



City of Yuma, Arizona

*Comprehensive Annual Financial Report
For the Year Ended June 30, 2010*

City of Yuma
Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2010

Prepared by:

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About the Cover:

Silent sentinel: An early moon rises above the guard tower at Yuma Territorial Prison. When the State of Arizona opted to close the landmark visitor site because of budget constraints, the City of Yuma and the Yuma Crossing Heritage Area stepped in to take over operations of the state park. More than \$70,000 was raised from private donations and fund-raising events to keep the park in operation and to start some much needed capital improvements.

Photo courtesy of Yuma Crossing Heritage Area

CITY COUNCIL

Alan L. Krieger, Mayor
Cody Beeson
Bobbi Brooks-Gurrola
Paul B. Johnson
Leslie L. McClendon
Raul Mendoza
Jerry Stuart

City Administration

Gregory K. Wilkinson
City Administrator

City Departments

City Attorney
Steven W. Moore

City Clerk
Lynda L. Bushong

Community Development
Laurie L. Lineberry

Utilities
Jay Simonton

Finance
Donald (Pat) Wicks

Fire Department
Jack McArthur, Chief

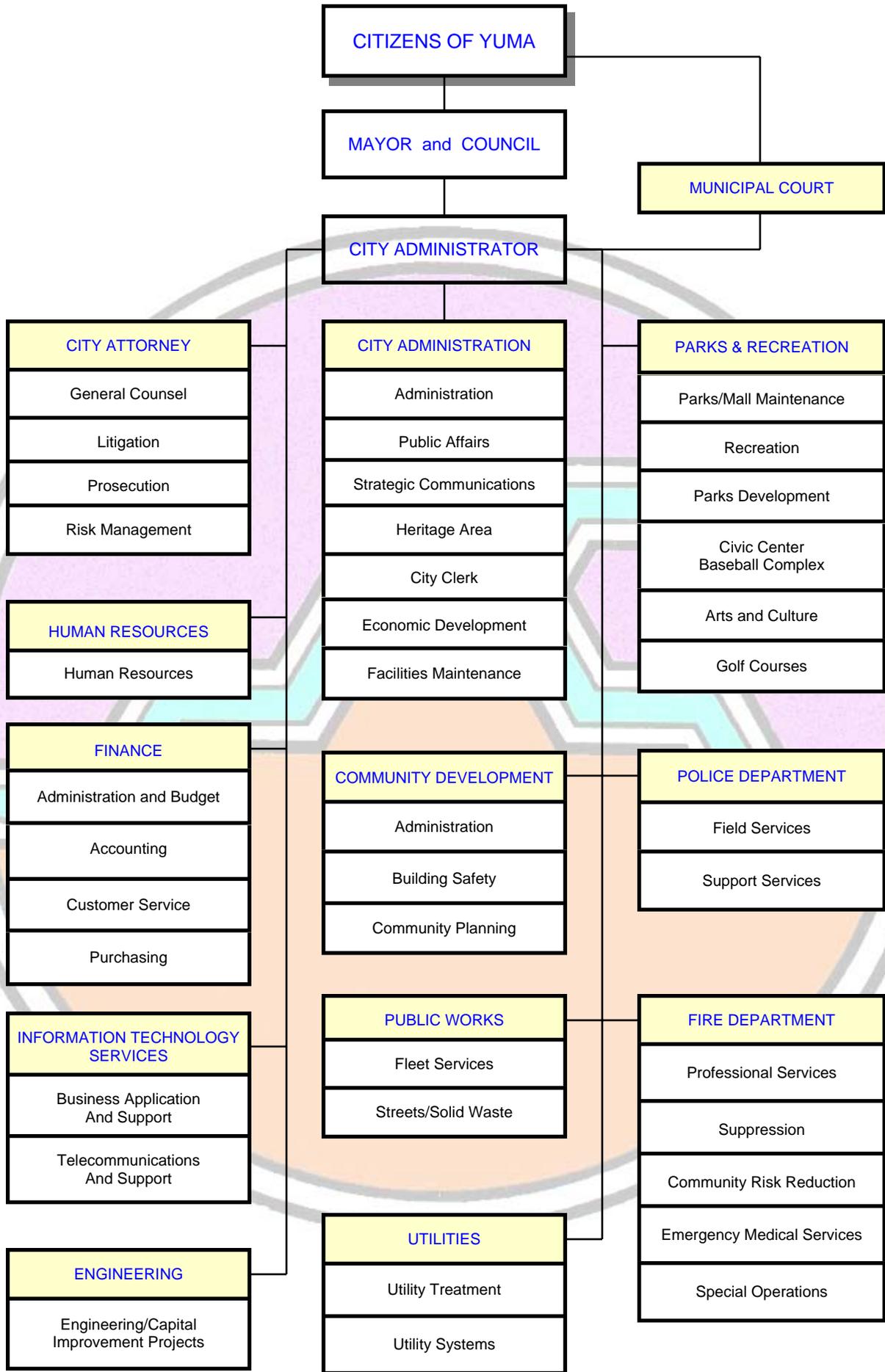
Information Technology
Laura S. Neinast

Municipal Court
Douglas S. Stanley, Judge

Parks and Recreation
Rebecca J. Chavez

Police Department
Jerry Geier, Chief

Field Operations
Joel Olea



CITIZENS OF YUMA

MAYOR and COUNCIL

MUNICIPAL COURT

CITY ADMINISTRATOR

CITY ATTORNEY

General Counsel

Litigation

Prosecution

Risk Management

CITY ADMINISTRATION

Administration

Public Affairs

Strategic Communications

Heritage Area

City Clerk

Economic Development

Facilities Maintenance

PARKS & RECREATION

Parks/Mall Maintenance

Recreation

Parks Development

Civic Center
Baseball Complex

Arts and Culture

Golf Courses

HUMAN RESOURCES

Human Resources

FINANCE

Administration and Budget

Accounting

Customer Service

Purchasing

COMMUNITY DEVELOPMENT

Administration

Building Safety

Community Planning

POLICE DEPARTMENT

Field Services

Support Services

INFORMATION TECHNOLOGY
SERVICES

Business Application
And Support

Telecommunications
And Support

PUBLIC WORKS

Fleet Services

Streets/Solid Waste

FIRE DEPARTMENT

Professional Services

Suppression

Community Risk Reduction

Emergency Medical Services

Special Operations

ENGINEERING

Engineering/Capital
Improvement Projects

UTILITIES

Utility Treatment

Utility Systems

City of Yuma, Arizona
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2010

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INTRODUCTORY SECTION





City of YUMA

FINANCE DEPARTMENT
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August 26, 2010

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, 2010. 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, 2010, 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, 2010, are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports are available in the City's separately issued Single Audit Reporting Package.

This report has been prepared using the financial reporting requirements as outlined in GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This standard requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of *Management’s Discussion and Analysis (MD&A)*. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditors’ report.

PROFILE OF THE CITY OF YUMA

The City of Yuma was incorporated in 1914 and adopted its first charter in June of that year. Yuma is the economic hub and county seat of Yuma County. The City is located along the Colorado River in southwestern Arizona and is equidistant from the major population centers of Phoenix, Arizona and San Diego, California.

The City operates under a council-manager form of government. The City Council consists of six members elected at large for staggered four-year terms. The elected Mayor is the seventh voting member of council, who, along with the remaining council members is elected on a non-partisan basis. The City Council is responsible for passing ordinances, adopting the budget, appointing members of commissions and hiring the City Administrator. The City Administrator carries out the policies and ordinances of the City Council, oversees the day-to-day operations of the City and appoints the various department heads.

The City provides a full range of municipal services. These include public safety (police, fire and municipal court), street construction and maintenance, water and wastewater utility services, sanitation and residential refuse collection, parks, recreation and culture, planning and zoning, and general administrative and support services.

This CAFR includes the financial activity of the primary government, which includes several enterprise activities, as well as its blended component units. Component units are legally separate units for which the primary government is financially accountable. Blended component units, while legally separate, are part of the City’s operations and are combined within the report. The Yuma Municipal Property Corporation and the City of Yuma Employee Benefits Trust have been included in the reporting entity. Conversely, the report does not include the City of Yuma Housing Authority as the City is not financially accountable for the authority, nor does the City directly or indirectly rely upon or benefit from the financial activity of the authority.

ECONOMIC CONDITION AND OUTLOOK

Industrial Expansion. Yuma’s economy is based primarily in agriculture, tourism and government, although further diversification continues. Agriculture remains the Yuma area’s dominant industry, producing more than \$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 (MCAS) and United States Army Yuma Proving Ground (YPG) 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. MCAS will be the home of one of the first squadrons of the new Joint Strike Fighter, the new generation aircraft being adopted by all military services. YPG is working with the newly arrived NASA to test the Orion parachute system for use in bringing astronauts back to earth.

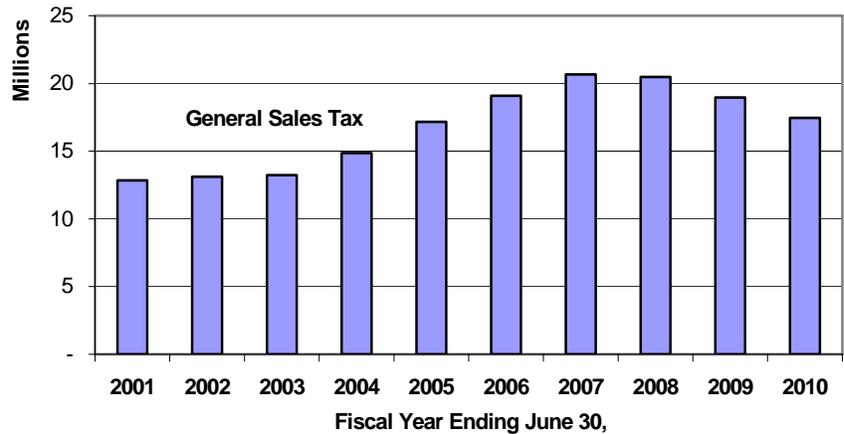
Although manufacturing currently accounts for less than 10% of countywide employment, the City’s partnership with the Greater Yuma Economic Development Corporation continues to attract attention to the area. Several companies have located or expanded operations in Yuma in recent years.

¹ Source: Greater Yuma Economic Development Corporation

Economic Growth. Yuma’s most reliable indicator of the condition of its economy is sales tax. The graph below reflects the last ten years of data. For the first time, general sales tax has seen a decline for three years running, with the tax registering a drop of 7.9%. Tax data show that construction and large purchases continue to be the larger areas of decline, reflecting the same recessionary pattern as the rest of the country. Planning for fiscal year 2011 anticipates no further reduction in sales tax collections.

Yuma’s continued as a regional retail and services center during 2010 with no additional “big box” closures of nationally-recognized stores during the year, unlike 2009. The retail classification of the sales tax showed a 3.9% drop, lower than the overall decline of 7.9%, showing that retail sales continue to be relatively strong.

Tourism. Yuma has enjoyed an influx of seasonal residents for decades. Visitors from throughout the United States and Canada continue to call Yuma their winter home. This contributes to the strengthening of sales tax collections.



LONG-TERM FINANCIAL PLANNING

Yuma Crossing National Heritage Area. Plans to restore, preserve and interpret the Yuma Crossing National Heritage area began more than thirty years ago and work continued throughout 2010. The goal is to gain 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 2010, city and Federal funds combined to manage and improve both the West and East Wetlands 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 new 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. The completed Desert Dunes wastewater treatment and the Agua Viva water treatment plants means the city can now 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, 2009. This is the twenty-eighth 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

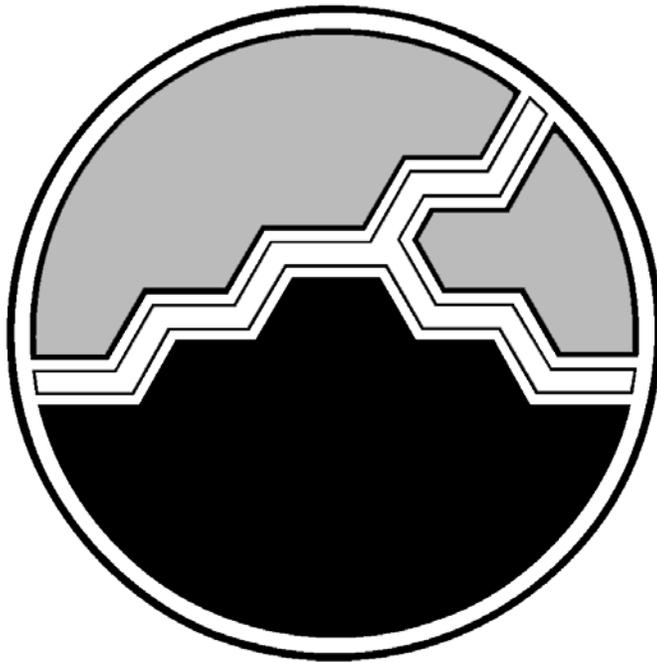
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of 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.



President

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, 2010, 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, 2010, 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 26, 2010, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and pension and budgetary comparison information on pages 54 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The accompanying supplementary information such as the introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Heinfeld, Meech & Co., P.C.

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

August 26, 2010

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, 2010. 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 \$15.1 million for the fiscal year, \$9.1 million of which was generated by governmental activities while \$6 million was due to business-type activities of the City.
- The City's combined net assets total \$440.9 million at June 30, 2010. Of this amount, \$69.3 million is available (unrestricted) to finance ongoing programs, \$40.3 million in governmental programs and \$29 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 \$440.9 million at the close of the fiscal year.

Net Assets (millions)	Governmental Activities		Business-type Activities		Total	
	June 30,					
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 112.5	\$ 127.2	\$ 61.3	\$ 65.9	\$ 173.8	\$ 193.1
Capital assets	307.7	291.8	339.1	337.6	646.8	629.4
Total assets	420.2	419.0	400.4	403.5	820.6	822.5
Long-term liabilities outstanding	142.3	149.1	200.0	208.3	342.3	357.4
Other liabilities	30.7	31.9	6.7	7.5	37.4	39.4
Total liabilities	173.0	181.0	206.7	215.8	379.7	396.8
Net assets:						
Invested in capital assets, net of related debt	192.1	129.2	160.9	158.4	353.0	287.6
Restricted	14.8	70.4	3.8	2.0	18.6	72.4
Unrestricted	40.3	38.4	29.0	27.3	69.3	65.7
Total net assets	\$ 247.2	\$ 238.0	\$ 193.7	\$ 187.7	\$ 440.9	\$ 425.7

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 \$440.9 million, up \$15.1 million from the prior year. Governmental activities accounted for \$9.1 million of the increase while business-type activities amounted to \$6 million. Most of the increase would be attributable to capital asset acquisitions, particularly infrastructure, as governmental capital assets increased \$15.9 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.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Assets Fiscal Year Ended June 30, (millions)	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for services	\$ 11.4	\$ 13.8	\$ 38.4	\$ 38.9	\$ 49.8	\$ 52.7
Operating grants and contributions	3.7	1.8	-	-	3.7	1.8
Capital grants and contributions	5.9	4.8	3.9	9.9	9.8	14.7
General revenues:						
Property taxes	9.5	8.9	-	-	9.5	8.9
Sales taxes	34.2	36.8	-	-	34.2	36.8
Franchise taxes	3.0	3.0	-	-	3.0	3.0
Intergovernmental revenues	28.2	31.3	-	-	28.2	31.3
Unrestricted grants and contributions	5.8	3.9	-	-	5.8	3.9
Unrestricted investment earnings	1.1	2.9	0.2	1.1	1.3	4.0
Total revenues	102.8	107.2	42.5	49.9	145.3	157.1
Expenses:						
General government	10.5	11.6	-	-	10.5	11.6
Public safety	39.2	41.1	-	-	39.2	41.1
Streets	14.0	16.0	-	-	14.0	16.0
Parks, recreation and culture	13.9	16.3	-	-	13.9	16.3
Environmental health and protection	4.9	4.9	-	-	4.9	4.9
Community design and development	5.0	5.5	-	-	5.0	5.5
Interest on long-term debt	6.3	6.6	-	-	6.3	6.6
Water	-	-	20.2	20.8	20.2	20.8
Wastewater	-	-	13.7	13.8	13.7	13.8
Golf courses	-	-	2.5	2.8	2.5	2.8
Total expenses	93.8	102.0	36.4	37.4	130.2	139.4
Transfers	0.1	0.1	(0.1)	(0.1)	-	-
Change in net assets	\$ 9.1	\$ 5.3	\$ 6.0	\$ 12.4	\$ 15.1	\$ 17.7

For the fiscal year, net assets increased \$15.1 million, with \$9.1 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

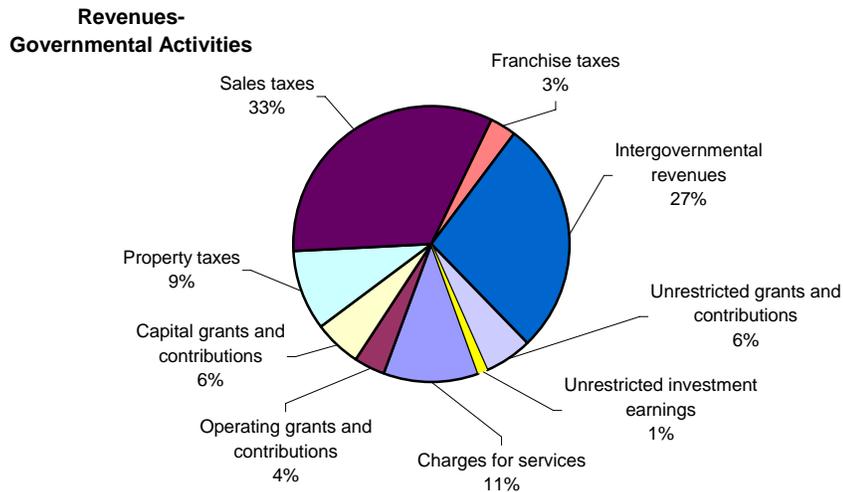
Revenues

Governmental activities revenues totaled \$102.8 million for fiscal year 2010, down from 2009, mostly in charges for services, sales taxes and intergovernmental revenues. Local sales taxes remain the largest revenue source for the City and are comprised of the 1% general sales tax along with a .5% road tax and a .2% public safety tax. State-shared revenues are the City's second largest revenue source. State-shared revenues include state sales tax, urban revenue sharing (income tax), auto in-lieu tax and highway user funds (gas tax). Sales taxes and state shared revenues account for 60% of governmental revenues for the year, which is down from 2009. Charges for services, the third segment of governmental activities revenues, count building permits and inspections, fines, recreation fees, solid waste environmental fees, police services and civic center rental fees among its largest sources. The charges for services category amounts to 11% of governmental revenues. Property taxes represent 9% of governmental revenues. The large majority of property taxes are levied for general purposes with a small levy for downtown mall maintenance. No property taxes are levied for debt service. Various grants

MANAGEMENT'S DISCUSSION AND ANALYSIS

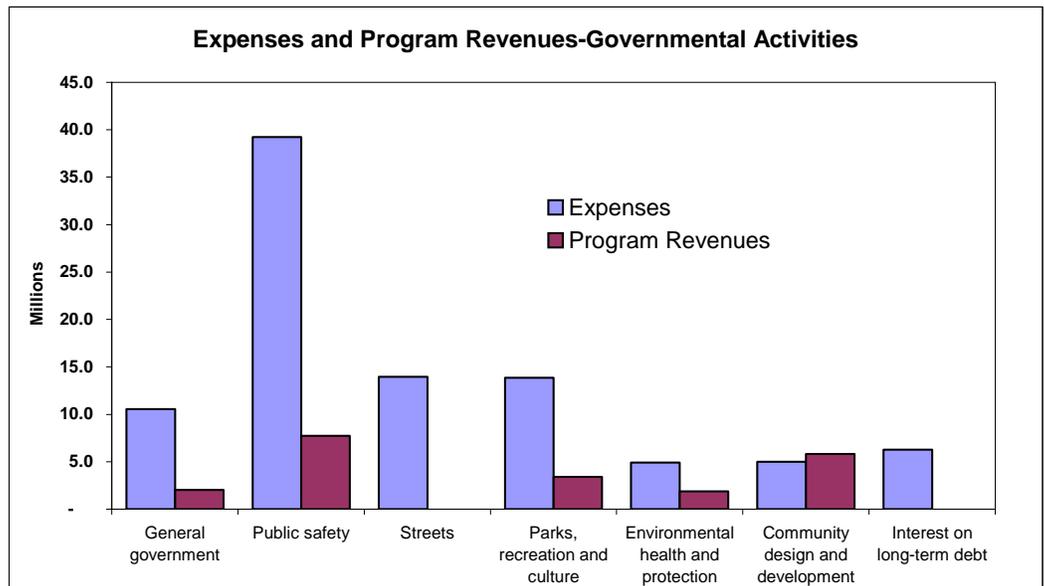
and contributions and franchise taxes account for most of the remaining governmental revenues. Some of the more significant changes in governmental activities revenues are noted:

- Sales taxes declined 7.3% from 2009 as Yuma continues to feel the impact of the recession.
- Intergovernmental revenues dropped by \$3.1 million or 9.9%. State-shared income taxes declined 13.7% from 2009, as anticipated, while state-shared sales taxes declined by 7.7% because of the state's slowing economic output. State-shared gas tax slid by 5.7% as the state continues to balance its budget by reducing other entities' revenue.
- Charges for services decreased by \$2.4 million (17.4%) as the construction industry slowdown resulted in lower impact fee collections.



