a percentage of noncapital expenditures	12.2%	12.4%	13.9%	13.7%	11.5%	10.4%	10.0%	8.7%	15.3%	14.8%

City of Yuma, Arizona

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

Fiscal Year	Property Tax	General Sales Tax	City Road Sales Tax	Public Safety Sales Tax	Civic Center Excise Tax	Two Percent Tax	Utility Franchise	Public Enterprise In-Lieu	Mall District Levy	Total
2000	\$ 4,730,665	\$ 11,342,233	\$ 5,574,996	\$ 2,306,895	\$ 5,674	\$ 2,363,269	\$ 1,796,281	\$ 242,000	\$ 50,671	\$ 28,412,684
2001	5,243,984	12,836,934	6,417,376	2,566,078	-	2,490,071	2,135,544	242,000	62,912	31,994,899
2002	5,193,075	13,116,950	6,448,954	2,578,704	-	2,652,152	1,835,810	242,000	64,172	32,131,817
2003	5,525,546	13,237,042	6,617,396	2,646,059	-	2,741,989	1,719,272	242,000	83,184	32,812,488
2004	5,857,825	14,849,984	7,423,730	2,968,482	-	3,044,645	1,935,952	242,000	88,411	36,411,029
2005	6,084,442	17,165,647	8,581,364	3,431,379	-	3,374,350	2,105,116	242,000	93,863	41,078,161
2006	6,699,038	19,087,873	9,542,314	3,815,628	-	3,866,902	3,116,225	244,610	101,821	46,474,411
2007	7,278,233	20,672,520	10,334,503	4,132,396	-	4,232,008	2,678,454	244,610	113,345	49,686,069
2008	8,026,861	20,479,641	10,238,080	4,093,839	-	4,424,358	2,893,077	242,000	105,394	50,503,250
2009	8,545,562	18,961,780	9,479,279	3,790,422	-	4,383,419	3,013,453	242,000	154,174	48,570,089

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

<u>Fiscal Year</u>	<u>Sales Tax</u>	<u>Revenue Sharing</u>	<u>Auto In-Lieu</u>	<u>Highway Users</u>	<u>Local Transportation Assistance</u>	<u>Grants and Others*</u>	<u>Total</u>
2000	\$ 5,515,532	\$ 6,958,385	\$ 2,075,329	\$ 6,715,766	\$ 418,463	\$ 2,999,869	\$ 24,683,344
2001	5,779,653	7,303,100	2,235,482	6,157,241	425,571	2,686,448	24,587,495
2002	5,973,339	8,084,914	2,345,195	6,414,401	440,004	4,440,943	27,698,796
2003	6,062,278	8,250,011	2,746,086	6,732,659	434,212	5,072,923	29,298,169
2004	6,535,654	7,002,250	2,852,832	7,198,891	431,754	7,019,763	31,041,144
2005	7,196,762	7,141,392	3,067,961	7,627,177	428,520	5,230,199	30,692,011
2006	8,292,930	8,133,573	3,391,236	7,980,673	427,528	7,818,092	36,044,032
2007	8,437,831	10,079,129	3,476,885	8,137,895	425,850	7,357,643	37,915,233
2008	8,183,395	12,518,215	3,518,863	8,144,889	423,058	6,448,868	39,237,288
2009	7,105,468	13,355,612	3,445,491	7,029,312	394,161	5,734,617	37,064,661

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

City of Yuma, Arizona

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

Fiscal Year	Federal						State of Arizona					Total
	Justice	Interior	Housing/Urban Development (CDBG)	Economic Development Administration	Other HUD	Other	Parks	Commerce	Transpor- tation	Other	Local Government	
2000	\$ 948,716	\$ 172,030	\$ 1,215,765	\$ -	\$ 82,536	\$ 89,525	\$ 169,567	\$ 20,339	\$ 40,000	\$ 46,535	\$ 214,856	\$ 2,999,869
2001	970,255	158,271	706,783	-	199,998	156,327	393,823	10,054	-	90,937	-	2,686,448
2002	1,010,764	405,198	640,280	-	229,712	507,488	753,502	264,684	240,890	366,161	22,264	4,440,943
2003	1,309,351	1,398,560	991,044	-	169,579	413,527	96,498	441,101	-	233,831	19,432	5,072,923
2004	3,462,972	575,124	1,349,178	-	405,814	896,311	87,359	-	31,059	151,489	60,457	7,019,763
2005	1,233,650	465,209	594,924	-	80,301	2,485,908	79,123	-	-	291,084	-	5,230,199
2006	925,898	1,404,369	1,044,705	-	251,898	3,264,509	120,555	13,000	376,323	388,547	28,288	7,818,092
2007	524,591	417,782	1,334,775	-	-	4,090,532	432,498	130,213	233,689	59,422	134,141	7,357,643
2008	1,001,408	621,480	899,272	-	-	1,335,165	505,838	1,844,645	214,649	26,411	-	6,448,868
2009	583,702	1,469,327	1,121,334	-	-	2,176,628	-	297,024	5,393	81,210	-	5,734,617

