

Comprehensive
Annual
Financial
Report



City of Yuma, Arizona



For the Fiscal Year Ended
June 30, 2012

City of Yuma
Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2012

Prepared by:

Finance Department

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About the Cover:

The restored, original *City of YUMA* plane (bottom photo) found a home when it was installed in the lobby of City Hall in 2012, along with a replica 1948 Buick fuel car. In 1949, pilots Woody Jongeward and Bob Woodhouse flew a record-setting 1,124 hours to attract attention to Yuma's year-round flying weather. The top photo, taken during the flight, shows the ground crew speeding along the runway and passing supplies and fuel to the pilots during the grueling, nearly 47-day flight. The stunt was successful in drawing the interest of the military and it resulted in the re-opening in 1951 of what is now Marine Corps Air Station-Yuma, the home of the first operational Marine squadrons of the new F-35 Joint Strike Fighter.

Top photo courtesy of Shirley Woodhouse Murdock

CITY COUNCIL

Alan L. Krieger, Mayor
Paul B. Johnson, Deputy Mayor
Cody Beeson
Bobbi Lewis
Leslie L. McClendon
Jerry Stuart
Edward C. Thomas

City Administration

Gregory K. Wilkinson
City Administrator

City Departments

City Attorney
Steven W. Moore

City Clerk
Lynda L. Bushong

Community Development
Laurie L. Lineberry

Field Operations
Joel Olea

Finance
Donald (Pat) Wicks

Fire Department
Jack McArthur, Chief

Human Resources
Jack Dodd

Information Technology
Laura S. Neinast

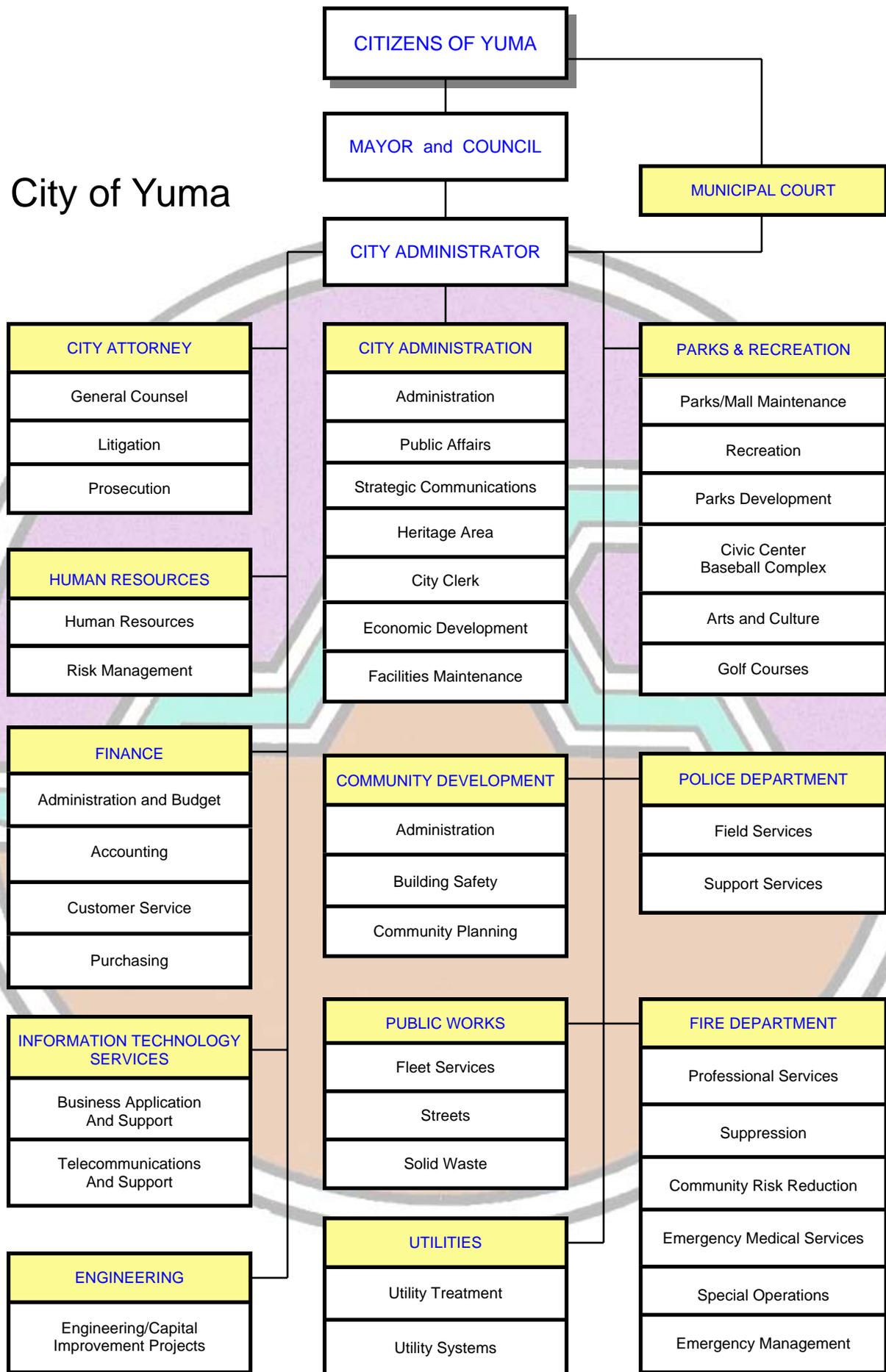
Municipal Court
Douglas S. Stanley, Judge

Parks and Recreation
Rebecca J. Chavez

Police Department
John J. Lekan, Chief

Utilities
Jay Simonton

City of Yuma



City of Yuma, Arizona
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2012

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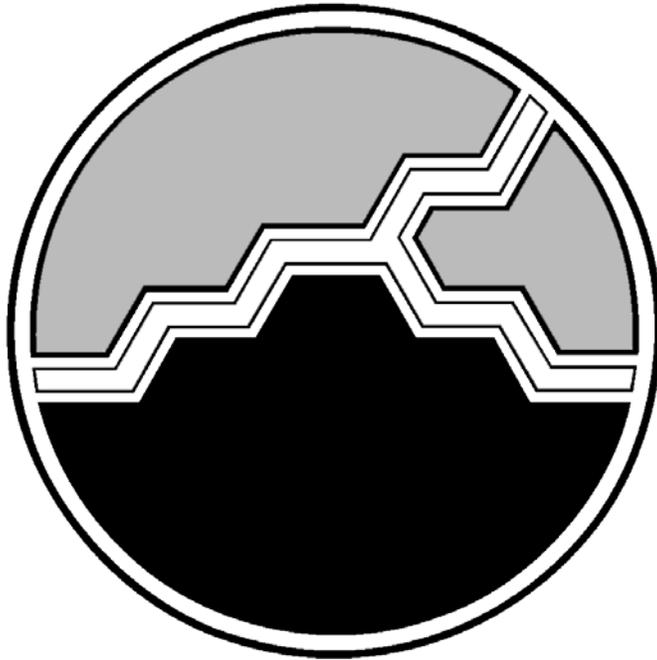
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INTRODUCTORY SECTION





City of YUMA

FINANCE DEPARTMENT
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Yuma, Arizona 85364-1436
(928) 373-5087
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October 16, 2012

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, 2012. 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, 2012, 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, 2012, 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

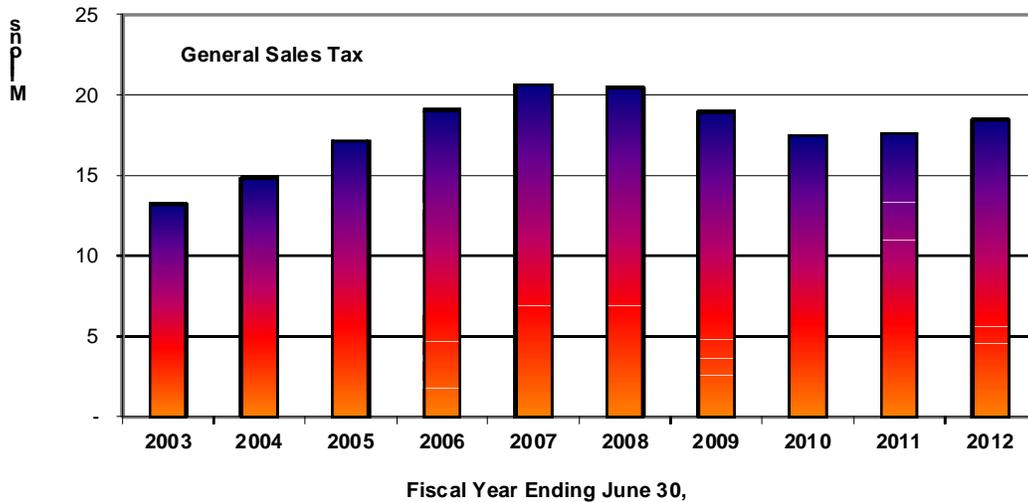
Industrial Expansion. Yuma’s economy is based primarily in agriculture, tourism and government, although further diversification continues. Agriculture remains the Yuma area’s dominant industry, producing more than \$1 billion in revenues annually¹. Several major agricultural companies maintain operations here. Their chief consumer products of packaged produce and salad mixes continue to be popular products for today’s convenience-minded customers. The Yuma area’s stable allocation of Colorado River water will assure that agriculture remains the foundation of Yuma’s economy.

The United States Marine Corps Air Station (MCAS) and United States Army Yuma Proving Ground (YPG) help provide economic stability. These two installations continue to be cornerstones in the military’s flight training and equipment testing programs. Both should survive any continued base closure efforts by the federal government. In fact, both installations are enjoying new construction and expansion to meet their needs into the 21st century. MCAS 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.

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. General sales tax saw an increase of 4.7% for fiscal year 2012. Tax data show that construction, an important segment of the sales tax measure, jumped 150% over 2011, largely due to sizeable construction projects at Marine Corps Air Station-Yuma (MCAS) and the new Federal courthouse downtown. Sales taxes are anticipated conservatively to grow 3% for fiscal year 2013.



Yuma’s continued as a regional retail and services center during 2012. The retail classification of the sales tax showed a 1.4% increase, 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 2012. 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 2012, city and Federal funds combined to manage and improve both the West and East Wetlands to restore natural vegetation and wildlife habitat, and improve recreational opportunities for area residents. The City will also continue its focus in developing historic and cultural activities in these areas as these are so important in meeting the Council’s goals in enriching the area’s cultural attributes. Progress in providing opportunities for local residents and in attracting employers to the area to diversify the economy is dependent on continuing these plans.

Downtown redevelopment. Revitalization of the downtown area is a vital component of management of the Heritage Area. The new hotel and conference center are cornerstones of the public/private partnership that is developing the river area. A new Federal courthouse under construction will add to the economic vitality of the area.

East Mesa Development. The Yuma area is beginning to show some improvement in residential building activity. One area primed for this development is the East Mesa, with its two new water and wastewater facilities. These two plants not only establish the infrastructure necessary to accommodate that growth, but improve capacity of existing plants in the older Yuma area to accommodate growth elsewhere in the city.

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 38 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, 2011. This is the thirtieth 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, 2011

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.

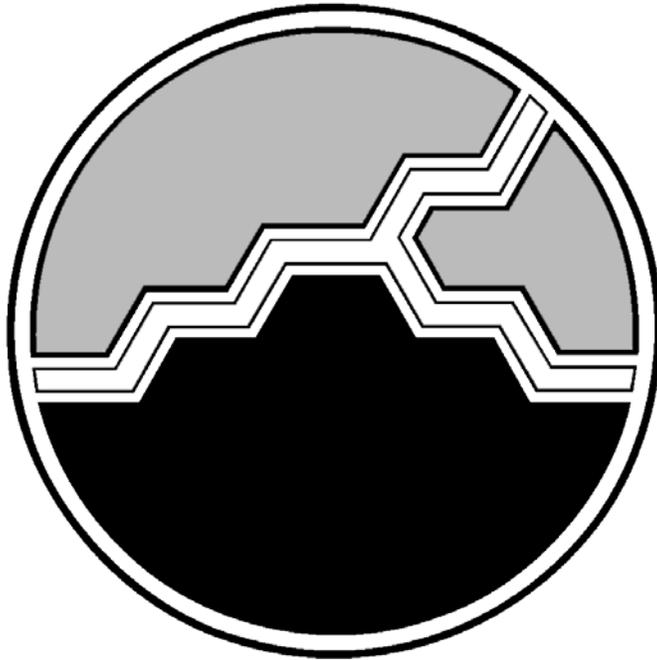


Linda C. Davison

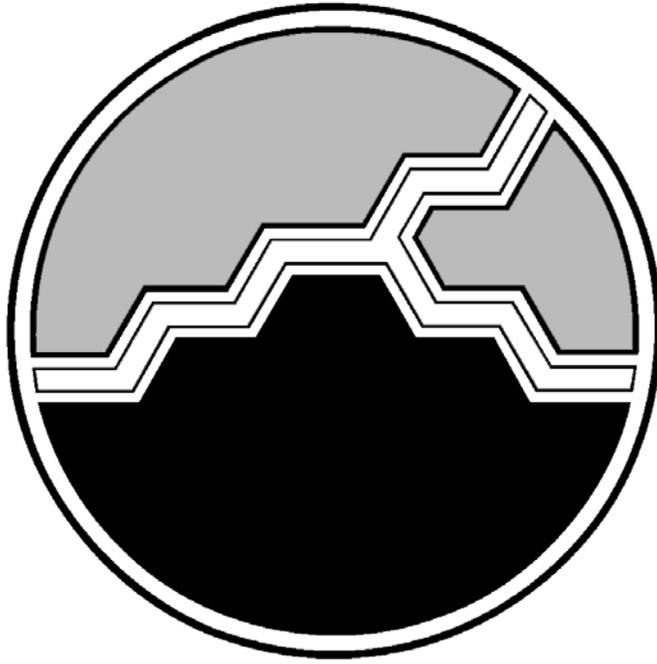
President

Jeffrey R. Emer

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, 2012, 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, 2012, 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 October 16, 2012, 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 15 and pension and budgetary comparison information on pages 58 through 66 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 them.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

October 16, 2012

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, 2012. 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 \$19.6 million for the fiscal year, \$14.1 million of which was generated by governmental activities while \$5.5 million was due to business-type activities of the City.
- The City's combined net assets total \$480.6 million at June 30, 2012. Of this amount, \$87.9 million is available (unrestricted) to finance ongoing programs, \$37.5 million in governmental programs and \$50.4 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, solid waste and golf course operations.

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. 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 70.

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
Radio Communication
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 24 of this report.

Proprietary funds. The City of Yuma maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Yuma uses enterprise funds to account for its Water, Sewer and Solid Waste Authority and for its golf courses. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Yuma uses internal service funds to account for its equipment replacement and maintenance programs, liability insurance, and for its workers compensation and employee health insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Major Enterprise Funds:

Water Fund
Wastewater Fund

Nonmajor Enterprise Funds:

Solid Waste
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 94.

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 31-33 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 35 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 58 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 70.

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 \$480.6 million at the close of the fiscal year.

Net Assets (millions)	Governmental Activities		Business-type Activities		Total	
	June 30,					
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 97.8	\$ 107.3	\$ 67.2	\$ 64.8	\$ 165.0	\$ 172.1
Capital assets	<u>320.9</u>	<u>310.5</u>	<u>330.8</u>	<u>339.0</u>	<u>651.7</u>	<u>649.5</u>
Total assets	<u>418.7</u>	<u>417.8</u>	<u>398.0</u>	<u>403.8</u>	<u>816.7</u>	<u>821.6</u>
Long-term liabilities outstanding	130.3	138.1	183.1	192.2	313.4	330.3
Other liabilities	<u>17.3</u>	<u>22.7</u>	<u>5.4</u>	<u>7.6</u>	<u>22.7</u>	<u>30.3</u>
Total liabilities	<u>147.6</u>	<u>160.8</u>	<u>188.5</u>	<u>199.8</u>	<u>336.1</u>	<u>360.6</u>
Net assets:						
Invested in capital assets, net of related debt	209.4	196.8	164.3	166.8	373.7	363.6
Restricted	24.8	15.8	7.4	5.5	32.2	21.3
Unrestricted	<u>36.9</u>	<u>44.4</u>	<u>37.8</u>	<u>31.7</u>	<u>74.7</u>	<u>76.1</u>
Total net assets	<u>\$ 271.1</u>	<u>\$ 257.0</u>	<u>\$ 209.5</u>	<u>\$ 204.0</u>	<u>\$ 480.6</u>	<u>\$ 461.0</u>

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 \$480.6 million, up \$19.6 million from the prior year. Governmental activities accounted for \$14.1 million of the increase while business-type activities amounted to \$5.5 million. Most of the increase would be attributable to capital asset acquisitions, particularly infrastructure, as governmental capital assets increased \$10.4 million (net of depreciation), funded in part by the excess of revenues over operating expenses as reported in the Statement of Activities on page 21. These acquisitions are reflected in the portion of net assets shown above as 'Invested in capital assets, net of related debt.' Unrestricted net assets are those assets available to finance programs in the upcoming fiscal year and would increase when the portion of taxes and other revenues exceed operating expenses but are not invested in capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Changes in Net Assets Fiscal Year Ended June 30, (millions)	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues:						
Charges for services	\$ 8.7	\$ 12.1	\$ 41.1	\$ 42.4	\$ 49.8	\$ 54.5
Operating grants and contributions	3.9	5.0	-	-	3.9	5.0
Capital grants and contributions	19.1	3.2	9.1	7.4	28.2	10.6
General revenues:						
Property taxes	10.1	10.0	-	-	10.1	10.0
Sales taxes	36.3	34.7	-	-	36.3	34.7
Franchise taxes	3.1	3.0	-	-	3.1	3.0
Intergovernmental revenues	23.9	25.4	-	-	23.9	25.4
Unrestricted grants and contributions	-	5.9	-	-	-	5.9
Unrestricted investment earnings	0.9	1.0	0.1	0.1	1.0	1.1
Gain from sale of assets	-	0.3	-	-	-	0.3
Total revenues	106.0	100.6	50.3	49.9	156.3	150.5
Expenses:						
General government	12.5	9.7	-	-	12.5	9.7
Public safety	41.7	40.2	-	-	41.7	40.2
Streets	12.8	14.6	-	-	12.8	14.6
Parks, recreation and culture	14.2	13.8	-	-	14.2	13.8
Environmental health and protection	0.8	1.5	-	-	0.8	1.5
Community design and development	4.5	5.0	-	-	4.5	5.0
Interest on long-term debt	5.5	5.8	-	-	5.5	5.8
Water	-	-	23.4	20.5	23.4	20.5
Wastewater	-	-	16.2	13.9	16.2	13.9
Solid Waste	-	-	2.9	2.9	2.9	2.9
Golf courses	-	-	2.4	2.4	2.4	2.4
Total expenses	92.0	90.6	44.9	39.7	136.9	130.3
Transfers	0.1	0.1	0.1	(0.1)	0.2	-
Change in net assets	\$ 14.1	\$ 10.1	\$ 5.5	\$ 10.1	\$ 19.6	\$ 20.2

For the fiscal year, net assets increased \$19.6 million, with \$14.1 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

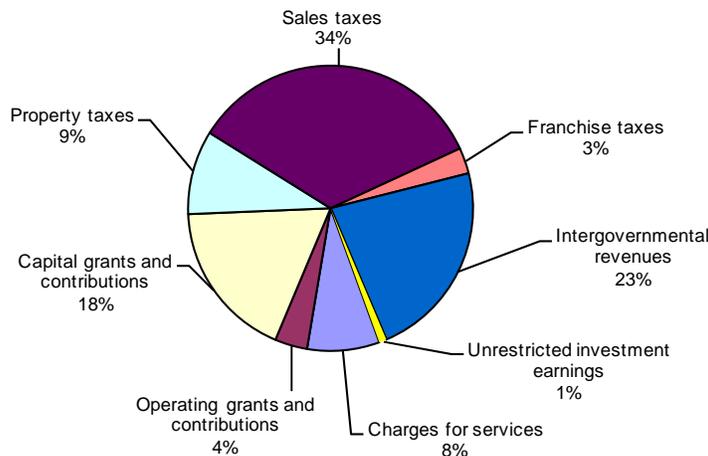
Governmental activities revenues totaled \$106 million for fiscal year 2012, up from 2011, mostly in capital grants and contributions. Local sales taxes remain the largest revenue source for the City and are comprised of the 1% general sales tax along with a .5% road tax and a .2% public safety tax. State-shared revenues are the City's

MANAGEMENT’S DISCUSSION AND ANALYSIS

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 57% of governmental revenues for the year. Capital grants and contributions, the third segment of governmental activities revenues, include donations and capital asset contributions. Charges for services count building permits and inspections, fines, recreation fees, police services and civic center rental fees among its largest sources. The charges for services category amounts to 11% of governmental revenues. Property taxes represent 10% of governmental revenues. The large majority of property taxes are levied for general purposes with a small levy for downtown mall maintenance. No property taxes are levied for debt service. Various grants and contributions and franchise taxes account for most of the remaining governmental revenues. Some of the more significant changes in governmental activities revenues are noted:

- Sales taxes increased 4.7% from 2011 as the economy continues to improve.
- Capital grants and contributions increased \$15.9 million or 496% due primarily to a contribution of \$12.7 million from the Arizona Department of Transportation (ADOT) as the city recorded the value of the transfer of streets, traffic signals and street lights.
- Intergovernmental revenues dropped by \$1.4 million or 5.7%. State-shared income taxes declined 9.6% from 2011, as anticipated, while state-shared gas tax slid by 12.3% as the state continues to balance its budget by reducing other entities’ revenue. State-shared sales taxes increased by 6.1% because of the state’s improving economic output.
- Charges for services decreased by \$2.6 million (21.4%) primarily from reductions in building permits and developer fees from the continued weak construction economy.
- Operating Grants and Contributions decreased by \$1.0 million (20.2%) and Capital Grants and Contributions increased by \$2.4 million or 72% with the reduction in ARRA funding and recognition of ADOT funding for the Avenue 3E project.