Expenses

Governmental expenses totaled \$93.8 million for the fiscal year. Of the expenses, 41.8% or \$39.2 million is related to public safety for police, fire and municipal court services. Parks, recreation and culture expenses amounted to \$13.9 million, or 14.8% and environmental health and protection was \$4.9 million, 5.2%, while streets and community design and development expenses amounted to 14.9% and 5.3% respectively. Interest on long-term debt was \$6.3 million, or 6.7% of



governmental expenses. Overall, governmental activities expenses dropped 8%, or \$8.1 million, from 2009. This decrease reflects a concerted effort city-wide to reduce expenditures because of the recessionary economy. The largest decreases included Parks and Recreation at \$2.4 million (14.9%), followed by Public Safety at \$1.9 million (4.5%), Streets at \$1.9 million (12.5%) and General Government at \$1.0 million (8.6%), respectively. Most savings were seen from reduced personal services, as the city used attrition savings and a short period of employee furloughs to reach its goal.

MANAGEMENT'S DISCUSSION AND ANALYSIS

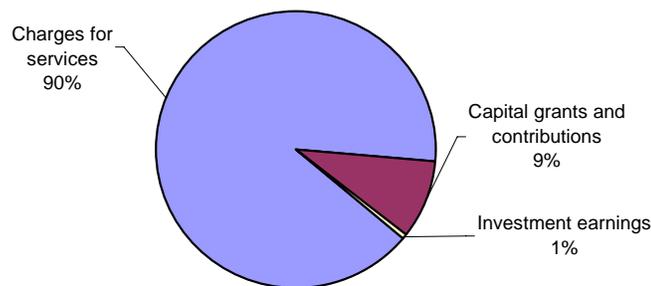
The chart above compares governmental activities with their respective program revenues, if any. Because the ultimate beneficiary of services of these types is often difficult to ascertain or the services apply to a broad spectrum of users (such as in fire protection), user fees are not created and general 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 \$38.4 million in charges for services, just under 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 \$3.9 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 less than 1% of revenues for the City's business activities.

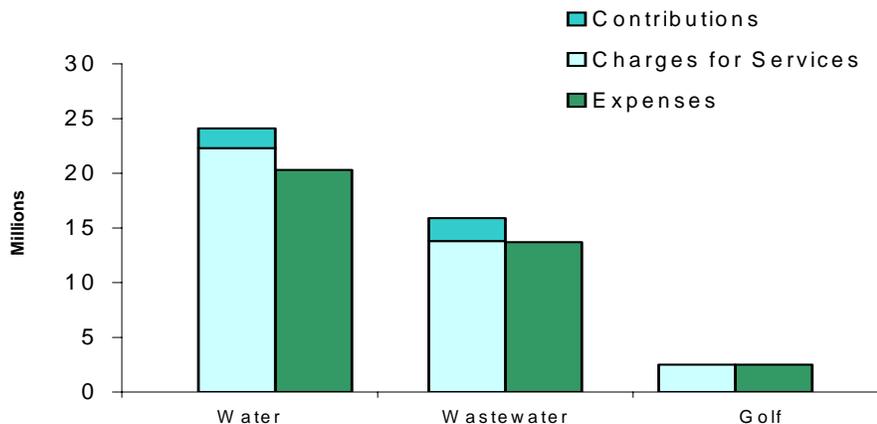
Revenues-Business-type Activities



Expenses

Water and wastewater services account for 93% of the City's business-type activities with golf courses making up the remaining 7%. Water expenses amounted to \$20.2 million while wastewater expenses totaled \$13.7 million. Desert Hills Golf Course and Arroyo Dunes Golf Course recorded expenses of \$2.2 million and \$.3 million, respectively, for a total of \$2.5 million.

Expenses vs. Program Revenues-Business-type Activities



Because the City's business-type activities are supported by user charges, the chart above shows more reliance on program revenues. Moreover, for both water and wastewater, program revenues include capacity charges for new service and developer additions to the utility infrastructure.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental funds. The combined fund balances of governmental funds for the fiscal year ended June 30, 2010, is \$58.6 million. This represents a \$12 million decrease in fund balances. A review of some of the more significant funds follows.

General Fund

The fund balance of the General Fund grew by \$3.2 million for the fiscal year. Revenues decreased by \$3.4 million. Sales taxes, the city's largest source of General Fund revenues, declined \$1.5 million (7.9%) to \$17.5 million as Yuma continued to feel the effects of the world-wide recession. State-shared sales taxes showed a similar decline of 7.8%, down \$.5 million to \$6.5 million. Total expenditures dropped significantly to \$50.8 million as the city reduced its workforce through attrition and decreased capital and other discretionary expenditures to deal with its declining revenues.

Highway User Revenue Fund (HURF)

This fund, which accounts for the expenditure of state-shared gasoline taxes, showed a slight increase in fund balance of \$.2 million for the year. The City's portion of those taxes dropped by 5.7% for the fiscal year to \$6.6 million. The state legislature continues to reduce cities' share of this important revenue source. The city swapped its Engineering Department and its retention basin maintenance expenditures between HURF and the City's Road Tax Fund so that all maintenance expenditures were made in the HURF Fund, but little savings was realized. Instead, expenditures were reduced in every division. In addition, HURF no longer finances capital projects. Overall, expenditures were reduced from 2009 by \$1.8 million (22.5%) to \$6.5 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 2010 to \$8.7 million. Capital expenditures dropped from 2009, 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 2010, revenues rose to \$7.5 million, due principally to a \$3 million increase in Federal grants. Again this year, Homeland Security was the primary source of grants, funding the Yuma Regional Communication System and Operation Stone Garden with continued Bureau of Reclamation funding for 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. Community Development Block Grant revenues decreased slightly to \$1.2 million for 2010.

Debt Service

Debt Service Fund expenditures decreased to \$13.1 million due to a one-time savings from the refunding of the 2001 Series Municipal Property Corporation Bond. Fund balance reflects debt service reserves accumulated in accordance with the development agreement for the Yuma Palms regional center.

Capital Projects Fund

The Capital Projects Fund's fund balance dropped to \$31.2 million this year as the city continued to expend the proceeds of the 2007 bond sale. Capital expenditures decreased in 2010 to \$18.9 million since expenditures of impact fees dropped with the completion of a major project in 2009.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary funds. The City's enterprise funds posted an overall increase in net assets of \$6 million for the fiscal year ended June 30, 2010. 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 decreased by \$.8 million or 3.7% for the year ending June 30, 2010. This is due to an overall decline in consumption of 4.8% during the year with no rate increase to offset the lower use. Operating expenses declined by 2% and the fund produced operating income of \$8.1 million. A decrease in interest expense helped bolster net assets. Although down by \$1.4 million due to lower construction activity, capital contributions pushed the fund's net assets increase to \$4 million.

Wastewater Enterprise Fund

The Wastewater Fund operating revenues increased 2.5% over fiscal 2009. Rate-based charges increased 4.5% to \$12.2 million; however, contractual revenues declined based on shared charges from lower capital expenditures. Operating expenses declined negligibly with income from operations improving to \$2.6 million. Like the Water Fund, capital contributions dropped because of constructions declines by some \$4.5 million. With slightly lower interest expenses, the fund's net assets increased by \$2.4 million.

Golf Courses

A small increase in greens fees was not enough to counter slightly larger drops in other operating revenues for Desert Hills Golf Course, and the fund saw a 2.5% decrease in operating revenues. With the city's movement to lower operating expenses, the fund also dropped operating expenses by almost 15% to \$2.1 million but still suffered a small operating loss. Arroyo Dunes Golf Course incurred an 11.5% decrease in operating revenues. Operating expenses dropped for Arroyo Dunes by 6.9% for the year but this was not enough to offset the lower revenues, leading to an operating loss of \$44,801 for the year. The city will continue to operate the courses and implement strategies to improve their financial outlook, including the privatization of both courses.

GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2010, 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	\$ 31,888,857	\$ 31,888,857	\$ 29,970,062	\$ (1,918,795)
Intergovernmental	22,085,000	22,085,000	21,431,291	(653,709)
Other	5,252,683	5,252,683	5,832,351	579,668
Transfers In	446,500	446,500	622,258	175,758
Total	59,673,040	59,673,040	57,855,962	(1,817,078)
Expenditures and Transfers Out				
Expenditures	59,135,496	59,180,054	50,782,608	8,397,446
Transfers Out	4,334,257	4,334,257	3,876,960	457,297
Total	63,469,753	63,514,311	54,659,568	8,854,743
Change in Fund Balance	\$ (3,796,713)	\$ (3,841,271)	\$ 3,196,394	\$ 7,037,665

General Fund tax revenues didn't meet expectations because of decreases in two key areas: city and state sales taxes. Even with a promising increase in building permits of 5.4%, General Fund revenues ended the year down \$3.4 million. City and state sales taxes declined by 7.9% and 7.8%, respectively. Each area can be attributed directly to the recessionary economy and the consumer's unwillingness to spend rather than a direct change in the city's economic base.

Expenditures for the fund came in at \$8.4 million under budget with the largest contributions coming from Public Safety at \$3.3 million and General Government adding \$2.5 million, although savings in budget occurred in most departments with the City's drive to reduce expenditures throughout the year. All areas of expenditure reduction

MANAGEMENT'S DISCUSSION AND ANALYSIS

were targeted, primarily personal services expenditures through attrition savings and elimination of merit pay increases. In addition, all departments incurred up to five days of personnel furloughs. Combined with discretionary spending reductions, such as travel and capital expenditures, the General Fund's expenditures declined more than the loss of revenues to produce a \$3.2 million increase in fund balance for the year.

CAPITAL ASSETS

At June 30, 2010, the City of Yuma's investment in capital assets in both governmental and business-type activities amounted to \$646.8 million, net of depreciation. This includes land, buildings, equipment, and infrastructure (roadways and bridges). Capital assets for governmental activities increased by 5.4% while business-type capital assets increased less than one percent. These changes included the following:

- The main Police facility underwent \$3 million in renovations for capacity improvements.
- Fire Station #6 was completed.
- Several main water lines were upgraded (8th Street, Avenue B).
- The Figueroa Water Pollution Control Facility aerator upgrades were completed.

Change in Capital Assets (In Millions)

	Governmental Activities			Business-type Activities			Total
	July 1, 2009	Net Additions/ Deletions	June 30, 2010	July 1, 2009	Net Additions/ Deletions	June 30, 2010	
Land	\$ 53.1	\$ 1.4	\$ 54.5	\$ 10.0	\$ 0.4	\$ 10.4	\$ 64.9
Buildings	66.8	11.9	78.7	8.0	-	8.0	86.7
Improvements	38.1	1.9	40.0	151.3	73.3	224.6	264.6
Infrastructure	159.9	18.0	177.9	-	-	-	177.9
Equipment	51.9	0.8	52.7	4.7	0.1	4.8	57.5
Construction in Progress	79.8	(6.2)	73.6	255.0	(65.8)	189.2	262.8
Accumulated Depreciation	(157.8)	(11.9)	(169.7)	(91.4)	(6.6)	(97.9)	(267.6)
Total	<u>\$ 291.8</u>	<u>\$ 15.9</u>	<u>\$ 307.7</u>	<u>\$ 337.6</u>	<u>\$ 1.5</u>	<u>\$ 339.1</u>	<u>\$ 646.8</u>

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

DEBT ADMINISTRATION

At June 30, 2010, after scheduled debt payments, governmental activity debt decreased to \$142.3 million while business activity debt decreased to \$200 million. During the year, the City issued \$29.53 million MPC bonds refunding its 2001 Series B. The City reduced its overall debt service requirements by \$1.86 million over the life of the issue.

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 \$149.4 million, well above the outstanding general obligation debt of \$4.04 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+". All other bonds are rated "AA-". The underlying ratings of Moody's Investor Services and Standard and Poor's are "Aa3" and "AA-", respectively. With the exception of the improvement district bonds, all City bond issues are insured, and while the city enjoys higher ratings, the guarantors can no longer provide "AAA" rating as a result of 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

	Summary of Long-Term Debt					
	(Millions)					
	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$ -	\$ -	\$ 4.0	\$ 5.3	\$ 4.0	\$ 5.3
Yuma Municipal Property Corporation Bonds	131.0	136.9	120.1	123.1	251.1	259.9
Net Unamortized						
Premium/Issuance Costs	1.1	1.1	3.4	3.5	4.4	4.8
Improvement Districts	6.8	7.8	-	-	6.8	7.8
Contracts Payable	-	-	72.4	76.5	72.4	76.5
Compensated Absences	<u>3.5</u>	<u>3.3</u>	<u>-</u>	<u>-</u>	<u>3.5</u>	<u>3.3</u>
Total Long-Term Debt	<u>\$ 142.3</u>	<u>\$ 149.1</u>	<u>\$ 200.0</u>	<u>\$ 208.4</u>	<u>\$ 342.3</u>	<u>\$ 357.4</u>

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 2,161 residents to 205,940 with the City of Yuma representing 46% of the county's population. Since 2000, the City has grown by 32% to an estimated 94,361 at July 1, 2009, 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 well over \$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 7.3% decrease this year, compared to its historic growth rate of 7%, an unprecedented three-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 2011, revenues were projected with no further projected reduction in sales taxes.

Although some sales tax statistics show a downward trend, positive events occurred during 2010:

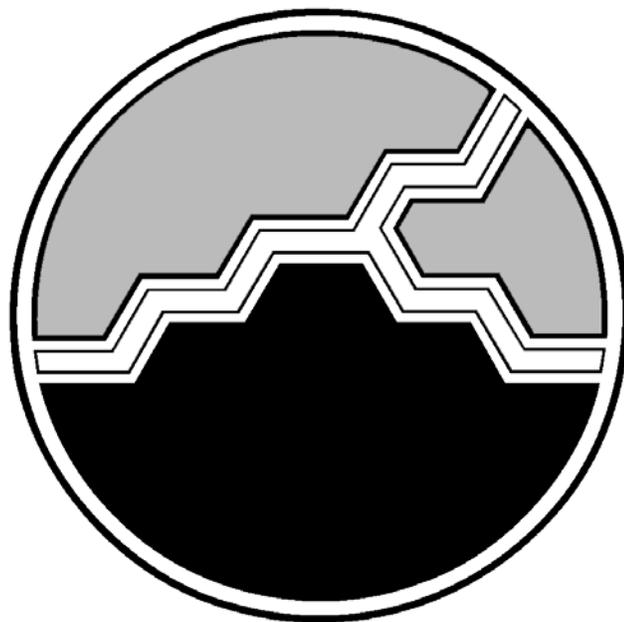
- General Motors Corporation completed its move of its Desert Proving Ground to U.S. Army Yuma Proving Ground (YPG), allowing for a testing partnership with the very active military testing facility.
- The Marine Corps Air Station announced its likely selection as the first base for the F-35 Joint Strike Fighter, the next generation aircraft of the military.
- NASA has established a presence in Yuma. The NASA team will be developing the Orion parachute system, used to bring astronauts back to earth, and tested at YPG.

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, 2010

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and Investments	\$ 94,561,618	\$ 54,309,325	\$ 148,870,943
Receivables, Net	17,615,057	6,433,952	24,049,009
Internal Balances	(360,473)	360,473	-
Inventory, at cost	600,332	204,102	804,434
Prepaid Items	70,564	10,806	81,370
Capital Assets:			
Non-depreciable	128,083,304	199,608,158	327,691,462
Depreciable, Net	179,583,384	139,486,246	319,069,630
Total Assets	<u>420,153,786</u>	<u>400,413,062</u>	<u>820,566,848</u>
<u>Liabilities</u>			
Accounts Payable	4,900,805	1,300,907	6,201,712
Accrued Liabilities	5,574,283	1,077,055	6,651,338
Accrued Interest Payable	2,432,397	4,268,504	6,700,901
Unearned Revenue	17,746,595	74,230	17,820,825
Long-Term Liabilities:			
Due within one year	6,360,000	8,562,243	14,922,243
Due in more than one year	135,971,812	191,466,374	327,438,186
Total Liabilities	<u>172,985,892</u>	<u>206,749,313</u>	<u>379,735,205</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	192,144,667	160,882,978	353,027,645
Restricted for:			
Debt Service	540,202	3,753,808	4,294,010
Streets	3,696,041	-	3,696,041
Capital Projects	8,270,424	-	8,270,424
Parks and Recreation	2,255,328	-	2,255,328
Unrestricted	40,261,232	29,026,963	69,288,195
Total Net Assets	<u>\$ 247,167,894</u>	<u>\$ 193,663,749</u>	<u>\$ 440,831,643</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, 2010

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	\$ 10,563,092	\$ 1,918,936	\$ 109,919	\$ -	\$ (8,534,237)	\$ -	\$ (8,534,237)
Public Safety	39,223,854	2,642,222	2,263,055	2,819,471	(31,499,106)	-	(31,499,106)
Streets	13,969,066	-	-	-	(13,969,066)	-	(13,969,066)
Parks, Recreation and Culture	13,863,306	1,161,823	44,524	2,306,549	(10,350,410)	-	(10,350,410)
Environmental Health and Protection	4,905,352	1,878,741	-	-	(3,026,611)	-	(3,026,611)
Community Design and Development	4,980,882	3,768,846	1,241,800	817,600	847,364	-	847,364
Interest on Long-Term Debt	<u>6,290,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,290,606)</u>	<u>-</u>	<u>(6,290,606)</u>
Total Governmental Activities	<u>93,796,158</u>	<u>11,370,568</u>	<u>3,659,298</u>	<u>5,943,620</u>	<u>(72,822,672)</u>	<u>-</u>	<u>(72,822,672)</u>
Business-type Activities:							
Water	20,277,325	22,279,469	-	1,821,304	-	3,823,448	3,823,448
Wastewater	13,672,831	13,760,022	-	2,147,411	-	2,234,602	2,234,602
Golf Courses	<u>2,495,597</u>	<u>2,315,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(180,074)</u>	<u>(180,074)</u>
Total Business-type Activities	<u>36,445,753</u>	<u>38,355,014</u>	<u>-</u>	<u>3,968,715</u>	<u>-</u>	<u>5,877,976</u>	<u>5,877,976</u>
Total	<u>\$ 130,241,911</u>	<u>\$ 49,725,582</u>	<u>\$ 3,659,298</u>	<u>\$ 9,912,335</u>	<u>(72,822,672)</u>	<u>5,877,976</u>	<u>(66,944,696)</u>
General Revenues:							
Property taxes					9,498,177	-	9,498,177
Sales taxes					34,176,593	-	34,176,593
Franchise taxes					3,009,794	-	3,009,794
Intergovernmental, unrestricted Grants and contributions					28,238,926	-	28,238,926
not restricted to specific programs					5,776,480	-	5,776,480
Unrestricted investment earnings					<u>1,138,679</u>	<u>217,824</u>	<u>1,356,503</u>
Total general revenues					<u>81,838,649</u>	<u>217,824</u>	<u>82,056,473</u>
Transfers					<u>95,644</u>	<u>(95,644)</u>	<u>-</u>
Total general revenues and transfers					<u>81,934,293</u>	<u>122,180</u>	<u>82,056,473</u>
Change in net assets					9,111,621	6,000,156	15,111,777
Net assets-beginning					<u>238,056,273</u>	<u>187,663,593</u>	<u>425,719,866</u>
Net assets-ending					<u>\$ 247,167,894</u>	<u>\$ 193,663,749</u>	<u>\$ 440,831,643</u>

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



FUND FINANCIAL STATEMENTS

City of Yuma, Arizona
 Balance Sheet
 Governmental Funds
 June 30, 2010

<u>Assets</u>	Major Special Revenue Funds			
	General	Highway Users Revenue	City Road Tax	Grants
Cash and Investments	\$ 18,419,617	\$ 1,428,258	\$ 1,864,450	\$ -
Cash with Fiscal Agents	-	-	-	-
Receivables, Net of Allowances for Uncollectibles:				
Accounts Receivable	486,017	4,457	25,628	500
Intergovernmental	2,560,082	593,922	619,267	3,651,219
Special Assessments	20,169	-	-	-
Delinquent Property Taxes	374,969	-	-	-
Accrued Interest	43,033	1,572	5,913	583
Due from Other Funds	2,256,293	-	-	-
Inventory, at cost	91,353	-	-	-
Prepaid Items	64,225	-	2,970	-
Total Assets and Other Debits	\$ 24,315,758	\$ 2,028,209	\$ 2,518,228	\$ 3,652,302
<u>Liabilities and Fund Balances</u>				
Accounts Payable	\$ 812,438	\$ 209,906	\$ 98,303	\$ 2,000,388
Accrued Payroll, Taxes and Benefits Payable	3,878,442	174,129	112,830	52,158
Long-Term Debt - Current Portion	-	-	-	-
Due to Other Funds	-	-	-	1,411,790
Accrued Interest Payable	-	-	-	-
Deposits	169,263	-	-	-
Deferred Revenues	503,544	224,615	27,924	187,966
Total Liabilities	5,363,687	608,650	239,057	3,652,302
Fund Balance:				
Reserved for:				
Inventory	91,353	-	-	-
Prepaid Items	64,225	-	2,970	-
Debt Service	-	-	-	-
Unreserved:				
Designated for Uncompleted Projects	761,779	-	-	-
Designated for Debt Service	-	-	-	-
Designated for Subsequent Years' Expenditures	1,985,923	-	-	-
Designated for Future Community Improvements, reported in:				
General Fund	87,633	-	-	-
Special Revenue Funds	-	-	-	-
Undesignated, reported in:				
General Fund	15,961,158	-	-	-
Special Revenue Funds	-	1,419,559	2,276,201	-
Total Fund Balances	18,952,071	1,419,559	2,279,171	-
Total Liabilities and Fund Balances	\$ 24,315,758	\$ 2,028,209	\$ 2,518,228	\$ 3,652,302