City of Yuma, Arizona

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

	Fiscal Years									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Mining	\$ 22	\$ 25	\$ -	\$ 3	\$ -	\$ 1	\$ 3	\$ 25	\$ 155	\$ 6
Construction	95,975	107,204	123,550	132,387	166,117	228,801	235,643	254,740	249,315	207,592
Manufacturing	27,488	40,897	26,315	23,128	28,969	53,176	60,054	57,632	59,931	48,964
Transportation, Communications, and Utilities	99,943	158,945	142,496	126,623	121,936	145,454	173,224	186,420	207,693	206,089
Wholesale Trade	28,966	25,543	26,615	27,587	23,625	29,635	35,498	34,732	22,480	33,785
Retail Trade	651,145	701,473	730,255	760,867	823,785	925,936	1,024,886	1,088,053	1,089,001	1,001,579
Restaurants and Bars	88,227	93,828	99,965	103,690	110,633	123,683	143,594	157,866	162,560	162,404
Fire Insurance and Real Estate	76,017	88,464	42,494	42,376	69,235	97,875	117,161	143,725	132,593	115,857
Hotels and Other Lodging	23,844	26,911	25,328	26,789	30,785	34,930	37,333	39,360	33,642	36,093
Services	34,203	33,342	78,342	79,392	66,721	44,921	48,639	58,050	52,012	50,858
Arts, Entertainment, Government and All Others Not Specified	<u>5,000</u>	<u>6,919</u>	<u>1,216</u>	<u>717</u>	<u>43,029</u>	<u>31,963</u>	<u>32,542</u>	<u>46,423</u>	<u>38,503</u>	<u>32,743</u>
	<u>\$ 1,130,831</u>	<u>\$ 1,283,552</u>	<u>\$ 1,296,576</u>	<u>\$ 1,323,559</u>	<u>\$ 1,484,835</u>	<u>\$ 1,716,376</u>	<u>\$ 1,908,577</u>	<u>\$ 2,067,025</u>	<u>\$ 2,047,885</u>	<u>\$ 1,895,969</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%

Source: Arizona Department of Revenue

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

City of Yuma, Arizona

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

<u>Fiscal Year</u>	<u>City Sales Tax Rate</u>	<u>City Hospitality Sales Tax Rate</u>	<u>Yuma County</u>	<u>Arizona State</u>
2000	1.70%	2.00%	1.50%	5.00%
2001	1.70%	2.00%	1.50%	5.00%
2002	1.70%	2.00%	1.50%	5.60%
2003	1.70%	2.00%	1.50%	5.60%
2004	1.70%	2.00%	1.50%	5.60%
2005	1.70%	2.00%	1.60%	5.60%
2006	1.70%	2.00%	1.60%	5.60%
2007	1.70%	2.00%	1.10%	5.60%
2008	1.70%	2.00%	1.10%	5.60%
2009	1.70%	2.00%	1.10%	5.60%

Source: Arizona Department of Revenue

City of Yuma, Arizona

**Ratio of Outstanding Debt by Type
Last Eight 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			
2002	\$ -	\$ 62,315,000	\$ -	\$ 573,334	\$ -	\$12,210,000	\$ -	\$ 75,098,334	2.26%	\$ 450
2003	-	66,240,000	-	3,320,000	-	11,385,000	10,408,191	91,353,191	2.80%	535
2004	-	63,440,000	7,280,000	2,515,000	-	10,505,000	33,790,746	117,530,746	3.30%	667
2005	-	60,420,000	7,280,000	1,723,000	-	9,575,000	61,072,113	140,070,113	3.67%	773
2006	-	57,765,000	10,475,000	924,000	-	8,585,000	74,110,111	151,859,111	3.73%	810
2007	-	55,035,000	9,765,000	117,000	-	7,535,000	84,154,117	156,606,117	3.63%	822
2008	-	144,100,000	8,820,000	-	127,925,000	6,420,000	80,379,511	367,644,511	7.89%	1,892
2009	-	136,850,000	7,840,000	-	123,090,000	5,250,000	76,473,462	349,503,462	NA	NA