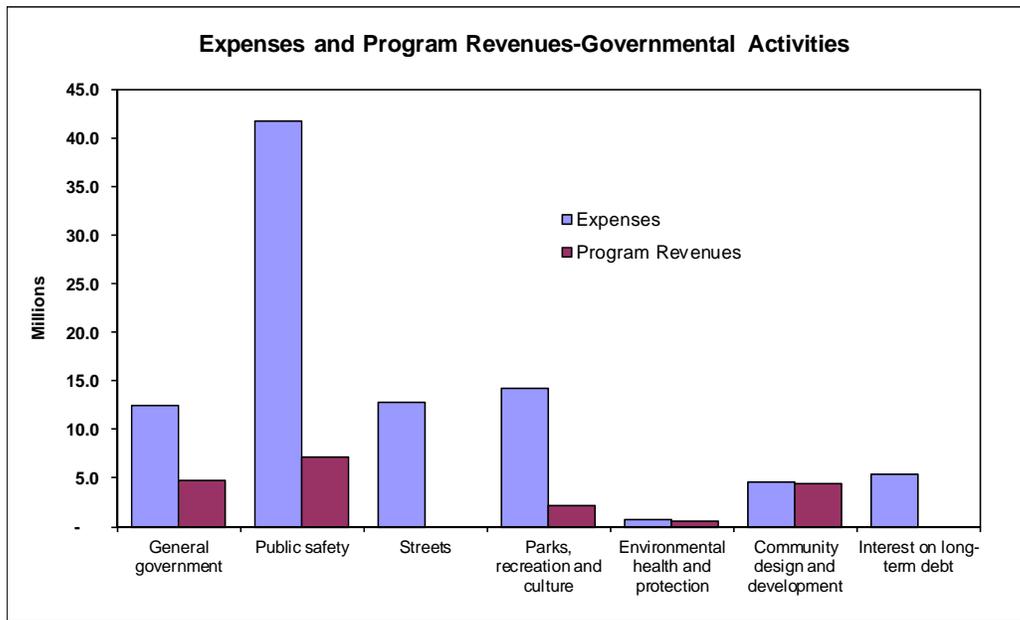
**Revenues-
Governmental Activities**



Expenses

Governmental expenses totaled \$92 million for the fiscal year. Of the expenses, 45.4% or \$41.7 million is related to public safety for police, fire and municipal court services. Parks, recreation and culture expenses amounted to \$14.2 million, or 15.5% and environmental health and protection was \$0.8 million, 0.9%, while streets and community design and development expenses amounted to 13.8% and 4.9% respectively. General government expenses came to \$12.5 million, or 13.6%. Interest on long-term debt was \$5.5 million, or 5.9% of governmental expenses. Overall, governmental activities expenses increased \$1.4 million over 2011, led by an increase in General Government expenditures of \$2.9 million, the result of a declining allocation of internal costs more than a real increase in expenses. Public safety expenses increased by \$1.5 million with the City’s assumption of animal control services in the Police Department and with ambulance services in the Fire Department.

MANAGEMENT’S DISCUSSION AND ANALYSIS



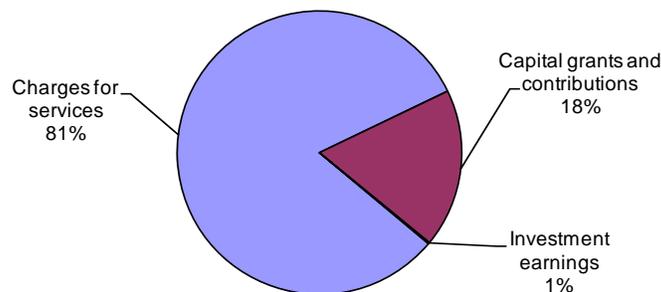
The chart above compares governmental activities with their respective program revenues, if any. Because the ultimate beneficiary of services of these types is often difficult to ascertain or the services apply to a broad spectrum of users (such as in fire protection), user fees are not created and general 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 \$41.2 million in charges for services, 86.7% comes from the City’s two utility operations, water and wastewater. The remaining charges are from solid waste and the City’s two golf courses, Desert Hills and Arroyo Dunes. The \$9.1 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.

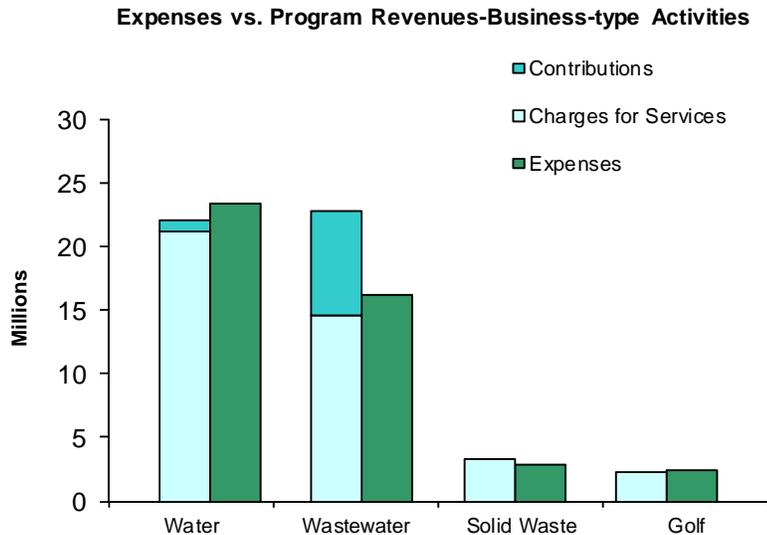
Revenues-Business-type Activities



Expenses

Water and wastewater services account for 88.1% of the City’s business-type activities with solid waste and golf courses making up the remaining 11.9%. Water expenses amounted to \$23.4 million while wastewater expenses totaled \$16.2 million. Solid Waste, Desert Hills Golf Course and Arroyo Dunes Golf Course recorded expenses of \$2.9 million, \$2.1 million and \$.3 million, respectively, for a total of \$5.3 million.

MANAGEMENT’S DISCUSSION AND ANALYSIS



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

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

Governmental funds. The combined fund balances of governmental funds for the fiscal year ended June 30, 2012, is \$55.3 million, a decrease from 2011 of \$5.4 million. A review of some of the more significant funds follows.

General Fund

The fund balance of the General Fund decreased by \$3.1 million for the fiscal year. Revenues increased by \$0.3 million. Sales taxes, the city’s largest source of General Fund revenues, increased \$0.8 million (4.7%) to \$18.5 million as the local economy continues to improve after the recession. State-shared income taxes showed a decline of 9.6%, as anticipated, down \$0.8 million to \$7.9 million, while state-shared vehicle registration tax (auto lieu tax) decreased 0.1% to \$3.1 million. State-shared sales taxes, on the other hand, increased \$0.4 million or 6%. Total expenditures increased \$4.9 million, or 9.9%, to \$54.3 million. Most of the increase occurred in General Government and in Public Safety expenditures. General Government expenditures rose as a result of a decreasing internal allocation of central service department expenditures. Public Safety expenditures increased in part due to the City assuming operation of animal control services and ambulance services.

Highway User Revenue Fund (HURF)

This fund, which accounts for the expenditure of state-shared gasoline taxes, showed a decrease in fund balance of \$0.4 million for the year. The City’s portion of those taxes dropped by 12.3% for the fiscal year to \$5.7 million. The state legislature continues to reduce cities’ share of this important revenue source. All maintenance expenditures for streets and retention basins are made in the HURF Fund. Expenditures decreased from 2011 by \$0.9 million (13.3%) to \$6.0 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. The fund balance grew by \$1 million for the year. In the same manner as general sales tax in the General Fund, sales taxes increased in 2012 to \$9.2 million. Operational expenditures increased from 2011, as the fund absorbed more operational street maintenance costs, forced by the reduction of gasoline tax in the HURF Fund where these expenditures were paid historically.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Grants Fund

The City continues to receive much needed assistance from both the state and federal levels. During 2012, revenues decreased to \$5.2 million, due principally to a \$1.6 million decrease 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 Housing and Urban Development Home Grant Programs to help with housing rehabilitation in the Yuma High revitalization area. Community Development Block Grant revenues decreased to \$0.9 million for 2012.

Debt Service

Debt Service Fund expenditures remained at \$13.5 million per debt retirement schedules. Fund balance reflects debt service reserves accumulated in accordance with the development agreement for the Yuma Palms regional center. Because the related issue has been fully reserved through its maturity, this reserve will be released in fiscal 2013 and transferred to the General Fund.

Capital Projects Fund

The Capital Projects Fund's fund balance dropped to \$22.5 million this year as the city continued to expend the proceeds of the 2007 bond sale. Capital expenditures increased slightly in 2012 to \$9.6 million.

Proprietary funds. The City's enterprise funds posted an overall increase in net assets of \$6 million for the fiscal year ended June 30, 2012. Results were mixed between the various funds with the Wastewater, Solid Waste and Arroyo Dunes Golf Course Funds posting increases in net assets while the Water Fund and Desert Hills Golf Course Fund showed the reverse.

Water Enterprise Fund

Operating revenues for the Water Fund decreased by \$1.1 million or 4.8% for the year ending June 30, 2012. This is due to a decline in consumption, reflecting both the recessionary environment and a likely reaction to rate increases of the last few years. Operating expenses increased by 21% with the advent of depreciation with the Aqua Viva Water Treatment Plant and attendant improvements coming on line. With these changes, operating income fell 56% to 3.3 million. Capital contributions, declining to \$.9 million with the slowing of construction, still helped mitigate the fund's decline in net assets.

Wastewater Enterprise Fund

The Wastewater Fund operating revenues decreased 2.5% from fiscal 2011. Rate-based charges decreased 2.0% to \$12.7 million as a portion of these charges are based on water consumption which recorded a decline. Operating expenses increased by 21.4% with income from operations decreasing to \$0.7 million. Again, depreciation more than doubled as the new Desert Dunes treatment plant was brought on line. Capital contributions increased by some \$2.3 million mostly through capacity charges as the result of the Avenue B to C Colonia improvement district. This infusion led to the fund's net assets increase of \$6.7 million.

Solid Waste

Operating revenues for the Solid Waste Fund increased by \$0.12 million or 3.8% for the year ending June 30, 2012. Operating expenses increased slightly at 0.2% and the fund produced operating income of \$0.5 million. The fund's net assets increased to \$1.2 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Golf Courses

A 4% increase in Greens Fees revenue was not enough to offset decreases in other concession revenues and operating revenues for Desert Hills Golf Course declined 1% to \$2 million. A concurrent 1.3% increase in operating expenses registered a \$.1 million operating loss for the year. Operating revenues for Arroyo Dunes Golf Course increased 5% for the year but this was not enough to offset the increased expenses, leading to an operating loss of \$33,963 for the year. The city will continue to operate the courses and implement strategies to improve their financial outlook.

GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2012, can be found starting on page 59. A summary of that schedule follows:

	Budget		Actual	Variance with Final
	Original	Final		
Revenues and Transfers In				
Taxes	\$ 31,557,160	\$ 31,557,160	\$ 31,716,089	\$ 158,929
Intergovernmental	17,757,882	17,757,882	18,269,533	511,651
Other	6,726,900	6,726,900	5,228,618	(1,498,282)
Transfers In	<u>557,323</u>	<u>557,323</u>	<u>517,873</u>	<u>(39,450)</u>
Total	56,599,265	56,599,265	55,732,113	(867,152)
Expenditures and Transfers Out				
Expenditures	58,199,148	58,187,148	54,273,720	3,913,428
Transfers Out	<u>4,393,672</u>	<u>4,393,672</u>	<u>4,536,276</u>	<u>(142,604)</u>
Total	<u>62,592,820</u>	<u>62,580,820</u>	<u>58,809,996</u>	<u>3,770,824</u>
Change in Fund Balance	<u>\$ (5,993,555)</u>	<u>\$ (5,981,555)</u>	<u>\$ (3,077,883)</u>	<u>\$ 2,903,672</u>

General Fund revenues and transfers in ended the year \$0.87 million under expectations. During budget preparation for 2012, the City anticipated award of its Certificate of Necessary (CON) application from the state health services department to begin ambulance transport. With the delay of that award until February 2012, some \$1.5 million in ambulance billings did not materialize. Overall compared to 2011, General Fund revenues ended the year up \$259,047, led by increases in city and state sales taxes. The important revenue sources of city and state sales taxes increased by 4.7% and 6.1%, respectively.

Expenditures for the fund came in at \$3.9 million under budget with the largest contribution coming from General Government at \$2.3 million. Public Safety expenditures added another \$0.6 million, although savings in budget occurred in most departments with the City's drive to reduce expenditures throughout the year. The City continued to target all areas of expenditure reduction, primarily personal services expenditures through attrition savings and elimination of merit pay increases. Combined with discretionary spending reductions, such as travel and capital expenditures, the General Fund's anticipated reduction of fund balance was reduced from \$6 million to \$3.1 million.

CAPITAL ASSETS

At June 30, 2012, the City of Yuma's investment in capital assets in both governmental and business-type activities amounted to \$651.7 million, net of depreciation. This includes land, buildings, equipment, and infrastructure (roadways and bridges). Capital assets for governmental activities increased by 3.3% while business-type capital assets decreased by 2.4%. These changes included the following:

- The 32nd Street widening project neared completion.
- A number of major water and sewer lines were completed.
- The Fire Station #1 replacement project was started.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Change in Capital Assets

(In Millions)

	Governmental Activities			Business-type Activities			Total
	July 1, 2011	Net Additions/ Deletions	June 30, 2012	July 1, 2011	Net Additions/ Deletions	June 30, 2012	
Land	\$ 55.6	\$ 1.2	\$ 56.8	\$ 10.5	\$ -	\$ 10.5	\$ 67.3
Buildings	78.9	-	78.9	7.9	156.8	164.7	243.6
Improvements	40.8	0.5	41.3	226.8	1.5	228.3	269.6
Infrastructure	184.2	39.1	223.3	-	-	-	223.3
Equipment	53.5	0.9	54.4	5.2	-	5.2	59.6
Construction in Progress	80.3	(17.6)	62.6	193.2	(153.4)	39.8	102.4
Accumulated Depreciation	(182.8)	(13.7)	(196.4)	(104.6)	(13.1)	(117.7)	(314.1)
Total	\$ 310.5	\$ 10.4	\$ 320.9	\$ 339.0	\$ (8.2)	\$ 330.8	\$ 651.7

Additional information on capital assets can be found in Note II-E starting on page 45.

DEBT ADMINISTRATION

At June 30, 2012, after scheduled debt payments, governmental activity debt decreased to \$130.3 million while business activity debt decreased to \$183.1 million.

The state limits the amount a municipality may issue in general obligation debt to 20% of the City's secondary assessed valuation for combined water, wastewater, artificial light, parks, open space preserves, playgrounds and recreational facilities. Debt related to other projects is limited to 6% of the valuation. The current debt limitation for the former type is \$133.4 million, well above the outstanding general obligation debt of \$1.42 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 ratings downgrades of the insurance companies.

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

Summary of Long-Term Debt

(Millions)

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ -	\$ -	\$ 1.4	\$ 2.8	\$ 1.4	\$ 2.8
Yuma Municipal Property Corporation Bonds	119.1	125.7	113.8	117.0	232.8	242.7
Net Unamortized Premium/Issuance Costs	1.0	1.0	3.2	3.3	4.0	4.2
Improvement Districts	4.6	5.7	-	-	4.6	5.7
Contracts Payable	-	-	63.9	68.2	63.9	68.2
Compensated Absences	5.7	5.7	.8	.8	6.5	6.5
Total Long-Term Debt	\$ 130.3	\$ 138.1	\$ 183.1	\$ 192.2	\$ 313.4	\$ 330.3

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS

Yuma County's growth is sluggish but improving. The county grew by an estimated 1,079 residents to 196,830 with the City of Yuma representing 47.5% of the county's population. Since 2000, the City has grown by 31% to an estimated 93,064 for Census 2010. 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 \$450 million to the mix, while two prominent military installations infuse some \$300 million to the economy.

Property taxes are limited constitutionally in Arizona, so other local revenues make up the most significant reflectors of the condition of the economy. Sales tax, the City's primary source of general revenues, posted a 4.8% increase this year, compared to its historic growth rate of 7%. This still compares more than favorably to the large metropolitan areas of the state. For fiscal year 2013, revenues were projected with a 3% increase.

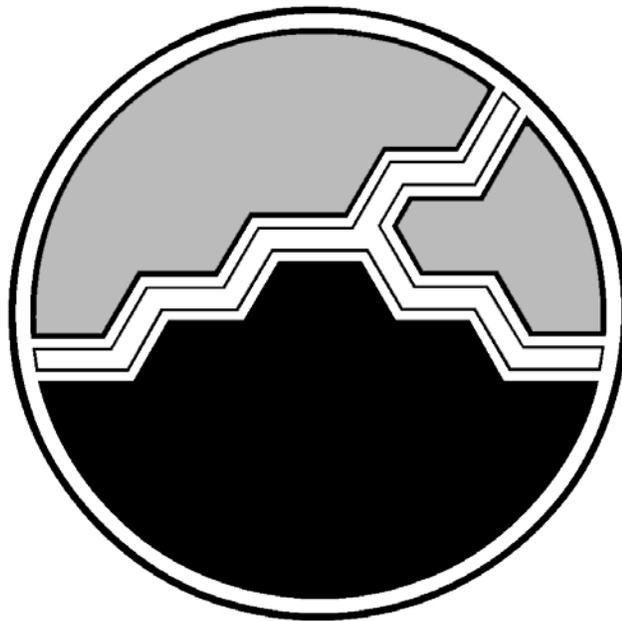
With sales tax statistics improving, the economy continues to strengthen. During 2012, the following major economic events occurred:

- Major construction projects continue at Marine Corps Air Station-Yuma as it prepares for the arrival of the first squadron of the new F-35 Joint Strike Fighter.
- The Yuma County Airport Authority worked with a number of local partners to propose to the Federal Aviation Administration for the Yuma area to become one of the nation's main testing areas for unmanned aircraft systems. The area's established contractor complex, its testing and aerial gunnery ranges and its infrastructure make it a prime candidate.

Not all economic statistics reflect positive results; however, in that Yuma County continues to suffer what appear to be higher unemployment figures than most of the state, according to the Arizona Department of Economic Security (DES). Farm employment continues to skew this statistic. The City combats this problem as the largest contributor to the Greater Yuma Economic Development Corporation whose mission is 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, 2012

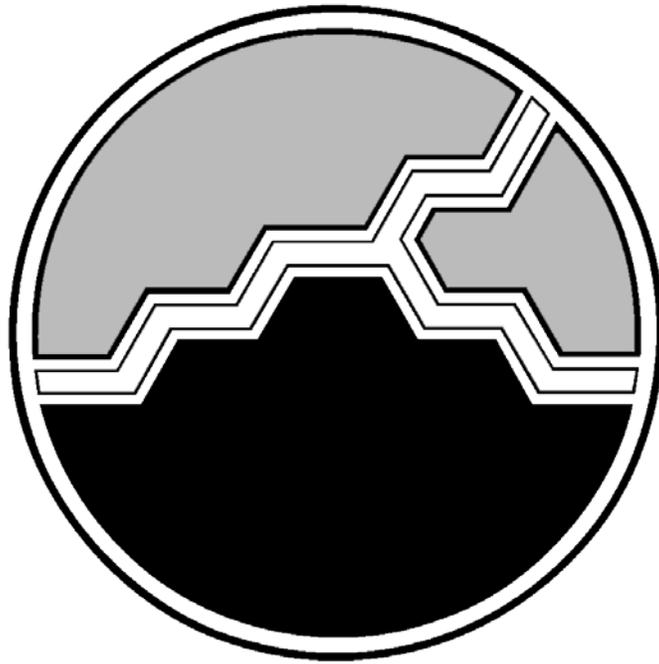
<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and Investments	\$ 80,470,079	\$ 60,908,683	\$ 141,378,762
Receivables, Net	14,953,001	6,878,794	21,831,795
Internal Balances	853,231	(853,231)	-
Inventory, at cost	782,259	275,592	1,057,851
Prepaid Items	709,513	2,588	712,101
Capital Assets:			
Non-depreciable	119,439,434	50,281,537	169,720,971
Depreciable, Net	<u>201,460,004</u>	<u>280,553,888</u>	<u>482,013,892</u>
Total Assets	<u>418,667,521</u>	<u>398,047,851</u>	<u>816,715,372</u>
 <u>Liabilities</u>			
Accounts Payable and Deposits	2,093,798	1,252,014	3,345,812
Accrued Liabilities	2,112,222	114,518	2,226,740
Accrued Interest Payable	2,742,148	3,913,485	6,655,633
Unearned Revenue	10,316,865	172,082	10,488,947
Noncurrent Liabilities:			
Due within one year			
Current portion of Accrued Compensated Absences	2,199,960	263,777	2,463,737
Current portion of Debt	8,055,000	9,323,041	17,378,041
Due in more than one year			
Accrued Compensated Absences	3,498,069	577,915	4,075,984
Debt	<u>116,587,028</u>	<u>172,936,807</u>	<u>289,523,835</u>
Total Liabilities	<u>147,605,090</u>	<u>188,553,639</u>	<u>336,158,729</u>
 <u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	209,376,842	164,295,185	373,672,027
Restricted for:			
General government projects	692,423		692,423
Debt Service	542,739	7,357,462	7,900,201
Streets	11,940,661	-	11,940,661
Public safety equipment and facilities	5,864,193	-	5,864,193
Parks, recreation and cultural facilities	5,794,497		5,794,497
Unrestricted	<u>36,851,076</u>	<u>37,841,565</u>	<u>74,692,641</u>
Total Net Assets	<u>\$ 271,062,431</u>	<u>\$ 209,494,212</u>	<u>\$ 480,556,643</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, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities:							
General Government	\$ 12,534,475	\$ 1,349,347	\$ 143,334	\$ -	\$ (11,041,794)	\$ -	\$ (11,041,794)
Public Safety	41,735,296	3,333,915	2,294,571	1,511,423	(34,595,387)	-	(34,595,387)
Streets	12,740,625	-	-	15,988,848	3,248,223	-	3,248,223
Parks, Recreation and Culture	14,225,614	1,015,611	686,796	522,817	(12,000,390)	-	(12,000,390)
Environmental Health and Protection	803,646	518,081	-	-	(285,565)	-	(285,565)
Community Design and Development	4,520,583	2,498,189	840,522	1,121,890	(59,982)	-	(59,982)
Interest on Long-Term Debt	5,460,749	-	-	-	(5,460,749)	-	(5,460,749)
Total Governmental Activities	<u>92,020,988</u>	<u>8,715,143</u>	<u>3,965,223</u>	<u>19,144,978</u>	<u>(60,195,644)</u>	<u>-</u>	<u>(60,195,644)</u>
Business-type Activities:							
Water	23,353,205	21,123,326	-	916,629	-	(1,313,250)	(1,313,250)
Wastewater	16,191,158	14,544,922	-	8,154,759	-	6,508,523	6,508,523
Solid Waste	2,947,622	3,271,561	-	-	-	323,939	323,939
Golf Courses	2,403,023	2,214,832	-	-	-	(188,191)	(188,191)
Total Business-type Activities	<u>44,895,008</u>	<u>41,154,641</u>	<u>-</u>	<u>9,071,388</u>	<u>-</u>	<u>5,331,021</u>	<u>5,331,021</u>
Total	<u>\$ 136,915,996</u>	<u>\$ 49,869,784</u>	<u>\$ 3,965,223</u>	<u>\$ 28,216,366</u>	<u>(60,195,644)</u>	<u>5,331,021</u>	<u>(54,864,623)</u>
General Revenues:							
Property taxes					10,099,307	-	10,099,307
Sales taxes					36,304,437	-	36,304,437
Franchise taxes					3,058,634	-	3,058,634
Intergovernmental, unrestricted					23,935,709	-	23,935,709
Unrestricted investment earnings					930,401	88,740	1,019,141
Total general revenues					<u>74,328,488</u>	<u>88,740</u>	<u>74,417,228</u>
Transfers					(37,475)	37,475	-
Total general revenues and transfers					<u>74,291,013</u>	<u>126,215</u>	<u>74,417,228</u>
Change in net assets					14,095,369	5,457,236	19,552,605
Net assets-beginning					<u>256,967,062</u>	<u>204,036,976</u>	<u>461,004,038</u>
Net assets-ending					<u>\$ 271,062,431</u>	<u>\$ 209,494,212</u>	<u>\$ 480,556,643</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, 2012