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

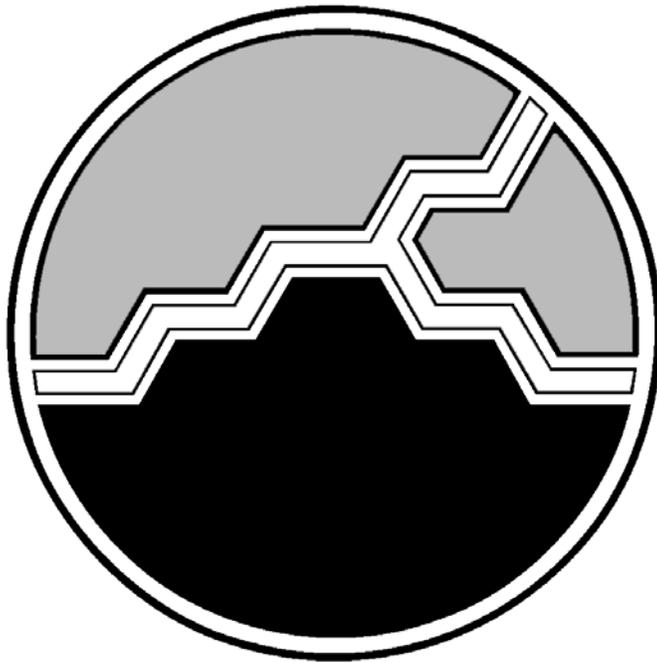
<u>Community Redevelopment</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total</u>
\$ -	\$ 691,960	\$ 40,617,492	\$ 4,030,738	\$ 67,052,515
-	7,731,643	-	-	7,731,643
1,179,371	-	152,180	307,715	2,155,868
148,195	-	251,950	249,513	8,074,148
-	6,815,000	-	-	6,835,169
-	-	-	-	374,969
-	966	10,956	7,890	70,913
-	-	175,699	-	2,431,992
-	-	-	9,894	101,247
-	-	-	405	67,600
<u>\$ 1,327,566</u>	<u>\$ 15,239,569</u>	<u>\$ 41,208,277</u>	<u>\$ 4,606,155</u>	<u>\$ 94,896,064</u>
\$ 29,764	\$ 161,970	\$ 763,167	\$ 151,047	\$ 4,226,983
19,600	-	-	131,915	4,369,074
-	5,290,000	-	-	5,290,000
107,797	-	-	146,802	1,666,389
-	2,432,397	-	-	2,432,397
-	-	-	-	169,263
<u>1,170,405</u>	<u>6,815,000</u>	<u>9,178,484</u>	<u>13,625</u>	<u>18,121,563</u>
<u>1,327,566</u>	<u>14,699,367</u>	<u>9,941,651</u>	<u>443,389</u>	<u>36,275,669</u>
-	-	-	9,894	101,247
-	-	-	405	67,600
-	540,202	-	-	540,202
-	-	31,266,626	-	32,028,405
-	-	-	-	-
-	-	-	-	1,985,923
-	-	-	-	87,633
-	-	-	50,000	50,000
-	-	-	-	15,961,158
-	-	-	4,102,467	7,798,227
<u>-</u>	<u>540,202</u>	<u>31,266,626</u>	<u>4,162,766</u>	<u>58,620,395</u>
<u>\$ 1,327,566</u>	<u>\$ 15,239,569</u>	<u>\$ 41,208,277</u>	<u>\$ 4,606,155</u>	<u>\$ 94,896,064</u>

City of Yuma, Arizona
 Reconciliation of the Balance Sheet-Governmental Funds to the Statement of Net Assets
 June 30, 2010

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

Total Fund Balances per the Balance Sheet-Governmental Funds:	\$ 58,620,395
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	297,327,713
Property tax revenue deferred to later years recognized in year levied in governmental activities.	374,968
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(3,488,401)
MPC bonds payable	(125,665,000)
Improvement District #67	(3,575,000)
Improvement District #68	(3,240,000)
Net unamortized deferred charges or premiums are not recorded in the governmental funds	(1,073,411)
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>27,886,630</u>
Net assets of governmental activities	<u>\$ 247,167,894</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, 2010

	Major Special Revenue Funds			
	General	Highway User Revenue	City Road Tax	Grants
Revenues:				
Taxes	\$ 29,970,062	\$ -	\$ 8,729,333	\$ -
Licenses and Permits	1,412,731	-	-	-
Intergovernmental	21,431,291	6,626,027	-	7,500,933
Charges for Services	2,459,367	-	-	-
Fines and Forfeitures	1,436,928	-	-	-
Special Assessments	-	-	-	-
Use of Money and Property	331,201	6,677	479,622	6,487
Contributions and Donations	-	-	-	42,585
Miscellaneous	192,124	179,173	48,165	-
Total Revenues	57,233,704	6,811,877	9,257,120	7,550,005
Expenditures:				
Current:				
General Government	7,408,841	-	-	172,249
Public Safety	31,937,107	967,835	-	2,263,437
Streets	-	5,415,417	2,779,581	-
Parks, Recreation and Culture	7,898,086	-	-	44,613
Environmental Health and Protection	30,310	120,396	-	1,446,751
Community Design and Development	3,364,563	-	-	-
Capital Outlay	143,701	15,599	-	2,367,631
Capital Projects:				
General Government	-	-	-	-
Public Safety	-	-	-	456,016
Streets	-	-	1,539,892	49,308
Parks, Recreation and Culture	-	-	-	750,000
Environmental Health and Safety	-	-	138,949	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Agent Fees	-	-	-	-
Issuance Costs	-	-	-	-
Total Expenditures	50,782,608	6,519,247	4,458,422	7,550,005
Revenues Over/(Under) Expenditures	6,451,096	292,630	4,798,698	-
Other Financing Sources/(Uses):				
Issuance of Long-Term Debt	-	-	-	-
Premium on Issuance of Long-Term Debt	-	-	-	-
Payment to Refunded Bond Escrow	-	-	-	-
Transfers In	622,258	-	3,211	-
Transfers Out	(3,876,960)	(101,944)	(4,792,802)	-
Total Other Financing Sources/(Uses)	(3,254,702)	(101,944)	(4,789,591)	-
Net Change in Fund Balances	3,196,394	190,686	9,107	-
Fund Balances - Beginning	15,755,677	1,228,873	2,270,064	-
Fund Balances - Ending	\$ 18,952,071	\$ 1,419,559	\$ 2,279,171	\$ -

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>
\$ -	\$ -	\$ -	\$ 7,861,423	\$ 46,560,818
-	-	-	-	1,412,731
1,199,234	-	-	226,308	36,983,793
-	-	2,673,873	1,873,283	7,006,523
-	-	-	-	1,436,928
-	817,600	-	-	817,600
17,798	302,420	55,171	552,963	1,752,339
-	-	-	42,566	85,151
17,580	-	302,770	23,177	762,989
<u>1,234,612</u>	<u>1,120,020</u>	<u>3,031,814</u>	<u>10,579,720</u>	<u>96,818,872</u>
-	-	-	159,360	7,740,450
-	-	-	64,308	35,232,687
-	-	-	-	8,194,998
-	-	-	2,676,388	10,619,087
-	-	-	2,882,977	4,480,434
1,194,438	-	-	311,389	4,870,390
-	-	-	-	2,526,931
-	-	218,886	-	218,886
-	-	2,930,886	-	3,386,902
40,174	-	14,043,534	293,157	15,966,065
-	-	1,576,255	544,853	2,871,108
-	-	139,646	-	278,595
-	6,315,000	-	-	6,315,000
-	6,344,983	-	-	6,344,983
-	419,563	-	-	419,563
<u>1,234,612</u>	<u>13,079,546</u>	<u>18,909,207</u>	<u>6,932,432</u>	<u>109,466,079</u>
-	(11,959,526)	(15,877,393)	3,647,288	(12,647,207)
-	29,530,000	-	-	29,530,000
-	487,307	-	-	487,307
-	(29,378,025)	-	-	(29,378,025)
-	11,317,547	-	2,620,929	14,563,945
-	-	(205,108)	(5,491,487)	(14,468,301)
-	<u>11,956,829</u>	<u>(205,108)</u>	<u>(2,870,558)</u>	<u>734,926</u>
-	(2,697)	(16,082,501)	776,730	(11,912,281)
-	542,899	47,349,127	3,386,036	70,532,676
<u>\$ -</u>	<u>\$ 540,202</u>	<u>\$ 31,266,626</u>	<u>\$ 4,162,766</u>	<u>\$ 58,620,395</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, 2010

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

Net change in fund balances-governmental funds	\$ (11,912,281)
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	59,643
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	(11,320,646)
Capital outlay expenditures reported as additions to assets:	
Capital outlay expenditures-governmental funds	25,248,487
Infrastructure maintenance expenditures recorded as capital outlay but not capitalized as asset additions	(900,497)
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	6,315,000
Increase in compensated absences expense not recorded in governmental funds	(199,630)
The net effect of miscellaneous transactions involving capital assets (trades of land for rights-of-way) is to decrease net assets.	(464,615)
Investment earnings of the internal service funds are general revenues on the statement of activities	93,038
Other financing uses in governmental funds reflecting payment to escrow agent in refunding debt are recorded on the statement of net assets as reduction in long-term liability	29,378,025
Long-term debt proceeds are recorded as other financing sources in governmental funds	(29,530,000)
Issuance costs of refunding debt recorded in governmental activities when paid are amortized over the life of the bond issue on statement of activities	419,562
Other financing sources in governmental funds related to premium on issuance of debt are amortized over the life of the bond issue on statement of activities	(487,307)
Interest payments accrued in government-wide statements are not recorded in governmental activities until paid	54,378
Net revenues of internal service funds in excess of expenses reduce governmental activities expenses on the statement of activities	(3,418,016)
Contributions of infrastructure assets are not recorded as revenues in the governmental funds	<u>5,776,480</u>
Change in net assets of governmental activities	<u>\$ 9,111,621</u>

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

City of Yuma, Arizona
Statement of Net Assets
Proprietary Funds
June 30, 2010

Assets	Business-Type Activities-Enterprise Funds				Governmental
	Water Fund	Wastewater Fund	Other Funds	Totals	Activities Internal Service Funds
Current Assets:					
Cash and Investments	\$ 25,775,148	\$ 5,176,050	\$ 399,617	\$ 31,350,815	\$ 19,777,460
Receivables, Net of Allowance for Uncollectibles:					
Accounts Receivable	4,119,191	2,089,066	2,167	6,210,424	75,754
Intergovernmental	646	180,900	414	181,960	19
Contracts Receivable	-	-	-	-	-
Accrued Interest	24,897	16,369	302	41,568	28,217
Inventory, at cost	121,059	-	83,043	204,102	499,085
Prepaid Expenses	7,096	1,510	2,200	10,806	2,964
Total Unrestricted Current Assets	30,048,037	7,463,895	487,743	37,999,675	20,383,499
Restricted Assets:					
Cash and Investments:					
Cash with Fiscal Agents	7,519,038	2,245,947	-	9,764,985	-
Current Debt Service	1,373,307	-	-	1,373,307	-
Advancement for Future Expansion	2,443,655	8,980,453	-	11,424,108	-
Customer Deposits	396,110	-	-	396,110	-
Total Restricted Current Assets	11,732,110	11,226,400	-	22,958,510	-
Total Current Assets	41,780,147	18,690,295	487,743	60,958,185	20,383,499
Noncurrent Assets:					
Capital Assets:					
Land	1,681,476	8,725,291	-	10,406,767	219,610
Buildings	2,911,198	1,931,133	3,102,865	7,945,196	19,251
Improvements Other than Buildings	120,455,259	101,186,011	3,015,667	224,656,937	189,631
Equipment	2,716,379	1,765,332	328,900	4,810,611	28,030,508
Construction In Progress	128,625,619	60,575,772	-	189,201,391	-
Less Accumulated Depreciation	(57,321,870)	(36,517,724)	(4,086,904)	(97,926,498)	(18,120,025)
Total Capital Assets	199,068,061	137,665,815	2,360,528	339,094,404	10,338,975
Total Noncurrent Assets	199,068,061	137,665,815	2,360,528	339,094,404	10,338,975
Total Assets	240,848,208	156,356,110	2,848,271	400,052,589	30,722,474
Liabilities					
Current Liabilities Payable from Current Assets:					
Accounts Payable	421,658	210,906	30,894	663,458	504,559
Accrued Payroll and Related Taxes	574,841	377,558	124,656	1,077,055	140,030
Current Portion-Long-Term Contracts-Principal	43,006	195,664	-	238,670	-
Current Portion-Bonds Payable	2,709,600	714,150	-	3,423,750	-
Estimated Claims and Judgements	-	-	-	-	1,065,179
Due to Other Funds	-	-	-	-	765,603
Accrued Interest Payable	2,271,509	719,355	-	2,990,864	-
Unearned Revenue	-	-	51,620	51,620	-
Total Current Liabilities Payable from Current Assets	6,020,614	2,217,633	207,170	8,445,417	2,475,371
Current Liabilities Payable from Restricted Assets:					
Accounts Payable	180,709	60,630	-	241,339	-
Deposits	396,110	-	-	396,110	-
Unearned Revenue	-	22,610	-	22,610	-
Current Portion-Long-Term Contracts-Principal	1,989,014	1,954,559	-	3,943,573	-
Current Portion-Long-Term Contracts-Interest	688,654	515,255	-	1,203,909	-
Current Portion-Bonds Payable	956,250	-	-	956,250	-
Accrued Interest Payable	73,731	-	-	73,731	-
Total Current Liabilities Payable from Restricted Assets	4,284,468	2,553,054	-	6,837,522	-
Total Current Liabilities	10,305,082	4,770,687	207,170	15,282,939	2,475,371
Noncurrent Liabilities:					
Long-Term Contracts Payable	36,160,212	32,089,229	-	68,249,441	-
Bonds Payable	92,874,250	26,915,750	-	119,790,000	-
Unamortized Premium/Issuance Costs	2,629,222	797,711	-	3,426,933	-
Total Noncurrent Liabilities	131,663,684	59,802,690	-	191,466,374	-
Total Liabilities	141,968,766	64,573,377	207,170	206,749,313	2,475,371
Net Assets					
Invested in capital assets, net of related debt	79,726,659	78,795,791	2,360,528	160,882,978	10,338,975
Restricted:					
Debt Service	2,890,432	863,376	-	3,753,808	-
Unrestricted	16,262,351	12,123,566	280,573	28,666,490	17,908,128
Total Net Assets	\$ 98,879,442	\$ 91,782,733	\$ 2,641,101	193,303,276	\$ 28,247,103
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				360,473	
Net assets of business-type activities				\$ 193,663,749	

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, 2010

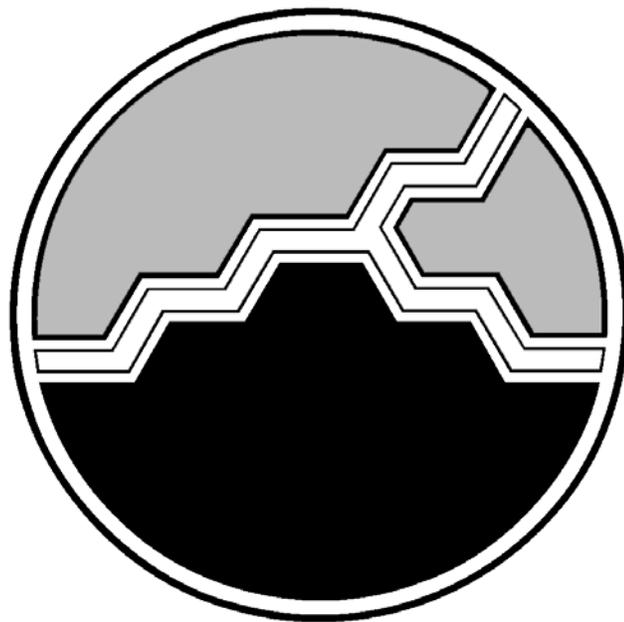
	Business-Type Activities-Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
Operating Revenues:					
Metered Water Sales	\$ 21,651,391	\$ -	\$ -	\$ 21,651,391	\$ -
Commercial Raw Water	215,958	-	-	215,958	-
Wastewater Charges	-	13,699,148	-	13,699,148	-
Meters, Connections and Services	314,124	28,628	-	342,752	-
Green Fees and Concessions	-	-	1,963,588	1,963,588	-
Equipment Rental	-	-	349,059	349,059	-
Miscellaneous Charges	-	-	-	-	5,069,944
Total Operating Revenues	<u>22,181,473</u>	<u>13,727,776</u>	<u>2,312,647</u>	<u>38,221,896</u>	<u>5,069,944</u>
Operating Expenses:					
Operations and Maintenance	10,528,999	8,474,810	2,152,622	21,156,431	6,343,005
Depreciation	3,581,142	2,642,007	231,185	6,454,334	2,601,198
Total Operating Expenses	<u>14,110,141</u>	<u>11,116,817</u>	<u>2,383,807</u>	<u>27,610,765</u>	<u>8,944,203</u>
Operating Income/(Loss)	<u>8,071,332</u>	<u>2,610,959</u>	<u>(71,160)</u>	<u>10,611,131</u>	<u>(3,874,259)</u>
Non-Operating Revenues/(Expenses):					
Interest	137,667	78,900	1,257	217,824	93,038
Gain/(Loss) on Disposal of Assets	-	(668)	-	(668)	43,321
Interest and Fiscal Agent Fees	(5,988,094)	(2,433,305)	-	(8,421,399)	-
Miscellaneous Revenues	97,996	32,246	2,876	133,118	-
Total Non-Operating Revenues/(Expenses)	<u>(5,752,431)</u>	<u>(2,322,827)</u>	<u>4,133</u>	<u>(8,071,125)</u>	<u>136,359</u>
Income/(Loss) before Contributions and Transfers	2,318,901	288,132	(67,027)	2,540,006	(3,737,900)
Capital Contributions	1,821,304	2,147,411	-	3,968,715	-
Transfers In	-	-	232,571	232,571	-
Transfers Out	(62,683)	(32,961)	(232,571)	(328,215)	-
Change in Net Assets	<u>4,077,522</u>	<u>2,402,582</u>	<u>(67,027)</u>	<u>6,413,077</u>	<u>(3,737,900)</u>
Net Assets - Beginning	<u>94,801,920</u>	<u>89,380,151</u>	<u>2,708,128</u>	<u>31,985,003</u>	<u>31,985,003</u>
Net Assets - Ending	<u>\$ 98,879,442</u>	<u>\$ 91,782,733</u>	<u>\$ 2,641,101</u>	<u>\$ 28,247,103</u>	<u>\$ 28,247,103</u>
Adjustment for consolidation of internal service fund activities related to enterprise funds				(412,921)	
Change in net assets of business-type activities				<u>\$ 6,000,156</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, 2010