108

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

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

City of Yuma, Arizona

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

109

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>General Bonded Debt</u>	<u>Ratio of General Bonded Debt to Assessed Value</u>	<u>General Bonded Debt per Capita</u>
2000	71,000	\$ 245,088,969	-	-	-
2001	77,515	256,612,102	-	-	-
2002	81,380	278,555,470	-	-	-
2003	80,300	305,708,909	-	-	-
2004	83,330	322,623,524	-	-	-
2005	86,070	329,526,546	-	-	-
2006	88,775	367,376,807	-	-	-
2007	92,160	468,531,273	-	-	-
2008	93,212	572,280,942	-	-	-
2009	93,719	699,754,765	-	-	-

Source: Yuma County Assessor
 Arizona Department of Economic Security
 Arizona Department of Commerce

City of Yuma, Arizona

**Computation of Direct and Overlapping Debt
June 30, 2009**

Jurisdiction	Debt Outstanding	Allocable to City of Yuma	
		Percent	Amount
City of Yuma	\$ -	100.00%	\$ -
Yuma County	17,117,830	48.39%	8,283,019
Yuma County Library District	49,960,000	48.39%	24,174,771
Yuma County Community College District	73,480,000	48.39%	35,555,687
Yuma Union High School District No. 70	53,625,000	54.04%	28,978,950
Yuma School District No. 1	13,675,000	56.13%	7,676,397
Yuma School District No. 13	16,300,000	64.49%	<u>10,511,915</u>
Total Overlapping Debt			<u>\$ 115,180,739</u>

110

Source: Yuma County Finance Department
 Arizona Western College
 Note: School district valuation applicable percentage estimated

City of Yuma, Arizona

**Legal Debt Margin Information
June 30, 2009
(amounts expressed in thousands)**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit										
Water, Sewer, Lights, Parks (20%)	\$ 49,002	\$ 51,322	\$ 56,049	\$ 61,142	\$ 64,525	\$ 65,905	\$ 73,475	\$ 572,281	\$ 114,456	\$ 139,951
All Others (6%)	14,701	15,397	16,815	18,343	19,357	19,772	22,043	114,456	34,337	41,985
Total net debt applicable to limit										
Water, Sewer, Lights, Parks (20%)	13,715	12,995	12,210	11,385	10,505	9,575	8,585	7,535	6,420	5,250
All Others (6%)	-	-	-	-	-	-	-	-	-	-
Legal debt margin										
Water, Sewer, Lights, Parks (20%)	\$ 36,007	\$ 39,112	\$ 44,664	\$ 50,637	\$ 54,950	\$ 57,320	\$ 67,890	\$ 86,171	\$ 108,036	\$ 134,701
All Others (6%)	14,701	15,397	16,815	18,343	19,357	19,772	22,043	28,112	34,337	41,985
Total net debt applicable to the limit as a percentage of debt limit										
Water, Sewer, Lights, Parks (20%)	27.99%	25.32%	21.78%	18.62%	16.28%	14.53%	11.68%	1.32%	5.61%	3.75%
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 2009

			<u>General Obligation Bonds</u>	
			<u>Water, Sewer, Lights, Parks (20%)</u>	<u>All Others (6%)</u>
2008 Tax Year Secondary Assessed Valuation	\$ 699,755	\$ 139,951	\$ 41,985	
Outstanding General Obligation Debt:				
Project 1997		5,250	-	
Total General Obligation Debt		5,250	-	
		<u>\$ 134,701</u>	<u>\$ 41,985</u>	