<u>Assets</u>	Major Special Revenue Funds			
	General	Highway Users Revenue	City Road Tax	Grants
Cash and Investments	\$ 14,907,171	\$ 444,882	\$ 4,122,984	\$ -
Cash with Fiscal Agents	-	-	-	-
Receivables, Net of Allowances for Uncollectibles:				
Accounts Receivable	1,587,159	10,981	38,190	5,400
Intergovernmental	2,228,211	553,575	553,996	1,827,469
Special Assessments	20,169	-	-	-
Delinquent Property Taxes	391,213	-	-	-
Accrued Interest	12,281	343	1,907	69
Due from Other Funds	1,888,004	-	-	-
Inventory, at cost	57,705	-	-	-
Prepaid Items	111,262	-	1,815	-
Total Assets and Other Debits	\$ 21,203,175	\$ 1,009,781	\$ 4,718,892	\$ 1,832,938
<u>Liabilities and Fund Balances</u>				
Accounts Payable	\$ 674,033	\$ 193,267	\$ 103,886	\$ 677,072
Accrued Payroll, Taxes and Benefits Payable	696,838	33,502	11,476	12,493
Long-Term Debt - Current Portion	-	-	-	-
Due to Other Funds	-	-	-	869,100
Accrued Interest Payable	-	-	-	-
Deposits	132,961	-	-	-
Deferred Revenues	1,143,429	49,780	32,093	274,273
Total Liabilities	2,647,261	276,549	147,455	1,832,938
Fund Balances:				
Nonspendable:				
Inventory	57,705	-	-	-
Prepaid Items	111,262	-	1,815	-
Restricted for:				
General government projects	-	-	-	-
Debt Service	-	-	-	-
Streets	-	733,232	4,569,622	-
Public safety equipment and facilities	-	-	-	-
Parks, recreation and cultural facilities	-	-	-	-
Committed to:				
General government projects	-	-	-	-
Debt Service	1,864,210	-	-	-
Streets	-	-	-	-
Radio Communications Network	-	-	-	-
Public safety equipment and facilities	-	-	-	-
Parks, recreation and cultural facilities	-	-	-	-
Mall maintenance	-	-	-	-
Sanitation facilities	-	-	-	-
Public works projects	-	-	-	-
Assigned to:				
General government projects	500,269	-	-	-
Community Projects	88,114	-	-	-
Parks, recreation and cultural facilities	-	-	-	-
PEG - Public Education Government	279,960	-	-	-
Unassigned:	15,654,394	-	-	-
Total Fund Balances	18,555,914	733,232	4,571,437	-
Total Liabilities and Fund Balances	\$ 21,203,175	\$ 1,009,781	\$ 4,718,892	\$ 1,832,938

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

Community Redevelopment	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total
\$ 14,100	\$ 640,505	\$ 25,347,608	\$ 8,141,964	\$ 53,619,214
-	9,532,760	-	-	9,532,760
1,023,301	1,523	134,879	146,011	2,947,444
140,809	-	1,252,625	299,732	6,856,417
-	4,625,000	-	-	4,645,169
-	-	-	20,134	411,347
-	325	4,891	3,945	23,761
-	-	-	-	1,888,004
-	-	-	15,036	72,741
-	350	-	820	114,247
<u>\$ 1,178,210</u>	<u>\$ 14,800,463</u>	<u>\$ 26,740,003</u>	<u>\$ 8,627,642</u>	<u>\$ 80,111,104</u>

\$ 51,109	\$ 226	\$ 84,045	\$ 65,877	\$ 1,849,515
3,825	-	-	19,245	777,379
-	6,890,000	-	-	6,890,000
105,434	-	-	-	974,534
-	2,742,148	-	-	2,742,148
-	-	-	-	132,961
<u>1,017,842</u>	<u>4,625,000</u>	<u>4,186,351</u>	<u>139,671</u>	<u>11,468,439</u>
<u>1,178,210</u>	<u>14,257,374</u>	<u>4,270,396</u>	<u>224,793</u>	<u>24,834,976</u>

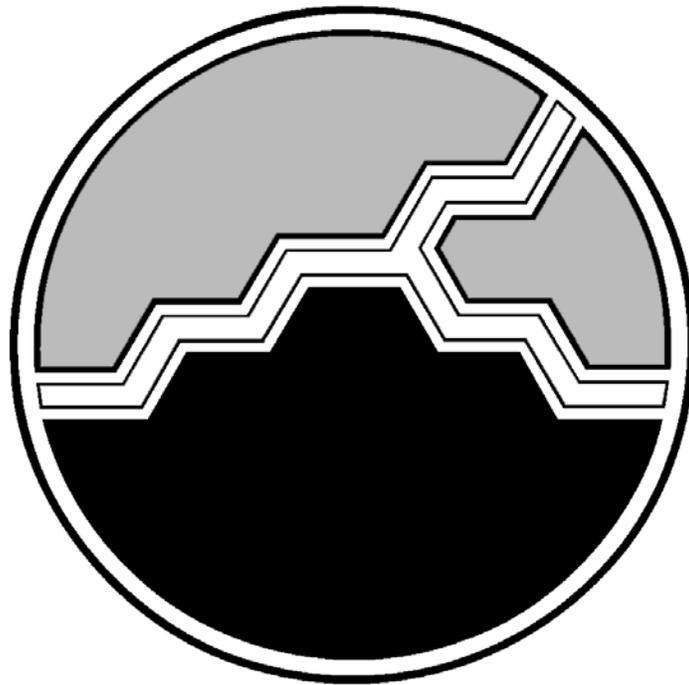
-	-	-	15,036	72,741
-	350	-	820	114,247
-	-	692,423	-	692,423
-	542,739	-	-	542,739
-	-	6,637,807	-	11,940,661
-	-	4,285,957	1,578,236	5,864,193
-	-	692,423	5,102,074	5,794,497
-	-	1,342,033	-	1,342,033
-	-	-	-	1,864,210
-	-	2,475,828	143	2,475,971
-	-	-	1,003,571	1,003,571
-	-	2,852,356	-	2,852,356
-	-	2,718,619	-	2,718,619
-	-	-	70,186	70,186
-	-	524,980	-	524,980
-	-	247,181	-	247,181
-	-	-	-	500,269
-	-	-	-	88,114
-	-	-	632,783	632,783
-	-	-	-	279,960
-	-	-	-	15,654,394
-	543,089	22,469,607	8,402,849	55,276,128
<u>\$ 1,178,210</u>	<u>\$ 14,800,463</u>	<u>\$ 26,740,003</u>	<u>\$ 8,627,642</u>	<u>\$ 80,111,104</u>

City of Yuma, Arizona
 Reconciliation of the Balance Sheet-Governmental Funds to the Statement of Net Assets
 June 30, 2012

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

Total Fund Balances per the Balance Sheet-Governmental Funds:	\$ 55,276,128
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	313,891,170
Property tax revenue deferred to later years recognized in year levied in governmental activities.	1,151,574
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(5,596,029)
MPC bonds payable	(112,165,000)
Improvement District #67	(2,765,000)
Improvement District #68	(1,860,000)
Net unamortized deferred charges or premiums are not recorded in the governmental funds	(962,028)
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>24,091,616</u>
Net assets - Governmental Activities per the Statement of Net Assets	<u>\$ 271,062,431</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, 2012

	Major Special Revenue Funds			
	General	Highway User Revenue	City Road Tax	Grants
Revenues:				
Taxes	\$ 31,716,089	\$ -	\$ 9,233,899	\$ -
Licenses and Permits	1,288,008	-	-	-
Intergovernmental	18,269,533	5,700,428	-	5,083,471
Charges for Services	1,926,874	-	358	-
Fines and Forfeitures	1,549,889	-	-	-
Special Assessments	-	-	-	-
Use of Money and Property	211,409	1,327	433,093	56
Contributions and Donations	-	-	-	46,976
Miscellaneous	252,438	92,271	2,437	28,494
Total Revenues	55,214,240	5,794,026	9,669,787	5,158,997
Expenditures:				
Current:				
General Government	8,377,756	-	-	1,061,721
Public Safety	34,980,862	1,107,691	-	2,322,963
Streets	-	4,862,199	3,082,984	-
Parks, Recreation and Culture	7,267,794	-	-	124,036
Environmental Health and Protection	184,318	76,223	-	-
Community Design and Development	3,201,768	-	-	114,840
Capital Outlay	261,222	-	-	1,113,313
Capital Projects:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Streets	-	-	699,435	-
Parks, Recreation and Culture	-	-	9,165	518,559
Environmental Health and Safety	-	-	119,287	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Agent Fees	-	-	-	-
Total Expenditures	54,273,720	6,046,113	3,910,871	5,255,432
Revenues Over/(Under) Expenditures	940,520	(252,087)	5,758,916	(96,435)
Other Financing Sources/(Uses):				
Transfers In	517,873	-	-	100,694
Transfers Out	(4,536,276)	(101,383)	(4,799,518)	(4,259)
Total Other Financing Sources/(Uses)	(4,018,403)	(101,383)	(4,799,518)	96,435
Net Change in Fund Balances	(3,077,883)	(353,470)	959,398	-
Fund Balances - Beginning	21,633,797	1,086,702	3,612,039	-
Fund Balances - Ending	\$18,555,914	\$ 733,232	\$4,571,437	\$ -

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

<u>Community Redevelopment</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 8,499,751	\$ 49,449,739
-	-	-	-	1,288,008
873,412	-	3,246,062	-	33,172,906
-	-	1,589,229	643,337	4,159,798
-	-	-	-	1,549,889
-	1,089,000	-	-	1,089,000
18,105	219,256	32,519	449,977	1,365,742
-	-	-	-	46,976
23,821	-	48,070	45,312	492,843
<u>915,338</u>	<u>1,308,256</u>	<u>4,915,880</u>	<u>9,638,377</u>	<u>92,614,901</u>
-	-	-	12,042	9,451,519
-	-	-	64,122	38,475,638
-	-	-	-	7,945,183
-	-	-	3,295,883	10,687,713
-	-	-	472,229	732,770
865,107	-	-	275,826	4,457,541
17,341	-	-	60,491	1,452,367
32,890	-	278,540	56,340	367,770
-	-	2,022,303	-	2,022,303
-	-	7,031,606	-	7,731,041
-	-	262,652	177,492	967,868
-	-	5,380	-	124,667
-	8,010,000	-	-	8,010,000
-	5,516,441	-	-	5,516,441
<u>915,338</u>	<u>13,526,441</u>	<u>9,600,481</u>	<u>4,414,425</u>	<u>97,942,821</u>
-	(12,218,185)	(4,684,601)	5,223,952	(5,327,920)
-	12,219,218	-	1,684,333	14,522,118
-	-	-	(5,117,077)	(14,558,513)
-	<u>12,219,218</u>	<u>-</u>	<u>(3,432,744)</u>	<u>(36,395)</u>
-	1,033	(4,684,601)	1,791,208	(5,364,315)
-	542,056	27,154,208	6,611,641	60,640,443
<u>\$ -</u>	<u>\$ 543,089</u>	<u>\$22,469,607</u>	<u>\$ 8,402,849</u>	<u>\$ 55,276,128</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, 2012

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

Net change in fund balances-governmental funds	\$ (5,364,315)
Portions of revenues recorded on the statement of activities do not provide current financial resources and are not recorded as revenues in the funds:	
Property taxes revenue	8,683
Public safety ambulance revenue	740,224
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	(12,457,829)
Capital outlay expenditures reported as additions to assets:	
Capital outlay expenditures-governmental funds	12,866,016
Infrastructure maintenance expenditures recorded as capital outlay but not capitalized as asset additions	(678,696)
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	
	8,010,000
Increase in compensated absences expense not recorded in governmental funds	7,279
The net effect of miscellaneous transactions involving capital assets (trades of land for rights-of-way) is to decrease net assets.	(12,760)
Investment earnings of the internal service funds are general revenues on the statement of activities	43,284
Interest payments accrued in government-wide statements are not recorded in governmental activities until paid	55,692
Net revenues of internal service funds in excess of expenses reduce governmental activities expenses on the statement of activities	(1,664,995)
Contributions of infrastructure assets are not recorded as revenues in the governmental funds	<u>12,742,786</u>
Change in net assets of governmental activities	<u>\$ 14,095,369</u>

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

City of Yuma, Arizona
Statement of Net Assets
Proprietary Funds
June 30, 2012

Assets	Business-Type Activities-Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
Current Assets:					
Cash and Investments	\$ 18,829,905	\$ 10,066,816	\$ 1,333,026	\$ 30,229,747	\$ 17,318,105
Receivables, Net of Allowance for Uncollectibles:					
Accounts Receivable	3,783,543	2,281,865	514,610	6,580,018	60,257
Intergovernmental	761	278,778	616	280,155	-
Accrued Interest	7,761	10,290	570	18,621	8,606
Inventory, at cost	209,802	-	65,790	275,592	709,518
Prepaid Expenses	757	1,692	139	2,588	595,266
Total Unrestricted Current Assets	22,832,529	12,639,441	1,914,751	37,386,721	18,691,752
Restricted Assets:					
Cash and Investments:					
Cash with Fiscal Agents	10,430,511	3,115,607	-	13,546,118	-
Current Debt Service	1,454,790	-	-	1,454,790	-
Advancement for Future Expansion	2,188,496	13,079,003	-	15,267,499	-
Customer Deposits	410,529	-	-	410,529	-
Total Restricted Current Assets	14,484,326	16,194,610	-	30,678,936	-
Total Current Assets	37,316,855	28,834,051	1,914,751	68,065,657	18,691,752
Noncurrent Assets:					
Capital Assets:					
Land	1,803,508	8,726,156	-	10,529,664	219,610
Buildings	106,000,530	55,545,009	3,102,865	164,648,404	19,251
Improvements Other than Buildings	122,842,290	102,430,825	3,066,405	228,339,520	222,733
Equipment	2,755,034	1,830,765	660,423	5,246,222	26,713,720
Construction In Progress	28,064,574	11,517,317	169,982	39,751,873	-
Less Accumulated Depreciation	(68,184,975)	(44,762,730)	(4,732,553)	(117,680,258)	(20,167,046)
Total Capital Assets	193,280,961	135,287,342	2,267,122	330,835,425	7,008,268
Total Noncurrent Assets	193,280,961	135,287,342	2,267,122	330,835,425	7,008,268
Total Assets	230,597,816	164,121,393	4,181,873	398,901,082	25,700,020
Liabilities					
Current Liabilities Payable from Current Assets:					
Accounts Payable	456,304	234,530	134,933	825,767	111,322
Accrued Payroll and Related Taxes	55,356	36,845	22,317	114,518	14,290
Current Portion-Long-Term Contracts-Principal	45,901	208,836	-	254,737	-
Current Portion-Bonds Payable	2,992,250	787,750	-	3,780,000	-
Current Portion-Accrued Compensated Absences	130,457	84,268	49,052	263,777	34,263
Estimated Claims and Judgements	-	-	-	-	1,320,553
Due to Other Funds	-	-	-	-	913,470
Accrued Interest Payable	2,143,610	679,742	-	2,823,352	-
Unearned Revenue	-	-	69,169	69,169	-
Total Current Liabilities Payable from Current Assets	5,823,878	2,031,971	275,471	8,131,320	2,393,898
Current Liabilities Payable from Restricted Assets:					
Accounts Payable	2,866	12,852	-	15,718	-
Deposits	410,529	-	-	410,529	-
Unearned Revenue	-	102,913	-	102,913	-
Current Portion-Long-Term Contracts-Principal	2,137,173	2,086,131	-	4,223,304	-
Current Portion-Long-Term Contracts-Interest	614,574	449,467	-	1,064,041	-
Current Portion-Bonds Payable	1,065,000	-	-	1,065,000	-
Accrued Interest Payable	26,092	-	-	26,092	-
Total Current Liabilities Payable from Restricted Assets	4,256,234	2,651,363	-	6,907,597	-
Total Current Liabilities	10,080,112	4,683,334	275,471	15,038,917	2,393,898
Noncurrent Liabilities:					
Long-Term Contracts Payable	31,870,948	27,572,847	-	59,443,795	-
Bonds Payable	84,961,800	25,378,200	-	110,340,000	-
Unamortized Premium/Issuance Costs	2,427,821	725,191	-	3,153,012	-
Accrued Compensated Absences	270,111	190,602	117,202	577,915	67,737
Total Noncurrent Liabilities	119,530,680	53,866,840	117,202	173,514,722	67,737
Total Liabilities	129,610,792	58,550,174	392,673	188,553,639	2,461,635
Net Assets					
Invested in capital assets, net of related debt	81,217,075	80,810,988	2,267,122	164,295,185	7,008,268
Restricted:					
Debt Service	5,665,246	1,692,216	-	7,357,462	-
Unrestricted	14,104,703	23,068,015	1,522,078	38,694,796	16,230,117
Total Net Assets	\$ 100,987,024	\$ 105,571,219	\$ 3,789,200	210,347,443	\$ 23,238,385
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				(853,231)	
Net assets of business-type activities				\$ 209,494,212	

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, 2012

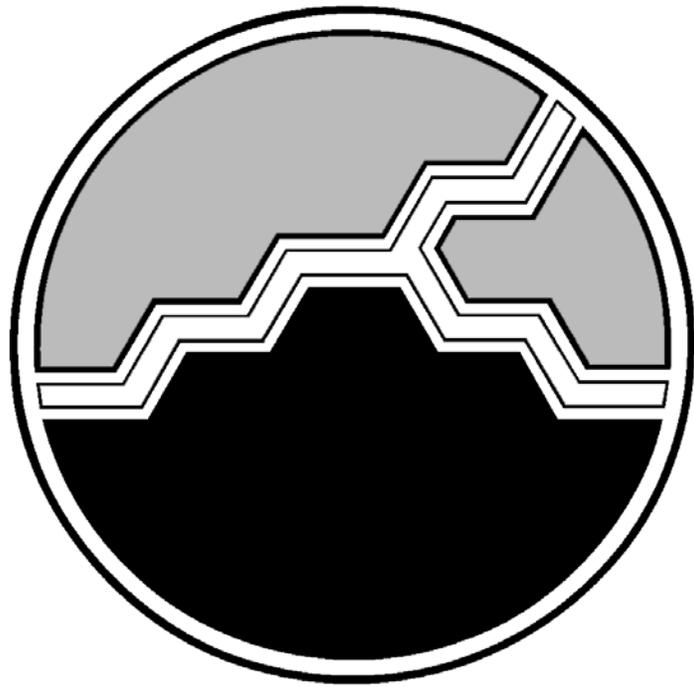
	Business-Type Activities-Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
Operating Revenues:					
Metered Water Sales	\$ 20,544,374	\$ -	\$ -	\$ 20,544,374	\$ -
Commercial Raw Water	165,506	-	-	165,506	-
Wastewater Charges	-	14,484,947	-	14,484,947	-
Meters, Connections and Services	290,229	13,976	-	304,205	-
Charges for Services	-	-	3,266,063	3,266,063	5,678,854
Green Fees and Concessions	-	-	1,919,363	1,919,363	-
Equipment Rental	-	-	293,315	293,315	-
Miscellaneous Charges	-	-	-	-	1,088,813
Total Operating Revenues	<u>21,000,109</u>	<u>14,498,923</u>	<u>5,478,741</u>	<u>40,977,773</u>	<u>6,767,667</u>
Operating Expenses:					
Operations and Maintenance	10,423,214	8,250,002	4,838,210	23,511,426	7,148,529
Depreciation	<u>7,315,918</u>	<u>5,557,098</u>	<u>247,395</u>	<u>13,120,411</u>	<u>1,909,864</u>
Total Operating Expenses	<u>17,739,132</u>	<u>13,807,100</u>	<u>5,085,605</u>	<u>36,631,837</u>	<u>9,058,393</u>
Operating Income/(Loss)	<u>3,260,977</u>	<u>691,823</u>	<u>393,136</u>	<u>4,345,936</u>	<u>(2,290,726)</u>
Non-Operating Revenues/(Expenses):					
Interest	38,299	47,399	3,042	88,740	43,284
Gain/(Loss) on Disposal of Assets	-	-	-	-	47,068
Interest and Fiscal Agent Fees	(5,462,005)	(2,222,503)	-	(7,684,508)	-
Miscellaneous Revenues	<u>123,217</u>	<u>45,999</u>	<u>7,652</u>	<u>176,868</u>	<u>-</u>
Total Non-Operating Revenues/(Expenses)	<u>(5,300,489)</u>	<u>(2,129,105)</u>	<u>10,694</u>	<u>(7,418,900)</u>	<u>90,352</u>
Income/(Loss) before Contributions and Transfers	(2,039,512)	(1,437,282)	403,830	(3,072,964)	(2,200,374)
Capital Contributions	916,629	8,154,759	-	9,071,388	-
Transfers In	-	-	169,982	169,982	-
Transfers Out	<u>(71,518)</u>	<u>(34,617)</u>	<u>(26,372)</u>	<u>(132,507)</u>	<u>(1,080)</u>
Change in Net Assets	(1,194,401)	6,682,860	547,440	6,035,899	(2,201,454)
Net Assets - Beginning	<u>102,181,425</u>	<u>98,888,359</u>	<u>3,241,760</u>		<u>25,439,839</u>
Net Assets - Ending	<u>\$ 100,987,024</u>	<u>\$ 105,571,219</u>	<u>\$ 3,789,200</u>		<u>\$ 23,238,385</u>
Adjustment for consolidation of internal service fund activities related to enterprise funds				<u>(578,663)</u>	
Change in net assets of business-type activities				<u>\$ 5,457,236</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, 2012

	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	\$ 21,342,770	\$ 12,693,150	\$ 5,404,778	\$ 39,440,698	\$ 6,767,151
Cash Paid to Employees	(4,666,897)	(3,203,308)	(1,797,337)	(9,667,542)	(1,086,114)
Cash Paid to Suppliers	(5,887,447)	(5,021,765)	(3,077,087)	(13,986,299)	(2,583,120)
Cash Paid for Operating Expenses	-	-	-	-	(3,357,202)
Other Operating Activity Revenue	123,217	45,999	7,649	176,865	-
Net Cash Provided by Operating Activities	<u>10,911,643</u>	<u>4,514,076</u>	<u>538,003</u>	<u>15,963,722</u>	<u>(259,285)</u>
Cash Flows from Noncapital Financing Activities:					
Cash Received from Other Funds	-	-	-	-	70,651
Cash Paid to Other Funds	(71,518)	(34,617)	(26,373)	(132,508)	(1,080)
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>(71,518)</u>	<u>(34,617)</u>	<u>(26,373)</u>	<u>(132,508)</u>	<u>69,571</u>
Cash Flow from Capital and Related Financing Activities:					
Contributions of Capital	871,429	8,109,009	-	8,980,438	-
Acquisition and Construction of Assets	(2,773,138)	(1,911,055)	-	(4,684,193)	(51,772)
Proceeds from Sale of Capital Assets	-	-	-	-	59,714
Principal Payments on Bonds	(3,778,316)	(749,800)	-	(4,528,116)	-
WIFA - Contracted Loan	(2,183,074)	(2,221,416)	-	(4,404,490)	-
Interest and Fiscal Agent Fee Payments	(5,703,535)	(2,314,283)	-	(8,017,818)	-
Net Cash Provided by/(Used for) Capital and Related Financing Activities	<u>(13,566,634)</u>	<u>912,455</u>	<u>-</u>	<u>(12,654,179)</u>	<u>7,942</u>
Cash Flows from Investing Activities:					
Receipt of Interest	39,130	45,522	2,677	87,329	44,596
Net Cash Provided by Investing Activities	<u>39,130</u>	<u>45,522</u>	<u>2,677</u>	<u>87,329</u>	<u>44,596</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,687,379)	5,437,436	514,307	3,264,364	(137,176)
Cash and Cash Equivalents, July 1	<u>36,001,610</u>	<u>20,823,990</u>	<u>818,719</u>	<u>57,644,319</u>	<u>17,455,281</u>
Cash and Cash Equivalents, June 30	<u>\$ 33,314,231</u>	<u>\$ 26,261,426</u>	<u>\$ 1,333,026</u>	<u>\$ 60,908,683</u>	<u>\$ 17,318,105</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:					
Operating Income/(Loss)	\$ 3,260,977	\$ 691,823	\$ 393,136	\$ 4,345,936	\$ (2,290,726)
Adjustments to Reconcile Operating Income/(Loss)					
Depreciation and Amortization Expense	7,315,918	5,557,098	247,395	13,120,411	1,909,864
(Increase)/Decrease in Accounts Receivable	323,483	65,390	(77,960)	310,913	175,962
(Increase)/Decrease in Inventories	(100,445)	-	7,363	(93,082)	(130,377)
(Increase) in Deposits	8,400	2,000	-	10,400	-
(Increase)/Decrease in Prepaid Items	4,941	(1,476)	419	3,884	(46,047)
Increase/(Decrease) in Accounts Payable	111,207	125,313	40,681	277,201	(102,514)
Increase in Accrued Payroll and Related Taxes	(155,232)	(105,132)	(85,210)	(345,574)	(37,866)
Increase/(Decrease) in Due from Other Gov't Units	-	-	(284)	(284)	-
(Decrease) in Claims Incurred but Not Reported	-	-	-	-	262,419
Increase/(Decrease) in Customer Dep/Unearned Rev	19,177	(1,866,939)	4,814	(1,842,948)	-
Other Operating Activity Revenue	123,217	45,999	7,649	176,865	-
Total Adjustments	<u>7,650,666</u>	<u>3,822,253</u>	<u>144,867</u>	<u>11,617,786</u>	<u>2,031,441</u>
Net Cash Provided by Operating Activities	<u>\$ 10,911,643</u>	<u>\$ 4,514,076</u>	<u>\$ 538,003</u>	<u>\$ 15,963,722</u>	<u>\$ (259,285)</u>
Noncash Transactions Affecting Financial Position					
Purchase of Assets with Vendor Provided Financing	-	\$ 7,625	\$ -	\$ 7,625	\$ -
Contributions of Capital Assets	45,200	45,750	-	90,950	-
Total Noncash Transactions Affecting Financial Position	<u>\$ 45,200</u>	<u>\$ 53,375</u>	<u>\$ -</u>	<u>\$ 98,575</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, 2012

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, 2012

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.