	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	\$ 21,955,411	\$ 13,369,260	\$ 2,313,699	\$ 37,638,370	\$ 5,062,155
Cash Paid to Employees	(4,183,951)	(2,724,882)	(982,490)	(7,891,323)	(1,109,242)
Cash Paid to Suppliers	(6,303,503)	(5,724,123)	(1,202,833)	(13,230,459)	(867,964)
Cash Paid for Operating Expenses	-	-	-	-	(3,774,399)
Other Operating Activity Revenue	<u>97,996</u>	<u>32,246</u>	<u>2,881</u>	<u>133,123</u>	<u>-</u>
Net Cash Provided by Operating Activities	11,565,953	4,952,501	131,257	16,649,711	(689,450)
Cash Flows from Noncapital Financing Activities:					
Cash Received from Other Funds	-	-	232,571	232,571	-
Cash Paid to Other Funds	<u>(62,683)</u>	<u>(32,961)</u>	<u>(232,571)</u>	<u>(328,215)</u>	<u>-</u>
Net Cash Provided by/(Used for) Noncapital Financing Activities	(62,683)	(32,961)	-	(95,644)	-
Cash Flow from Capital and Related Financing Activities:					
Contributions of Capital	1,510,829	1,825,823	-	3,336,652	-
Acquisition and Construction of Assets	(6,451,413)	(1,486,524)	-	(7,937,937)	(276,506)
Proceeds from Sale of Capital Assets	-	-	-	-	207,205
Principal Payments on Bonds	(3,417,649)	(680,800)	-	(4,098,449)	-
WIFA - Contracted Loan	(2,032,020)	(2,081,309)	-	(4,113,329)	-
Interest and Fiscal Agent Fee Payments	<u>(6,180,900)</u>	<u>(2,517,635)</u>	<u>-</u>	<u>(8,698,535)</u>	<u>-</u>
Net Cash Provided by/(Used for) Capital and Related Financing Activities	(16,571,153)	(4,940,445)	-	(21,511,598)	(69,301)
Cash Flows from Investing Activities:					
Receipt of Interest	<u>162,724</u>	<u>91,321</u>	<u>1,597</u>	<u>255,642</u>	<u>134,340</u>
Net Cash Provided by Investing Activities	162,724	91,321	1,597	255,642	134,340
Net Increase/(Decrease) in Cash and Cash Equivalents	(4,905,159)	70,416	132,854	(4,701,889)	(624,411)
Cash and Cash Equivalents, July 1	<u>42,412,417</u>	<u>16,332,034</u>	<u>266,763</u>	<u>59,011,214</u>	<u>20,401,871</u>
Cash and Cash Equivalents, June 30	<u>\$ 37,507,258</u>	<u>\$ 16,402,450</u>	<u>\$ 399,617</u>	<u>\$ 54,309,325</u>	<u>\$ 19,777,460</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:					
Operating Income/(Loss)	\$ 8,071,332	\$ 2,610,959	\$ (71,160)	\$ 10,611,131	\$ (3,874,258)
Adjustments to Reconcile Operating Income/(Loss)					
Depreciation and Amortization Expense	3,581,142	2,642,007	231,185	6,454,334	2,601,198
(Increase)/Decrease in Accounts Receivable	(212,075)	(356,599)	2,775	(565,899)	2,399
(Increase)/Decrease in Inventories	16,540	-	11,209	27,749	45,792
(Increase) in Deposits	(1,600)	-	-	(1,600)	-
(Increase)/Decrease in Prepaid Items	(2,907)	(1,425)	5,549	1,217	(637)
Increase/(Decrease) in Accounts Payable	(25,731)	1,061	(16,983)	(41,653)	366,657
Increase in Accrued Payroll and Related Taxes	55,244	26,169	(32,475)	48,938	(20,557)
(Decrease) in Claims Incurred but Not Reported	-	-	-	-	189,956
Increase/(Decrease) in Customer Deposits	(13,988)	(1,917)	(1,723)	(17,628)	-
Other Operating Activity Revenue	<u>97,996</u>	<u>32,246</u>	<u>2,880</u>	<u>133,122</u>	<u>-</u>
Total Adjustments	3,494,621	2,341,542	202,417	6,038,580	3,184,808
Net Cash Provided by Operating Activities	<u>\$ 11,565,953</u>	<u>\$ 4,952,501</u>	<u>\$ 131,257</u>	<u>\$ 16,649,711</u>	<u>\$ (689,450)</u>
Noncash Transactions Affecting Financial Position					
Purchase of Assets with Vendor					
Provided Financing	177,211	\$ 55,614	\$ -	\$ 232,825	\$ -
Contributions of Capital Assets	<u>310,475</u>	<u>321,588</u>	<u>-</u>	<u>632,063</u>	<u>-</u>
Total Noncash Transactions Affecting Financial Position	<u>\$ 487,686</u>	<u>\$ 377,202</u>	<u>\$ -</u>	<u>\$ 864,888</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, 2010

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, 2010

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, 2010

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, 2010

- 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, 2010

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, 2010, the estimated amounts of unbilled revenues for the Water and Wastewater Enterprise Funds and the Solid Waste Special Revenue Fund are \$2,647,712, \$1,181,748, and \$175,675, 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, 2010

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, \$2,804,851 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 \$312,715, \$201,764, \$66,487 and \$8,937 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, 2010, the amount accumulated in sick pay and related benefits is \$7,389,714, including \$184,879 attributable to Internal Service Funds and \$996,881 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, \$683,550, 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 \$17,399 and Water, Wastewater, and Desert Hills and Arroyo Dunes Golf Course Enterprise Funds of \$67,112, \$47,227, \$10,899 and \$1,530 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, 2010

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, 2010, the City's deposits had a carrying value of \$210,398 and a bank balance of \$2,164,583. 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, 2010, there are no deposits exposed to custodial credit risk. The petty cash and change fund balances totaled \$26,660.

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, 2010 were as follows:

Investment Type	Fair Value	Investment Maturities in Years			
		< 1 Year	1-2 Years	2-3 Years	3-5 Years
US Treasury Notes/Bills	\$ 17,993,169	\$ 17,993,169	\$ -	\$ -	\$ -
Commercial Paper	\$ 2,899,186	\$ 2,899,186	\$ -	\$ -	\$ -
US Agencies:					
Federal Farm Credit Bank	4,502,344		4,502,344		
Federal Home Loan Bank	32,147,901	2,016,250	19,123,838	11,007,813	-
Federal Home Loan Mtg. Corp.	12,564,075	4,057,874	7,503,400	1,002,801	-
Federal National Mtg. Assoc.	16,411,875	8,906,094	2,996,250	4,509,531	-
Money Market Funds	37,816,283	37,816,283	-	-	-
Wells Fargo-Bus Market Fund	15,021,264	15,021,264			
State Investment Pool	9,364,231	9,364,231	-	-	-
Total Value	<u>\$ 148,720,328</u>	<u>\$ 98,074,351</u>	<u>\$ 34,125,832</u>	<u>\$ 16,520,145</u>	<u>\$ -</u>

Credit Risk

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

1. Obligations of the United States Government, its agencies and instrumentalities, excluding mortgage-backed securities;

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

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

At June 30, 2010, all investments, with the exception of the State Investment Pool, are rated AAA or A-1 by Standard and Poor's and Aaa or P-1 by Moody's. The State Investment Pool 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%	56%
Fully insured or collateralized CD's	No more than 30%	0%
Banker's Acceptances	No more than 25%	0%
A-1/P-1 Commercial Paper.....	No more than 35%	2%
Maximum per issuer.....	10% of total C. P	2%
Repurchase Agreements.....	100%	0%
Money Market Funds.....	100%	35%
State Investment Pool	100%	7%

Interest Rate Risk

Interest Rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with State law and its investment policy, the City sets a maximum maturity on any investment of five years. Unless matched to a specific requirement, no more than 25% of the portfolio may have maturities greater than three years. There are no investments with maturities greater than three years, and there are no holdings with a stated maturity beyond five years. The portfolio at June 30, 2010 had a weighted average maturity of 326 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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

limited to a two percent increase over the previous year with adjustments for growth and annexation. Secondary taxes are tied to the annual debt service requirements of voter-approved general obligation bonds. Taxes are due in two equal installments on October 1 and March 1 following the levy date and are delinquent on the first day of November and May, respectively. Liens are filed when taxes are delinquent for two years. Assessed values, levies and collections for fiscal year 2008-09 (Tax Year 2008) and fiscal year 2009-10 (Tax Year 2009), follow:

	Tax Year 2008	Tax Year 2009
Primary Assessed Valuation	\$ 560,857,139	\$ 638,301,193
Primary Tax Rate	1.5570	1.4706
Primary Tax Levy	\$ 8,732,640	\$ 9,386,857
Secondary Assessed Valuation	\$ 699,754,765	\$ 747,149,498
Secondary Tax Rate/Levy	None	None
Current Tax Collections	\$ 8,402,121	\$ 9,023,484
Delinquent Tax Collections	\$ 143,441	\$ 233,149
Delinquent Taxes Outstanding as of June 30	\$ 315,325	\$ 374,969

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	\$ 486,017	\$ 2,560,082	\$ 20,169	\$ 374,969	\$ 43,033	\$ 3,484,270
Highway User Revenue	4,457	593,922	-	-	1,572	599,951
City Road Tax	25,628	619,267	-	-	5,913	650,808
Grants	500	3,651,219	-	-	583	3,652,302
Community Redevelopment	1,179,371	148,195	-	-	-	1,327,566
Debt Service	-	-	6,815,000	-	966	6,815,966
Capital Projects	152,180	251,950	-	-	10,956	415,086
Water	4,119,191	646	-	-	24,897	4,144,734
Wastewater	2,089,066	180,900	-	-	16,369	2,286,335
Other Funds-Governmental	307,715	249,513	-	-	7,890	565,118
Other Funds-Enterprise	2,167	414	-	-	302	2,883
Internal Service	75,754	19	-	-	28,217	103,990
Total	\$ 8,442,046	\$ 8,256,127	\$ 6,835,169	\$ 374,969	\$ 140,698	\$ 24,049,009

	Allowance Amount	
	<u>2010</u>	<u>2009</u>
Special Revenue Funds -		
Solid Waste	\$ 6,160	\$ 5,527
Enterprise Funds:		
Water	146,061	121,404
Wastewater	75,744	51,855

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

D. Due from Other Governments (Intergovernmental Receivables)

Amounts due from other government units at June 30, 2010, are as follows:

	Agencies				
	Federal	State	County	Local	Total
Governmental Funds					
Major Funds					
General	\$ 10,516	\$ 2,104,791	\$ 443,730	\$ 1,045	\$ 2,560,082
Highway User Revenue	-	591,016	2,906	-	593,922
City Road Tax	-	619,267	-	-	619,267
Grants	3,640,143	11,076	-	-	3,651,219
Community Redevelopment	148,195	-	-	-	148,195
Capital Projects	-	251,950	-	-	251,950
Non-major Funds					
Public Safety Tax	-	247,623	-	-	247,623
Solid Waste	-	17	-	-	17
Mall Maintenance	-	-	1,873	-	1,873
Enterprise Funds:					
Major Funds					
Water	-	646	-	-	646
Wastewater	134,411	-	-	46,489	180,900
Non-major Funds					
Desert Hills Golf Course	-	414	-	-	414
Internal Service Funds					
Equipment Maintenance	-	19	-	-	19
Total	\$ 3,933,265	\$ 3,826,819	\$ 448,509	\$ 47,534	\$ 8,256,127

E. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2010, follows:

	Balance			Balance June 30, 2010
	June 30, 2009	Increases	Decreases	
Capital Assets Not Being Depreciated:				
Land	\$ 53,144,799	\$ 2,174,485	\$ 834,686	\$ 54,484,598
Construction in Progress	79,765,235	17,875,647	24,042,176	73,598,706
Total Capital Assets Not Being Depreciated	132,910,034	20,050,132	24,876,862	128,083,304
Other Capital Assets:				
Buildings	66,823,452	11,904,603	-	78,728,055
Improvements	38,120,412	1,961,041	72,000	40,009,453
Infrastructure	159,922,505	18,161,817	224,712	177,859,610
Equipment	51,902,978	2,887,997	2,097,232	52,693,743
Total Other Capital Assets	316,769,347	34,915,458	2,393,944	349,290,861
Less Accumulated Depreciation for:				
Buildings	21,800,321	2,131,083		23,931,404
Improvements	19,717,080	3,065,191		22,782,271
Infrastructure	85,905,113	4,079,643	207,433	89,777,323
Equipment	30,453,369	4,645,926	1,882,817	33,216,478
Total Accumulated Depreciation	157,875,883	13,921,843	2,090,250	169,707,476
Other Capital Assets, Net	158,893,464	20,993,615	303,694	179,583,385
Total Capital Assets, Governmental Activities	\$ 291,803,498	\$ 41,043,747	\$ 25,180,556	\$ 307,666,689

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

Government activities capital assets net of accumulated depreciation at June 30, 2010, include:

General Capital Assets, Net	\$ 297,327,714
Internal Service Fund Capital Assets, Net	<u>10,338,975</u>
Total	<u>\$ 307,666,689</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,853,461
Public Safety	2,375,163
Parks, Recreation, and Culture	2,769,519
Environmental Health and Protection	63,161
Community Design and Development	53,265
Streets	4,206,078
Assets held by Internal Service Funds are charged based on usage of assets	<u>2,601,196</u>

Total \$ 13,921,843

Business-type activities:

	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010
Capital Assets Not Being Depreciated:				
Land	\$ 10,074,897	\$ 331,870	\$ -	\$ 10,406,767
Construction in Progress	<u>255,039,834</u>	<u>5,782,727</u>	<u>71,621,171</u>	<u>189,201,390</u>
Total Capital Assets Not Being Depreciated	<u>265,114,731</u>	<u>6,114,597</u>	<u>71,621,171</u>	<u>199,608,157</u>
Other Capital Assets:				
Buildings	7,945,196	-	-	7,945,196
Improvements	151,259,987	73,396,952	-	224,656,939
Equipment	<u>4,780,563</u>	<u>35,391</u>	<u>5,344</u>	<u>4,810,610</u>
Total Other Capital Assets	<u>163,985,746</u>	<u>73,432,343</u>	<u>5,344</u>	<u>237,412,745</u>
Less Accumulated Depreciation for:				
Buildings	4,805,501	192,425	-	4,997,926
Improvements	83,351,178	6,018,889	-	89,370,067
Equipment	<u>3,320,160</u>	<u>243,021</u>	<u>4,676</u>	<u>3,558,505</u>
Total Accumulated Depreciation	<u>91,476,839</u>	<u>6,454,335</u>	<u>4,676</u>	<u>97,926,498</u>
Other Capital Assets, Net	<u>72,508,907</u>	<u>66,978,008</u>	<u>668</u>	<u>139,486,247</u>
Total Capital Assets, Business-type activities	<u>\$ 337,623,638</u>	<u>\$ 73,092,605</u>	<u>\$ 71,621,839</u>	<u>\$ 339,094,404</u>

Depreciation was charged to programs as follows:

Water	\$ 3,581,143
Wastewater	2,642,007
Golf courses	<u>231,185</u>
Total	<u>\$ 6,454,335</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, 2010

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, 2010, active ASRS members and the City were required by statute to contribute at the actuarially determined rate of 9.4 percent (9.0 percent retirement and 0.40 percent long-term disability) of the members' annual covered payroll. The City's contributions to ASRS for the years ended June 30, 2010, 2009, and 2008 were \$2,471,539, \$2,684,557, and \$2,619,640, 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 26.25 percent, respectively, of the members' annual covered payroll. The City's contributions to EORP for the years ended June 30, 2010, 2009 and 2008 were \$61,854, \$65,134, and \$44,206, respectively, which were equal to the required contributions for the year.

Agent plans - For the year ended June 30, 2010 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 19.60 percent for police and 26.05 percent for fire.

Funded Status and Funding Progress – Funding progress of the two agent plans as of June 30, 2009, the most recent valuation, appears below.

	Actual Value of	Actuarial Accrued	Funding Liability	Funded	Annual Covered	Unfunded Liability
	Plan Assets	Liability	(Excess)	Ratio	Payroll	as Percentage of
						Payroll
POLICE	\$ 41,337,090	\$ 55,583,097	\$ 14,246,007	74.4%	\$ 9,873,498	144.3%
FIRE	29,459,868	46,691,521	17,231,653	63.1%	6,144,945	280.4%

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

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, 2009 (the date of the most recent actuarial report) follows:

	<u>Police</u>	<u>Fire</u>
Contribution Rates	19.60%	26.05%
Annual Pension Cost	\$2,020,501	\$1,735,338
Contributions Made	\$2,020,501	\$1,735,338
Actuarial Valuation Date	June 30, 2009	June 30, 2009
Actuarial Cost Method	Projected unit credit	Projected unit credit
Actuarial Assumptions:		
Investment Rate of Return	8.50%	8.50%
Projected Salary Increases	5.5% - 8.5%	5.5% - 8.5%
Inflation projection	5.50%	5.50%
Cost-of-Living Adjustments	None	None
Amortization Method	Level Percentage Closed	Level Percentage Closed
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	2007	\$ 1,134,675	100.0%	-
	2008	1,421,698	100.0%	-
	2009	2,020,501	100.0%	-
FIRE	2007	1,120,319	100.0%	-
	2008	1,321,441	100.0%	-
	2009	1,735,338	100.0%	-

G. Long-Term Liabilities

The following changes occurred in long-term liabilities during the fiscal year ended June 30, 2010:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2010</u>	<u>Due Within One Year</u>
Governmental activities:					
Yuma Municipal Property Corporation	\$ 136,850,000	\$ 29,530,000	\$ 35,425,000	\$ 130,955,000	\$ 5,290,000
Improvement District #67	4,380,000	-	805,000	3,575,000	840,000
Improvement District #68	3,460,000	-	220,000	3,240,000	230,000
Unamortized Discount/Issuance Costs	(512,561)	(467,588)	(35,658)	(944,491)	-
Unamortized Premium	1,620,630	487,307	90,035	2,017,902	-
Compensated Absences	3,288,772	448,916	249,287	3,488,401	-
Total Governmental Activity					
Long-Term Liabilities	<u>\$ 149,086,841</u>	<u>\$ 29,998,635</u>	<u>\$ 36,753,664</u>	<u>\$ 142,331,812</u>	<u>\$ 6,360,000</u>
Business-type activities:					
General Obligation Bonds	\$ 5,250,000	\$ -	\$ 1,210,000	\$ 4,040,000	\$ 1,275,000
Yuma Municipal Property Corporation	123,090,000	-	2,960,000	120,130,000	3,105,000
Unamortized Discount/Issuance Costs	(692,839)	-	(66,772)	(626,067)	-
Unamortized Premium	4,237,227	-	184,227	4,053,000	-
Contracts Payable	76,473,462	-	4,041,778	72,431,684	4,182,243
Total Business-type Activity					
Long-Term Liabilities	<u>\$ 208,357,850</u>	<u>\$ -</u>	<u>\$ 8,329,233</u>	<u>\$ 200,028,617</u>	<u>\$ 8,562,243</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

On the Statement of Net Assets, the current portion of governmental activity long-term liabilities of \$6,360,000 excludes the current portion of compensated absences of \$2,009,231 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

New Debt Issue – On June 29, 2010, the Yuma Municipal Property Corporation issued \$29,530,000 in bonds with an average interest rate of 4.23 percent for an advance and current refunding of \$29,330,000 of outstanding 2001 Series MPC bonds with an average interest rate of 4.94 percent. The net proceeds of \$30,017,307 paid closing costs and underwriter fees of \$419,562 and current interest costs of \$219,720, refunded \$28,200,000 of the 2001 bonds, and deposited \$1,178,025 in an irrevocable trust with an escrow agent to provide for the 2011 principal and interest payments of the 2001 bonds. As a result, the 2001 Series MPC bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$19,719. This difference is reported in the accompanying financial statements as a reduction in interest expense. The City completed the advance refunding to reduce its total debt service payments over the next 15 years by \$1.86 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1.36 million.

The following is a description of bonded indebtedness at June 30, 2010. 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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

and hotels. For each bond series, the corresponding pledged tax was:

<u>Issue</u>	<u>Pledged Tax</u>	<u>Project(s) funded</u>
2003 – Series A	Excise and Public Safety Taxes	Refunding 1995 issue
2003 – Series B	Excise Taxes	Art Center/Fire Station construction
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
2010 – Series B	Excise Taxes	Refunding 2001 issue

In addition to, or in lieu of, excise taxes, the City may use other operational revenues to repay the debt, as budgeted in each fund. These include payments from the Water, Wastewater 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.