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

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

City of Yuma, Arizona

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

Series 2001, 2007, and 2003 Refunding 1995 Covenants

	<u>2003 Ref 1995A</u>	<u>2003 Ref 1995B</u>	<u>2003 Ref 1995C</u>	<u>2007 Series B</u>	<u>2007 Series D</u>		<u>2007 Series Utilities</u>
2008-09 Pledged Taxes	\$ 55,377,362	\$ 51,586,940	\$ 55,970,359	\$ 51,586,940	\$ 61,066,219	\$	-
2008-09 Net Revenue	-	-	-	-	-		18,293,287
Total Taxes/Net Revenue	<u>55,377,362</u>	<u>51,586,940</u>	<u>55,970,359</u>	<u>51,586,940</u>	<u>61,066,219</u>		<u>18,293,287</u>
2009-10 Debt related to pledge:						Total	
2003 Ref 1995 Series A	\$ 1,575,453	\$ -	\$ -	\$ -	\$ -	\$ 1,575,453	\$ -
2003 Ref 1995 Series B	-	306,448	-	-	-	306,448	-
2003 Ref 1995 Series C	-	-	232,313	-	-	232,313	-
2001 Series	-	2,529,925	-	-	-	2,529,925	-
2003 Series	-	695,532	-	-	-	695,532	-
2007 Series B	-	-	-	2,296,970	-	2,296,970	-
2007 Series D	-	-	-	-	4,763,525	4,763,525	-
WIFA Loans (Parity Obligations)	-	-	-	-	-	-	6,686,574
2007 Series Utilities	-	-	-	-	-	-	8,911,738
Total Debt	<u>\$ 1,575,453</u>	<u>\$ 3,531,905</u>	<u>\$ 232,313</u>	<u>\$ 2,296,970</u>	<u>\$ 4,763,525</u>	<u>\$ 12,400,166</u>	<u>\$ 15,598,312</u>
Coverage	35.2	14.6	240.9	22.5	12.8		1.2
Required Coverage	4.0	3.0	3.5	3.0	1.5		1.2
<i>Collective Coverage</i>							
Total 2008-09 Taxes/Net Revenue	<u>\$ 55,377,362</u>	<u>\$ 51,586,940</u>	<u>\$ 55,970,359</u>	<u>\$ 51,586,940</u>	<u>\$ 61,066,219</u>		<u>\$ 18,293,287</u>
Total 2009-10 Debt	<u>\$ 12,400,166</u>	<u>\$ 12,400,166</u>	<u>\$ 12,400,166</u>	<u>\$ 12,400,166</u>	<u>\$ 15,598,312</u>		<u>\$ 12,400,166</u>
Coverage	4.5	4.2	4.5	4.2	3.9		1.5
Required Coverage	4.0	3.0	3.5	3.0	1.5		1.2

112

2001, 2003, 2007B, 2007D and 2003 Refunding 1995 Series: Bond covenants require that each series cover both its related debt and the collective debt for the succeeding year.