Grants 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 and reports financial resources for, and the payment of, long-term debt principal, interest, and related costs of the City of Yuma Municipal Property Corporation, a blended component unit, and Special Assessment Improvement Districts. Pledged excise tax and other revenues are transferred to this fund along with property owner's revenue for payments of long-term bonded debt.

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources to be used for the acquisition or construction of capital facilities and other capital assets (other than those financed by General, Special Revenue, or Proprietary Funds).

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; Radio Communication; 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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

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

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 Solid Waste, 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). Grant revenues are recognized when all eligibility requirements are met, not necessarily when received. Grant monies that have been received but are as yet unearned are carried forward as deferred revenue. However, earned but not yet received grant monies are recognized as revenue and carried forward as receivables. This practice is defined and supported by GASB Statement 33, as it pertains to "government-mandated nonexchange transactions," paragraphs 19-25. Expenditures are recorded when the liability is incurred with the exception of debt service. Debt service expenditures are recorded when the payment is due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Property taxes, along with franchise taxes, licenses and sales taxes are susceptible to accrual and have been recognized as revenues of the current period. Delinquent property taxes and property taxes for which there is an enforceable legal claim as of the fiscal year, but which were levied to finance operations of the subsequent fiscal year, have been recorded as 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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

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.
- 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. The City considers short-term investments (including

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

restricted assets) in the State of Arizona Local Government Investment Pool (LGIP), mutual fund-money market, U.S. Treasury bills and notes with original maturities of three months or less at acquisition date to be cash equivalents.

In accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the City reports its investments at fair value based on quoted market information obtained from fiscal agents or other sources.

3) Inventories and Prepaid Items:

Inventories consist primarily of expendable supplies held for consumption. Prepaid items represent services for which payment is made in advance. Both inventories and prepaid items are accounted for using the consumption method; therefore, expenditures are recorded at the time inventories are used or the services incurred. Inventories are maintained on a perpetual inventory basis, verified through annual physical counts, and valued using the weighted average method. Nonspendable governmental fund balance for both inventories and prepaid items indicate that a portion of fund balance is not available for future expenditures.

4) Grants Revenue:

The City follows the policy that, grants and similar items are recognized as revenue or contributed revenue as soon as all eligibility requirements imposed by the provider have been met.

5) Unbilled Accounts Receivable:

The City records as receivables and as revenues the amount of water sales, sewer service charges and commercial refuse collection charges accrued but unbilled at fiscal year end. At June 30, 2012, the estimated amounts of unbilled revenues for the Water, Wastewater and Solid Waste Enterprise Funds are \$2,262,146, \$1,253,366, and \$298,187, 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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

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.

9) Fund Balance Policies:

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

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

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

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, revenues are recorded as received with the exception of taxes collected within 60 days by the County Treasurer and reported as current year revenues (County Treasurer collections for June of the current fiscal year). Delinquent property taxes (collections of noncurrent years) are recorded similarly. The balance of delinquent taxes is recorded in the property tax receivable account with a corresponding entry to the 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. General and holiday leave with related benefits for the governmental funds, \$4,845,813, and for the internal service funds, \$84,389, are recorded in the governmental activities column of the government-wide financial statements. The amounts of general and holiday leave pay and related benefits attributable to the Water, Wastewater, Solid Waste, Desert Hills, and Arroyo Dunes Enterprise Funds are \$325,093, \$219,524, \$78,524, \$54,070 and

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

\$8,504 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, 2012, the amount accumulated in sick pay and related benefits is \$7,701,627, including \$211,257 attributable to Internal Service Funds and \$1,239,725 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, \$750,214, is reported within the governmental activities column of the government-wide financial statements, as current amounts of that liability have been determined to be immaterial and are not recorded within the respective governmental funds. The provision for probable future major illness leave and related benefits attributable to the Equipment Maintenance and Insurance Reserve Internal Service Funds is \$16,392 and \$495 respectively and Water, Wastewater, Solid Waste, and Desert Hills and Arroyo Dunes Golf Course Enterprise Funds of \$75,473, \$55,347, \$15,095, \$7,571 and \$2,492 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.

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, 2012, the City's deposits had a carrying value of \$7,284,129 and a bank balance of \$10,067,480. The difference represents outstanding checks and other reconciling items. The main City checking account is fully collateralized and is disclosed with investments. All pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

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, 2012, there are no deposits exposed to custodial credit risk. Cash on hand at June 30, 2012 included petty cash and change funds balances of \$27,551 which are included as money market funds below.

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

cash flow needs of the City. Per GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the City reports certain money market investments with a remaining maturity of one year or less at time of purchase at amortized cost instead of fair value. The difference between the fair value and amortized value for June 30, 2012 is \$1,530.

The City's investment balances at June 30, 2012 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	\$ 13,090,118	\$ 9,094,413	\$ 3,995,705	\$ -	\$ -
Commercial Paper	-	-	-	-	-
US Agencies:					
Federal Farm Credit Bank	12,502,173	-	5,501,822	7,000,351	-
Federal Home Loan Bank	16,631,430	1,136,078	10,496,377	4,998,975	-
Federal Home Loan Mtg. Corp.	10,996,336	-	8,994,580	2,001,756	-
Federal National Mtg. Assoc.	15,774,344	-	3,302,576	12,471,768	-
Money Market Funds	36,945,245	36,945,245	-	-	-
Wells Fargo-Bus Market Fund	12,069,908	12,069,908	-	-	-
State Investment Pool 5	16,055,998	16,055,998	-	-	-
Total Value	\$ 134,065,552	\$ 75,301,642	\$ 32,291,060	\$ 26,472,850	\$ -

Credit Risk

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

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

At June 30, 2012, 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 5 was rated AAA/s1+ by Standard and Poor's at year end.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The City reduces this risk by diversifying its investment portfolio. Diversification strategies are established and monitored on a monthly basis. The allowed diversification standard and actual percentage at year end by security type and issuer are as follows:

	Maximum %	Actual %
U. S. Treasuries and securities having principal and interest guaranteed by the U.S. Government	100%	9.28%
U. S. Government agencies, instrumentalities and government sponsored enterprises	No more than 80%	39.64%
Fully insured or collateralized CD's	No more than 30%	0%

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

Banker's Acceptances	No more than 25%	0%
A-1/P-1 Commercial Paper.....	No more than 35%	0%
Maximum per issuer.....	10% of total C. P	0%
Repurchase Agreements.....	100%	0%
Money Market Funds.....	100%	39.70%
State Investment Pool	100%	11.38%

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, 2012 had a weighted average maturity of 396 days. The policy does not set a maximum for this measurement.

Custodial Credit Risk

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

B. Property Tax

The City's property tax is levied by the Yuma County Treasurer on or before the third Monday in August based upon the previous January 1 full cash value as determined by the Yuma County Assessor. Under Arizona law two assessed valuations are used. One is for primary taxes (used to fund operating expenditures) and the other is for secondary taxes (used to meet general obligation debt service requirements). The primary tax levy is limited to a two percent increase over the previous year with adjustments for growth and annexation. Secondary taxes are tied to the annual debt service requirements of voter-approved general obligation bonds. Taxes are due in two equal installments on October 1 and March 1 following the levy date and are delinquent on the first day of November and May, respectively. Liens are filed when taxes are delinquent for two years. Assessed values, levies and collections for fiscal year 2010-11 (Tax Year 2010) and fiscal year 2011-12 (Tax Year 2011), follow:

	<u>Tax Year 2010</u>	<u>Tax Year 2011</u>
Primary Assessed Valuation	\$ 671,441,312	\$ 636,293,155
Primary Tax Rate	1.4691	1.5787
Primary Tax Levy	\$ 9,864,144	\$ 10,045,160
Secondary Assessed Valuation	\$ 733,033,525	\$ 666,827,282
Secondary Tax Rate/Levy	None	None
Current Tax Collections	\$ 9,429,548	\$ 9,640,017
Delinquent Tax Collections	\$ 311,392	\$ 343,027
Delinquent Taxes Outstanding as of June 30	\$ 365,238	\$ 391,213

C. Accounts Receivable

Receivable balances are stated net of an allowance for doubtful accounts. Within the Solid Waste Enterprise Fund, an allowance account is established to record the estimated uncollectible refuse collection billings. Within the Water and Wastewater Enterprise Funds, allowance accounts have been established to record estimated uncollectible water and wastewater billings. No allowance account has been made for other types of receivables. The balances of these accounts are as follow:

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

	Accounts	Intergovern- mental	Special Assessments	Delinquent		Total
				Property Taxes	Accrued Interest	
General	\$ 1,587,159	\$ 2,228,211	\$ 20,169	\$ 391,213	\$ 12,281	\$ 4,239,033
Highway User Revenue	10,981	553,575	-	-	343	564,899
City Road Tax	38,190	553,996	-	-	1,907	594,093
Grants	5,400	1,827,469	-	-	69	1,832,938
Community Redevelopment	1,023,301	140,809	-	-	-	1,164,110
Debt Service	1,523	-	4,625,000	-	325	4,626,848
Capital Projects	134,879	1,252,625	-	-	4,891	1,392,395
Water	3,783,543	761	-	-	7,761	3,792,065
Wastewater	2,281,865	278,778	-	-	10,290	2,570,933
Other Funds-Governmental	146,011	299,732	-	20,134	3,945	469,822
Other Funds-Enterprise	514,610	616	-	-	570	515,796
Internal Service	60,257	-	-	-	8,606	68,863
Total	\$ 9,587,719	\$ 7,136,572	\$ 4,645,169	\$ 411,347	\$ 50,988	\$ 21,831,795

Allowance Amount

	<u>2012</u>	<u>2011</u>
Enterprise Funds:		
Solid Waste	\$ 13,046	\$ 10,925
Water	152,946	155,760
Wastewater	94,768	92,038

D. Due from Other Governments (Intergovernmental Receivables)

Amounts due from other government units at June 30, 2012, are as follows:

	Agencies				
	<u>Federal</u>	<u>State</u>	<u>County</u>	<u>Local</u>	<u>Total</u>
Governmental Funds					
Major Funds					
General	\$ 680	\$ 1,837,599	\$ 245,784	\$ 144,148	\$ 2,228,211
Highway User Revenue	-	547,452	6,123	-	553,575
City Road Tax	-	553,996	-	-	553,996
Grants	1,733,724	93,745	-	-	1,827,469
Community Redevelopment	140,809	-	-	-	140,809
Capital Projects	-	899,955	-	352,670	1,252,625
Non-major Funds					
Radio Communications	-	1,451	36,419	16,664	54,534
Public Safety Tax	-	221,523	-	-	221,523
Mall Maintenance	-	-	23,675	-	23,675
Enterprise Funds:					
Major Funds					
Water	-	761	-	-	761
Wastewater	196,271	-	-	82,507	278,778
Non-major Funds					
Desert Hills Golf Course	-	616	-	-	616
Total	\$ 2,071,484	\$ 4,157,098	\$ 312,001	\$ 595,989	\$ 7,136,572

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

E. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2012, follows:

	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012
Capital Assets Not Being Depreciated:	(as restated)*			
Land	\$ 55,616,783	\$ 1,205,667	\$ 12,760	\$ 56,809,690
Construction in Progress	80,252,082	8,787,855	26,410,193	62,629,744
Total Capital Assets Not Being Depreciated	<u>135,868,865</u>	<u>9,993,522</u>	<u>26,422,953</u>	<u>119,439,434</u>
Other Capital Assets:				
Buildings*	78,866,309	-	-	78,866,309
Improvements*	40,858,757	477,837	-	41,336,594
Infrastructure	184,178,471	39,152,978	-	223,331,449
Equipment	53,490,547	1,573,953	687,104	54,377,396
Total Other Capital Assets	<u>357,394,084</u>	<u>41,204,768</u>	<u>687,104</u>	<u>397,911,748</u>
Less Accumulated Depreciation for:				
Buildings	26,453,724	2,526,744	-	28,980,468
Improvements	25,824,593	3,005,322	-	28,829,915
Infrastructure	94,083,191	4,420,392	-	98,503,583
Equipment	36,397,002	4,415,235	674,459	40,137,778
Total Accumulated Depreciation	<u>182,758,510</u>	<u>14,367,693</u>	<u>674,459</u>	<u>196,451,744</u>
Other Capital Assets, Net	<u>174,635,574</u>	<u>26,837,075</u>	<u>12,645</u>	<u>201,460,004</u>
Total Capital Assets, Governmental Activities	<u>\$ 310,504,439</u>	<u>\$ 36,830,597</u>	<u>\$26,435,598</u>	<u>\$ 320,899,438</u>

* A FY2011 Building-addition capital improvement project of \$138,254 was misclassified as an Improvement. Beginning balances have been restated accordingly.

Government activities capital assets net of accumulated depreciation at June 30, 2012, include:

General Capital Assets, Net	\$ 313,891,170
Internal Service Fund Capital Assets, Net	7,008,268
Total	<u>\$ 320,899,438</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 2,641,026
Public Safety	2,339,116
Parks, Recreation, and Culture	2,873,661
Environmental Health and Protection	14,156
Community Design and Development	37,302
Streets	4,552,568
Assets held by Internal Service Funds are charged based on usage of assets	<u>1,909,864</u>
Total	<u>\$ 14,367,693</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

Business-type activities:

	Balance <u>June 30, 2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2012</u>
Capital Assets Not Being Depreciated:				
Land	\$ 10,492,389	\$ 37,275	\$ -	\$ 10,529,664
Construction in Progress	193,175,016	3,280,064	156,703,207	39,751,873
Total Capital Assets Not Being Depreciated	<u>203,667,405</u>	<u>3,317,339</u>	<u>156,703,207</u>	<u>50,281,537</u>
Other Capital Assets:				
Buildings	7,945,196	156,703,208	-	164,648,404
Improvements	226,821,085	1,518,435	-	228,339,520
Equipment	5,162,877	83,345	-	5,246,222
Total Other Capital Assets	<u>239,929,158</u>	<u>158,304,988</u>	<u>-</u>	<u>398,234,146</u>
Less Accumulated Depreciation for:				
Buildings	5,190,026	3,034,657	-	8,224,683
Improvements	95,438,120	9,712,350	-	105,150,470
Equipment	3,931,708	373,397	-	4,305,105
Total Accumulated Depreciation	<u>104,559,854</u>	<u>13,120,404</u>	<u>-</u>	<u>117,680,258</u>
Other Capital Assets, Net	<u>135,369,304</u>	<u>145,184,584</u>	<u>-</u>	<u>280,553,888</u>
Total Capital Assets, Business-type activities	<u>\$ 339,036,709</u>	<u>\$ 148,501,923</u>	<u>\$ 156,703,207</u>	<u>\$ 330,835,425</u>

Depreciation was charged to programs as follows:

Water	\$ 7,315,911
Wastewater	5,557,097
Solid Waste	40,798
Golf courses	<u>206,598</u>
Total	<u>\$ 13,120,404</u>

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

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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2012

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, 2012, active ASRS members and the City were required by statute to contribute at the actuarially determined rate of 10.74 percent (10.5 percent retirement and 0.24 percent long-term disability) of the members' annual covered payroll. The City's contributions to ASRS for the years ended June 30, 2012, 2011, and 2010 were \$2,929,058, \$2,490,013, and \$2,471,539, 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 10 percent and 32.99 percent, respectively, of the members' annual covered payroll. The City's contributions to EORP for the years ended June 30, 2012, 2011 and 2010 were \$80,694, \$70,831, and \$61,854, respectively, which were equal to the required contributions for the year.

Agent plans - For the year ended June 30, 2012 active PSPRS members were required by statute to contribute 8.65 percent of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 22.76 percent for police and 30.34 percent for fire.

Funded Status and Funding Progress – Funding progress of the two agent plans as of June 30, 2011, the most recent valuation, appears below.

	<u>Actual Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funding Liability (Excess)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Liability as Percentage of Payroll</u>
POLICE	\$ 43,968,517	\$ 64,818,702	\$ 20,850,185	67.8%	\$ 9,350,250	223.0%
FIRE	30,253,905	52,542,833	22,288,928	57.6%	5,973,174	373.2%

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, 2011 (the date of the most recent actuarial report) follows:

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

	<u>Police</u>	<u>Fire</u>
Contribution Rates	22.76%	30.34%
Annual Pension Cost	\$2,115,546	\$1,787,905
Contributions Made	\$2,115,546	\$1,787,905
Actuarial Valuation Date	June 30, 2011	June 30, 2011
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	8.25%	8.25%
Projected Salary Increases	5.0%-8.0%	5.5%-8.5%
Inflation Projection	5%	5%
Cost-of-Living Adjustments	None	None
Amortization Method	Level Percent-of-pay closed	Level Percent-of-pay 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:

		Annual Pension		Net Pension	
		Cost	Percent Contributed	Obligation	
POLICE	2009	\$ 1,937,002	100.0%	\$ -	
	2010	1,847,772	100.0%	-	
	2011	2,115,546	100.0%	-	
FIRE	2009	1,771,820	100.0%	-	
	2010	1,557,575	100.0%	-	
	2011	1,787,905	100.0%	-	

G. Noncurrent Liabilities

The following changes occurred in noncurrent liabilities during the fiscal year ended June 30, 2012:

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012	Due Within One Year
Governmental activities:					
Yuma Municipal Property Corporation	\$ 125,665,000	\$ -	\$ 6,610,000	\$ 119,055,000	\$ 6,890,000
Improvement District #67	2,735,000	-	875,000	1,860,000	910,000
Improvement District #68	3,010,000	-	245,000	2,765,000	255,000
Unamortized Discount/Issuance Costs	(877,661)	-	(66,831)	(810,830)	-
Unamortized Premium	1,895,380	-	122,522	1,772,858	-
Compensated Absences	5,702,487	318,329	322,787	5,698,029	2,199,960
Total Governmental Activity					
Noncurrent Liabilities	<u>\$ 138,130,206</u>	<u>\$ 318,329</u>	<u>\$ 8,108,478</u>	<u>\$ 130,340,057</u>	<u>\$ 10,254,960</u>
Business-type activities:					
General Obligation Bonds	\$ 2,765,000	\$ -	\$ 1,345,000	\$ 1,420,000	\$ 1,420,000
Yuma Municipal Property Corporation	117,025,000	-	3,260,000	113,765,000	3,425,000
Unamortized Discount/Issuance Costs	(571,448)	-	(39,915)	(531,533)	-
Unamortized Premium	3,868,773	-	184,228	3,684,545	-
Contracts Payable	68,249,441	-	4,327,605	63,921,836	4,478,041
Compensated Absences	834,549	53,635	46,492	841,692	263,777
Total Business-type Activity					
Noncurrent Liabilities	<u>\$ 192,171,315</u>	<u>\$ 53,635</u>	<u>\$ 9,123,410</u>	<u>\$ 183,101,540</u>	<u>\$ 9,586,818</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2012

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

Contracts Payable

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

Bonded Debt - Excluding Refunded Debt

The following is a description of bonded indebtedness at June 30, 2012. In each instance, all bonds have been issued. For each issue, a number of covenants and restrictions are included in the bond indentures. The City is in compliance with these covenants and restrictions.

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

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

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

<u>Issue</u>	<u>Pledged Tax</u>	<u>Project(s) funded</u>
2003 – Series A	Excise and Public Safety Taxes	Refunding 1995 issue
2003 – Series B	Excise Taxes	Art Center/Fire Station construction
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, Solid Waste and Desert Hills Golf Course Enterprise Funds, and Highway User Revenue Special Revenue Fund, as determined by the projects acquired or constructed by the debt proceeds.

The Municipal Property Corporation issued a Utility Series in 2007. 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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2012

For the year ended June 30, 2012 the pledged revenues described above amounted to \$62,074,352 for governmental activities and \$44,734,384 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, 2012 debt service for governmental activities totaled \$13,526,441 and for business-type activities \$17,151,861, or 22% and 38% of pledged revenues, respectively.