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, 2010, the pledged revenues described above amounted to \$64,081,420 for governmental activities and \$39,592,710 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, 2010, debt service for governmental activities totaled \$12,821,749 and for business-type activities \$17,101,096, or 20% and 43% 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	\$ 4,040,000	\$ (34,677)
Yuma Municipal Property Corporation Bonds:						
2003 - Series A Refunding	4.21%	2/18/2003	2015	14,640,000	8,320,000	-
2003 - Series B Refunding	3.67%	2/18/2003	2015	2,905,000	1,600,000	-
2003 - Series C Refunding	2.97%	2/18/2003	2010	1,445,000	225,000	-
2003 - Series B Addition	4.18%	2/18/2003	2022	9,000,000	6,780,000	(53,866)
2007 - Series B	4.50%	11/20/2007	2027	30,785,000	28,310,000	(423,037)
2007 - Series D	4.50%	11/20/2007	2027	61,100,000	56,190,000	1,530,595
2007 - Series Utilities	4.50%	11/20/2007	2032	127,925,000	120,130,000	3,461,610
2010 - Series B Refunding	4.23%	6/29/2010	2025	29,530,000	29,530,000	-
Total MPC Bonds				<u>277,330,000</u>	<u>251,085,000</u>	<u>4,515,302</u>
Total Bonds Authorized and Issued				<u>\$ 285,415,000</u>	<u>\$ 255,125,000</u>	<u>\$ 4,480,625</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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

a City's net secondary assessed valuation. The legal borrowing capacity of the City of Yuma at June 30, 2010 follows:

	Water, Etc. (20%)	All Other (6%)
Secondary Assessed Valuation	\$747,149,498	
Legal Limit	\$ 149,429,900	\$ 44,828,970
Outstanding G.O. Debt	4,040,000	-
Available Debt Margin	\$ 145,389,900	\$ 44,828,970

Annual Debt Service Requirements to Maturity

BONDS AND IMPROVEMENT DISTRICTS

July	1997 Refunding Bonds			Improvement District No. 67 Bonds		
	1	Principal	Interest	Total	Principal	Interest
2010	\$ 1,275,000	\$ 196,615	\$ 1,471,615	\$ 840,000	\$ 132,276	\$ 972,276
2011	1,345,000	134,140	1,479,140	875,000	101,196	976,196
2012	1,420,000	69,580	1,489,580	910,000	68,820	978,820
2013	-	-	-	950,000	35,150	985,150
	\$ 4,040,000	\$ 400,335	\$ 4,440,335	\$ 3,575,000	\$ 337,442	\$ 3,912,442

2010	MPC Bonds 2010 Refunding 2001B			MPC Bonds 2003 Series			Improvement District No. 68 Bonds		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	-	-	-	410,000	285,532	695,532	230,000	152,280	382,280
2011	1,300,000	1,227,865	2,527,865	420,000	272,207	692,207	245,000	141,470	386,470
2012	1,340,000	1,188,581	2,528,581	435,000	257,507	692,507	255,000	129,955	384,955
2013	1,375,000	1,155,082	2,530,082	450,000	241,847	691,847	265,000	117,970	382,970
2014	1,425,000	1,100,081	2,525,081	470,000	224,973	694,973	280,000	105,515	385,515
2015	1,465,000	1,057,332	2,522,332	490,000	207,347	697,347	290,000	92,355	382,355
2016	1,840,000	1,013,381	2,853,381	515,000	182,847	697,847	305,000	78,725	383,725
2017	1,910,000	939,782	2,849,782	535,000	157,098	692,098	320,000	64,390	384,390
2018	2,010,000	844,281	2,854,281	560,000	134,628	694,628	335,000	49,350	384,350
2019	2,110,000	743,781	2,853,781	585,000	110,828	695,828	350,000	33,605	383,605
2020	2,210,000	638,281	2,848,281	610,000	85,672	695,672	365,000	17,155	382,155
2021	2,305,000	549,881	2,854,881	635,000	58,833	693,833	-	-	-
2022	2,400,000	454,800	2,854,800	665,000	30,258	695,258	-	-	-
2023	2,500,000	352,800	2,852,800	-	-	-	-	-	-
2024	2,610,000	240,300	2,850,300	-	-	-	-	-	-
2025	2,730,000	122,850	2,852,850	-	-	-	-	-	-
	\$ 29,530,000	\$ 11,629,078	\$ 41,159,078	\$ 6,780,000	\$ 2,249,577	\$ 9,029,577	\$ 3,240,000	\$ 982,770	\$ 4,222,770

2010	MPC Bonds 2003 Refunding 1995A			MPC Bonds 2003 Refunding 1995B			MPC Bonds 2003 Refunding 1995C		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	1,210,000	365,453	1,575,453	245,000	61,448	306,448	225,000	7,313	232,313
2011	1,285,000	304,953	1,589,953	250,000	53,485	303,485	-	-	-
2012	1,350,000	240,703	1,590,703	260,000	44,735	304,735	-	-	-
2013	1,425,000	173,203	1,598,203	270,000	35,375	305,375	-	-	-
2014	1,490,000	119,765	1,609,765	280,000	25,250	305,250	-	-	-
2015	1,560,000	62,400	1,622,400	295,000	14,750	309,750	-	-	-
	\$ 8,320,000	\$ 1,266,477	\$ 9,586,477	\$ 1,600,000	\$ 235,043	\$ 1,835,043	\$ 225,000	\$ 7,313	\$ 232,313

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

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
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>\$ 28,310,000</u>	<u>\$ 13,062,352</u>	<u>\$ 41,372,352</u>	<u>\$ 56,190,000</u>	<u>\$ 28,623,600</u>	<u>\$ 84,813,600</u>	<u>\$ 120,130,000</u>	<u>\$ 81,641,643</u>	<u>\$ 201,771,643</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
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	1,620,809	1,063,265	2,684,074
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>\$ 7,481,009</u>	<u>\$ 1,846,492</u>	<u>\$ 9,327,501</u>	<u>\$ 34,239,451</u>	<u>\$ 8,451,118</u>	<u>\$ 42,690,569</u>	<u>\$ 30,711,225</u>	<u>\$ 9,430,503</u>	<u>\$ 40,141,727</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

H. Interfund Transfers

<i>Transfers Out</i>			<i>Transfers In</i>		
Governmental funds - major funds:					
General Fund	Solid Waste	\$ 1,030,125	General Fund -	Two Percent Tax	\$ 586,726
	Mall Maintenance	90,804		Capital Projects	30,732
	Debt Service	2,756,032		Solid Waste	4,800
HURF	Debt Service	101,944	Road Tax	Capital Projects	3,211
Road Tax	Debt Service	4,792,802	Debt Service	General Fund	2,756,032
Capital Projects	General Fund	30,732		HURF	101,944
	Road Tax	3,211		Road Tax	4,792,802
	Debt Service	171,164		Public Safety Tax	3,146,301
				Solid Waste	21,089
				Desert Hills G.C.	232,571
				Wastewater	32,961
				Water	62,683
				Capital Projects	171,164
Nonmajor funds:					
Public Safety Tax	Debt Service	3,146,301	Solid Waste	General Fund	1,030,125
Solid Waste	Debt Service	21,089	Recreation Complex	Two Percent Tax	1,500,000
	General Fund	4,800	Mall Maintenance	General Fund	90,804
Two Percent Tax	Recreation Complex	1,500,000			
	General Fund	586,726			
	Desert Hill G.C.	232,571			
	Total Governmental Activities	14,468,301		Total Governmental Activities	14,563,945
Enterprise funds:					
Desert Hills G.C.	Debt Service	232,571	Desert Hills G.C.	Two Percent Tax	232,571
Water	Debt Service	62,683			
Wastewater	Debt Service	32,961			
	Total Enterprise Funds	328,215		Total Enterprise Funds	232,571
	Total Transfers Out	\$ 14,796,516		Total Transfers In	\$ 14,796,516

The majority of the transfers listed above are for debt service requirements and are recognizable by the fund from which the transfer is made. This includes Enterprise Fund transfers to debt service as the majority of the related bond debt service is governmental in nature and is recorded in the Debt Service Fund rather than within the Enterprise Funds. As for the remaining transfers, they include operating subsidies from the General Fund to Solid Waste Fund (\$1,030,125) and Mall Maintenance (\$90,804); and from the Two Percent Tax Fund to the General Fund (\$586,726 per a riverfront development agreement), to the Recreation Complex Fund (\$1,500,000) and Desert Hills Golf Course (\$232,571).

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 \$95,644 are for debt service.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

I. Interfund Receivables and Payables

Interfund balances at June 30, 2010, 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	\$ 107,797	\$ -	\$ 107,797
Grants Fund	1,236,091	175,699	1,411,790
Nonmajor Governmental Funds:			
Solid Waste Fund	146,802	-	146,802
Internal Service Funds:			
Equipment Maintenance	495,603	-	495,603
Workers Compensation	270,000	-	270,000
Total Receivable	<u>\$ 2,256,293</u>	<u>\$ 175,699</u>	<u>\$ 2,431,992</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, \$360,474, 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 - \$32,028,405 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* - \$1,985,923 includes sales tax rebates of \$1,485,654, 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, \$87,633 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, 2010

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
2009-10	\$ 24,140	\$ 456,306	\$ 432,388	\$ 48,058	\$ 851,083	\$ 1,006,908	\$ 840,870	\$ 1,017,121
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

L. Construction Commitments

The City has active construction projects as of June 30, 2010. At year-end the government's commitments with contractors for specific projects are as follows:

	Construction Commitments	Original Contract	Spent to Date	Remaining Commitment
General Government	\$ 1,553,279	\$ 923,213	\$ 630,066	
Public Safety	2,745,387	1,937,667	807,720	
Parks & Recreation	437,225	388,245	48,980	
Environmental Health	189,012	134,962	54,050	
Streets	9,843,737	5,477,388	4,366,349	
Water System	4,318,174	3,258,909	1,059,265	
Wastewater	722,198	110,765	611,433	
	<u>\$ 19,809,012</u>	<u>\$ 12,231,149</u>	<u>\$ 7,577,863</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, 2010.

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**

	Actual Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Payroll
<i>POLICE</i>						
2007	\$ 38,668,154	\$ 51,924,584	\$ 13,256,430	74.5%	\$ 9,149,431	144.9%
2008	40,781,540	54,019,158	13,237,618	75.5%	9,619,242	137.6%
2009	41,337,090	55,583,097	14,246,007	74.4%	9,873,498	144.3%
<i>FIRE</i>						
2007	26,853,367	43,029,776	16,176,409	62.4%	5,634,967	287.1%
2008	27,991,354	43,200,182	15,208,828	64.8%	6,081,510	250.1%
2009	29,459,868	46,691,521	17,231,653	63.1%	6,144,945	280.4%

City of Yuma, Arizona
 Budgetary Comparison Schedule
 General Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ 16,118,848	\$ 16,118,848	\$ 15,755,677	\$ (363,171)
Resources (inflows):				
Taxes:				
Property Tax - Primary	9,386,857	9,386,857	9,023,484	(363,373)
Property Tax - Delinquent	100,000	100,000	233,149	133,149
City Sales Tax	19,050,000	19,050,000	17,461,635	(1,588,365)
Public Enterprise In-Lieu	242,000	242,000	242,000	-
Franchise Tax	3,110,000	3,110,000	3,009,794	(100,206)
Total Taxes	<u>31,888,857</u>	<u>31,888,857</u>	<u>29,970,062</u>	<u>(1,918,795)</u>
Licenses:				
Business Licenses	330,000	330,000	315,580	(14,420)
Liquor Licenses	36,200	36,200	34,130	(2,070)
Building Permits	758,500	758,500	1,051,237	292,737
Alcohol Permits	9,000	9,000	11,784	2,784
Total Licenses	<u>1,133,700</u>	<u>1,133,700</u>	<u>1,412,731</u>	<u>279,031</u>
Intergovernmental:				
Sales Tax - State	6,865,000	6,865,000	6,553,759	(311,241)
State Revenue Sharing	11,530,000	11,530,000	11,530,342	342
Auto Lieu Tax	3,600,000	3,600,000	3,302,490	(297,510)
Other Governmental Charges	90,000	90,000	44,700	(45,300)
Total Intergovernmental	<u>22,085,000</u>	<u>22,085,000</u>	<u>21,431,291</u>	<u>(653,709)</u>
Charges for Services:				
Building Inspection Fees	361,550	361,550	384,039	22,489
Recreation Fees	494,500	494,500	628,264	133,764
Police Services	753,968	753,968	821,255	67,287
Other Charges	456,640	456,640	625,809	169,169
Total Charges for Services	<u>2,066,658</u>	<u>2,066,658</u>	<u>2,459,367</u>	<u>392,709</u>
Fines and Forfeitures:				
City Court Fines	1,160,000	1,160,000	1,436,928	276,928
Total Fines and Forfeitures	<u>1,160,000</u>	<u>1,160,000</u>	<u>1,436,928</u>	<u>276,928</u>
Use of Money and Property:				
Interest	542,500	542,500	166,500	(376,000)
Rental Receipts	152,000	152,000	164,701	12,701
Total Use of Money and Property	<u>694,500</u>	<u>694,500</u>	<u>331,201</u>	<u>(363,299)</u>
Miscellaneous				
Sales of Surplus Property	3,000	3,000	5,084	2,084
Other	194,825	194,825	187,040	(7,785)
Total Miscellaneous	<u>197,825</u>	<u>197,825</u>	<u>192,124</u>	<u>(5,701)</u>
Total Revenues	<u>59,226,540</u>	<u>59,226,540</u>	<u>57,233,704</u>	<u>(1,992,836)</u>
Transfers In	446,500	446,500	622,258	175,758
Amounts Available for Appropriation	<u>75,791,888</u>	<u>75,791,888</u>	<u>73,611,639</u>	<u>(2,180,249)</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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Charges to Appropriations (outflows):				
General Government:				
Mayor and Council	309,121	272,622	249,953	22,669
Elections	150,000	150,000	201,040	(51,040)
City Administrator	1,022,865	983,397	972,304	11,093
Strategic Communications	771,954	771,954	636,012	135,942
Economic Development	114,606	114,606	106,271	8,335
Facilities Maintenance	851,275	851,275	747,767	103,508
General Government	2,196,479	2,196,479	1,907,599	288,880
City Clerk	302,740	302,740	294,035	8,705
Community Investment Trust	-	-	19,567	(19,567)
City Attorney	1,343,763	1,343,763	974,305	369,458
City Prosecutor	224,181	224,181	220,875	3,306
Finance-Administration	272,218	272,218	264,488	7,730
Accounting	770,052	770,052	735,126	34,926
Customer Services	445,542	445,542	336,286	109,256
Information Technology Services	3,200,822	3,180,822	2,899,594	281,228
Purchasing	449,520	449,520	390,116	59,404
Human Resources	659,559	699,027	541,484	157,543
Intragovernmental Charges	(4,087,981)	(4,087,981)	(4,087,981)	-
Total General Government Operating Expenditures	8,996,716	8,940,217	7,408,841	1,531,376
Capital Outlay	1,114,778	1,134,778	138,082	996,696
Total General Government Operating Expenditures	10,111,494	10,074,995	7,546,923	2,528,072
Public Safety:				
Police Administration - Field Operations	18,016,914	17,997,356	15,382,017	2,615,339
Police Support Services	2,503,013	2,498,013	2,343,952	154,061
Police Communication Center	2,122,135	2,122,135	1,862,839	259,296
Police 911 Administration	41,419	41,419	21,498	19,921
Fire Administration	494,126	494,486	495,029	(543)
Fire Training	459,740	459,740	423,495	36,245
Fire Suppression	9,068,256	9,068,256	9,051,833	16,423
Community Risk Reduction	827,445	827,085	755,861	71,224
Fire Special Operations	56,024	56,024	34,935	21,089
Fire Emergency Medical Services	151,540	151,540	101,620	49,920
Fire Emergency Management	(40,000)	(40,000)	14	(40,014)
Municipal Court	1,581,559	1,581,559	1,464,014	117,545
Total Public Safety Operating Expenditures	35,282,171	35,257,613	31,937,107	3,320,506
Capital Outlay	34,556	59,114	4,468	54,646
Total Public Safety Expenditures	35,316,727	35,316,727	31,941,575	3,375,152

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Parks, Recreation and Culture:				
Parks and Recreation Administration	627,528	627,528	595,858	31,670
Parks Maintenance	4,769,469	4,769,469	4,234,244	535,225
Parks Development	189,849	189,849	142,390	47,459
Recreation Administration	619,547	619,547	602,552	16,995
Senior Adult Activities	213,517	213,517	158,139	55,378
Adult Activities	265,230	265,230	210,969	54,261
Youth Activities	273,530	273,530	192,163	81,367
Aquatics	1,009,672	1,046,171	1,014,519	31,652
Yuma Readiness Center	180,348	180,348	120,822	59,526
Yuma Art Center	988,411	988,411	817,243	171,168
Intragovernmental Charges	<u>(190,813)</u>	<u>(190,813)</u>	<u>(190,813)</u>	<u>-</u>
Total Parks, Recreation and Culture				
Operating Expenditures	8,946,288	8,982,787	7,898,086	1,084,701
Capital Outlay	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total Parks, Recreation and Culture Expenditures	<u>8,950,288</u>	<u>8,986,787</u>	<u>7,898,086</u>	<u>1,088,701</u>
Environmental Health and Protection:				
Environmental Management	874,074	874,074	869,133	4,941
Intragovernmental Charges	<u>(838,823)</u>	<u>(838,823)</u>	<u>(838,823)</u>	<u>-</u>
Environmental Health and Protection				
Operating Expenditures	<u>35,251</u>	<u>35,251</u>	<u>30,310</u>	<u>4,941</u>
Community Design and Development:				
Community Development Administration	259,998	259,998	256,543	3,455
Development Engineering	424,652	424,652	404,167	20,485
Planning and Neighborhood Services	2,433,913	2,433,913	2,189,202	244,711
Heritage Area Development	<u>449,839</u>	<u>449,839</u>	<u>514,651</u>	<u>(64,812)</u>
Total Community Design and Development				
Operating Expenditures	3,568,402	3,568,402	3,364,563	203,839
Capital Outlay	<u>-</u>	<u>-</u>	<u>1,151</u>	<u>(1,151)</u>
Total Community Design and Development				
Expenditures	<u>3,568,402</u>	<u>3,568,402</u>	<u>3,365,714</u>	<u>202,688</u>
Total Operating Expenditures	57,982,162	57,982,162	50,638,907	7,343,255
Capital Outlay	<u>1,153,334</u>	<u>1,197,892</u>	<u>143,701</u>	<u>1,054,191</u>
Total Expenditures	<u>59,135,496</u>	<u>59,180,054</u>	<u>50,782,608</u>	<u>8,397,446</u>
Transfers Out	<u>4,334,257</u>	<u>4,334,257</u>	<u>3,876,960</u>	<u>457,297</u>
Total Charges to Appropriations	<u>63,469,753</u>	<u>63,514,311</u>	<u>54,659,568</u>	<u>8,854,743</u>
Budgetary Fund Balance, June 30	<u>\$ 12,322,135</u>	<u>\$ 12,277,577</u>	<u>\$ 18,952,071</u>	<u>\$ 6,674,494</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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ 926,471	\$ 926,471	\$ 1,228,873	\$ 302,402
Resources (inflows):				
Intergovernmental				
State Gasoline Tax	7,130,840	7,130,840	6,626,027	(504,813)
Use of Money and Property				
Interest	30,000	30,000	6,677	(23,323)
Miscellaneous				
Engineering Oversight Fees	30,000	30,000	554	(29,446)
Other	10,000	10,000	178,619	168,619
Total Revenues	7,200,840	7,200,840	6,811,877	(388,963)
Amounts Available for Appropriation	8,127,311	8,127,311	8,040,750	(86,561)
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Traffic Signals, Signs, and Striping	1,228,125	1,228,125	967,835	260,290
Streets				
Street Maintenance	3,105,412	3,105,412	2,515,212	590,200
Street Lighting	738,124	738,124	861,974	(123,850)
Street Sweeping	627,465	627,465	488,720	138,745
Storm Drain Maintenance	300,975	300,975	162,524	138,451
Curbs, Gutters, and Sidewalks	490,305	490,305	313,930	176,375
Retention Basin Maintenance	1,176,310	1,176,310	1,073,057	103,253
Environmental Health				
Lot Cleaning	131,805	131,805	120,396	11,409
Capital Outlay	100,000	100,000	15,599	84,401
Total Expenditures	7,898,521	7,898,521	6,519,247	1,379,274
Transfers Out	101,771	101,771	101,944	(173)
Total Charges to Appropriations	8,000,292	8,000,292	6,621,191	1,379,101
Budgetary Fund Balance, June 30	\$ 127,019	\$ 127,019	\$ 1,419,559	\$ 1,292,540

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 City Road Tax Fund
 For the Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ 438,176	\$ 438,176	\$ 2,270,064	\$ 1,831,888
Resources (inflows):				
Taxes				
Special Road Sales Tax	9,521,410	9,521,410	8,729,333	(792,077)
Use of Money and Property				
Rent	370,000	370,000	458,205	88,205
Interest	70,000	70,000	21,417	(48,583)
Miscellaneous				
Other	150,000	150,000	48,165	(101,835)
Total Revenues	10,111,410	10,111,410	9,257,120	(854,290)
Transfers In	-	-	3,211	3,211
Amounts Available for Appropriation	10,549,586	10,549,586	11,530,395	980,809
Charges to Appropriations (outflows):				
Current:				
Streets				
Engineering	1,443,680	1,443,680	1,120,834	322,846
Right-Of-Way Management	102,300	102,300	128,142	(25,842)
Street Maintenance	1,597,473	1,535,895	1,479,908	55,987
Pathways and Trails	82,195	82,195	50,697	31,498
Capital Outlay	5,000	5,000	-	5,000
Capital Projects				
Streets	2,098,250	2,096,328	1,539,892	556,436
Environmental, Health and Safety	100,000	162,500	138,949	23,551
Total Expenditures	5,428,898	5,427,898	4,458,422	969,476
Transfers Out	4,763,525	4,763,525	4,792,802	(29,277)
Total Charges to Appropriations	10,192,423	10,191,423	9,251,224	940,199
Budgetary Fund Balance, June 30	\$ 357,163	\$ 358,163	\$ 2,279,171	\$ 1,921,008

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Grants Fund
 For the Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	2,986,284	2,986,284	6,958,696	3,972,412
State Government	155,136	155,136	542,237	387,101
Budget Authority Reserve	14,360,801	14,139,801	-	(14,139,801)
Use of Money and Property				
Interest	-	-	6,487	6,487
Contributions/Donations	114,178	114,178	42,585	(71,593)
Total Revenues	17,616,399	17,395,399	7,550,005	(9,845,394)
Amounts Available for Appropriation	17,616,399	17,395,399	7,550,005	(9,845,394)
Charges to Appropriations (outflows):				
Current:				
General Government	750,000	550,000	172,249	377,751
Public Safety	4,798,936	4,289,985	2,263,437	2,026,548
Parks, Recreation and Culture	637,320	61,463	44,613	16,850
Environmental Health and Protection	788,326	1,550,175	1,446,751	103,424
Community Design & Development	1,965	1,965	-	1,965
Capital Outlay	392,852	694,811	2,367,631	(1,672,820)
Capital Projects				
General Government	3,300,000	3,281,160	-	3,281,160
Public Safety	5,482,000	5,539,000	456,016	5,082,984
Streets	675,000	676,840	49,308	627,532
Parks, Recreation and Culture	790,000	750,000	750,000	-
Total Expenditures	17,616,399	17,395,399	7,550,005	9,845,394
Total Charges to Appropriations	17,616,399	17,395,399	7,550,005	9,845,394
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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	1,663,730	1,884,730	1,199,234	(685,496)
Use of Money and Property				
Rental Receipts	-	-	17,798	17,798
Miscellaneous				
Loan Repayments	-	-	17,171	17,171
Other	33,858	33,858	409	(33,449)
Total Revenues	1,697,588	1,918,588	1,234,612	(683,976)
Amounts Available for Appropriation	1,697,588	1,918,588	1,234,612	(683,976)
Charges to Appropriations (outflows):				
Current:				
Community Design and Development	1,692,588	1,872,588	1,194,438	678,150
Capital Outlay	5,000	5,000	-	5,000
Capital Projects				
Streets	-	41,000	40,174	826
Total Expenditures	1,697,588	1,918,588	1,234,612	683,976
Total Charges to Appropriations	1,697,588	1,918,588	1,234,612	683,976
 Budgetary Fund Balance, June 30	 \$ -	 \$ -	 \$ -	 \$ -

See accompanying notes to this schedule

City of Yuma, Arizona
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2010

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. Outside counsel and a large settlement claim caused expenditures within the Insurance Reserve fund to exceed appropriations by \$267,953.