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

City of Yuma, Arizona

Pledged Tax Collections

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Local Taxes										
Sales Tax (1%)	\$ 11,342,233	\$ 12,836,934	\$ 13,116,950	\$ 13,237,042	\$ 14,849,984	\$ 17,165,647	\$ 19,087,873	\$ 20,672,520	\$ 20,479,641	\$ 18,961,780
Franchise Fee	2,038,281	2,377,544	2,077,810	1,961,272	2,177,952	2,347,116	3,360,835	2,923,064	3,135,077	3,255,453
Intergovernmental Revenues:										
State Revenue Sharing	6,958,385	7,303,100	8,084,914	8,250,011	7,002,250	7,141,392	8,133,573	10,079,129	12,518,215	13,355,612
State Sales Tax	5,515,532	5,779,653	5,973,339	6,062,278	6,535,654	7,196,762	8,292,930	8,437,831	8,183,395	7,105,468
Auto In-Lieu Tax	2,075,329	2,235,482	2,345,195	2,746,086	2,852,832	3,067,961	3,391,236	3,476,885	3,518,863	3,445,491
Emergency Services and Other	21,856	19,675	22,264	19,432	36,132	36,573	28,288	112,747	133,560	189,929
Licenses:										
Business Licenses	273,704	262,991	210,565	297,643	291,080	300,290	300,596	315,968	332,122	319,631
Liquor Licenses	26,560	27,990	27,185	27,765	32,115	32,965	36,600	38,880	34,700	35,715
Fees for Services:										
Building Permits and Inspection Fees	1,318,636	1,543,648	1,550,072	2,343,219	3,608,965	4,096,137	4,508,571	3,465,837	2,401,049	1,386,593
Recreation Fees	305,014	332,466	341,523	355,658	381,442	431,931	453,273	485,647	546,680	563,437
Police Services and Other Public Safety Fees	423,643	495,782	482,394	705,976	544,869	647,381	774,246	1,335,542	1,852,400	1,226,013
Use of Money and Property:										
Investment Income	278,612	457,415	461,606	243,955	70,322	318,886	556,095	1,038,848	1,021,862	504,146
Fines, Forfeitures and Penalties:										
City Court Fines	447,813	587,620	670,837	801,121	725,948	805,772	863,316	1,038,871	1,143,006	1,237,672
<i>Total Series B Pledged Taxes</i>	<u>31,025,598</u>	<u>34,260,300</u>	<u>35,364,654</u>	<u>37,051,458</u>	<u>39,109,545</u>	<u>43,588,813</u>	<u>49,787,432</u>	<u>53,421,769</u>	<u>55,300,570</u>	<u>51,586,940</u>
Additional Series A Pledged Taxes										
City Public Safety Taxes (.2%)	2,306,895	2,566,078	2,578,704	2,646,059	2,968,482	3,431,379	3,815,628	4,132,396	4,093,839	3,790,422
<i>Total Series A Pledged Taxes</i>	<u>33,332,493</u>	<u>36,826,378</u>	<u>37,943,358</u>	<u>39,697,517</u>	<u>42,078,027</u>	<u>47,020,192</u>	<u>53,603,060</u>	<u>57,554,165</u>	<u>59,394,409</u>	<u>55,377,362</u>
Additional Series C Pledged Taxes										
City Special Taxes (2%)	2,363,269	2,490,071	2,652,152	2,741,989	3,044,645	3,374,350	3,866,902	4,232,008	4,424,358	4,383,419
<i>Total Series C Pledged Taxes</i>	<u>33,388,867</u>	<u>36,750,371</u>	<u>38,016,806</u>	<u>39,793,447</u>	<u>42,154,190</u>	<u>46,963,163</u>	<u>53,654,334</u>	<u>57,653,777</u>	<u>59,724,928</u>	<u>55,970,359</u>
Additional Series D Pledged Taxes										
City Road Tax (.5%)	5,574,996	6,417,376	6,448,956	6,617,396	7,423,730	8,581,364	9,542,314	10,334,503	10,238,080	9,479,279
<i>Total Series D Pledged Taxes</i>	<u>\$ 36,600,594</u>	<u>\$ 40,677,676</u>	<u>\$ 41,813,610</u>	<u>\$ 43,668,854</u>	<u>\$ 46,533,275</u>	<u>\$ 52,170,177</u>	<u>\$ 59,329,746</u>	<u>\$ 63,756,272</u>	<u>\$ 65,538,650</u>	<u>\$ 61,066,219</u>
<i>Gross Excise Tax Pledged Revenues</i>	<u>\$ 41,270,758</u>	<u>\$ 45,733,825</u>	<u>\$ 47,044,466</u>	<u>\$ 49,056,902</u>	<u>\$ 52,546,402</u>	<u>\$ 58,975,906</u>	<u>\$ 67,012,276</u>	<u>\$ 72,120,676</u>	<u>\$ 74,056,847</u>	<u>\$ 69,240,060</u>

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

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

City of Yuma, Arizona

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

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Building Permits			
					Commercial		Residential	
					No.	Value	No.	Value
1999	155,665	\$2,618,403	17	30.10%	241	\$ 25,249,505	633	\$ 26,625,914
2000	160,026	2,653,830	17	16.50%	186	24,818,824	466	49,925,047
2001	163,477	2,976,395	18	16.50%	343	42,381,125	568	60,363,660
2002	166,715	3,324,309	20	16.90%	313	29,383,982	576	66,248,737
2003	170,604	3,268,426	19	17.00%	999	141,020,407	685	98,696,100
2004	176,083	3,563,282	20	15.60%	1,300	146,866,298	942	153,018,563
2005	181,277	3,814,418	21	16.00%	1,022	97,832,497	1,655	202,887,750
2006	187,555	4,074,587	22	14.70%	1,057	229,391,979	1,568	148,285,471
2007	190,557	4,320,000	23	13.90%	1,141	105,194,398	801	61,578,063
2008	194,322	4,661,000	24	17.10%	740	101,217,617	972	50,218,987

Note: Unemployment rate and population presented represents the Yuma Metropolitan Statistical Area and it reflects revised inputs, reestimation, and new statewide controls through 2007. Data for 2008 is not available.