Summary of Bonded Debt

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding</u>	<u>Net Unamortized Premium/ (Issue Costs)</u>
General Obligation Bonds:						
1997 Refunding	4.90%	12/1/1997	2012	\$ 8,085,000	\$ 1,420,000	\$ -
Yuma Municipal Property Corporation Bonds:						
2003 - Series A Refunding	4.21%	2/18/2003	2015	14,640,000	5,825,000	-
2003 - Series B Refunding	3.67%	2/18/2003	2015	2,905,000	1,105,000	-
2003 - Series B Addition	4.18%	2/18/2003	2022	9,000,000	5,950,000	(32,319)
2007 - Series B	4.50%	11/20/2007	2027	30,785,000	26,110,000	(373,269)
2007 - Series D	4.50%	11/20/2007	2027	61,100,000	51,835,000	1,350,525
2007 - Series Utilities	4.50%	11/20/2007	2032	127,925,000	113,765,000	3,153,013
2010 - Series B Refunding	4.23%	6/29/2010	2025	<u>29,530,000</u>	<u>28,230,000</u>	<u>17,090</u>
Total MPC Bonds				<u>277,330,000</u>	<u>232,820,000</u>	<u>4,115,040</u>
Total Bonds Authorized and Issued				<u>\$ 285,415,000</u>	<u>\$ 234,240,000</u>	<u>\$ 4,115,040</u>

Legal Debt Margin

Under Arizona's Constitution, outstanding general obligation bonded debt for combined water, sewer, artificial light, parks, open space preserves, playgrounds and recreational facilities may not exceed 20% of a City's net secondary assessed valuation. Outstanding general obligation debt for all other purposes may not exceed 6% of a City's net secondary assessed valuation. The legal borrowing capacity of the City of Yuma at June 30, 2012 follows:

	<u>Water, Etc. (20%)</u>	<u>All Other (6%)</u>
Secondary Assessed Valuation	\$666,827,282	
Legal Limit	\$ 133,365,456	\$ 40,009,637
Outstanding G.O. Debt	<u>1,420,000</u>	<u>-</u>
Available Debt Margin	<u>\$ 131,945,456</u>	<u>\$ 40,009,637</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

Annual Debt Service Requirements to Maturity

BONDS AND IMPROVEMENT DISTRICTS

July 1	1997 Refunding Bonds			Improvement District No. 67 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2012	1,420,000	69,580	1,489,580	910,000	68,820	978,820
2013	-	-	-	950,000	35,150	985,150
	<u>\$ 1,420,000</u>	<u>\$ 69,580</u>	<u>\$ 1,489,580</u>	<u>\$ 1,860,000</u>	<u>\$ 103,970</u>	<u>\$ 1,963,970</u>
	Improvement District No. 68 Bonds			MPC Bonds 2003 Series		
2012	255,000	129,955	384,955	435,000	257,507	692,507
2013	265,000	117,970	382,970	450,000	241,847	691,847
2014	280,000	105,515	385,515	470,000	224,973	694,973
2015	290,000	92,355	382,355	490,000	207,347	697,347
2016	305,000	78,725	383,725	515,000	182,847	697,847
2017	320,000	64,390	384,390	535,000	157,098	692,098
2018	335,000	49,350	384,350	560,000	134,628	694,628
2019	350,000	33,605	383,605	585,000	110,828	695,828
2020	365,000	17,155	382,155	610,000	85,672	695,672
2021	-	-	-	635,000	58,833	693,833
2022	-	-	-	665,000	30,258	695,258
	<u>\$ 2,765,000</u>	<u>\$ 689,020</u>	<u>\$ 3,454,020</u>	<u>\$ 5,950,000</u>	<u>\$ 1,691,838</u>	<u>\$ 7,641,838</u>
	MPC Bonds 2003 Refunding 1995A			MPC Bonds 2003 Refunding 1995B		
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
	<u>\$ 5,825,000</u>	<u>\$ 596,071</u>	<u>\$ 6,421,071</u>	<u>\$ 1,105,000</u>	<u>\$ 120,110</u>	<u>\$ 1,225,110</u>
	MPC Bonds 2007 Series Utility			MPC Bonds 2007 Series B		
2012	3,425,000	5,519,538	8,944,538	1,175,000	1,111,970	2,286,970
2013	3,585,000	5,382,538	8,967,538	1,230,000	1,064,970	2,294,970
2014	3,750,000	5,239,138	8,989,138	1,280,000	1,015,770	2,295,770
2015	3,920,000	5,089,138	9,009,138	1,335,000	964,570	2,299,570
2016	4,095,000	4,893,138	8,988,138	1,390,000	911,170	2,301,170
2017	4,270,000	4,688,388	8,958,388	1,445,000	855,570	2,300,570
2018	4,440,000	4,453,538	8,893,538	1,505,000	797,770	2,302,770
2019	4,620,000	4,231,538	8,851,538	1,565,000	737,570	2,302,570
2020	4,810,000	4,000,538	8,810,538	1,630,000	674,970	2,304,970
2021	5,015,000	3,802,125	8,817,125	1,700,000	606,510	2,306,510
2022	5,225,000	3,551,375	8,776,375	1,770,000	534,260	2,304,260
2023	5,450,000	3,290,125	8,740,125	1,850,000	458,150	2,308,150
2024	5,685,000	3,017,625	8,702,625	1,930,000	365,650	2,295,650
2025	5,930,000	2,733,375	8,663,375	2,010,000	281,212	2,291,212
2026	6,190,000	2,436,875	8,626,875	2,100,000	193,275	2,293,275
2027	6,460,000	2,127,375	8,587,375	2,195,000	98,775	2,293,775
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>\$ 113,765,000</u>	<u>\$ 70,152,367</u>	<u>\$ 183,917,367</u>	<u>\$ 26,110,000</u>	<u>\$ 10,672,162</u>	<u>\$ 36,782,162</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

BONDS AND IMPROVEMENT DISTRICTS

July 1	MPC Bonds 2007 Series D			MPC Bonds 2010 Refunding 2001		
	Principal	Interest	Total	Principal	Interest	Total
2012	2,330,000	2,442,025	4,772,025	1,340,000	1,188,581	2,528,581
2013	2,435,000	2,348,825	4,783,825	1,375,000	1,155,081	2,530,081
2014	2,540,000	2,251,425	4,791,425	1,425,000	1,100,082	2,525,082
2015	2,655,000	2,149,825	4,804,825	1,465,000	1,057,331	2,522,331
2016	2,760,000	2,043,625	4,803,625	1,840,000	1,013,381	2,853,381
2017	2,870,000	1,905,625	4,775,625	1,910,000	939,781	2,849,781
2018	2,985,000	1,762,125	4,747,125	2,010,000	844,282	2,854,282
2019	3,110,000	1,612,875	4,722,875	2,110,000	743,781	2,853,781
2020	3,240,000	1,457,375	4,697,375	2,210,000	638,281	2,848,281
2021	3,375,000	1,323,725	4,698,725	2,305,000	549,881	2,854,881
2022	3,520,000	1,154,975	4,674,975	2,400,000	454,800	2,854,800
2023	3,670,000	978,975	4,648,975	2,500,000	352,800	2,852,800
2024	3,825,000	795,475	4,620,475	2,610,000	240,300	2,850,300
2025	3,995,000	604,225	4,599,225	2,730,000	122,850	2,852,850
2026	4,170,000	404,475	4,574,475	-	-	-
2027	4,355,000	195,975	4,550,975	-	-	-
	<u>\$ 51,835,000</u>	<u>\$ 23,431,550</u>	<u>\$ 75,266,550</u>	<u>\$ 28,230,000</u>	<u>\$ 10,401,212</u>	<u>\$ 38,631,212</u>

CONTRACTS PAYABLE

July 1	WIFA Loan #920069-03			WIFA Loan #910043-03		
	Principal	Interest	Total	Principal	Interest	Total
2012	501,429	216,071	717,500	2,294,967	988,923	3,283,890
2013	518,032	199,468	717,500	2,370,953	912,937	3,283,890
2014	535,184	182,316	717,500	2,449,455	834,435	3,283,890
2015	552,904	164,596	717,500	2,530,557	753,333	3,283,890
2016	571,210	146,290	717,500	2,614,343	669,547	3,283,890
2017	590,123	127,377	717,500	2,700,904	582,986	3,283,890
2018	609,662	107,838	717,500	2,790,331	493,559	3,283,890
2019	629,848	87,652	717,500	2,882,719	401,171	3,283,890
2020	650,702	66,798	717,500	2,978,166	305,724	3,283,890
2021	672,247	45,253	717,500	3,076,773	207,117	3,283,890
2022	694,505	22,995	717,500	3,178,645	105,245	3,283,890
	<u>\$ 6,525,846</u>	<u>\$ 1,366,655</u>	<u>\$ 7,892,501</u>	<u>\$ 29,867,814</u>	<u>\$ 6,254,976</u>	<u>\$ 36,122,789</u>

WIFA Loan #920088-04

2012	1,681,632	1,001,311	2,682,943
2013	1,744,727	937,033	2,681,760
2014	1,810,189	870,342	2,680,532
2015	1,878,108	801,150	2,679,258
2016	1,948,574	729,361	2,677,936
2017	2,021,685	654,879	2,676,564
2018	2,097,539	577,603	2,675,141
2019	2,176,238	497,427	2,673,665
2020	2,257,891	414,242	2,672,133
2021	2,342,607	327,937	2,670,544
2022	2,430,501	238,393	2,668,895
2023	2,521,694	145,490	2,667,184
2024	2,616,802	49,092	2,665,894
	<u>\$ 27,528,187</u>	<u>\$ 7,244,259</u>	<u>\$ 34,772,447</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

H. Interfund Transfers

<i>Transfers Out</i>		<i>Transfers In</i>	
Governmental funds - major funds:			
General Fund	Radio Comm \$ 162,074	General Fund -	Two Percent Tax \$ 517,873
	Grants 100,695	Grants	General Fund 100,695
	Debt Service 4,273,507	Debt Service	General Fund 4,273,507
HURF	Debt Service 101,383		HURF 101,383
Road Tax	Debt Service 4,799,518		Road Tax 4,799,518
Grants	Two Percent Tax 4,259		Public Safety Tax 2,929,221
			Solid Waste 20,973
			Wastewater 32,277
			Water 62,338
Nonmajor funds:			
Public Safety Tax	Debt Service 2,929,222	Radio Comm	General Fund 162,074
Two Percent Tax	Recreation Complex 1,500,000		Solid Waste 5,400
	General Fund 517,873		Water 9,180
	Arroyo Dunes 169,982		Wastewater 2,340
			Equipment Maint 1,080
	-	Recreation Complex	Two Percent Tax 1,500,000
	-	Two Percent Tax	Grants 4,259
Total Governmental Activities	14,558,513	Total Governmental Activities	14,522,118
Enterprise funds:			
Solid Waste	Debt Service 20,972	Arroyo Dunes	Two Percent Tax 169,982
	Radio Comm 5,400		
Water	Debt Service 62,338		
	Radio Comm 9,180		
Wastewater	Debt Service 32,277		
	Radio Comm 2,340		
Total Enterprise Funds	132,507	Total Enterprise Funds	169,982
Internal Service funds:			
Equipment Maint	Radio Comm 1,080		
Total Internal Service Funds Funds	1,080	Total Internal Service Funds Funds	-
<i>Total Transfers Out</i>	\$ 14,692,100	<i>Total Transfers In</i>	\$ 14,692,100

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 Two Percent Tax Fund to the General Fund (\$517,873 per a riverfront development agreement) and to the Recreation Complex Fund (\$1,500,000).

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 \$37,475 are for debt service (\$115,587), Radio Maintenance (\$16,920) and \$169,982 for CIP projects.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

I. Interfund Receivables and Payables

Interfund balances at June 30, 2012, follow:

	Interfund Receivable Major Funds
Interfund Payable	General
Major Governmental Funds:	
Community Redevelopment Fund	\$ 105,434
Grants Fund	869,100
Internal Service Funds:	
Equipment Maintenance	572,819
Insurance Reserve	70,651
Workers Compensation	270,000
Total Receivable	\$ 1,888,004

Because they serve primarily governmental funds, the interfund activity noted above in the Internal Service Equipment Maintenance, Insurance Reserve and Workers Compensation Funds 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, \$853,231, represents net balances allocated to business-type activities for consolidation of internal service funds net profits.

J. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; job-related illnesses and injuries to employees; and natural disasters. The City purchases commercial insurance for Property 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 provides health benefits to its employees and their dependents through the Yuma Area Benefit Consortium (trust). The trust is comprised of four participating entities and provides benefits through a self-funding trust agreement with its members. The consortium purchases insurance for claims in excess of \$100,000 per individual per plan year. A third-party administrator provides claim processing and record keeping services. The City is responsible for paying premiums while employees must contribute for costs of dependent coverage. The trust sets rates through projection of claims cost and administrative expenses, along with a determination of sufficient fund balance to maintain rate stability and trust integrity. Should the consortium become insolvent or otherwise unable to discharge its liabilities, the participating entities shall be assessed a pro rata share. This assessment may not exceed the amount of each participating entity's annual contribution. Benefit payments to beneficiaries are limited to the amount in the trust. Should the assessment not yield sufficient funds to pay outstanding claims, the trust's obligation to pay claims is limited to the amount in the trust after assessment and the trustees and the participating entities have no further obligation of any type.

The City uses two Internal Service Funds, Insurance Reserve Fund and Workers Compensation Fund, to account for the financing of its risk of loss relating to claims. 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, 2012

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
2011-12	\$ 60,112	\$ 528,959	\$ 516,594	\$ 72,477	\$ 998,021	\$ 1,234,436	\$ 984,381	\$ 1,248,076
2010-11	48,058	437,591	425,537	60,112	1,017,121	545,050	564,150	998,021
2009-10	24,140	456,306	432,388	48,058	851,083	1,006,908	840,870	1,017,121

K. Construction Commitments

The City has active construction projects as of June 30, 2012. At year-end the government's commitments with contractors for specific projects are as follows:

Construction Commitments	Original Contract	Spent to Date	Remaining Commitment
Public Safety	\$ 4,607,654	\$ 1,217,941	\$ 3,389,713
Parks & Recreation	251,804	2,343	249,461
Environmental Health	75,793	26,771	49,022
Streets	4,251,228	3,329,493	921,735
Water System	126,821	115,254	11,566
Wastewater	-	-	-
	<u>\$ 9,313,300</u>	<u>\$ 4,691,803</u>	<u>\$ 4,621,498</u>

L. Deficits in Fund Equity

At June 30, 2012, no funds, as shown in the basic financial statements, were in a deficit position. The Workers Compensation Internal Service Fund, as shown in the Combining Statement of Net Assets in Other Supplementary Information, has a deficit balance of \$228,862 at June 30, 2012. The City intends to adjust its internal charges in future fiscal years to mitigate this deficit.

III. CONTINGENT LIABILITIES

A. Pending Litigation

The City is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations. It is the opinion of the City management, based on the advice of the City Attorney, that such matters will not have a material adverse effect on the City's financial position at June 30, 2012.

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
POLICE						
2009	\$ 41,337,090	\$ 55,583,097	\$ 14,246,007	74.4%	\$ 9,873,498	144.3%
2010	41,763,616	58,600,342	16,836,726	71.3%	9,412,636	178.9%
2011	43,968,517	64,818,702	20,850,185	67.8%	9,350,250	223.0%
FIRE						
2009	29,459,868	46,691,521	17,231,653	63.1%	6,144,945	280.4%
2010	29,389,749	48,361,082	18,971,333	60.8%	5,913,555	320.8%
2011	30,253,905	52,542,833	22,288,928	57.6%	5,973,174	373.2%

Note: 2011 is the most recent actuarial valuation report available.

City of Yuma, Arizona
 Budgetary Comparison Schedule
 General Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2012

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ 17,160,470	\$ 17,160,470	\$ 21,633,797	\$ 4,473,327
Resources (inflows):				
Taxes:				
Property Tax - Primary	10,045,160	10,045,160	9,640,017	(405,143)
Property Tax - Delinquent	250,000	250,000	304,500	54,500
City Sales Tax	17,985,000	17,985,000	18,470,938	485,938
Public Enterprise In-Lieu	242,000	242,000	242,000	-
Franchise Tax	3,035,000	3,035,000	3,058,634	23,634
Total Taxes	<u>31,557,160</u>	<u>31,557,160</u>	<u>31,716,089</u>	<u>158,929</u>
Licenses:				
Business Licenses	320,000	320,000	288,133	(31,867)
Liquor Licenses	35,000	35,000	31,670	(3,330)
Building Permits	880,400	880,400	863,219	(17,181)
Alcohol Permits	13,200	13,200	11,956	(1,244)
Animal Licenses	-	-	93,030	93,030
Total Licenses	<u>1,248,600</u>	<u>1,248,600</u>	<u>1,288,008</u>	<u>39,408</u>
Intergovernmental:				
Sales Tax - State	7,040,887	7,040,887	7,272,049	231,162
State Revenue Sharing	7,854,995	7,854,995	7,854,670	(325)
Auto Lieu Tax	2,810,000	2,810,000	3,108,562	298,562
Other Governmental Charges	52,000	52,000	34,252	(17,748)
Total Intergovernmental	<u>17,757,882</u>	<u>17,757,882</u>	<u>18,269,533</u>	<u>511,651</u>
Charges for Services:				
Building Inspection Fees	305,100	305,100	306,818	1,718
Recreation Fees	560,800	560,800	546,940	(13,860)
Police Services	594,000	594,000	566,633	(27,367)
Fire Ambulance Services	2,000,000	2,000,000	477,169	(1,522,831)
Other Charges	50,700	50,700	29,314	(21,386)
Total Charges for Services	<u>3,510,600</u>	<u>3,510,600</u>	<u>1,926,874</u>	<u>(1,583,726)</u>
Fines and Forfeitures:				
City Court Fines	1,480,000	1,480,000	1,549,889	69,889
Total Fines and Forfeitures	<u>1,480,000</u>	<u>1,480,000</u>	<u>1,549,889</u>	<u>69,889</u>
Use of Money and Property:				
Interest	100,200	100,200	53,277	(46,923)
Rental Receipts	163,500	163,500	158,132	(5,368)
Total Use of Money and Property	<u>263,700</u>	<u>263,700</u>	<u>211,409</u>	<u>(52,291)</u>
Miscellaneous				
Sales of Surplus Property	5,000	5,000	30,339	25,339
Other	219,000	219,000	222,099	3,099
Total Miscellaneous	<u>224,000</u>	<u>224,000</u>	<u>252,438</u>	<u>28,438</u>
Total Revenues	<u>56,041,942</u>	<u>56,041,942</u>	<u>55,214,240</u>	<u>(827,702)</u>
Transfers In	557,323	557,323	517,873	(39,450)
Amounts Available for Appropriation	<u>73,759,735</u>	<u>73,759,735</u>	<u>77,365,910</u>	<u>3,606,175</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, 2012

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Charges to Appropriations (outflows):				
General Government:				
Mayor and Council	250,524	270,524	259,959	10,565
Elections	150,000	150,000	127,689	22,311
City Administrator	451,484	451,484	464,479	(12,995)
Strategic Communications	657,890	657,890	585,771	72,119
Neighborhood Services	211,235	211,235	126,412	84,823
Economic Development	301,562	301,562	308,879	(7,317)
Facilities Maintenance	941,116	941,116	934,338	6,778
General Government	3,727,292	3,707,292	1,937,053	1,770,239
City Clerk	262,074	262,074	235,737	26,337
City Attorney	1,066,994	1,064,594	1,005,342	59,252
City Prosecutor	222,549	224,949	224,705	244
Finance-Administration	317,342	317,342	308,237	9,105
Accounting	949,118	949,118	830,823	118,295
Customer Services	96,716	96,716	101,963	(5,247)
Information Technology Services	2,310,434	2,351,613	2,210,141	141,472
Purchasing	405,667	405,667	417,622	(11,955)
Human Resources	891,049	891,049	859,597	31,452
Intragovernmental Charges	(2,560,991)	(2,560,991)	(2,560,991)	-
Total General Government Operating Expenditures	10,652,055	10,693,234	8,377,756	2,315,478
Capital Outlay	303,231	303,231	9,256	293,975
Total General Government Expenditures	10,955,286	10,996,465	8,387,012	2,609,453
Public Safety:				
Police Administration - Field Operations	15,798,500	15,782,900	16,143,058	(360,158)
Police Animal Control	650,000	640,000	676,943	(36,943)
Police Support Services	2,256,559	2,250,707	2,034,778	215,929
Police Communication Center	1,891,476	1,891,476	1,835,743	55,733
Police 911 Administration	31,355	31,355	45,430	(14,075)
Fire Administration	771,860	771,860	774,603	(2,743)
Fire Training	344,054	344,054	348,155	(4,101)
Fire Suppression	10,787,786	9,937,786	9,246,940	690,846
Fire Suppression - Ambulance	208,320	1,058,320	1,120,824	(62,504)
Community Risk Reduction	676,727	410,619	372,458	38,161
Facilities Maintenance	581,857	894,905	953,765	(58,860)
Fire Special Operations	50,946	50,946	27,174	23,772
Municipal Court	1,532,254	1,485,314	1,400,991	84,323
Total Public Safety Operating Expenditures	35,581,694	35,550,242	34,980,862	569,380
Capital Outlay	347,305	391,957	251,966	139,991
Total Public Safety Expenditures	35,928,999	35,942,199	35,232,828	709,371

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, 2012

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Parks, Recreation and Culture:				
Parks and Recreation Administration	509,396	509,396	508,984	412
Parks Maintenance	4,158,619	4,158,619	4,117,849	40,770
Parks Development	153,788	153,788	160,877	(7,089)
Recreation Administration	572,124	573,724	548,534	25,190
Senior Adult Activities	122,883	122,883	58,868	64,015
Adult Activities	216,864	216,864	178,052	38,812
Youth Activities	244,965	254,038	225,314	28,724
Aquatics	492,438	483,338	334,474	148,864
Yuma Readiness Center	125,744	120,671	65,892	54,779
Facilities Maintenance	1,040,681	1,044,181	1,206,888	(162,707)
Intragovernmental Charges	<u>(137,938)</u>	<u>(137,938)</u>	<u>(137,938)</u>	<u>-</u>
Total Parks, Recreation and Culture				
Operating Expenditures	<u>7,499,564</u>	<u>7,499,564</u>	<u>7,267,794</u>	<u>231,770</u>
Total Parks, Recreation and Culture Expenditures	<u>7,499,564</u>	<u>7,499,564</u>	<u>7,267,794</u>	<u>231,770</u>
Environmental Health and Protection:				
Environmental Management	433,269	433,269	320,713	112,556
Facilities Maintenance	225,378	225,378	157,701	67,677
Intragovernmental Charges	<u>(294,096)</u>	<u>(294,096)</u>	<u>(294,096)</u>	<u>-</u>
Total Environmental Health and Protection	<u>364,551</u>	<u>364,551</u>	<u>184,318</u>	<u>180,233</u>
Total Environmental Health and Protection				
Operating Expenditures	<u>364,551</u>	<u>364,551</u>	<u>184,318</u>	<u>180,233</u>
Community Design and Development:				
Community Development Administration	515,338	460,959	410,874	50,085
Development Engineering	395,309	395,309	391,492	3,817
Planning and Neighborhood Services	2,182,178	2,182,178	2,039,098	143,080
Heritage Area Development	<u>357,923</u>	<u>357,923</u>	<u>360,304</u>	<u>(2,381)</u>
Total Community Design and Development				
Operating Expenditures	<u>3,450,748</u>	<u>3,396,369</u>	<u>3,201,768</u>	<u>194,601</u>
Total Community Design and Development				
Expenditures	<u>3,450,748</u>	<u>3,396,369</u>	<u>3,201,768</u>	<u>194,601</u>
Total Operating Expenditures	<u>57,548,612</u>	<u>57,503,960</u>	<u>54,012,498</u>	<u>3,491,462</u>
Capital Outlay	<u>650,536</u>	<u>695,188</u>	<u>261,222</u>	<u>433,966</u>
Total Expenditures	<u>58,199,148</u>	<u>58,199,148</u>	<u>54,273,720</u>	<u>3,925,428</u>
Transfers Out	<u>4,393,672</u>	<u>4,393,672</u>	<u>4,536,276</u>	<u>(142,604)</u>
Total Charges to Appropriations	<u>62,592,820</u>	<u>62,592,820</u>	<u>58,809,996</u>	<u>3,782,824</u>
Budgetary Fund Balance, June 30	<u>\$ 11,166,915</u>	<u>\$ 11,166,915</u>	<u>\$ 18,555,914</u>	<u>\$ 7,388,999</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, 2012