**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, 2010

<u>Assets</u>	Special Revenue			
	Local Transportation Assistance	Public Safety Tax	Solid Waste	Recreation Complex
Cash and Investments	\$ -	\$ 81,762	\$ -	\$ 1,686,962
Receivables (Net of Allowances for Uncollectibles):				
Accounts Receivable	-	-	292,207	4,371
Intergovernmental	-	247,623	17	-
Accrued Interest	388	1,688	-	2,715
Inventory, at cost	-	-	-	9,894
Prepaid Items	-	-	-	405
Total Assets	\$ 388	\$ 331,073	\$ 292,224	\$ 1,704,347
<u>Liabilities</u>				
Liabilities:				
Accounts Payable	\$ 107	\$ 608	\$ 90,174	\$ 44,932
Accrued Payroll and Related Taxes	-	5,277	55,248	63,821
Due to Other Funds	-	-	146,802	-
Unearned Revenue	-	-	-	13,625
Total Liabilities	107	5,885	292,224	122,378
<u>Fund Balances</u>				
Reserved for:				
Inventory	-	-	-	9,894
Prepaid Items	-	-	-	405
Unreserved:				
Designated For				
Future Community Improvements	-	-	-	-
Undesignated	281	325,188	-	1,571,670
Total Fund Balance	281	325,188	-	1,581,969
Total Liabilities and Fund Balance	\$ 388	\$ 331,073	\$ 292,224	\$ 1,704,347

<u>Special Revenue</u>		Total
<u>Two Percent Tax</u>	<u>Yuma Mall Maintenance</u>	<u>Nonmajor Governmental Funds</u>
\$ 2,254,840	\$ 7,174	\$ 4,030,738
10,841	296	307,715
-	1,873	249,513
3,099	-	7,890
-	-	9,894
-	-	405
<u>\$ 2,268,780</u>	<u>\$ 9,343</u>	<u>\$ 4,606,155</u>
\$ 13,452	\$ 1,774	\$ 151,047
-	7,569	131,915
-	-	146,802
-	-	13,625
<u>13,452</u>	<u>9,343</u>	<u>443,389</u>
-	-	9,894
-	-	405
50,000	-	50,000
<u>2,205,328</u>	<u>-</u>	<u>4,102,467</u>
<u>2,255,328</u>	<u>-</u>	<u>4,162,766</u>
<u>\$ 2,268,780</u>	<u>\$ 9,343</u>	<u>\$ 4,606,155</u>

City of Yuma, Arizona
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue			
	Local Transportation Assistance	Public Safety Tax	Solid Waste	Recreation Complex
Revenues:				
Taxes	\$ -	\$ 3,490,546	\$ -	\$ -
Intergovernmental	226,308	-	-	-
Charges for Services	-	-	1,873,283	-
Use of Money and Property	1,533	2,236	-	535,359
Contributions/Donations	42,566	-	-	-
Miscellaneous	-	-	5,458	9,353
Total Revenues	<u>270,407</u>	<u>3,492,782</u>	<u>1,878,741</u>	<u>544,712</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	64,308	-	-
Parks, Recreation and Culture	-	-	-	1,626,934
Environmental Health and Protection	-	-	2,882,977	-
Community Design and Development	94,429	-	-	-
Capital Projects				
Streets	293,157	-	-	-
Parks, Recreation and Culture	-	-	-	-
Total Expenditures	<u>387,586</u>	<u>64,308</u>	<u>2,882,977</u>	<u>1,626,934</u>
Revenues Over/(Under) Expenditures	(117,179)	3,428,474	(1,004,236)	(1,082,222)
Other Financing Sources/(Uses):				
Transfers In	-	-	1,030,125	1,500,000
Transfers Out	-	(3,146,301)	(25,889)	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(3,146,301)</u>	<u>1,004,236</u>	<u>1,500,000</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(117,179)	282,173	-	417,778
Fund Balances, July 1	<u>117,460</u>	<u>43,015</u>	<u>-</u>	<u>1,164,191</u>
Fund Balances, June 30	<u>\$ 281</u>	<u>\$ 325,188</u>	<u>\$ -</u>	<u>\$ 1,581,969</u>

<u>Special Revenue</u>		<u>Total</u>
<u>Two Percent Tax</u>	<u>Yuma Mall Maintenance</u>	<u>Nonmajor Governmental Funds</u>
\$ 4,253,079	\$ 117,798	\$ 7,861,423
-	-	226,308
-	-	1,873,283
13,835	-	552,963
-	-	42,566
8	8,358	23,177
<u>4,266,922</u>	<u>126,156</u>	<u>10,579,720</u>
159,360	-	159,360
-	-	64,308
1,049,454	-	2,676,388
-	-	2,882,977
-	216,960	311,389
-	-	293,157
544,853	-	544,853
<u>1,753,667</u>	<u>216,960</u>	<u>6,932,432</u>
2,513,255	(90,804)	3,647,288
-	90,804	2,620,929
<u>(2,319,297)</u>	<u>-</u>	<u>(5,491,487)</u>
<u>(2,319,297)</u>	<u>90,804</u>	<u>(2,870,558)</u>
193,958	-	776,730
<u>2,061,370</u>	<u>-</u>	<u>3,386,036</u>
<u>\$ 2,255,328</u>	<u>\$ -</u>	<u>\$ 4,162,766</u>

City of Yuma, Arizona
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2010

	<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	\$ 542,899	\$ 542,899	\$ 542,899	\$ -
Resources (inflows):				
Special Assessments:				
Principal Payments	1,025,000	1,025,000	817,600	(207,400)
Use of Money and Property:				
Issuance of Long-Term Debt	-	-	29,530,000	29,530,000
Premium on Issuance of Long-Term Debt	-	-	487,307	487,307
Interest	<u>330,038</u>	<u>330,038</u>	<u>302,420</u>	<u>(27,618)</u>
Total Revenues	<u>1,355,038</u>	<u>1,355,038</u>	<u>31,137,327</u>	<u>29,782,289</u>
Transfers In	<u>12,400,166</u>	<u>12,400,166</u>	<u>11,317,547</u>	<u>(1,082,619)</u>
Amounts Available for Appropriation	<u>14,298,103</u>	<u>14,298,103</u>	<u>42,997,773</u>	<u>28,699,670</u>
Charges to Appropriations (outflows):				
Debt Service:				
Bond Principal	7,395,000	7,395,000	6,315,000	1,080,000
Bond Interest	6,339,954	6,339,954	6,334,783	5,171
Fiscal Agent Fees	-	-	10,200	(10,200)
Issuance Costs	<u>-</u>	<u>-</u>	<u>419,563</u>	<u>(419,563)</u>
Total Expenditures	<u>13,734,954</u>	<u>13,734,954</u>	<u>13,079,546</u>	<u>655,408</u>
Payment to Refunded Bond Escrow	<u>-</u>	<u>-</u>	<u>29,378,025</u>	<u>29,378,025</u>
Total Charges to Appropriations	<u>13,734,954</u>	<u>13,734,954</u>	<u>42,457,571</u>	<u>655,408</u>
Budgetary Fund Balance, June 30	<u>\$ 563,149</u>	<u>\$ 563,149</u>	<u>\$ 540,202</u>	<u>\$ (22,947)</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Capital Projects Fund
 For the Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 48,958,408	\$ 48,958,408	\$ 47,349,127	\$ (1,609,281)
Resources (inflows):				
Charges for Services				
Developer Charges	5,788,638	5,788,638	2,673,873	(3,114,765)
Use of Money and Property				
Interest	495,000	495,000	55,171	(439,829)
Miscellaneous	<u>13,011,250</u>	<u>13,011,250</u>	<u>302,770</u>	<u>(12,708,480)</u>
Total Revenues	<u>19,294,888</u>	<u>19,294,888</u>	<u>3,031,814</u>	<u>(16,263,074)</u>
Amounts Available for Appropriation	<u>68,253,296</u>	<u>68,253,296</u>	<u>50,380,941</u>	<u>(17,872,355)</u>
Charges to Appropriations (outflows):				
Capital Outlay:				
General Government	10,517,145	9,928,584	218,886	9,709,698
Public Safety	12,618,500	11,903,440	2,930,886	8,972,554
Streets	24,807,743	26,589,364	14,043,534	12,545,830
Parks, Recreation and Culture	4,770,540	5,021,540	1,576,255	3,445,285
Environmental Health and Safety	<u>5,233,250</u>	<u>4,463,250</u>	<u>139,646</u>	<u>4,323,604</u>
Total Expenditures	<u>57,947,178</u>	<u>57,906,178</u>	<u>18,909,207</u>	<u>38,996,971</u>
Transfers Out	<u>-</u>	<u>-</u>	<u>205,108</u>	<u>(205,108)</u>
Total Charges to Appropriations	<u>57,947,178</u>	<u>57,906,178</u>	<u>19,114,315</u>	<u>38,791,863</u>
Budgetary Fund Balance, June 30	<u>\$ 10,306,118</u>	<u>\$ 10,347,118</u>	<u>\$ 31,266,626</u>	<u>\$ 20,919,508</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Local Transportation Assistance Special Revenue Fund
 For the Year Ended June 30, 2010

	<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	\$ 117,460	\$ 97,460
Resources (inflows):				
Intergovernmental				
State Lottery Distribution	426,236	426,236	226,308	(199,928)
Use of Money and Property				
Interest	2,500	2,500	1,533	(967)
Contributions/Donations	<u>42,623</u>	<u>42,623</u>	<u>42,566</u>	<u>(57)</u>
Total Revenues	<u>471,359</u>	<u>471,359</u>	<u>270,407</u>	<u>(200,952)</u>
Amounts Available for Appropriation	<u>491,359</u>	<u>491,359</u>	<u>387,867</u>	<u>(103,492)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development				
Outside Agencies - Cultural Activities	94,429	94,429	94,429	-
Capital Projects:				
Streets	<u>376,930</u>	<u>376,930</u>	<u>293,157</u>	<u>83,773</u>
Total Expenditures	<u>471,359</u>	<u>471,359</u>	<u>387,586</u>	<u>83,773</u>
Total Charges to Appropriations	<u>471,359</u>	<u>471,359</u>	<u>387,586</u>	<u>83,773</u>
Budgetary Fund Balance, June 30	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 281</u>	<u>\$ (19,719)</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Public Safety Tax Special Revenue Fund
 For the Year Ended June 30, 2010

	<u>Budget</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive <u>(Negative)</u>
Budgetary Fund Balance, July 1	\$ 301,374	\$ 301,374	\$ 43,015	\$ (258,359)
Resources (inflows):				
Taxes				
Public Safety Sales Tax	3,807,265	3,807,265	3,490,546	(316,719)
Use of Money and Property				
Interest	<u>18,000</u>	<u>18,000</u>	<u>2,236</u>	<u>(15,764)</u>
Total Revenues	<u>3,825,265</u>	<u>3,825,265</u>	<u>3,492,782</u>	<u>(332,483)</u>
Amounts Available for Appropriation	<u>4,126,639</u>	<u>4,126,639</u>	<u>3,535,797</u>	<u>(590,842)</u>
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Police Support Services	-	100,000	64,308	35,692
Capital Outlay	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>64,308</u>	<u>35,692</u>
Transfers Out	<u>4,307,730</u>	<u>4,307,730</u>	<u>3,146,301</u>	<u>1,161,429</u>
Total Charges to Appropriations	<u>4,407,730</u>	<u>4,407,730</u>	<u>3,210,609</u>	<u>1,197,121</u>
Budgetary Fund Balance, June 30	<u>\$ (281,091)</u>	<u>\$ (281,091)</u>	<u>\$ 325,188</u>	<u>\$ 606,279</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Solid Waste Special Revenue Fund
 For the Year Ended June 30, 2010

	<u>Budget</u>		<u>Actual</u> Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Charges for Service				
Collection Fees	1,807,600	1,807,600	1,873,283	65,683
Miscellaneous				
Other	<u>5,000</u>	<u>5,000</u>	<u>5,458</u>	<u>458</u>
Total Revenues	<u>1,812,600</u>	<u>1,812,600</u>	<u>1,878,741</u>	<u>66,141</u>
Transfers In	<u>1,312,172</u>	<u>1,312,172</u>	<u>1,030,125</u>	<u>(282,047)</u>
Amounts Available for Appropriation	<u>3,124,772</u>	<u>3,124,772</u>	<u>2,908,866</u>	<u>(215,906)</u>
Charges to Appropriations (outflows):				
Current:				
Environmental Health and Protection				
Residential Services	2,753,722	2,753,722	2,519,647	234,075
Uncontained Waste	270,163	270,163	302,462	(32,299)
Recycling	<u>74,434</u>	<u>74,434</u>	<u>60,868</u>	<u>13,566</u>
Total Expenditures	<u>3,098,319</u>	<u>3,098,319</u>	<u>2,882,977</u>	<u>215,342</u>
Transfers Out	<u>26,453</u>	<u>26,453</u>	<u>25,889</u>	<u>564</u>
Total Charges to Appropriations	<u>3,124,772</u>	<u>3,124,772</u>	<u>2,908,866</u>	<u>215,906</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Recreation Complex Special Revenue Fund
 For the Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,096,121	\$ 1,096,121	\$ 1,164,191	\$ 68,070
Resources (inflows):				
Use of Money and Property				
Rents and Concessions	544,100	544,100	524,198	(19,902)
Interest	45,000	45,000	11,161	(33,839)
Miscellaneous				
Other	4,100	4,100	9,353	5,253
Total Revenues	593,200	593,200	544,712	(48,488)
Transfers In	1,500,000	1,500,000	1,500,000	-
Amounts Available for Appropriation	3,189,321	3,189,321	3,208,903	19,582
Charges to Appropriations (outflows):				
Current:				
Parks, Recreation and Culture				
Civic and Convention Center	1,216,689	1,216,689	1,083,796	132,893
Baseball Complex	593,553	593,553	543,138	50,415
Capital Outlay	1,000	1,000	-	1,000
Total Expenditures	1,811,242	1,811,242	1,626,934	184,308
Total Charges to Appropriations	1,811,242	1,811,242	1,626,934	184,308
Budgetary Fund Balance, June 30	\$ 1,378,079	\$ 1,378,079	\$ 1,581,969	\$ 203,890

City of Yuma, Arizona
Budgetary Comparison Schedule
Two Percent Tax Special Revenue Fund
For the Year Ended June 30, 2010

	<u>Budget</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,746,262	\$ 1,746,262	\$ 2,061,370	\$ 315,108
Resources (inflows):				
Taxes				
Two Percent Tax	4,218,500	4,218,500	4,253,079	34,579
Use of Money and Property				
Interest	35,000	35,000	13,835	(21,165)
Miscellaneous				
Other	<u>500</u>	<u>500</u>	<u>8</u>	<u>(492)</u>
Total Revenues	<u>4,254,000</u>	<u>4,254,000</u>	<u>4,266,922</u>	<u>12,922</u>
Amounts Available for Appropriation	<u>6,000,262</u>	<u>6,000,262</u>	<u>6,328,292</u>	<u>328,030</u>
Charges to Appropriations (outflows):				
Current:				
Parks, Recreation and Culture				
Administration	54,290	54,290	54,290	-
Outside Agencies	924,000	924,000	915,000	9,000
Parks Maintenance	300,000	315,000	80,164	234,836
General Government	330,000	341,985	159,360	182,625
Capital Projects:				
General Government	330,000	341,985	-	341,985
Parks, Recreation and Culture	1,450,000	1,470,000	544,853	925,147
Streets	<u>131,000</u>	<u>91,015</u>	<u>-</u>	<u>91,015</u>
Total Expenditures	<u>3,519,290</u>	<u>3,538,275</u>	<u>1,753,667</u>	<u>1,784,608</u>
Transfers Out	<u>2,172,513</u>	<u>2,172,513</u>	<u>2,319,297</u>	<u>(146,784)</u>
Total Charges to Appropriations	<u>5,691,803</u>	<u>5,710,788</u>	<u>4,072,964</u>	<u>1,637,824</u>
Budgetary Fund Balance, June 30	<u>\$ 308,459</u>	<u>\$ 289,474</u>	<u>\$ 2,255,328</u>	<u>\$ 1,965,854</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Yuma Mall Maintenance Special Revenue Fund
 For the Year Ended June 30, 2010

	<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	117,798	7,798
Miscellaneous				
Other	<u>10,000</u>	<u>10,000</u>	<u>8,358</u>	<u>(1,642)</u>
Total Revenues	<u>120,000</u>	<u>120,000</u>	<u>126,156</u>	<u>6,156</u>
Transfers In	<u>135,036</u>	<u>135,036</u>	<u>90,804</u>	<u>(44,232)</u>
Amounts Available for Appropriation	<u>255,036</u>	<u>255,036</u>	<u>216,960</u>	<u>(38,076)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development				
Mall Maintenance	<u>255,036</u>	<u>255,036</u>	<u>216,960</u>	<u>38,076</u>
Total Expenditures	<u>255,036</u>	<u>255,036</u>	<u>216,960</u>	<u>38,076</u>
Total Charges to Appropriations	<u>255,036</u>	<u>255,036</u>	<u>216,960</u>	<u>38,076</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, 2010

	Enterprise Funds		Total Nonmajor Proprietary Funds
	Desert Hills Golf Course	Arroyo Dunes Golf Course	
Operating Revenues:			
Green Fees	\$ 974,505	\$ 239,821	\$ 1,214,326
Cart and Club Rental	338,811	10,248	349,059
Pro Shop Sales	228,108	1,271	229,379
Restaurant Sales	519,883	-	519,883
Total Operating Revenues	<u>2,061,307</u>	<u>251,340</u>	<u>2,312,647</u>
Operating Expenses:			
Operations and Maintenance	1,884,950	267,672	2,152,622
Depreciation and Amortization	202,716	28,469	231,185
Total Operating Expenses	<u>2,087,666</u>	<u>296,141</u>	<u>2,383,807</u>
Operating Income/(Loss)	<u>(26,359)</u>	<u>(44,801)</u>	<u>(71,160)</u>
Non-Operating Revenues/(Expenses):			
Interest	5	1,252	1,257
Miscellaneous Revenues	2,823	53	2,876
Net Non-Operating Revenues	<u>2,828</u>	<u>1,305</u>	<u>4,133</u>
Income/(Loss) before Contributions and Transfers	(23,531)	(43,496)	(67,027)
Transfers In	232,571	-	232,571
Transfers Out	<u>(232,571)</u>	<u>-</u>	<u>(232,571)</u>
Change in Net Assets	(23,531)	(43,496)	(67,027)
Net Assets-beginning	<u>2,375,873</u>	<u>332,255</u>	<u>2,708,128</u>
Net Assets-ending	<u>\$ 2,352,342</u>	<u>\$ 288,759</u>	<u>\$ 2,641,101</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2010

	Enterprise Funds		Total Nonmajor Proprietary Funds
	Desert Hills Golf Course	Arroyo Dunes Golf Course	
Cash Flow from Operating Activities:			
Cash Received from Customers	\$ 2,062,358	\$ 251,341	\$ 2,313,699
Cash Paid to Employees	(861,589)	(120,901)	(982,490)
Cash Paid to Suppliers	(1,054,873)	(147,960)	(1,202,833)
Other Operating Activity Revenue	2,828	53	2,881
Net Cash Provided by Operating Activities	148,724	(17,467)	131,257
Cash Flows from Noncapital Financing Activities:			
Cash Received from Other Funds	232,571	-	232,571
Cash Paid to Other Funds	(232,571)	-	(232,571)
Net Cash Provided (Used for) Noncapital Financing Activities	-	-	-
Cash Flows from Investing Activities:			
Receipt of Interest	17	1,580	1,597
Net Cash Provided by Investing Activities	17	1,580	1,597
Net Increase/(Decrease) in Cash and Cash Equivalents	148,741	(15,887)	132,854
Cash and Cash Equivalents, July 1	51,994	214,769	266,763
Cash and Cash Equivalents, June 30	\$ 200,735	\$ 198,882	\$ 399,617
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating (Loss)	\$ (26,359)	\$ (44,801)	\$ (71,160)
Adjustments to Reconcile Operating Income/(Loss)			
Depreciation and Amortization Expense	202,716	28,469	231,185
(Increase)Decrease in Accounts Receivables	2,775	-	2,775
(Increase)/Decrease in Inventories	10,804	405	11,209
(Increase)Decrease in Prepaid Items	5,549	-	5,549
Increase/(Decrease) in Accounts Payable	(15,415)	(1,568)	(16,983)
Increase(decrease) in Accrued Wages and Taxes Payable	(32,451)	(24)	(32,475)
Increase(decrease) in Unearned Revenue	(1,723)	-	(1,723)
Other Operating Activity Revenue	2,828	52	2,880
Total Adjustments	175,083	27,334	202,417
Net Cash Provided by Operating Activities	\$ 148,724	\$ (17,467)	\$ 131,257