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

City of Yuma, Arizona

**Principal Employers
Current Year and Five Years Ago**

Employer	2004			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Marine Corps Air Station	6,043	1	9.67%	5,360	1	7.69%
U. S. Army Yuma Proving Ground	1,176	5	1.88%	3,000	2	4.31%
Yuma Regional Medical Center	1,500	2	2.40%	2,080	3	2.98%
Yuma School District #1	1,200	4	1.92%	1,700	4	2.44%
Yuma County	1,100	6	1.76%	1,335	5	1.92%
Growers Company	1,500	2	2.40%	1,200	6	1.72%
City of Yuma	864	9	1.38%	1,002	7	1.44%
Salyer American Fresh	1,000	7	1.60%	1,000	8	1.44%
United States Border Patrol	-	-	-	920	9	1.32%
Yuma Union High School District	690	10	1.10%	914	10	1.31%
Total			24.11%			26.56%

Source: Greater Yuma Economic Development Corporation

Note: Figures presented represent the Yuma Metropolitan Statistical Area.

Data from nine years prior as required for this table is not available.

Current year represents calendar year 2008 which is the most recent data available.

United States Border Patrol data not available for 2004.

City of Yuma, Arizona

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

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	170	179	182	188	195	195	208	226	228	241
Public Safety										
Police	193	206	212	228	229	237	252	267	269	266
Fire	109	113	113	103	105	105	110	122	122	122
Streets										
Engineering	22	21	22	22	25	30	32	37	44	44
Maintenance	47	47	48	48	48	50	52	51	47	56
Solid Waste	11	13	13	13	13	15	15	16	16	17
Parks and recreation	112	121	124	125	129	128	136	141	145	133
Water	48	49	48	54	55	59	64	73	75	76
Wastewater	35	35	36	37	41	45	48	52	52	47
Total	747	785	798	818	840	864	917	985	998	1,002

City of Yuma, Arizona

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Calls for service*	85,929	77,667	81,691	84,738	87,770	86,802	88,013	87,797	81,347	NA
Case reports*	13,264	13,041	14,057	15,075	15,804	16,644	17,019	15,281	13,746	NA
Fire										
Number of calls answered*	6,806	7,581	8,443	8,774	9,205	10,032	10,094	10,862	11,455	NA
Inspections*	950	1,659	1,747	1,121	1,182	1,774	1,850	2,030	2,059	NA
Streets										
Streets slurry sealed (miles)	22	22	22	23	19	24	19	9	22	11
Solid Waste										
Refuse collected (tons)**	26,000	26,000	29,358	33,993	27,781	33,003	33,965	34,938	34,919	33,996
Parks and recreation										
Ramada rentals	3,934	4,586	4,482	5,308	5,519	3,285	3,122	3,247	3,160	2,673
Water										
Connections	25,851	22,727	22,129	22,723	23,490	24,734	25,726	26,169	26,543	26,868
Daily treatment capacity (million gallons)	41.0	41.0	41.0	41.0	45.0	45.0	48.0	48.0	48.0	60.0
Annual quantity processed (billion gallons)	7.9	7.9	8.0	9.3	9.3	9.1	9.3	9.5	9.5	8.2
Wastewater										
Daily processing capacity (million gallons)	12.0	12.0	12.2	12.2	12.3	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.

**Commercial collections ended in 1999

City of Yuma, Arizona

Capital Asset Statistics by Function
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Function										
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	109	118	127	123	123	127	134	143	150	163
Fire stations	5	5	5	5	5	6	6	6	6	6
Streets										
Streets (miles)	300	300	300	300	300	361	361	361	361	384
Streetlights	4,200	4,200	4,250	4,250	4,500	5,042	5,298	5,303	5,375	5,463
Traffic Signals	24	26	29	32	32	36	38	40	42	42
Solid Waste										
Collection trucks	10	10	10	10	10	10	12	13	13	13
Parks and Recreation										
Parks acreage	443	553	553	553	553	553	578	592	607	607
Parks/Athletic Fields	25	25	25	25	25	25	25	27	32	79*
Swimming pools	3	3	3	3	3	3	3	3	3	4
Tennis courts	1	1	1	1	1	1	1	1	1	2
Community centers	7	7	7	7	7	9	9	9	9	9
Water										
Water mains (miles)	380	380	416	427	437	448	470	493	501	501
Fire hydrants	2,100	2,200	2,300	2,400	2,600	2,850	3,000	3,150	3,267	3,400
Wastewater										
Sanitary sewers (miles)	249	249	255	261	266	275	290	310	320	320

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.