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ 712,789	\$ 712,789	\$ 1,086,702	\$ 373,913
Resources (inflows):				
Intergovernmental				
State Gasoline Tax	5,863,023	5,863,023	5,700,428	(162,595)
Use of Money and Property				
Interest	8,000	8,000	1,327	(6,673)
Miscellaneous				
Other	62,000	62,000	92,271	30,271
Total Revenues	5,933,023	5,933,023	5,794,026	(138,997)
Amounts Available for Appropriation	6,645,812	6,645,812	6,880,728	234,916
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Traffic Signals, Signs, and Striping	1,041,070	1,041,070	1,107,691	(66,621)
Streets				
Street Maintenance	2,199,425	2,199,425	2,006,389	193,036
Street Lighting	719,623	719,623	849,541	(129,918)
Street Sweeping	420,353	420,353	375,632	44,721
Storm Drain Maintenance	311,756	311,756	307,099	4,657
Curbs, Gutters, and Sidewalks	354,142	354,142	297,303	56,839
Retention Basin Maintenance	989,020	989,020	1,026,235	(37,215)
Environmental Health				
Lot Cleaning	78,430	78,430	76,223	2,207
Capital Outlay	134,000	134,000	-	134,000
Total Expenditures	6,247,819	6,247,819	6,046,113	201,706
Transfers Out	101,202	101,202	101,383	(181)
Total Charges to Appropriations	6,349,021	6,349,021	6,147,496	201,525
Budgetary Fund Balance, June 30	\$ 296,791	\$ 296,791	\$ 733,232	\$ 436,441

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 City Road Tax Fund
 For the Year Ended June 30, 2012

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ 3,814,307	\$ 3,814,307	\$ 3,612,039	\$ (202,268)
Resources (inflows):				
Taxes				
Special Road Sales Tax	8,991,000	8,991,000	9,233,899	242,899
Use of Money and Property				
Rent	355,000	355,000	419,747	64,747
Interest	8,500	8,500	13,346	4,846
Charges For Services				
Developer Charges	5,000	5,000	358	(4,642)
Miscellaneous				
Other	-	-	2,437	2,437
Total Revenues	9,359,500	9,359,500	9,669,787	310,287
Amounts Available for Appropriation	13,173,807	13,173,807	13,281,826	108,019
Charges to Appropriations (outflows):				
Current:				
Streets				
Engineering	1,258,381	1,258,381	1,151,475	106,906
Street Maintenance	856,626	856,626	950,426	(93,800)
Pathways and Trails	909,054	909,054	879,245	29,809
Right-Of-Way Management	101,250	101,250	101,838	(588)
Capital Projects				
Parks, Recreation and Culture	-	-	9,165	(9,165)
Streets	1,648,467	2,053,885	699,435	1,354,450
Environmental, Health and Safety	560,000	148,014	119,287	28,727
Total Expenditures	5,333,778	5,327,210	3,910,871	1,416,339
Transfers Out	4,797,109	4,797,109	4,799,518	(2,409)
Total Charges to Appropriations	10,130,887	10,124,319	8,710,389	1,413,930
Budgetary Fund Balance, June 30	\$ 3,042,920	\$ 3,049,488	\$ 4,571,437	\$ 1,521,949

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Grants Fund
 For the Year Ended June 30, 2012

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		\$
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	4,784,490	6,764,356	3,475,253	(3,289,103)
State Government	29,587	29,446	1,608,218	1,578,772
Budget Authority Reserve	32,076,175	21,097,000	-	(21,097,000)
Use of Money and Property				
Interest	-	-	56	56
Contributions/Donations	77,983	9,077,433	46,976	(9,030,457)
Other - Rebates	-	-	28,494	28,494
Total Revenues	<u>36,968,235</u>	<u>36,968,235</u>	<u>5,158,997</u>	<u>(31,809,238)</u>
Transfers In	-	-	100,694	100,694
Amounts Available for Appropriation	<u>36,968,235</u>	<u>36,968,235</u>	<u>5,259,691</u>	<u>(31,708,544)</u>
Charges to Appropriations (outflows):				
Current:				
General Government	-	782,313	1,061,721	(279,408)
Public Safety	9,581,751	9,460,354	2,322,963	7,137,391
Parks, Recreation and Culture	386,868	1,968,008	124,036	1,843,972
Environmental Health and Protection	1,851,953	-	-	-
Community Design & Development	511,500	125,000	114,840	10,160
Capital Outlay	1,214,163	1,210,560	1,113,313	97,247
Capital Projects				
General Government	7,482,000	10,889,070	-	10,889,070
Streets	14,400,000	10,650,000	-	10,650,000
Parks, Recreation and Culture	925,000	1,267,930	518,559	749,371
Environmental Health and Protection	615,000	615,000	-	615,000
Total Expenditures	<u>36,968,235</u>	<u>36,968,235</u>	<u>5,255,432</u>	<u>31,712,803</u>
Transfers Out	-	-	4,259	(4,259)
Total Charges to Appropriations	<u>36,968,235</u>	<u>36,968,235</u>	<u>5,259,691</u>	<u>31,708,544</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Community Redevelopment Fund
 For the Year Ended June 30, 2012

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	1,684,943	1,684,943	873,412	(811,531)
Use of Money and Property				
Rental Receipts	-	-	18,105	18,105
Miscellaneous				
Loan Repayments	-	-	17,647	17,647
Other	25,000	25,000	6,174	(18,826)
Total Revenues	1,709,943	1,709,943	915,338	(794,605)
Amounts Available for Appropriation	1,709,943	1,709,943	915,338	(794,605)
Charges to Appropriations (outflows):				
Current:				
Community Design and Development	1,675,943	1,660,943	865,107	795,836
Capital Outlay	4,000	19,000	17,341	1,659
Capital Projects				
General Government	30,000	30,000	32,890	(2,890)
Total Expenditures	1,709,943	1,709,943	915,338	794,605
Total Charges to Appropriations	1,709,943	1,709,943	915,338	794,605
 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, 2012

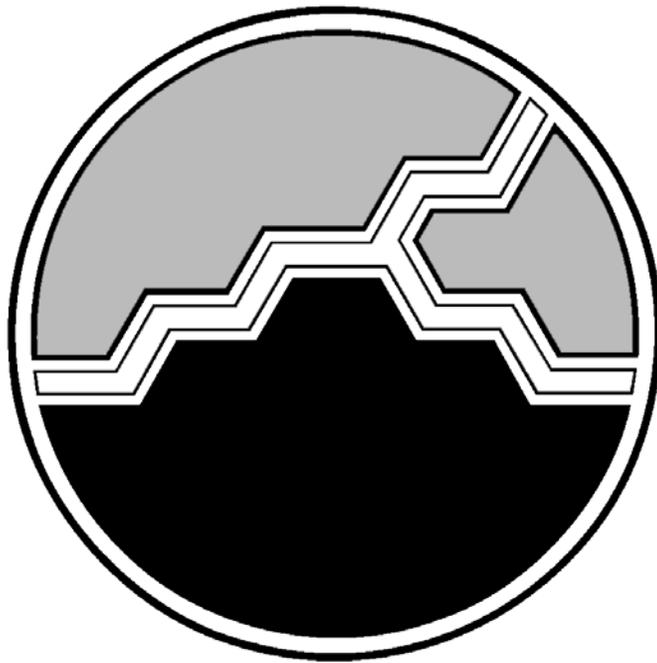
A. Budgetary Reporting and Budgetary Basis of Accounting

Budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP), with the exception of the Enterprise Funds and 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 five funds. The Debt Service Fund expenditures exceeded appropriations by \$5,965 due to fiscal agent fees not being budgeted. Local Transportation Assistance Fund expenditures exceeded appropriations by \$765 as receipts exceeded original estimates. The Equipment Maintenance Fund had expenditures exceed appropriations by \$87,950 after providing unplanned repair services during the year with attendant auto parts purchases. Outside counsel caused expenditures within the Insurance Reserve fund to exceed appropriations by \$147,092. In each case, the fund was not significantly impaired by the excess expenditures.

**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.

Radio Communication To record the financial activities of the Radio Communication 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, 2012

<u>Assets</u>	<u>Special Revenue</u>			
	<u>Local Transportation Assistance</u>	<u>Public Safety Tax</u>	<u>Radio Communication</u>	<u>Recreation Complex</u>
Cash and Investments	\$ 143	\$ 1,356,823	\$ 861,175	\$ 2,179,068
Receivables (Net of Allowances for Uncollectibles):				
Accounts Receivable	-	-	94,896	14,167
Intergovernmental	-	221,523	54,534	-
Delinquent Property Taxes	-	-	-	-
Accrued Interest	-	549	445	1,095
Inventory, at cost	-	-	-	12,594
Prepaid Items	-	-	-	730
Total Assets	<u>\$ 143</u>	<u>\$ 1,578,895</u>	<u>\$ 1,011,050</u>	<u>\$ 2,207,654</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts Payable	\$ -	\$ 619	\$ 4,012	\$ 19,195
Accrued Payroll and Related Taxes	-	40	3,467	7,811
Deferred Revenues	-	-	-	34,541
Total Liabilities	<u>-</u>	<u>659</u>	<u>7,479</u>	<u>61,547</u>
Fund Balances:				
Nonspendable:				
Inventory	-	-	-	12,594
Prepaid Items	-	-	-	730
Restricted for:				
Public safety equipment and facilities	-	1,578,236	-	-
Recreation facilities	-	-	-	1,500,000
Committed to:				
Radio Communications Network	-	-	1,003,571	-
Mall maintenance	-	-	-	-
Streets	143	-	-	-
Assigned to:				
Recreation facilities	-	-	-	632,783
Total Fund Balances	<u>143</u>	<u>1,578,236</u>	<u>1,003,571</u>	<u>2,146,107</u>
Total Liabilities and Fund Balance	<u>\$ 143</u>	<u>\$ 1,578,895</u>	<u>\$ 1,011,050</u>	<u>\$ 2,207,654</u>

<u>Special Revenue</u>		Total
<u>Two Percent</u>	Yuma	Nonmajor
<u>Tax</u>	Mall	Governmental
	<u>Maintenance</u>	<u>Funds</u>
\$ 3,696,729	\$ 48,026	\$ 8,141,964
36,322	626	146,011
-	23,675	299,732
-	20,134	20,134
1,856	-	3,945
2,442	-	15,036
90	-	820
<u>\$ 3,737,439</u>	<u>\$ 92,461</u>	<u>\$ 8,627,642</u>

\$ 40,963	\$ 1,088	\$ 65,877
6,874	1,053	19,245
<u>84,996</u>	<u>20,134</u>	<u>139,671</u>
<u>132,833</u>	<u>22,275</u>	<u>224,793</u>

2,442	-	15,036
90	-	820
-	-	1,578,236
3,602,074	-	5,102,074
-	-	1,003,571
-	70,186	70,186
-	-	143
-	-	<u>632,783</u>
<u>3,604,606</u>	<u>70,186</u>	<u>8,402,849</u>
<u>\$ 3,737,439</u>	<u>\$ 92,461</u>	<u>\$ 8,627,642</u>

City of Yuma, Arizona

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	Special Revenue			
	Local Transportation Assistance	Public Safety Tax	Radio Communication	Recreation Complex
Revenues:				
Taxes	\$ -	\$ 3,692,304	\$ -	\$ -
Charges for Services	-	-	518,081	-
Use of Money and Property	-	5,419	2,440	433,523
Miscellaneous	-	-	468	9,390
Total Revenues	-	3,697,723	520,989	442,913
Expenditures:				
Current:				
Public Safety	-	64,122	-	-
Parks, Recreation and Culture	-	-	-	1,655,589
Environmental Health and Protection	-	-	472,229	-
Community Design and Development	75,765	-	-	-
Capital Outlay	-	-	34,532	14,604
Capital Projects				
General Government	-	-	-	-
Parks, Recreation and Culture	-	-	-	-
Total Expenditures	75,765	64,122	506,761	1,670,193
Revenues Over/(Under) Expenditures	(75,765)	3,633,601	14,228	(1,227,280)
Other Financing Sources/(Uses):				
Transfers In	-	-	180,074	1,500,000
Transfers Out	-	(2,929,222)	-	-
Total Other Financing Sources/(Uses)	-	(2,929,222)	180,074	1,500,000
Net Changes in Fund Balances	(75,765)	704,379	194,302	272,720
Fund Balances, Beginning	75,908	873,857	809,269	1,873,387
Fund Balances, Ending	\$ 143	\$ 1,578,236	\$ 1,003,571	\$ 2,146,107

<u>Special Revenue</u>		<u>Total</u>
<u>Two Percent</u>	<u>Yuma</u>	<u>Nonmajor</u>
<u>Tax</u>	<u>Mall</u>	<u>Governmental</u>
	<u>Maintenance</u>	<u>Funds</u>
\$ 4,665,296	\$ 142,151	\$ 8,499,751
125,256	-	643,337
8,595	-	449,977
31,639	3,815	45,312
<u>4,830,786</u>	<u>145,966</u>	<u>9,638,377</u>
-	-	64,122
1,652,336	-	3,307,925
-	-	472,229
-	200,061	275,826
11,355	-	60,491
56,340	-	56,340
177,492	-	177,492
<u>1,897,523</u>	<u>200,061</u>	<u>4,414,425</u>
2,933,263	(54,095)	5,223,952
4,259	-	1,684,333
<u>(2,187,855)</u>	<u>-</u>	<u>(5,117,077)</u>
<u>(2,183,596)</u>	<u>-</u>	<u>(3,432,744)</u>
749,667	(54,095)	1,791,208
<u>2,854,939</u>	<u>124,281</u>	<u>6,611,641</u>
<u>\$ 3,604,606</u>	<u>\$ 70,186</u>	<u>\$ 8,402,849</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Year Ended June 30, 2012

	<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	\$ 540,201	\$ 540,201	\$ 542,056	\$ 1,855
Resources (inflows):				
Special Assessments:				
Principal Payments	1,099,000	1,099,000	1,089,000	(10,000)
Use of Money and Property:				
Interest	<u>212,058</u>	<u>212,058</u>	<u>219,256</u>	<u>7,198</u>
Total Revenues	<u>1,311,058</u>	<u>1,311,058</u>	<u>1,308,256</u>	<u>(2,802)</u>
Transfers In	<u>12,209,418</u>	<u>12,209,418</u>	<u>12,219,218</u>	<u>9,800</u>
Amounts Available for Appropriation	<u>14,060,677</u>	<u>14,060,677</u>	<u>14,069,530</u>	<u>8,853</u>
Charges to Appropriations (outflows):				
Debt Service:				
Bond Principal	8,020,000	8,020,000	8,010,000	10,000
Bond Interest	5,500,476	5,500,476	5,506,241	(5,765)
Fiscal Agent Fees	<u>-</u>	<u>-</u>	<u>10,200</u>	<u>(10,200)</u>
Total Expenditures	<u>13,520,476</u>	<u>13,520,476</u>	<u>13,526,441</u>	<u>(5,965)</u>
Total Charges to Appropriations	<u>13,520,476</u>	<u>13,520,476</u>	<u>13,526,441</u>	<u>(5,965)</u>
Budgetary Fund Balance, June 30	<u>\$ 540,201</u>	<u>\$ 540,201</u>	<u>\$ 543,089</u>	<u>\$ 2,888</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Capital Projects Fund
 For the Year Ended June 30, 2012

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 28,584,850	\$ 28,584,850	\$ 27,154,208	\$ (1,430,642)
Resources (inflows):				
Intergovernmental				
Arizona Department of Transportation	-	-	2,893,392	2,893,392
Yuma School District #1	-	-	352,670	352,670
Charges for Services				
Developer Charges	5,302,575	5,302,575	1,589,229	(3,713,346)
Use of Money and Property				
Interest	29,850	29,850	32,519	2,669
Miscellaneous	20,000,000	20,000,000	48,070	(19,951,930)
Total Revenues	25,332,425	25,332,425	4,915,880	(20,416,545)
Amounts Available for Appropriation	53,917,275	53,917,275	32,070,088	(21,847,187)
Charges to Appropriations (outflows):				
Capital Outlay:				
General Government	8,475,000	8,648,936	278,540	8,370,396
Public Safety	7,815,000	7,765,064	2,022,303	5,742,761
Streets	15,512,780	15,172,468	7,031,606	8,140,862
Parks, Recreation and Culture	2,247,032	2,463,032	262,652	2,200,380
Environmental Health and Safety	10,421,294	10,427,174	5,380	10,421,794
Total Expenditures	44,471,106	44,476,674	9,600,481	34,876,193
Total Charges to Appropriations	44,471,106	44,476,674	9,600,481	34,876,193
Budgetary Fund Balance, June 30	\$ 9,446,169	\$ 9,440,601	\$ 22,469,607	\$ 13,029,006

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Local Transportation Assistance Special Revenue Fund
 For the Year Ended June 30, 2012

	<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	<u>\$ 76,045</u>	<u>\$ 76,045</u>	<u>\$ 75,908</u>	<u>\$ (137)</u>
Amounts Available for Appropriation	<u>76,045</u>	<u>76,045</u>	<u>75,908</u>	<u>(137)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development				
Outside Agencies - Cultural Activities	<u>75,000</u>	<u>75,000</u>	<u>75,765</u>	<u>(765)</u>
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>75,765</u>	<u>(765)</u>
Total Charges to Appropriations	<u>75,000</u>	<u>75,000</u>	<u>75,765</u>	<u>(765)</u>
Budgetary Fund Balance, June 30	<u>\$ 1,045</u>	<u>\$ 1,045</u>	<u>\$ 143</u>	<u>\$ (902)</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Public Safety Tax Special Revenue Fund
 For the Year Ended June 30, 2012

	<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	\$ 929,321	\$ 929,321	\$ 873,857	\$ (55,464)
Resources (inflows):				
Taxes				
Public Safety Sales Tax	3,595,256	3,595,256	3,692,304	97,048
Use of Money and Property				
Interest	<u>5,000</u>	<u>5,000</u>	<u>5,419</u>	<u>419</u>
Total Revenues	<u>3,600,256</u>	<u>3,600,256</u>	<u>3,697,723</u>	<u>97,467</u>
Amounts Available for Appropriation	<u>4,529,577</u>	<u>4,529,577</u>	<u>4,571,580</u>	<u>42,003</u>
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Police Support Services	<u>72,140</u>	<u>72,140</u>	<u>64,122</u>	<u>8,018</u>
Total Expenditures	<u>72,140</u>	<u>72,140</u>	<u>64,122</u>	<u>8,018</u>
Transfers Out	<u>2,925,347</u>	<u>2,925,347</u>	<u>2,929,222</u>	<u>(3,875)</u>
Total Charges to Appropriations	<u>2,997,487</u>	<u>2,997,487</u>	<u>2,993,344</u>	<u>4,143</u>
Budgetary Fund Balance, June 30	<u>\$ 1,532,090</u>	<u>\$ 1,532,090</u>	<u>\$ 1,578,236</u>	<u>\$ 46,146</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Radio Communication Special Revenue Fund
 For the Year Ended June 30, 2012

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	\$ 244,886	\$ 244,886	\$ 809,269	\$ 564,383
Resources (inflows):				
Charges for Service				
Radio Equipment Fees	301,500	301,500	518,081	216,581
Use of Money and Property				
Interest	-	-	2,440	2,440
Miscellaneous				
Other	-	-	468	468
Total Revenues	301,500	301,500	520,989	219,489
Transfers In	380,200	380,200	180,074	(200,126)
Amounts Available for Appropriation	926,586	926,586	1,510,332	583,746
Charges to Appropriations (outflows):				
Current:				
Environmental Health				
Radio Communications	384,544	384,544	472,229	(87,685)
Capital Outlay	230,000	230,000	34,532	195,468
Total Expenditures	614,544	614,544	506,761	107,783
Total Charges to Appropriations	614,544	614,544	506,761	107,783
Budgetary Fund Balance, June 30	\$ 312,042	\$ 312,042	\$ 1,003,571	\$ 691,529

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Recreation Complex Special Revenue Fund
 For the Year Ended June 30, 2012

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,841,487	\$ 1,841,487	\$ 1,873,387	\$ 31,900
Resources (inflows):				
Use of Money and Property				
Rents and Concessions	480,000	480,000	427,642	(52,358)
Interest	7,500	7,500	5,881	(1,619)
Miscellaneous				
Other	4,000	4,000	9,390	5,390
Total Revenues	491,500	491,500	442,913	(48,587)
Transfers In	1,500,000	1,500,000	1,500,000	-
Amounts Available for Appropriation	3,832,987	3,832,987	3,816,300	(16,687)
Charges to Appropriations (outflows):				
Current:				
Parks, Recreation and Culture				
Civic and Convention Center	983,479	983,479	822,575	160,904
Baseball Complex	513,359	513,359	505,128	8,231
Facilities Maintenance	324,635	324,635	327,886	(3,251)
Capital Outlay	16,000	16,000	14,604	1,396
Total Expenditures	1,837,473	1,837,473	1,670,193	167,280
Total Charges to Appropriations	1,837,473	1,837,473	1,670,193	167,280
Budgetary Fund Balance, June 30	\$ 1,995,514	\$ 1,995,514	\$ 2,146,107	\$ 150,593

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Two Percent Tax Special Revenue Fund
 For the Year Ended June 30, 2012

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	\$ 2,523,893	\$ 2,523,893	\$ 2,854,939	\$ 331,046
Resources (inflows):				
Taxes				
Two Percent Tax	4,407,000	4,407,000	4,665,296	258,296
Use of Money and Property				
Recreation Fees	-	-	125,256	
Interest	10,000	10,000	8,595	(1,405)
Miscellaneous				
Other	-	-	31,639	31,639
Total Revenues	4,417,000	4,417,000	4,830,786	413,786
Transfers In	-	-	4,259	4,259
Amounts Available for Appropriation	6,940,893	6,940,893	7,689,984	749,091
Charges to Appropriations (outflows):				
Current:				
Parks, Recreation and Culture				
Administration	125,595	125,595	45,223	80,372
Outside Agencies	831,500	831,500	828,875	2,625
Art Center	577,523	575,123	534,109	41,014
Heritage Events	81,000	70,500	52,563	17,937
Facilities Maintenance	209,762	209,762	191,566	18,196
Capital Outlay	-	12,900	11,355	1,545
Capital Projects:				
General Government	390,000	317,093	56,340	260,753
Parks, Recreation and Culture	1,763,000	1,640,907	177,492	1,463,415
Total Expenditures	3,978,380	3,783,380	1,897,523	1,885,857
Transfers Out	2,057,323	2,057,323	2,187,855	(130,532)
Total Charges to Appropriations	6,035,703	5,840,703	4,085,378	1,755,325
Budgetary Fund Balance, June 30	\$ 905,190	\$ 1,100,190	\$ 3,604,606	\$ 2,504,416

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Yuma Mall Maintenance Special Revenue Fund
 For the Year Ended June 30, 2012

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ 97,893	\$ 97,893	\$ 124,281	\$ 26,388
Resources (inflows):				
Taxes				
Mall Assessments	125,000	125,000	102,589	(22,411)
Property Tax - Delinquent	-	-	39,562	39,562
Total Taxes	125,000	125,000	142,151	17,151
Miscellaneous				
Other	1,500	1,500	3,815	2,315
Total Revenues	126,500	126,500	145,966	19,466
Amounts Available for Appropriation	224,393	224,393	270,247	45,854
Charges to Appropriations (outflows):				
Current:				
Community Design and Development				
Mall Maintenance	224,393	224,393	200,061	24,332
Total Expenditures	224,393	224,393	200,061	24,332
Total Charges to Appropriations	224,393	224,393	200,061	24,332
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ 70,186	\$ 70,186

NONMAJOR ENTERPRISE FUNDS

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

Solid Waste To record the financial activities of the city-owned and operated residential garbage collection service.