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Water Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Resources (inflows):				
Inside City	\$ 20,774,750	\$ 20,774,750	\$ 19,239,865	\$ (1,534,885)
Outside City	2,908,000	2,908,000	2,411,526	(496,474)
Commercial Raw Water	250,000	250,000	215,958	(34,042)
Meters, Connections and Services	352,209	352,209	314,124	(38,085)
Capital Contributions:				
System Development	175,000	175,000	90,448	(84,552)
Capacity Rights	2,500,000	2,500,000	1,420,381	(1,079,619)
Interest	1,047,500	1,047,500	137,667	(909,833)
Miscellaneous	45,100	45,100	97,996	52,896
Total Revenues	28,052,559	28,052,559	23,927,965	(4,124,594)
Amounts Available for Appropriation	28,052,559	28,052,559	23,927,965	(4,124,594)
Charges to Appropriations (outflows):				
Current:				
Administration	2,062,629	2,062,629	2,163,537	(100,908)
Treatment	8,367,818	8,339,818	5,383,681	2,956,137
Water Transmission	1,483,746	1,478,346	1,427,868	50,478
Customer Services	1,336,594	1,324,494	1,271,095	53,399
Water Transfer	42,816	42,816	34,108	8,708
Laboratory	285,985	313,985	248,710	65,275
Capital Outlay:				
Capital Outlay	25,750	43,250	35,391	7,859
Capital Projects	15,237,500	15,237,500	5,753,105	9,484,395
Debt Service:				
Principal Retirement	5,697,859	5,697,859	5,697,870	(11)
Interest and Fiscal Agent Fees	6,038,478	6,038,478	6,069,290	(30,812)
Total Expenditures	40,579,175	40,579,175	28,084,655	12,494,520
Transfers Out	62,577	62,577	62,683	(106)
Total Charges to Appropriations	40,641,752	40,641,752	28,147,338	12,494,414
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	\$ (12,589,193)	\$ (12,589,193)	(4,219,373)	\$ 8,369,820
Reconciliation to Change in Net Assets:				
Capital Outlay			35,391	
Capital Projects			5,753,105	
Principal Retirement			5,697,870	
Capital Contributions for Developer Additions to System			310,475	
Amortization of Debt Issuance Costs			141,855	
Amortization of Bond Premium			(60,659)	
Depreciation and Amortization			(3,581,142)	
Change in Net Assets			\$ 4,077,522	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Inside City	\$ 10,871,390	\$ 10,871,390	\$ 11,326,640	\$ 455,250
Outside City	980,000	980,000	859,212	(120,788)
Contractual/Industrial Services	1,251,282	1,251,282	1,513,296	262,014
Meters, Connections and Services	23,000	23,000	28,628	5,628
Capital Contributions:				
Capacity Rights	3,000,000	3,000,000	1,692,972	(1,307,028)
Wastewater Interceptor	200,000	200,000	117,351	(82,649)
Wastewater Trunk Line Charges	-	-	15,500	15,500
Interest	291,000	291,000	78,900	(212,100)
Miscellaneous	39,378	39,378	32,246	(7,132)
Total Revenues	<u>16,656,050</u>	<u>16,656,050</u>	<u>15,664,745</u>	<u>(991,305)</u>
Amounts Available for Appropriation	<u>16,656,050</u>	<u>16,656,050</u>	<u>15,664,745</u>	<u>(991,305)</u>
Charges to Appropriations (outflows):				
Current:				
Administration	1,336,481	1,336,481	1,350,918	(14,437)
Treatment	6,310,131	6,280,131	5,668,898	611,233
Pretreatment	453,182	440,382	353,877	86,505
Collection	1,012,811	1,012,811	919,098	93,713
Laboratory	272,095	314,895	182,019	132,876
Capital Outlay:				
Capital Outlay	6,000	6,000	-	6,000
Capital Projects	4,966,600	4,966,600	1,505,210	3,461,390
Debt Service:				
Principal Retirement	2,864,372	2,864,372	2,864,372	-
Interest and Fiscal Agent Fees	2,469,218	2,469,218	2,469,564	(346)
Total Expenditures	<u>19,690,890</u>	<u>19,690,890</u>	<u>15,313,956</u>	<u>4,376,934</u>
Transfers Out	24,148	24,148	32,961	(8,813)
Total Charges to Appropriations	<u>19,715,038</u>	<u>19,715,038</u>	<u>15,346,917</u>	<u>4,368,121</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (3,058,988)</u>	<u>\$ (3,058,988)</u>	<u>317,828</u>	<u>\$ 3,376,816</u>
Reconciliation to Change in Net Assets:				
Capital Projects			1,505,210	
Principal Retirement			2,864,372	
Amortization of Debt Issuance Costs			36,259	
Capital Contributions for Subdivider Additions to System			321,588	
Depreciation and Amortization			<u>(2,642,007)</u>	
Change in Net Assets			<u>\$ 2,402,582</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, 2010

	<u>Budget</u>		<u>Actual</u> Amounts	Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Resources (inflows):				
Green Fees	\$ 1,034,943	\$ 1,034,943	\$ 974,505	\$ (60,438)
Cart and Club Rental	361,055	361,055	338,811	(22,244)
Pro Shop Sales	265,875	265,875	228,108	(37,767)
Restaurant Sales	648,720	648,720	519,883	(128,837)
Interest	-	-	5	5
Miscellaneous	-	-	2,823	2,823
Total Revenues	<u>2,310,593</u>	<u>2,310,593</u>	<u>2,064,135</u>	<u>(246,458)</u>
Transfers In	<u>232,313</u>	<u>232,313</u>	<u>232,571</u>	<u>258</u>
Amounts Available for Appropriation	<u>2,542,906</u>	<u>2,542,906</u>	<u>2,296,706</u>	<u>(246,200)</u>
Charges to Appropriations (outflows):				
Current:				
Maintenance	1,102,209	1,102,209	874,779	227,430
Concession	493,099	493,099	468,181	24,918
Restaurant	658,422	658,422	541,990	116,432
Total Expenditures	<u>2,253,730</u>	<u>2,253,730</u>	<u>1,884,950</u>	<u>368,780</u>
Transfers Out	<u>232,313</u>	<u>232,313</u>	<u>232,571</u>	<u>(258)</u>
Total Charges to Appropriations	<u>2,486,043</u>	<u>2,486,043</u>	<u>2,117,521</u>	<u>368,522</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ 56,863</u>	<u>\$ 56,863</u>	<u>179,185</u>	<u>\$ 122,322</u>
Reconciliation to Change in Net Assets:				
Depreciation and Amortization			<u>(202,716)</u>	
Change in Net Assets			<u>\$ (23,531)</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
 Arroyo Dunes Golf Course Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Resources (inflows):				
Green Fees	\$ 277,658	\$ 277,658	\$ 239,821	\$ (37,837)
Cart and Club Rental	15,083	15,083	10,248	(4,835)
Pro Shop Sales	1,612	1,612	1,271	(341)
Interest	3,000	3,000	1,252	(1,748)
Miscellaneous	-	-	53	53
Total Revenues	297,353	297,353	252,645	(44,708)
Amounts Available for Appropriation	297,353	297,353	252,645	(44,708)
Charges to Appropriations (outflows):				
Current:				
Maintenance	240,719	240,719	231,631	9,088
Concession	45,926	45,926	36,041	9,885
Total Expenditures	286,645	286,645	267,672	18,973
Total Charges to Appropriations	286,645	286,645	267,672	18,973
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	\$ 10,708	\$ 10,708	(15,027)	\$ (25,735)
Reconciliation to Change in Net Assets:				
Depreciation and Amortization			(28,469)	
Change in Net Assets			\$ (43,496)	

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, 2010

<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	\$ 16,328,243	\$ 527,644	\$ 1,396,305	\$ 420,360	\$ 1,104,908	\$ 19,777,460
Accounts Receivable	-	33,350	39,354	-	3,050	75,754
Intergovernmental Receivable	-	19	-	-	-	19
Accrued Interest	24,055	616	2,704	760	82	28,217
Inventory, at cost	-	499,085	-	-	-	499,085
Prepaid Items	-	225	2,739	-	-	2,964
Total Current Assets	<u>16,352,298</u>	<u>1,060,939</u>	<u>1,441,102</u>	<u>421,120</u>	<u>1,108,040</u>	<u>20,383,499</u>
Noncurrent Assets:						
Capital Assets:						
Land	-	219,610	-	-	-	219,610
Buildings	-	19,251	-	-	-	19,251
Improvements Other than Buildings	-	189,631	-	-	-	189,631
Equipment	27,825,024	205,484	-	-	-	28,030,508
Less Accumulated Depreciation	<u>(17,989,112)</u>	<u>(130,913)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,120,025)</u>
Total Noncurrent Assets	<u>9,835,912</u>	<u>503,063</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,338,975</u>
Total Assets	<u>26,188,210</u>	<u>1,564,002</u>	<u>1,441,102</u>	<u>421,120</u>	<u>1,108,040</u>	<u>30,722,474</u>
 Liabilities						
Liabilities:						
Accounts Payable	23,374	31,524	449,498	163	-	504,559
Accrued Payroll, Taxes and Benefits Payable	-	140,030	-	-	-	140,030
Estimated Claims and Judgements	-	-	48,058	-	1,017,121	1,065,179
Due to Other Funds	-	495,603	-	-	270,000	765,603
Total Liabilities	<u>23,374</u>	<u>667,157</u>	<u>497,556</u>	<u>163</u>	<u>1,287,121</u>	<u>2,475,371</u>
 Net Assets						
Invested in capital assets, net of related debt	9,835,912	503,063	-	-	-	10,338,975
Unrestricted	<u>16,328,924</u>	<u>393,782</u>	<u>943,546</u>	<u>420,957</u>	<u>(179,081)</u>	<u>17,908,128</u>
Total Net Assets	<u>\$ 26,164,836</u>	<u>\$ 896,845</u>	<u>\$ 943,546</u>	<u>\$ 420,957</u>	<u>\$ (179,081)</u>	<u>\$ 28,247,103</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, 2010

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Operating Revenues:						
Charges For Services	\$ -	\$ 3,577,101	\$ 630,521	\$ -	\$ -	\$ 4,207,622
Contributions						
City	-	-	-	-	788,419	788,419
Property Damage Restitution	-	-	4,029	-	-	4,029
Miscellaneous	10,187	7,270	30,844	1,175	20,398	69,874
Total Operating Revenues	<u>10,187</u>	<u>3,584,371</u>	<u>665,394</u>	<u>1,175</u>	<u>808,817</u>	<u>5,069,944</u>
Operating Expenses:						
Claims Incurred	-	-	432,388	-	840,870	1,273,258
Premiums to Insurance Carriers	-	-	498,203	57,920	153,348	709,471
Administration	18,594	3,264,980	1,034,478	9,433	32,791	4,360,276
Depreciation	2,577,400	23,798	-	-	-	2,601,198
Total Operating Expenses	<u>2,595,994</u>	<u>3,288,778</u>	<u>1,965,069</u>	<u>67,353</u>	<u>1,027,009</u>	<u>8,944,203</u>
Operating Income/(Loss)	<u>(2,585,807)</u>	<u>295,593</u>	<u>(1,299,675)</u>	<u>(66,178)</u>	<u>(218,192)</u>	<u>(3,874,259)</u>
Non-Operating Revenue/(Expenses):						
Interest	79,628	-	7,963	2,842	2,605	93,038
Gain on the Sale of Assets	43,321	-	-	-	-	43,321
Total Non-Operating Revenues	<u>122,949</u>	<u>-</u>	<u>7,963</u>	<u>2,842</u>	<u>2,605</u>	<u>136,359</u>
Change in Net Assets	(2,462,858)	295,593	(1,291,712)	(63,336)	(215,587)	(3,737,900)
Net Assets, Beginning	<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>
Net Assets, Ending	<u>\$ 26,164,836</u>	<u>\$ 896,845</u>	<u>\$ 943,546</u>	<u>\$ 420,957</u>	<u>\$ (179,081)</u>	<u>\$ 28,247,103</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2010

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Cash Flows from Operating Activities:						
Cash Received from Customers	\$ -	\$ 3,583,720	\$ 665,046	\$ 1,175	\$ 812,214	\$ 5,062,155
Cash Paid to Employees	-	(1,109,242)	-	-	-	(1,109,242)
Cash Paid to Suppliers	-	(800,595)	-	(67,369)	-	(867,964)
Cash Paid For Operating Expenses	(8,406)	(1,313,404)	(1,591,596)	-	(860,993)	(3,774,399)
Net Cash Flows Provided by/(Used for) Operating Activities	(8,406)	360,479	(926,550)	(66,194)	(48,779)	(689,450)
Cash Flows from Capital and Related Financing Activities:						
Proceeds from Sale of Capital Assets	207,205	-	-	-	-	207,205
Payments for Capital Acquisitions	(276,506)	-	-	-	-	(276,506)
Net Cash Flows Used for Capital and Related Financing Activities	(69,301)	-	-	-	-	(69,301)
Cash Flows from Investing Activities						
Receipt of Interest	112,452	-	12,598	3,718	5,572	134,340
Net Cash Flows Provided by Investing Activities	112,452	-	12,598	3,718	5,572	134,340
Net Increase/(Decrease) in Cash and Cash Equivalent:	34,745	360,479	(913,952)	(62,476)	(43,207)	(624,411)
Cash and Cash Equivalents, July 1, 2009	16,293,498	167,165	2,310,257	482,836	1,148,115	20,401,871
Cash and Cash Equivalents, June 30, 2010	<u>\$ 16,328,243</u>	<u>\$ 527,644</u>	<u>\$ 1,396,305</u>	<u>\$ 420,360</u>	<u>\$ 1,104,908</u>	<u>\$ 19,777,460</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Operating Income/(Loss)	\$ (2,585,806)	\$ 295,593	\$ (1,299,675)	\$ (66,178)	\$ (218,192)	\$ (3,874,258)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation Expense	2,577,400	23,798	-	-	-	2,601,198
(Increase)/Decrease in Accounts Receivable	-	(651)	(347)	-	3,397	2,399
(Increase)/Decrease in Inventory	-	45,792	-	-	-	45,792
(Increase)/Decrease in Prepaid Items	-	(5)	(632)	-	-	(637)
Increase/(Decrease) in Accounts Payable	-	16,509	350,186	(16)	(22)	366,657
Increase/(Decrease) in Payroll Liabilities	-	(20,557)	-	-	-	(20,557)
Increase/(Decrease) in Claims Incurred but Not Reported	-	-	23,918	-	166,038	189,956
Total Adjustments	2,577,400	64,886	373,125	(16)	169,413	3,184,808
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (8,406)</u>	<u>\$ 360,479</u>	<u>\$ (926,550)</u>	<u>\$ (66,194)</u>	<u>\$ (48,779)</u>	<u>\$ (689,450)</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Equipment Replacement Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	(Negative)
Resources (inflows):				
Interest	\$ 350,000	\$ 350,000	\$ 79,628	\$ (270,372)
Miscellaneous	-	-	10,187	10,187
Total Revenues	350,000	350,000	89,815	(260,185)
Amounts Available for Appropriation	350,000	350,000	89,815	(260,185)
Charges to Appropriations (outflows):				
Current				
Administration	18,594	18,594	18,594	-
Capital Outlay	1,570,000	1,570,000	289,066	1,280,934
Total Expenditures	1,588,594	1,588,594	307,660	1,280,934
Total Charges to Appropriations	1,588,594	1,588,594	307,660	1,280,934
Excess of Resources Over				
Charges to Appropriations	\$ (1,238,594)	\$ (1,238,594)	(217,845)	\$ 1,020,749
Reconciliation to Change in Net Assets:				
Capital Outlay			289,066	
Gain on Sale of Assets			43,321	
Depreciation and Amortization			(2,577,400)	
Change in Net Assets			\$ (2,462,858)	

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, 2010

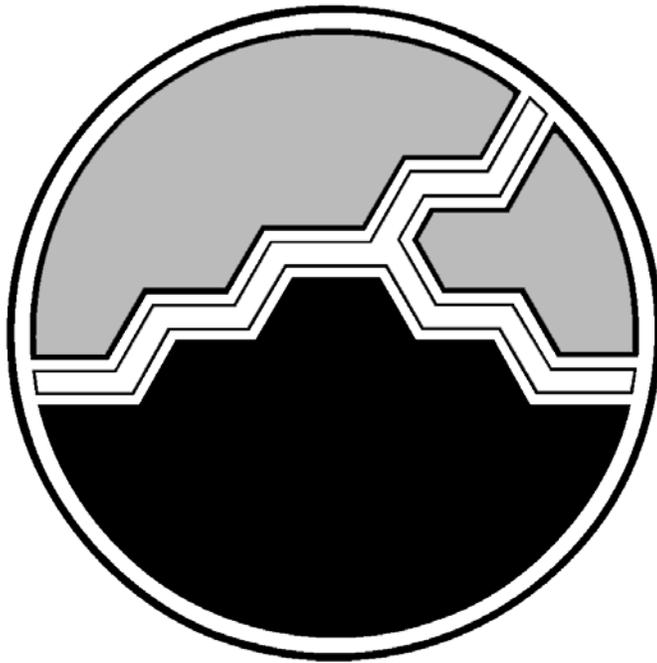
	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Resources (inflows):				
Charges for Services	\$ 3,785,880	\$ 3,785,880	\$ 3,577,101	\$ (208,779)
Miscellaneous	-	-	7,270	7,270
Total Revenues	3,785,880	3,785,880	3,584,371	(201,509)
Amounts Available for Appropriation	3,785,880	3,785,880	3,584,371	(201,509)
Charges to Appropriations (outflows):				
Current				
Administration	3,741,181	3,741,181	3,264,980	476,201
Total Expenditures	3,741,181	3,741,181	3,264,980	476,201
Transfers Out	900	900	-	900
Total Charges to Appropriations	3,742,081	3,742,081	3,264,980	477,101
Excess of Resources Over				
Charges to Appropriations	\$ 43,799	\$ 43,799	319,391	\$ 275,592
Reconciliation to Change in Net Assets:				
Depreciation and Amortization			(23,798)	
Change in Net Assets			\$ 295,593	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Charges for Services	\$ 630,519	\$ 630,519	\$ 630,521	\$ 2
Property Damage Restitution	-	-	4,029	4,029
Miscellaneous	-	-	30,844	30,844
Interest	-	-	7,963	7,963
Total Revenues	<u>630,519</u>	<u>630,519</u>	<u>673,357</u>	<u>42,838</u>
Amounts Available for Appropriation	<u>630,519</u>	<u>630,519</u>	<u>673,357</u>	<u>42,838</u>
Charges to Appropriations (outflows):				
Current				
Premiums to Insurance Carriers	585,116	585,116	498,203	86,913
Claims Incurred	178,000	178,000	432,388	(254,388)
Administration	934,000	934,000	1,034,478	(100,478)
Total Expenditures	<u>1,697,116</u>	<u>1,697,116</u>	<u>1,965,069</u>	<u>(267,953)</u>
Transfers Out	-	-	-	-
Total Charges to Appropriations	<u>1,697,116</u>	<u>1,697,116</u>	<u>1,965,069</u>	<u>(267,953)</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ (1,066,597)</u>	<u>\$ (1,066,597)</u>	<u>\$ (1,291,712)</u>	<u>\$ (225,115)</u>
Reconciliation to Change in Net Assets:				
Change in Net Assets			<u>\$ (1,291,712)</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 Nine Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 192,145
Restricted	1,484	-	-	330	24,820	12,991	17,952	70,389	14,762
Unrestricted	44,208	50,234	55,748	57,707	42,605	43,638	45,354	38,439	40,261
Total governmental activities net assets	\$ 114,993	\$ 131,922	\$ 150,752	\$ 169,305	\$ 197,601	\$ 216,844	\$ 232,709	\$ 238,056	\$ 247,168
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	\$ 160,883
Restricted	-	-	-	-	-	-	151	1,952	3,754
Unrestricted	23,251	22,511	31,537	27,122	26,569	7,587	24,079	27,344	29,027
Total business-type activities net assets	\$ 103,475	\$ 107,891	\$ 117,803	\$ 133,067	\$ 146,303	\$ 161,641	\$ 175,262	\$ 187,663	\$ 193,664
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	\$ 353,028
Restricted	1,484	-	-	330	24,820	12,991	18,103	72,341	18,516
Unrestricted	67,460	72,744	87,284	84,829	69,174	51,225	69,433	65,783	69,288
Total primary government net assets	\$ 218,468	\$ 239,813	\$ 268,555	\$ 302,372	\$ 343,904	\$ 378,485	\$ 407,971	\$ 425,719	\$ 440,832