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 Net Assets
Nonmajor Proprietary Funds
June 30, 2012

<u>Assets</u>	Enterprise Funds			Total Nonmajor Proprietary Funds
	Solid Waste	Desert Hills Golf Course	Arroyo Dunes Golf Course	
Current Assets:				
Cash and Investments	\$ 740,258	\$ 408,079	\$ 184,689	\$ 1,333,026
Receivables, Net of Allowance for Uncollectibles:				
Accounts Receivable	504,686	9,924	-	514,610
Intergovernmental	-	616	-	616
Accrued Interest	276	196	98	570
Inventory, at cost	-	65,790	-	65,790
Prepaid Expenses	-	139	-	139
Total Current Assets	<u>1,245,220</u>	<u>484,744</u>	<u>184,787</u>	<u>1,914,751</u>
Noncurrent Assets:				
Capital Assets:				
Buildings	-	3,102,865	-	3,102,865
Improvements Other than Buildings	50,738	2,370,096	645,571	3,066,405
Equipment	331,523	307,034	21,866	660,423
Construction In Progress	-	-	169,982	169,982
Gross Capital Assets	382,261	5,779,995	837,419	6,999,675
Less Accumulated Depreciation	<u>(222,180)</u>	<u>(3,892,078)</u>	<u>(618,295)</u>	<u>(4,732,553)</u>
Capital Assets Net of Depreciation	<u>160,081</u>	<u>1,887,917</u>	<u>219,124</u>	<u>2,267,122</u>
Total Noncurrent Assets	<u>160,081</u>	<u>1,887,917</u>	<u>219,124</u>	<u>2,267,122</u>
Total Assets	<u>1,405,301</u>	<u>2,372,661</u>	<u>403,911</u>	<u>4,181,873</u>
Liabilities				
Current Liabilities:				
Accounts Payable	95,484	35,262	4,187	134,933
Accrued Payroll and Related Taxes	11,438	10,466	413	22,317
Current Portion-Accrued Compensated Absences	23,659	23,619	1,774	49,052
Unearned Revenue	-	69,169	-	69,169
Total Current Liabilities Payable from Current Assets	<u>130,581</u>	<u>138,516</u>	<u>6,374</u>	<u>275,471</u>
Noncurrent Liabilities:				
Accrued Compensated Absences	69,959	38,021	9,222	117,202
Total Long-Term Liabilities	<u>69,959</u>	<u>38,021</u>	<u>9,222</u>	<u>117,202</u>
Total Liabilities	<u>200,540</u>	<u>176,537</u>	<u>15,596</u>	<u>392,673</u>
Net Assets				
Invested in capital assets	160,081	1,887,917	219,124	2,267,122
Unrestricted	<u>1,044,680</u>	<u>308,207</u>	<u>169,191</u>	<u>1,522,078</u>
Total Net Assets	<u>\$ 1,204,761</u>	<u>\$ 2,196,124</u>	<u>\$ 388,315</u>	<u>\$ 3,789,200</u>

City of Yuma, Arizona
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Proprietary Funds
For the Year Ended June 30, 2012

	Enterprise Funds			Total Nonmajor Proprietary Funds
	Solid Waste	Desert Hills Golf Course	Arroyo Dunes Golf Course	
Operating Revenues:				
Charges for Services	\$ 3,266,063	\$ -	\$ -	\$ 3,266,063
Green Fees	-	1,000,694	202,729	1,203,423
Cart and Club Rental	-	281,177	12,138	293,315
Pro Shop Sales	-	222,093	3,428	225,521
Restaurant Sales	-	490,419	-	490,419
Total Operating Revenues	<u>3,266,063</u>	<u>1,994,383</u>	<u>218,295</u>	<u>5,478,741</u>
Operating Expenses:				
Operations and Maintenance	2,693,038	1,920,849	224,323	4,838,210
Depreciation and Amortization	40,798	178,125	28,472	247,395
Total Operating Expenses	<u>2,733,836</u>	<u>2,098,974</u>	<u>252,795</u>	<u>5,085,605</u>
Operating Income/(Loss)	<u>532,227</u>	<u>(104,591)</u>	<u>(34,500)</u>	<u>393,136</u>
Non-Operating Revenues/(Expenses):				
Interest	1,699	926	417	3,042
Miscellaneous Revenues	5,498	1,653	501	7,652
Net Non-Operating Revenues	<u>7,197</u>	<u>2,579</u>	<u>918</u>	<u>10,694</u>
Income/(Loss) before Transfers	539,424	(102,012)	(33,582)	403,830
Transfers In	-	-	169,982	169,982
Transfers Out	<u>(26,372)</u>	<u>-</u>	<u>-</u>	<u>(26,372)</u>
Change in Net Assets	513,052	(102,012)	136,400	547,440
Net Assets-beginning	<u>691,709</u>	<u>2,298,136</u>	<u>251,915</u>	<u>3,241,760</u>
Net Assets-ending	<u>\$ 1,204,761</u>	<u>\$ 2,196,124</u>	<u>\$ 388,315</u>	<u>\$ 3,789,200</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2012

	Enterprise Funds			Total Nonmajor Proprietary Funds
	Solid Waste	Desert Hills Golf Course	Arroyo Dunes Golf Course	
Cash Flow from Operating Activities:				
Cash Received from Customers	\$ 3,193,792	\$ 1,993,225	\$ 217,761	\$ 5,404,778
Cash Paid to Employees	(810,429)	(909,190)	(77,718)	(1,797,337)
Cash Paid to Suppliers	(1,913,686)	(1,027,569)	(135,832)	(3,077,087)
Other Operating Activity Revenue	5,498	1,654	497	7,649
Net Cash Provided by Operating Activities	<u>475,175</u>	<u>58,120</u>	<u>4,708</u>	<u>538,003</u>
Cash Flows from Noncapital Financing Activities:				
Cash Paid to Other Funds	(26,373)	-	-	(26,373)
Net Cash Provided (Used for) Noncapital Financing Activities	<u>(26,373)</u>	<u>-</u>	<u>-</u>	<u>(26,373)</u>
Cash Flows from Investing Activities:				
Receipt of Interest	1,461	792	424	2,677
Net Cash Provided by Investing Activities	<u>1,461</u>	<u>792</u>	<u>424</u>	<u>2,677</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	450,263	58,912	5,132	514,307
Cash and Cash Equivalents, July 1	<u>289,995</u>	<u>349,167</u>	<u>179,557</u>	<u>818,719</u>
Cash and Cash Equivalents, June 30	<u>\$ 740,258</u>	<u>\$ 408,079</u>	<u>\$ 184,689</u>	<u>\$ 1,333,026</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:				
Operating (Loss)	\$ 532,227	\$ (104,591)	\$ (34,500)	\$ 393,136
Adjustments to Reconcile Operating Income/(Loss)				
Depreciation and Amortization Expense	40,798	178,125	28,472	247,395
(Increase)Decrease in Accounts Receivables	(72,272)	(5,688)	-	(77,960)
(Increase)/Decrease in Inventories	-	3,978	3,385	7,363
(Increase)Decrease in Prepaid Items	50	369	-	419
Increase/(Decrease) in Accounts Payable	7,852	29,327	3,502	40,681
Increase(decrease) in Accrued Wages and Taxes Payable	(38,978)	(49,584)	3,352	(85,210)
Increase(Decrease) in Due from Other Gov't Units	-	(284)	-	(284)
Increase(decrease) in Unearned Revenue	-	4,814	-	4,814
Other Operating Activity Revenue	5,498	1,654	497	7,649
Total Adjustments	<u>(57,052)</u>	<u>162,711</u>	<u>39,208</u>	<u>144,867</u>
Net Cash Provided by Operating Activities	<u>\$ 475,175</u>	<u>\$ 58,120</u>	<u>\$ 4,708</u>	<u>\$ 538,003</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Water Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2012

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Resources (inflows):				
Inside City	\$ 19,445,000	\$ 19,445,000	\$ 18,329,057	\$ (1,115,943)
Outside City	2,355,900	2,355,900	2,215,317	(140,583)
Commercial Raw Water	215,000	215,000	165,506	(49,494)
Meters, Connections and Services	303,312	303,312	290,229	(13,083)
Capital Contributions:				
System Development	75,000	75,000	74,860	(140)
Capacity Rights	1,000,000	1,000,000	796,569	(203,431)
Interest	116,000	116,000	38,299	(77,701)
Miscellaneous	51,500	51,500	123,217	71,717
Total Revenues	23,561,712	23,561,712	22,033,054	(1,528,658)
Amounts Available for Appropriation	23,561,712	23,561,712	22,033,054	(1,528,658)
Charges to Appropriations (outflows):				
Current:				
Administration	2,018,477	2,011,501	1,946,655	64,846
Treatment	7,469,257	7,469,257	5,954,743	1,514,514
Water Transmission	1,481,612	1,481,612	1,239,891	241,721
Customer Services	1,301,851	1,292,851	1,056,861	235,990
Water Transfer	40,809	40,809	38,597	2,212
Laboratory	285,326	285,326	186,467	98,859
Capital Outlay:				
Capital Outlay	10,340	26,316	17,911	8,405
Capital Projects	10,866,640	10,866,640	2,725,552	8,141,088
Debt Service:				
Principal Retirement	6,240,311	6,240,311	6,240,324	(13)
Interest and Fiscal Agent Fees	5,537,006	5,537,006	5,570,058	(33,052)
Total Expenditures	35,251,629	35,251,629	24,977,059	10,274,570
Transfers Out	62,227	62,227	71,518	(9,291)
Total Charges to Appropriations	35,313,856	35,313,856	25,048,577	10,265,279
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	\$ (11,752,144)	\$ (11,752,144)	(3,015,523)	\$ 8,736,621
Reconciliation to Change in Net Assets:				
Capital Outlay			17,911	
Capital Projects			2,725,552	
Principal Retirement			6,240,324	
Capital Contributions for Developer Additions to System			45,200	
Amortization of Debt Issuance Costs			141,855	
Amortization of Bond Premium			(33,802)	
Depreciation and Amortization			(7,315,918)	
Change in Net Assets			\$ (1,194,401)	

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, 2012

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Inside City	\$ 11,827,900	\$ 11,827,900	\$ 11,758,775	\$ (69,125)
Outside City	865,000	865,000	936,249	71,249
Contractual/Industrial Services	1,380,000	1,380,000	1,789,923	409,923
Meters, Connections and Services	24,700	24,700	13,976	(10,724)
Capital Contributions:				
Capacity Rights	1,500,000	1,500,000	7,734,514	6,234,514
Wastewater Interceptor	200,000	200,000	359,214	159,214
Wastewater Trunk Line Charges	15,000	15,000	15,281	281
Interest	21,500	21,500	47,399	25,899
Miscellaneous	16,178	16,178	45,999	29,821
Total Revenues	<u>15,850,278</u>	<u>15,850,278</u>	<u>22,701,330</u>	<u>6,851,052</u>
Amounts Available for Appropriation	<u>15,850,278</u>	<u>15,850,278</u>	<u>22,701,330</u>	<u>6,851,052</u>
Charges to Appropriations (outflows):				
Current:				
Administration	921,887	921,887	942,183	(20,296)
Treatment	6,495,419	6,495,419	5,876,049	619,370
Pretreatment	425,413	425,413	359,438	65,975
Collection	935,543	935,543	888,943	46,600
Laboratory	303,391	303,391	183,389	120,002
Capital Outlay:				
Capital Outlay	103,146	103,146	65,433	37,713
Capital Projects	6,158,100	6,158,100	1,849,286	4,308,814
Debt Service:				
Principal Retirement	3,082,717	3,082,717	3,082,717	-
Interest and Fiscal Agent Fees	2,258,417	2,258,417	2,258,762	(345)
Total Expenditures	<u>20,684,033</u>	<u>20,684,033</u>	<u>15,506,200</u>	<u>5,177,833</u>
Transfers Out	32,826	32,826	34,617	(1,791)
Total Charges to Appropriations	<u>20,716,859</u>	<u>20,716,859</u>	<u>15,540,817</u>	<u>5,176,042</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (4,866,581)</u>	<u>\$ (4,866,581)</u>	<u>7,160,513</u>	<u>\$ 12,027,094</u>
Reconciliation to Change in Net Assets:				
Capital Projects			1,849,286	
Principal Retirement			3,082,717	
Amortization of Debt Issuance Costs			36,259	
Capital Contributions for Subdivider Additions to System			45,750	
Depreciation and Amortization			<u>(5,557,098)</u>	
Change in Net Assets			<u>\$ 6,682,860</u>	

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

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Solid Waste Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2012

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Charges for Service				
Collection Fees	3,106,000	3,106,000	3,266,063	160,063
Interest	-	-	1,699	1,699
Miscellaneous				
Other	5,000	5,000	5,498	498
Total Revenues	3,111,000	3,111,000	3,273,260	162,260
Amounts Available for Appropriation	3,111,000	3,111,000	3,273,260	162,260
Charges to Appropriations (outflows):				
Current:				
Environmental Health and Protection				
Residential Services	2,343,728	2,343,728	2,345,468	(1,740)
Uncontained Waste	317,214	317,214	301,060	16,154
Recycling	66,428	66,428	46,510	19,918
Total Expenditures	2,727,370	2,727,370	2,693,038	34,332
Transfers Out	276,335	276,335	26,372	249,963
Total Charges to Appropriations	3,003,705	3,003,705	2,719,410	284,295
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	\$ 107,295	\$ 107,295	553,850	\$ 446,555
Reconciliation to Change in Net Assets:				
Depreciation and Amortization			(40,798)	
Change in Net Assets			\$ 513,052	

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, 2012

	<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	\$ 970,000	\$ 968,000	\$ 1,000,694	\$ 32,694
Cart and Club Rental	336,400	336,400	281,177	(55,223)
Pro Shop Sales	214,000	214,000	222,093	8,093
Restaurant Sales	523,000	523,000	490,419	(32,581)
Interest	-	-	926	926
Miscellaneous	<u>(2,000)</u>	<u>-</u>	<u>1,653</u>	<u>1,653</u>
Total Revenues	<u>2,041,400</u>	<u>2,041,400</u>	<u>1,996,962</u>	<u>(44,438)</u>
Amounts Available for Appropriation	<u>2,041,400</u>	<u>2,041,400</u>	<u>1,996,962</u>	<u>(44,438)</u>
Charges to Appropriations (outflows):				
Current:				
Maintenance	965,360	965,360	832,087	133,273
Concession	503,991	503,991	553,101	(49,110)
Restaurant	<u>583,359</u>	<u>583,359</u>	<u>535,661</u>	<u>47,698</u>
Total Expenditures	<u>2,052,710</u>	<u>2,052,710</u>	<u>1,920,849</u>	<u>131,861</u>
Total Charges to Appropriations	<u>2,052,710</u>	<u>2,052,710</u>	<u>1,920,849</u>	<u>131,861</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (11,310)</u>	<u>\$ (11,310)</u>	<u>76,113</u>	<u>\$ 87,423</u>
Reconciliation to Change in Net Assets:				
Depreciation and Amortization			<u>(178,125)</u>	
Change in Net Assets			<u>\$ (102,012)</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, 2012

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Green Fees	\$ 259,000	\$ 259,000	\$ 202,729	\$ (56,271)
Cart and Club Rental	9,429	9,429	12,138	2,709
Pro Shop Sales	1,000	1,000	3,428	2,428
Interest	750	750	417	(333)
Miscellaneous	-	-	501	501
Total Revenues	270,179	270,179	219,213	(50,966)
Transfers In	-	-	169,982	169,982
Amounts Available for Appropriation	270,179	270,179	389,195	119,016
Charges to Appropriations (outflows):				
Current:				
Maintenance	238,159	234,659	187,326	47,333
Concession	39,824	43,324	36,997	6,327
Capital Outlay:				
Capital Projects	-	195,000	169,982	25,018
Total Expenditures	277,983	472,983	394,305	78,678
Total Charges to Appropriations	277,983	472,983	394,305	78,678
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	\$ (7,804)	\$ (202,804)	(5,110)	\$ 197,694
Reconciliation to Change in Net Assets:				
Capital Projects			169,982	
Depreciation and Amortization			(28,472)	
Change in Net Assets			\$ 136,400	

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, 2012

<u>Assets</u>	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Current Assets:						
Cash and Investments	\$ 15,754,915	\$ -	\$ -	\$ 306,478	\$ 1,256,712	\$ 17,318,105
Accounts Receivable	-	8,576	49,303	-	2,378	60,257
Accrued Interest	8,428	-	-	178	-	8,606
Inventory, at cost	-	709,518	-	-	-	709,518
Prepaid Items	-	5,015	520,867	-	69,384	595,266
Total Current Assets	<u>15,763,343</u>	<u>723,109</u>	<u>570,170</u>	<u>306,656</u>	<u>1,328,474</u>	<u>18,691,752</u>
Noncurrent Assets:						
Capital Assets:						
Land	-	219,610	-	-	-	219,610
Buildings	-	19,251	-	-	-	19,251
Improvements Other than Buildings	-	222,733	-	-	-	222,733
Equipment	26,508,236	205,484	-	-	-	26,713,720
Less Accumulated Depreciation	(19,991,293)	(175,753)	-	-	-	(20,167,046)
Total Noncurrent Assets	<u>6,516,943</u>	<u>491,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,008,268</u>
Total Assets	<u>22,280,286</u>	<u>1,214,434</u>	<u>570,170</u>	<u>306,656</u>	<u>1,328,474</u>	<u>25,700,020</u>
Liabilities						
Liabilities:						
Current Liabilities:						
Accounts Payable	13,293	11,036	47,625	108	39,260	111,322
Accrued Payroll, Taxes and Benefits Payable	-	14,290	-	-	-	14,290
Current Portion-Accrued Compensated Absences	-	31,086	3,177	-	-	34,263
Estimated Claims and Judgements	-	-	72,477	-	1,248,076	1,320,553
Due to Other Funds	-	572,819	70,651	-	270,000	913,470
Total Current Liabilities Payable	<u>13,293</u>	<u>629,231</u>	<u>193,930</u>	<u>108</u>	<u>1,557,336</u>	<u>2,393,898</u>
Noncurrent Liabilities:						
Accrued Compensated Absences	-	67,219	518	-	-	67,737
Total Liabilities	<u>13,293</u>	<u>696,450</u>	<u>194,448</u>	<u>108</u>	<u>1,557,336</u>	<u>2,461,635</u>
Net Assets						
Invested in capital assets, net of related debt	6,516,943	491,325	-	-	-	7,008,268
Unrestricted	15,750,050	26,659	375,722	306,548	(228,862)	16,230,117
Total Net Assets	<u>\$ 22,266,993</u>	<u>\$ 517,984</u>	<u>\$ 375,722</u>	<u>\$ 306,548</u>	<u>\$ (228,862)</u>	<u>\$ 23,238,385</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, 2012

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Operating Revenues:						
Charges For Services	\$ -	\$ 3,447,612	\$ 2,231,242	\$ -	\$ -	\$ 5,678,854
Contributions						
City	-	-	-	-	949,169	949,169
Property Damage Restitution	-	-	414	-	-	414
Miscellaneous	143	1,805	55,861	14,231	67,190	139,230
Total Operating Revenues	<u>143</u>	<u>3,449,417</u>	<u>2,287,517</u>	<u>14,231</u>	<u>1,016,359</u>	<u>6,767,667</u>
Operating Expenses:						
Claims Incurred	-	-	516,594	-	984,381	1,500,975
Premiums to Insurance Carriers	-	-	506,022	59,340	132,034	697,396
Administration	37,202	3,614,080	1,258,499	7,385	32,992	4,950,158
Depreciation	1,888,181	21,683	-	-	-	1,909,864
Total Operating Expenses	<u>1,925,383</u>	<u>3,635,763</u>	<u>2,281,115</u>	<u>66,725</u>	<u>1,149,407</u>	<u>9,058,393</u>
Operating Income/(Loss)	<u>(1,925,240)</u>	<u>(186,346)</u>	<u>6,402</u>	<u>(52,494)</u>	<u>(133,048)</u>	<u>(2,290,726)</u>
Non-Operating Revenue/(Expenses):						
Interest	39,648	-	-	784	2,852	43,284
Gain on the Sale of Assets	47,068	-	-	-	-	47,068
Total Non-Operating Revenues	<u>86,716</u>	<u>-</u>	<u>-</u>	<u>784</u>	<u>2,852</u>	<u>90,352</u>
Income/(Loss) before Transfers	(1,838,524)	(186,346)	6,402	(51,710)	(130,196)	(2,200,374)
Transfers Out	<u>-</u>	<u>(1,080)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,080)</u>
Change in Net Assets	(1,838,524)	(187,426)	6,402	(51,710)	(130,196)	(2,201,454)
Net Assets, Beginning	<u>24,105,517</u>	<u>705,410</u>	<u>369,320</u>	<u>358,258</u>	<u>(98,666)</u>	<u>25,439,839</u>
Net Assets, Ending	<u>\$ 22,266,993</u>	<u>\$ 517,984</u>	<u>\$ 375,722</u>	<u>\$ 306,548</u>	<u>\$ (228,862)</u>	<u>\$ 23,238,385</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2012