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 Nine Fiscal Years
(amounts expressed in thousands)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Governmental activities:									
General government	\$ 3,478	\$ 6,950	\$ 7,059	\$ 7,117	\$ 9,124	\$ 10,919	\$ 11,875	\$ 11,559	\$ 10,563
Public Safety	23,567	25,455	26,988	30,707	33,057	36,067	38,511	41,080	39,224
Streets	9,098	7,944	8,654	9,061	12,326	13,384	18,943	15,966	13,969
Parks, Recreation and Culture	8,526	8,862	9,475	9,841	12,173	15,400	14,353	16,282	13,863
Environmental Health and Protection	3,251	2,936	2,994	3,608	3,410	2,098	4,604	4,969	4,905
Community Design and Development	5,246	6,369	5,551	5,438	6,529	6,791	5,807	5,486	4,981
Interest on Long-Term Debt	3,227	2,878	2,972	3,042	2,899	2,948	5,331	6,592	6,291
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>	<u>93,796</u>
Business-type activities:									
Water	9,836	10,326	10,884	11,456	13,010	14,562	18,389	20,754	20,277
Wastewater	6,484	7,024	7,341	8,750	10,403	11,538	13,270	13,859	13,673
Golf Courses	2,490	2,524	2,493	2,514	2,641	2,676	2,889	2,819	2,496
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>	<u>36,446</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>	<u>\$ 130,242</u>
Program Revenues									
Governmental activities:									
Charges for Services									
Building Inspection Fees	\$ 356	\$ 612	\$ 926	\$ 1,023	\$ 1,019	\$ 985	\$ 710	\$ 390	\$ 384
Police Services	460	644	488	605	698	805	764	865	821
Other Charges	4,735	5,709	7,374	8,768	8,968	8,407	8,916	7,607	7,491
Developer Charges	545	129	365	3,995	3,520	4,517	6,657	4,911	2,674
Operating Grants and Contributions	2,795	3,684	3,290	3,568	2,840	2,661	2,294	1,807	3,659
Capital Grants and Contributions	1,650	1,398	3,703	1,747	5,679	5,341	5,000	4,783	5,944
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>	<u>20,973</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	21,651
Wastewater Charges	5,583	6,578	7,613	8,000	9,081	10,387	13,126	13,372	13,699
Green Fees and Concessions	2,123	1,937	1,992	1,994	2,191	2,189	2,140	2,027	1,964
Other Charges	681	890	1,023	1,221	1,393	1,390	1,181	1,098	1,041
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	6,260	5,439	8,923	11,657	11,025	11,249	8,874	9,924	3,969
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>	<u>42,324</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>	<u>\$ 63,297</u>

Continued on next page

City of Yuma, Arizona

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Net (expense)/revenue									
Governmental activities	\$ (45,854)	\$ (49,218)	\$ (47,547)	\$ (49,110)	\$ (56,795)	\$ (64,889)	\$ (75,082)	\$ (81,571)	\$ (72,823)
Business-type activities	4,658	4,428	9,313	12,449	12,434	13,959	11,800	11,452	5,878
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>	<u>\$ (66,945)</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	\$ 9,498
Sales taxes	25,039	25,484	28,529	32,795	36,557	39,616	39,478	36,857	34,177
Franchise taxes	1,836	1,719	1,936	2,105	3,116	2,678	2,893	3,013	3,010
Shared revenues	23,258	24,225	24,021	25,462	28,226	30,558	32,788	31,330	28,239
Grants and contributions not restricted to specific programs	-	7,577	5,198	1,673	7,826	115	2,600	3,895	5,776
Unrestricted investment earnings	2,227	877	292	1,370	2,190	4,097	4,842	2,872	1,139
Gain from sale of fixed assets	-	-	920	307	348	-	-	-	-
Transfers	382	587	(473)	(2,124)	(4)	(363)	(96)	95	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>	<u>81,934</u>
Business-type activities:									
Investment earnings	999	575	125	691	798	1,016	1,916	1,045	217
Special Item - Litigation	(1,220)	-	-	-	-	-	-	-	-
Transfers	(382)	(587)	473	2,124	4	363	96	(95)	(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>	<u>122</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>	<u>\$ 82,056</u>
Change in Net Assets									
Governmental activities	\$ 12,225	\$ 16,930	\$ 18,830	\$ 18,553	\$ 28,296	\$ 19,243	\$ 15,865	\$ 5,347	\$ 9,112
Business-type activities	4,055	4,416	9,912	15,264	13,236	15,338	13,620	12,402	6,000
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>	<u>\$ 15,112</u>

Concluded

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

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 490	\$ 539	\$ 489	\$ 101	\$ 296	\$ 614	\$ 309	\$ 277	\$ 262	\$ 156
Unreserved	11,073	13,012	15,087	17,436	19,704	21,125	19,893	18,608	15,493	18,796
Total General Fund	<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>	<u>\$ 18,952</u>
All other										
governmental funds										
Reserved	\$ 3,173	\$ 1,567	\$ 85	\$ 63	\$ 339	\$ 535	\$ 513	\$ 543	\$ 552	\$ 553
Unreserved, reported in:										
Special revenue funds	10,704	9,424	10,495	13,407	17,036	19,908	12,892	8,791	6,876	7,848
Capital projects funds	25,450	3,355	5,967	6,920	1,104	5,976	926	67,732	47,349	31,267
Total all other										
governmental funds	<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>	<u>\$ 39,668</u>

City of Yuma, Arizona

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 31,995	\$ 32,132	\$ 32,812	\$ 36,411	\$ 41,078	\$ 46,474	\$ 49,686	\$ 50,503	\$ 48,570	\$ 46,561
Licenses and permits	1,464	1,439	2,063	3,016	3,416	3,836	2,845	2,068	1,363	1,413
Intergovernmental	24,587	27,699	29,298	31,041	30,729	36,044	37,915	39,237	37,065	36,984
Charges for services	2,411	2,876	2,983	3,905	7,937	7,737	8,804	11,599	8,913	7,007
Fines and forfeitures	588	671	801	726	806	863	1,039	1,143	1,238	1,437
Special Assessments	6	-	-	-	-	649	679	914	949	817
Use of money and property	2,630	2,494	1,429	1,154	1,971	2,809	4,374	5,358	3,309	1,752
Contributions and donations	50	26	28	33	84	80	78	65	97	85
Miscellaneous	298	259	336	480	1,152	548	624	633	1,646	763
Total revenues	<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>	<u>96,819</u>
Expenditures										
General government	\$ 3,498	\$ 4,001	\$ 4,732	\$ 5,409	\$ 5,033	\$ 7,185	\$ 7,641	\$ 9,723	\$ 9,575	\$ 7,740
Public Safety	20,733	22,660	24,364	25,752	29,296	31,863	35,014	37,874	37,908	35,233
Streets	4,163	4,393	4,884	4,767	4,899	5,626	7,155	8,913	9,716	8,195
Parks, Recreation and Culture	6,704	7,428	7,765	7,828	8,534	9,727	11,022	11,547	11,857	10,619
Environmental Health and Protection	2,823	3,175	3,000	3,062	3,014	3,365	3,551	4,757	4,781	4,480
Community Design and Development	4,811	5,331	6,338	5,429	5,344	6,422	6,698	5,726	5,370	4,870
Capital Outlay	23,092	37,311	19,198	19,656	21,151	22,688	41,450	51,149	35,734	25,249
Debt Service										
Principal	3,897	4,346	5,248	3,825	3,447	4,209	3,837	8,312	7,075	6,315
Interest and fiscal agent fees	2,151	3,227	2,872	2,962	3,032	2,890	2,939	5,885	6,646	6,764
Total expenditures	<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>	<u>109,465</u>
Excess of revenues over (under) expenditures	\$ (7,841)	\$ (24,277)	\$ (8,651)	\$ (1,922)	\$ 3,423	\$ 5,066	\$ (13,261)	\$ (32,364)	\$ (25,514)	\$ (12,646)
Other financing sources (uses)										
Proceeds from long-term debt	\$ 34,209	\$ 909	\$ 31,490	\$ 7,280	\$ -	\$ 3,875	\$ -	\$ 93,686	\$ -	\$ 30,017
Sale of real property	281	455	(19,199)	920	307	742	-	-	-	-
Payment to Refunded Bond Escrow	-	-	-	-	-	-	-	-	-	(29,378)
Transfers in	23,490	21,423	21,117	21,609	20,219	25,016	38,410	29,685	16,213	14,564
Transfers out	(23,198)	(21,501)	(20,530)	(22,082)	(23,398)	(25,021)	(38,773)	(29,589)	(16,118)	(14,468)
Total other financing sources (uses)	<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>	<u>735</u>
Net change in fund balances	<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>	<u>\$ (11,912)</u>
Debt service as a percentage of noncapital expenditures	12.4%	13.9%	13.7%	11.5%	10.4%	10.0%	8.7%	15.3%	14.8%	15.7%

City of Yuma, Arizona

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

Fiscal Year	Property Tax	General Sales Tax	City Road Sales Tax	Public Safety Sales Tax	Two Percent Tax	Utility Franchise	Public Enterprise In-Lieu	Mall District Levy	Total
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
2010	9,256,633	17,461,635	8,729,333	3,490,546	4,253,079	3,009,794	242,000	117,798	46,560,818

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>
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
2010	6,553,759	11,530,342	3,302,490	6,626,027	226,308	8,744,867	36,983,793

*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					
	Justice	Interior	Housing/Urban Development (CDBG)	Other HUD	Other	Parks	Commerce	Transportation	Other	Local Government	Total
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
2010	252,169	1,446,751	1,167,310	-	5,336,400	5,607	1,840	-	533,859	931	8,744,867

City of Yuma, Arizona

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

	Fiscal Years									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Mining	\$ 25	\$ -	\$ 3	\$ -	\$ 1	\$ 3	\$ 25	\$ 155	\$ 6	\$ 82
Construction	107,204	123,550	132,387	166,117	228,801	235,643	254,740	249,315	207,592	118,996
Manufacturing	40,897	26,315	23,128	28,969	53,176	60,054	57,632	59,931	48,964	44,764
Transportation, Communications, and Utilities	158,945	142,496	126,623	121,936	145,454	173,224	186,420	207,693	206,089	207,112
Wholesale Trade	25,543	26,615	27,587	23,625	29,635	35,498	34,732	22,480	33,785	35,334
Retail Trade	701,473	730,255	760,867	823,785	925,936	1,024,886	1,088,053	1,089,001	1,001,579	962,699
Restaurants and Bars	93,828	99,965	103,690	110,633	123,683	143,594	157,866	162,560	162,404	157,024
Finance, Insurance and Real Estate	88,464	42,494	42,376	69,235	97,875	117,161	143,725	132,593	115,857	116,046
Hotels and Other Lodging	26,911	25,328	26,789	30,785	34,930	37,333	39,360	33,642	36,093	29,502
Services	33,342	78,342	79,392	66,721	44,921	48,639	58,050	52,012	50,858	43,356
Arts, Entertainment, Government and All Others Not Specified	<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>31,055</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>	<u>\$ 1,745,971</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>
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%
2010	1.70%	2.00%	1.10%	6.60%

Source: Arizona Department of Revenue

City of Yuma, Arizona

**Ratio of Outstanding Debt by Type
Last Nine 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	7.22%	1,808
2010	-	130,955,000	6,815,000	-	120,130,000	4,040,000	72,431,684	334,371,684	NA	NA

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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**

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<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>
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	-	-	-
2010	94,361	747,149,498	-	-	-

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, 2010**

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>

Source: Yuma County Finance Department
Arizona Western College

(Computation reflects 2009 outstanding debt as 2010 debt amounts were not available)

Note: School district valuation applicable percentage estimated

City of Yuma, Arizona

**Legal Debt Margin Information
June 30, 2010
(amounts expressed in thousands)**

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit										
Water, Sewer, Lights, Parks (20%)	\$ 51,322	\$ 56,049	\$ 61,142	\$ 64,525	\$ 65,905	\$ 73,475	\$ 572,281	\$ 114,456	\$ 139,951	\$ 149,430
All Others (6%)	15,397	16,815	18,343	19,357	19,772	22,043	114,456	34,337	41,985	44,829
Total net debt applicable to limit										
Water, Sewer, Lights, Parks (20%)	12,995	12,210	11,385	10,505	9,575	8,585	7,535	6,420	5,250	4,040
All Others (6%)	-	-	-	-	-	-	-	-	-	-
Legal debt margin										
Water, Sewer, Lights, Parks (20%)	\$ 39,112	\$ 44,664	\$ 50,637	\$ 54,950	\$ 57,320	\$ 67,890	\$ 86,171	\$ 108,036	\$ 134,701	\$ 145,390
All Others (6%)	15,397	16,815	18,343	19,357	19,772	22,043	28,112	34,337	41,985	44,829
Total net debt applicable to the limit as a percentage of debt limit										
Water, Sewer, Lights, Parks (20%)	25.32%	21.78%	18.62%	16.28%	14.53%	11.68%	1.32%	5.61%	3.75%	2.70%
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 2010

		<u>General Obligation Bonds</u>	
		<u>Water, Sewer, Lights, Parks (20%)</u>	<u>All Others (6%)</u>
2009 Tax Year Secondary Assessed Valuation	\$ 747,149	\$ 149,430	\$ 44,829
Outstanding General Obligation Debt:			
Project 1997		4,040	-
Total General Obligation Debt		4,040	-
		<u>\$ 145,390</u>	<u>\$ 44,829</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

	<u>Series 2007, 2003 Refunding 1995, and 2010 Refunding 2001 Covenants</u>						<u>2007</u>
	<u>2003 Ref</u>	<u>2003 Ref</u>	<u>2010 Ref</u>	<u>2007</u>	<u>2007</u>		<u>Series Utilities</u>
	<u>1995A</u>	<u>1995B</u>	<u>2001</u>	<u>Series B</u>	<u>Series D</u>		
2009-10 Pledged Taxes	\$ 51,099,008	\$ 47,608,462	\$ 47,608,462	\$ 47,608,462	\$ 56,337,795		\$ -
2009-10 Net Revenue	-	-	-	-	-		20,588,901
Total Taxes/Net Revenue	<u>51,099,008</u>	<u>47,608,462</u>	<u>47,608,462</u>	<u>47,608,462</u>	<u>56,337,795</u>		<u>20,588,901</u>
2010-11 Debt related to pledge:						Total	
2003 Ref 1995 Series A	\$ 1,589,953	\$ -	\$ -	\$ -	\$ -	\$ 1,589,953	\$ -
2003 Ref 1995 Series B	-	303,485	-	-	-	303,485	-
2003 Series	-	692,207	-	-	-	692,207	-
2007 Series B	-	-	-	2,293,220	-	2,293,220	-
2007 Series D	-	-	-	-	4,783,525	4,783,525	-
2010 Series	-	-	2,527,865	-	-	2,527,865	-
WIFA Loans (Parity Obligations)	-	-	-	-	-	-	6,685,474
2007 Series Utilities	-	-	-	-	-	-	8,942,538
Total Debt	<u>\$ 1,589,953</u>	<u>\$ 995,692</u>	<u>\$ 2,527,865</u>	<u>\$ 2,293,220</u>	<u>\$ 4,783,525</u>	<u>\$ 12,190,255</u>	<u>\$ 15,628,012</u>
Coverage	32.1	47.8	18.8	20.8	11.8		1.3
Required Coverage	4.0	3.0	3.0	3.0	1.5		1.2
<i>Collective Coverage</i>							
Total 2009-10 Taxes/Net Revenue	<u>\$ 51,099,008</u>	<u>\$ 47,608,462</u>	<u>\$ 47,608,462</u>	<u>\$ 47,608,462</u>	<u>\$ 56,337,795</u>		<u>\$ 20,588,901</u>
Total 2010-11 Debt	<u>\$ 12,190,255</u>	<u>\$ 12,190,255</u>	<u>\$ 12,190,255</u>	<u>\$ 12,190,255</u>	<u>\$ 12,190,255</u>		<u>\$ 15,628,012</u>
Coverage	4.2	3.9	3.9	3.9	4.6		1.3
Required Coverage	4.0	3.0	3.5	3.0	1.5		1.2

2003, 2007B, 2007D and 2003 Refunding 1995 Series, 2010 Refunding 2001 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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Local Taxes										
Sales Tax (1%)	\$ 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	\$ 17,461,635
Franchise Fee	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	3,251,794
Intergovernmental Revenues:										
State Revenue Sharing	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	11,530,342
State Sales Tax	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	6,553,759
Auto In-Lieu Tax	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	3,302,490
Emergency Services and Other	19,675	22,264	19,432	36,132	36,573	28,288	112,747	133,560	189,929	44,700
Licenses:										
Business Licenses	262,991	210,565	297,643	291,080	300,290	300,596	315,968	332,122	319,631	315,580
Liquor Licenses	27,990	27,185	27,765	32,115	32,965	36,600	38,880	34,700	35,715	34,130
Fees for Services:										
Building Permits and Inspection Fees	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	1,435,276
Recreation Fees	332,466	341,523	355,658	381,442	431,931	453,273	485,647	546,680	563,437	628,264
Police Services and Other Public Safety Fees	495,782	482,394	705,976	544,869	647,381	774,246	1,335,542	1,852,400	1,226,013	1,447,064
Use of Money and Property:										
Investment Income	457,415	461,606	243,955	70,322	318,886	556,095	1,038,848	1,021,862	504,146	166,500
Fines, Forfeitures and Penalties:										
City Court Fines	587,620	670,837	801,121	725,948	805,772	863,316	1,038,871	1,143,006	1,237,672	1,436,928
<i>Total Series B Pledged Taxes</i>	<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>	<u>47,608,462</u>
Additional Series A Pledged Taxes										
City Public Safety Taxes (.2%)	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	3,490,546
<i>Total Series A Pledged Taxes</i>	<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>	<u>51,099,008</u>
Additional Series C Pledged Taxes										
City Special Taxes (2%)	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	4,253,079
<i>Total Series C Pledged Taxes</i>	<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>	<u>51,861,541</u>
Additional Series D Pledged Taxes										
City Road Tax (.5%)	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	8,729,333
<i>Total Series D Pledged Taxes</i>	<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>	<u>\$ 56,337,795</u>
<i>Gross Excise Tax Pledged Revenues</i>	<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>	<u>\$ 64,081,420</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
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
2009	193,299	4,840,484	25	21.30%	510	17,348,000	748	48,260,000

Note: Unemployment rate and population presented represents the Yuma Metropolitan Statistical Area and it reflects revised inputs, reestimation, and new statewide controls through 2009. Data for 2010 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 Six Years Ago**

Employer	2004			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Marine Corps Air Station	6,043	1	9.67%	5,586	1	9.51%
U. S. Army Yuma Proving Ground	1,176	5	1.88%	3,000	2	5.11%
Yuma Regional Medical Center	1,500	2	2.40%	2,037	3	3.47%
Yuma School District #1	1,200	4	1.92%	1,700	4	2.89%
Yuma County	1,100	6	1.76%	1,400	5	2.38%
Growers Company	1,500	2	2.40%	1,200	6	2.04%
United States Border Patrol	-	-	-	1,064	7	1.81%
City of Yuma	864	9	1.38%	1,013	8	1.72%
Salyer American Fresh	1,000	7	1.60%	1,000	9	1.70%
Yuma Union High School District	690	10	1.10%	950	10	1.62%
Total			24.11%			32.27%

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 2009 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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	179	182	188	195	195	208	226	228	241	235
Public Safety										
Police	206	212	228	229	237	252	267	269	266	267
Fire	113	113	103	105	105	110	122	122	122	133
Streets										
Engineering	21	22	22	25	30	32	37	44	44	41
Maintenance	47	48	48	48	50	52	51	47	56	56
Solid Waste	13	13	13	13	15	15	16	16	17	17
Parks and recreation	121	124	125	129	128	136	141	145	133	133
Water	49	48	54	55	59	64	73	75	76	80
Wastewater	35	36	37	41	45	48	52	52	47	51
Total	785	798	818	840	864	917	985	998	1,002	1,013

City of Yuma, Arizona

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Calls for service*	77,667	81,691	84,738	87,770	86,802	88,013	87,797	81,347	84,332	NA
Case reports*	13,041	14,057	15,075	15,804	16,644	17,019	15,281	13,746	13,740	NA
Fire										
Number of calls answered*	7,581	8,443	8,774	9,205	10,032	10,094	10,862	11,455	11,045	NA
Inspections*	1,659	1,747	1,121	1,182	1,774	1,850	2,030	2,059	2,322	NA
Streets										
Streets slurry sealed (miles)	22	22	23	19	24	19	9	22	11	2
Solid Waste										
Refuse collected (tons)**	26,000	29,358	33,993	27,781	33,003	33,965	34,938	34,919	33,996	33,288
Parks and recreation										
Ramada rentals	4,586	4,482	5,308	5,519	3,285	3,122	3,247	3,160	2,673	2,519
Water										
Connections	22,727	22,129	22,723	23,622	24,831	25,971	26,686	27,174	27,622	28,058
Daily treatment capacity (million gallons)	41.0	41.0	41.0	45.0	45.0	48.0	48.0	48.0	60.0	64.0
Annual quantity processed (billion gallons)	7.9	8.0	9.3	9.3	9.1	9.3	9.5	9.5	8.2	7.5
Wastewater										
Daily processing capacity (million gallons)	12.0	12.2	12.2	12.3	15.6	15.6	15.6	15.6	15.6	15.6

Source: Various city departments.

Note: Indicators are not available for the general government function.

*Numbers presented are for calendar year.

**Commercial collections ended in 1999

City of Yuma, Arizona

Capital Asset Statistics by Function
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function										
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	118	127	123	123	127	134	143	150	163	164
Fire stations	5	5	5	5	6	6	6	6	6	6
Streets										
Streets (miles)	300	300	300	300	361	361	361	361	384	389
Streetlights	4,200	4,250	4,250	4,500	5,042	5,298	5,303	5,375	5,463	5,606
Traffic Signals	26	29	32	32	36	38	40	42	42	49
Solid Waste										
Collection trucks	10	10	10	10	10	12	13	13	13	13
Parks and Recreation										
Parks acreage	553	553	553	553	553	578	592	607	607	607
Parks/Athletic Fields	25	25	25	25	25	25	27	32	79*	79*
Swimming pools	3	3	3	3	3	3	3	3	4	4
Tennis courts	1	1	1	1	1	1	1	1	2	9
Community centers	7	7	7	7	9	9	9	9	9	9
Water										
Water mains (miles)	380	416	427	437	448	470	493	501	501	507
Fire hydrants	2,200	2,300	2,400	2,600	2,850	3,000	3,150	3,267	3,400	3,438
Wastewater										
Sanitary sewers (miles)	249	255	261	266	275	290	310	320	320	342

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.