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Cash Flows from Operating Activities:						
Cash Received from Customers	\$ -	\$ 3,453,806	\$ 2,279,879	\$ 14,231	\$ 1,019,235	\$ 6,767,151
Cash Paid to Employees	-	(1,086,114)	-	-	-	(1,086,114)
Cash Paid to Suppliers	-	(2,516,376)	-	(66,744)	-	(2,583,120)
Cash Paid For Operating Expenses	(37,059)	-	(2,390,892)	-	(929,251)	(3,357,202)
Net Cash Flows Provided by/(Used for) Operating Activities	(37,059)	(148,684)	(111,013)	(52,513)	89,984	(259,285)
Cash Flows from Noncapital Financing Activities:						
Cash Received from Other Funds	-	-	70,651	-	-	70,651
Cash Paid to Other Funds	-	(1,080)	-	-	-	(1,080)
Net Cash Flows Provided by/(Used for) Noncapital Financing Activities	-	(1,080)	70,651	-	-	69,571
Cash Flows from Capital and Related Financing Activities:						
Proceeds from Sale of Capital Assets	59,714	-	-	-	-	59,714
Payments for Capital Acquisitions	(18,670)	(33,102)	-	-	-	(51,772)
Net Cash Flows Used for Capital and Related Financing Activities	41,044	(33,102)	-	-	-	7,942
Cash Flows from Investing Activities:						
Receipt of Interest	40,284	210	411	837	2,854	44,596
Net Cash Flows Provided by Investing Activities	40,284	210	411	837	2,854	44,596
Net Increase/(Decrease) in Cash and Cash Equivalents	44,269	(182,656)	(39,951)	(51,676)	92,838	(137,176)
Cash and Cash Equivalents, July 1, 2011	15,710,646	182,656	39,951	358,154	1,163,874	17,455,281
Cash and Cash Equivalents, June 30, 2012	\$ 15,754,915	\$ -	\$ -	\$ 306,478	\$ 1,256,712	\$ 17,318,105
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Operating Income/(Loss)	\$ (1,925,240)	\$ (186,346)	\$ 6,402	\$ (52,494)	\$ (133,048)	\$ (2,290,726)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation Expense	1,888,181	21,683	-	-	-	1,909,864
(Increase)/Decrease in Accounts Receivable	-	180,725	(7,639)	-	2,876	175,962
(Increase)/Decrease in Inventory	-	(130,377)	-	-	-	(130,377)
(Increase)/Decrease in Prepaid Items	-	(5,015)	28,352	-	(69,384)	(46,047)
Increase/(Decrease) in Accounts Payable	-	8,512	(150,492)	(19)	39,485	(102,514)
Increase/(Decrease) in Payroll Liabilities but Not Reported	-	(37,866)	-	-	-	(37,866)
Total Adjustments	1,888,181	37,662	(117,415)	(19)	223,032	2,031,441
Net Cash Provided by/(Used for) Operating Activities	\$ (37,059)	\$ (148,684)	\$ (111,013)	\$ (52,513)	\$ 89,984	\$ (259,285)

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Equipment Replacement Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2012

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Resources (inflows):				
Interest	\$ 60,000	\$ 60,000	\$ 39,648	\$ (20,352)
Miscellaneous	-	-	143	143
Total Revenues	60,000	60,000	39,791	(20,209)
Amounts Available for Appropriation	60,000	60,000	39,791	(20,209)
Charges to Appropriations (outflows):				
Current				
Administration	37,202	37,202	37,202	-
Capital Outlay	2,750,000	2,750,000	23,808	2,726,192
Total Expenditures	2,787,202	2,787,202	61,010	2,726,192
Total Charges to Appropriations	2,787,202	2,787,202	61,010	2,726,192
Excess of Resources Over				
Charges to Appropriations	\$ (2,727,202)	\$ (2,727,202)	(21,219)	\$ 2,705,983
Reconciliation to Change in Net Assets:				
Capital Outlay			23,808	
Gain on Sale of Assets			47,068	
Depreciation and Amortization			(1,888,181)	
Change in Net Assets			\$ (1,838,524)	

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, 2012

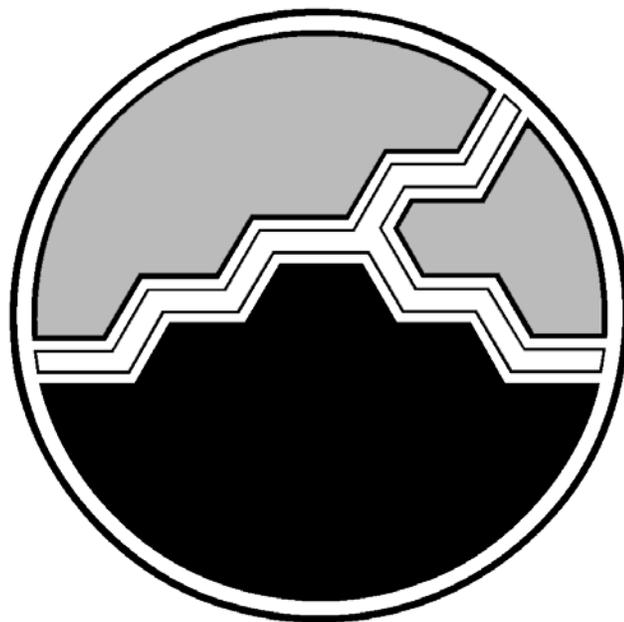
	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Charges for Services	\$ 3,297,000	\$ 3,297,000	\$ 3,447,612	\$ 150,612
Miscellaneous	-	-	1,805	1,805
Interest	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
Total Revenues	<u>3,298,500</u>	<u>3,298,500</u>	<u>3,449,417</u>	<u>150,917</u>
Amounts Available for Appropriation	<u>3,298,500</u>	<u>3,298,500</u>	<u>3,449,417</u>	<u>150,917</u>
Charges to Appropriations (outflows):				
Current				
Administration	3,455,232	3,457,232	3,614,080	(156,848)
Capital Outlay	<u>104,000</u>	<u>102,000</u>	<u>33,102</u>	<u>68,898</u>
Total Expenditures	<u>3,559,232</u>	<u>3,559,232</u>	<u>3,647,182</u>	<u>(87,950)</u>
Transfers Out	<u>900</u>	<u>900</u>	<u>1,080</u>	<u>(180)</u>
Total Charges to Appropriations	<u>3,560,132</u>	<u>3,560,132</u>	<u>3,648,262</u>	<u>(88,130)</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ (261,632)</u>	<u>\$ (261,632)</u>	<u>(198,845)</u>	<u>\$ 62,787</u>
Reconciliation to Change in Net Assets:				
Capital Outlay			33,102	
Depreciation and Amortization			<u>(21,683)</u>	
Change in Net Assets			<u>\$ (187,426)</u>	

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

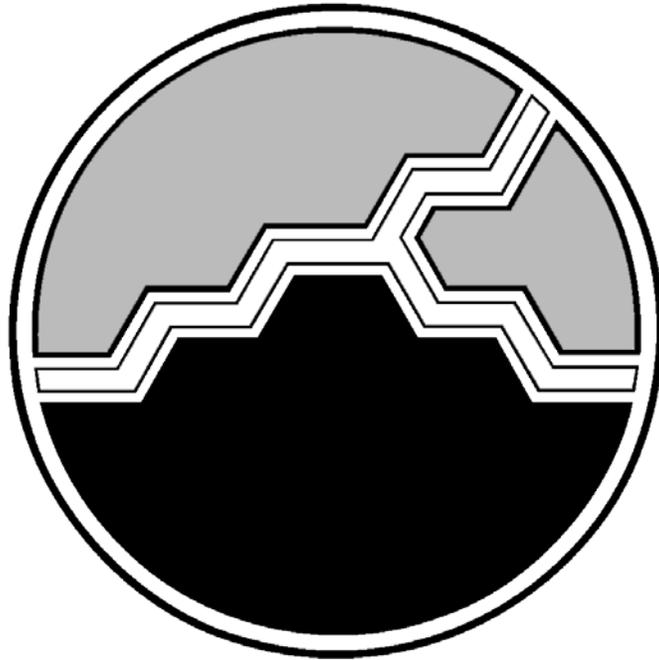
City of Yuma, Arizona
 Budgetary Comparison Schedule
 Insurance Reserve Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2012

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Resources (inflows):				
Charges for Services	\$ 2,231,241	\$ 2,231,241	\$ 2,231,242	\$ 1
Property Damage Restitution	5,000	5,000	414	(4,586)
Miscellaneous	11,000	11,000	55,861	44,861
Interest	1,500	1,500	-	(1,500)
Total Revenues	2,248,741	2,248,741	2,287,517	38,776
Amounts Available for Appropriation	2,248,741	2,248,741	2,287,517	38,776
Charges to Appropriations (outflows):				
Current				
Premiums to Insurance Carriers	585,116	585,116	506,022	79,094
Claims Incurred	545,000	545,000	516,594	28,406
Administration	1,003,907	1,003,907	1,258,499	(254,592)
Total Expenditures	2,134,023	2,134,023	2,281,115	(147,092)
Total Charges to Appropriations	2,134,023	2,134,023	2,281,115	(147,092)
Excess of Resources Over				
Charges to Appropriations	\$ 114,718	\$ 114,718	\$ 6,402	\$ (108,316)
Reconciliation to Change in Net Assets:				
Change in Net Assets			\$ 6,402	

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	104
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	112
These schedules contain information to help the reader assess the City's most significant local revenue source - sales tax.	
Debt Capacity	114
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and it's ability to issue additional debt in the future.	
Demographic and Economic Information	120
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	123
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 Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 81,689	\$ 95,005	\$ 111,268	\$ 130,176	\$ 160,214	\$ 169,403	\$ 129,228	\$ 192,145	\$ 196,837	\$ 209,377
Restricted	-	-	330	24,820	12,991	17,952	70,389	14,762	15,773	24,835
Unrestricted	50,234	55,748	57,707	42,605	43,638	45,354	38,439	40,261	44,357	36,851
Total governmental activities net assets	<u>\$ 131,922</u>	<u>\$ 150,752</u>	<u>\$ 169,305</u>	<u>\$ 197,601</u>	<u>\$ 216,844</u>	<u>\$ 232,709</u>	<u>\$ 238,056</u>	<u>\$ 247,168</u>	<u>\$ 256,967</u>	<u>\$ 271,063</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 85,380	\$ 86,266	\$ 105,944	\$ 119,734	\$ 154,054	\$ 151,032	\$ 158,367	\$ 160,883	\$ 166,782	\$ 164,295
Restricted	-	-	-	-	-	151	1,952	3,754	5,556	7,357
Unrestricted	22,511	31,537	27,122	26,569	7,587	24,079	27,344	29,027	31,699	37,842
Total business-type activities net assets	<u>\$ 107,891</u>	<u>\$ 117,803</u>	<u>\$ 133,067</u>	<u>\$ 146,303</u>	<u>\$ 161,641</u>	<u>\$ 175,262</u>	<u>\$ 187,663</u>	<u>\$ 193,664</u>	<u>\$ 204,037</u>	<u>\$ 209,494</u>
Primary government										
Invested in capital assets, net of related debt	\$ 167,069	\$ 181,271	\$ 217,212	\$ 249,910	\$ 314,268	\$ 320,435	\$ 287,595	\$ 353,028	\$ 363,619	\$ 373,672
Restricted	-	-	330	24,820	12,991	18,103	72,341	18,516	21,329	32,192
Unrestricted	72,744	87,284	84,829	69,174	51,225	69,433	65,783	69,288	76,056	74,693
Total primary government net assets	<u>\$ 239,813</u>	<u>\$ 268,555</u>	<u>\$ 302,372</u>	<u>\$ 343,904</u>	<u>\$ 378,485</u>	<u>\$ 407,971</u>	<u>\$ 425,719</u>	<u>\$ 440,832</u>	<u>\$ 461,004</u>	<u>\$ 480,557</u>

City of Yuma, Arizona

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	\$ 6,950	\$ 7,059	\$ 7,117	\$ 9,124	\$ 10,919	\$ 11,875	\$ 11,559	\$ 10,563	\$ 9,684	\$ 12,534
Public Safety	25,455	26,988	30,707	33,057	36,067	38,511	41,080	39,224	40,232	41,735
Streets	7,944	8,654	9,061	12,326	13,384	18,943	15,966	13,969	14,536	12,741
Parks, Recreation and Culture	8,862	9,475	9,841	12,173	15,400	14,353	16,282	13,863	13,804	14,226
Environmental Health and Protection	2,936	2,994	3,608	3,410	2,098	4,604	4,969	4,905	1,538	803
Community Design and Development	6,369	5,551	5,438	6,529	6,791	5,807	5,486	4,981	5,007	4,521
Interest on Long-Term Debt	2,878	2,972	3,042	2,899	2,948	5,331	6,592	6,291	5,803	5,461
Total governmental activities expenses	<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>	<u>90,604</u>	<u>92,021</u>
Business-type activities:										
Water	10,326	10,884	11,456	13,010	14,562	18,389	20,754	20,277	20,555	23,353
Wastewater	7,024	7,341	8,750	10,403	11,538	13,270	13,859	13,673	13,882	16,191
Solid Waste	-	-	-	-	-	-	-	-	2,902	2,948
Golf Courses	2,524	2,493	2,514	2,641	2,676	2,889	2,819	2,496	2,377	2,403
Total business-type activities expenses	<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>	<u>39,716</u>	<u>44,895</u>
Total primary government expenses	<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>	<u>\$ 130,320</u>	<u>\$ 136,916</u>
Program Revenues										
Governmental activities:										
Charges for Services										
Building Inspection Fees	\$ 612	\$ 926	\$ 1,023	\$ 1,019	\$ 985	\$ 710	\$ 390	\$ 384	\$ 333	\$ 307
Police Services	644	488	605	698	805	764	865	821	471	567
Other Charges	5,709	7,374	8,768	8,968	8,407	8,916	7,607	7,491	6,936	6,694
Developer Charges	129	365	3,995	3,520	4,517	6,657	4,911	2,674	4,369	4,393
Operating Grants and Contributions	3,684	3,290	3,568	2,840	2,661	2,294	1,807	3,659	4,968	3,965
Capital Grants and Contributions	1,398	3,703	1,747	5,679	5,341	5,000	4,783	5,944	3,245	19,144
Total governmental activities program revenues	<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>	<u>20,322</u>	<u>35,070</u>
Business-type activities:										
Charges for Services										
Metered Water Sales	9,458	10,481	12,297	14,797	17,522	21,027	22,463	21,651	21,598	20,710
Wastewater Charges	6,578	7,613	8,000	9,081	10,387	13,126	13,372	13,699	14,854	14,485
Solid Waste Charges	-	-	-	-	-	-	-	-	3,147	3,266
Green Fees and Concessions	1,937	1,992	1,994	2,191	2,189	2,140	2,027	1,964	1,890	1,919
Other Charges	890	1,023	1,221	1,393	1,390	1,181	1,098	1,041	961	775
Capital Grants and Contributions	5,439	8,923	11,657	11,025	11,249	8,874	9,924	3,969	7,391	9,071
Total business-type activities program revenues	<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>	<u>49,841</u>	<u>50,226</u>
Total primary government program revenues	<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>	<u>\$ 70,163</u>	<u>\$ 85,296</u>

Continued on next page

City of Yuma, Arizona

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (expense)/revenue										
Governmental activities	\$ (49,218)	\$ (47,547)	\$ (49,110)	\$ (56,795)	\$ (64,889)	\$ (75,082)	\$ (81,571)	\$ (72,823)	\$ (70,282)	\$ (56,951)
Business-type activities	4,428	9,313	12,449	12,434	13,959	11,800	11,452	5,878	10,125	5,331
Total primary government net expense	\$ (44,790)	\$ (38,234)	\$ (36,661)	\$ (44,361)	\$ (50,929)	\$ (63,281)	\$ (70,119)	\$ (66,945)	\$ (60,157)	\$ (51,620)

General Revenues and Other Changes in Net Assets

Governmental activities:										
Property taxes	\$ 5,678	\$ 5,953	\$ 6,076	\$ 6,832	\$ 7,430	\$ 8,250	\$ 8,856	\$ 9,498	\$ 9,986	\$ 10,099
Sales taxes	25,484	28,529	32,795	36,557	39,616	39,478	36,857	34,177	34,644	36,304
Franchise taxes	1,719	1,936	2,105	3,116	2,678	2,893	3,013	3,010	3,002	3,059
Shared revenues	24,225	24,021	25,462	28,226	30,558	32,788	31,330	28,239	25,379	23,936
Grants and contributions not restricted to specific programs	7,577	5,198	1,673	7,826	115	2,600	3,895	5,776	5,929	-
Unrestricted investment earnings	877	292	1,370	2,190	4,097	4,842	2,872	1,139	1,001	930
Gain from sale of fixed assets	-	920	307	348	-	-	-	-	259	-
Transfers	587	(473)	(2,124)	(4)	(363)	(96)	95	95	126	(37)
Total governmental activities	66,148	66,377	67,663	85,091	84,132	90,755	86,919	81,934	80,326	74,291
Business-type activities:										
Investment earnings	575	125	691	798	1,016	1,916	1,045	217	130	89
Transfers	(587)	473	2,124	4	363	96	(95)	(95)	(126)	37
Total business-type activities	(12)	599	2,815	802	1,379	2,012	950	122	4	126
Total primary government	\$ 66,136	\$ 66,976	\$ 70,478	\$ 85,894	\$ 85,511	\$ 92,767	\$ 87,869	\$ 82,056	\$ 80,330	\$ 74,417

Change in Net Assets

Governmental activities	\$ 16,930	\$ 18,830	\$ 18,553	\$ 28,296	\$ 19,243	\$ 15,865	\$ 5,347	\$ 9,112	\$ 10,044	\$ 13,828
Business-type activities	4,416	9,912	15,264	13,236	15,338	13,620	12,402	6,000	10,128	5,725
Total primary government	\$ 21,346	\$ 28,742	\$ 33,816	\$ 41,532	\$ 34,582	\$ 29,486	\$ 17,749	\$ 15,112	\$ 20,172	\$ 19,553

Concluded

City of Yuma, Arizona

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 489	\$ 101	\$ 296	\$ 614	\$ 309	\$ 277	\$ 262	\$ 156	\$ -	\$ -
Unreserved	15,087	17,436	19,704	21,125	19,893	18,608	15,493	18,796	-	-
Nonspendable	-	-	-	-	-	-	-	-	103	169
Committed	-	-	-	-	-	-	-	-	2,383	1,864
Assigned	-	-	-	-	-	-	-	-	88	868
Unassigned	-	-	-	-	-	-	-	-	19,060	15,655
Total General Fund	<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>	<u>\$ 21,634</u>	<u>\$ 18,556</u>
All other										
Governmental funds										
Reserved	\$ 85	\$ 63	\$ 339	\$ 535	\$ 513	\$ 543	\$ 552	\$ 553	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	10,495	13,407	17,036	19,908	12,892	8,791	6,876	7,848	-	-
Capital projects funds	5,967	6,920	1,104	5,976	926	67,732	47,349	31,267	-	-
Nonspendable	-	-	-	-	-	-	-	-	141	18
Restricted	-	-	-	-	-	-	-	-	2,388	24,834
Committed	-	-	-	-	-	-	-	-	34,441	11,235
Assigned	-	-	-	-	-	-	-	-	2,037	633
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 39,007</u>	<u>\$ 36,720</u>

Notes: For FY 2011 GASB Statement No 54 was implemented. See Note I-E, Sec 9 of the Notes to Basic Financial Statements.

City of Yuma, Arizona

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 32,812	\$ 36,411	\$ 41,078	\$ 46,474	\$ 49,686	\$ 50,503	\$ 48,570	\$ 46,561	\$ 47,606	\$ 49,450
Licenses and permits	2,063	3,016	3,416	3,836	2,845	2,068	1,363	1,413	1,292	1,288
Intergovernmental	29,298	31,041	30,729	36,044	37,915	39,237	37,065	36,984	32,510	33,173
Charges for services	2,983	3,905	7,937	7,737	8,804	11,599	8,913	7,007	7,055	4,160
Fines and forfeitures	801	726	806	863	1,039	1,143	1,238	1,437	1,484	1,550
Special Assessments	-	-	-	649	679	914	949	817	1,039	1,089
Use of money and property	1,429	1,154	1,971	2,809	4,374	5,358	3,309	1,752	1,665	1,365
Contributions and donations	28	33	84	80	78	65	97	85	77	47
Miscellaneous	336	480	1,152	548	624	633	1,646	763	2,442	493
Total revenues	<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>	<u>95,170</u>	<u>92,615</u>
Expenditures										
General government	\$ 4,732	\$ 5,409	\$ 5,033	\$ 7,185	\$ 7,641	\$ 9,723	\$ 9,575	\$ 7,740	\$ 6,969	\$ 9,451
Public Safety	24,364	25,752	29,296	31,863	35,014	37,874	37,908	35,233	36,285	38,476
Streets	4,884	4,767	4,899	5,626	7,155	8,913	9,716	8,195	8,186	7,945
Parks, Recreation and Culture	7,765	7,828	8,534	9,727	11,022	11,547	11,857	10,619	10,171	10,688
Environmental Health and Protection	3,000	3,062	3,014	3,365	3,551	4,757	4,781	4,480	1,556	733
Community Design and Development	6,338	5,429	5,344	6,422	6,698	5,726	5,370	4,870	4,899	4,458
Capital Outlay	19,198	19,656	21,151	22,688	41,450	51,149	35,734	25,249	13,659	12,666
Debt Service										
Principal	5,248	3,825	3,447	4,209	3,837	8,312	7,075	6,315	7,680	8,010
Interest and fiscal agent fees	2,872	2,962	3,032	2,890	2,939	5,885	6,646	6,764	5,858	5,516
Total expenditures	<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>	<u>95,263</u>	<u>97,943</u>
Excess of revenues over (under) expenditures	\$ (8,651)	\$ (1,922)	\$ 3,423	\$ 5,066	\$ (13,261)	\$ (32,364)	\$ (25,514)	\$ (12,646)	\$ (93)	\$ (5,328)
Other financing sources (uses)										
Proceeds from long-term debt	\$ 31,490	\$ 7,280	\$ -	\$ 3,875	\$ -	\$ 93,686	\$ -	\$ 30,017	\$ -	\$ -
Sale of real property	(19,199)	920	307	742	-	-	-	-	-	-
Payment to Refunded Bond Escrow	-	-	-	-	-	-	-	(29,378)	-	-
Transfers in	21,117	21,609	20,219	25,016	38,410	29,685	16,213	14,564	14,675	14,522
Transfers out	(20,530)	(22,082)	(23,398)	(25,021)	(38,773)	(29,589)	(16,118)	(14,468)	(14,548)	(14,559)
Total other financing sources (uses)	<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>	<u>127</u>	<u>(37)</u>
Net change in fund balances	<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>	<u>\$ 34</u>	<u>\$ (5,652)</u>
Debt service as a percentage of noncapital expenditures	13.7%	11.5%	10.4%	10.0%	8.7%	15.3%	14.8%	15.5%	16.6%	15.9%

City of Yuma, Arizona

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

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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
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
2011	9,740,940	17,635,454	8,816,228	3,525,292	4,425,556	3,001,939	242,000	218,925	47,606,334
2012	9,944,517	18,470,938	9,233,899	3,692,304	4,665,296	3,058,634	242,000	142,151	49,449,739

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>
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
2011	6,856,996	8,692,400	3,250,436	6,503,532	75,764	7,131,364	32,510,492
2012	7,272,049	7,854,670	3,108,562	5,700,428	-	9,237,197	33,172,906

*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
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
2011	271,296	741,740	1,059,135	255,855	4,165,343	-	-	-	637,996	-	7,131,364
2012	373,294	635,092	786,120	87,292	2,501,119	5,125	-	2,893,392	1,588,327	367,436	9,237,197

City of Yuma, Arizona

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

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Mining	\$ 3	\$ -	\$ 1	\$ 3	\$ 25	\$ 155	\$ 6	\$ 82	\$ 6	\$ 44
Construction	132,387	166,117	228,801	235,643	254,740	249,315	207,592	118,996	121,132	190,490
Manufacturing	23,128	28,969	53,176	60,054	57,632	59,931	48,964	44,764	50,676	38,167
Transportation, Communications, and Utilities	126,623	121,936	145,454	173,224	186,420	207,693	206,089	207,112	197,764	194,646
Wholesale Trade	27,587	23,625	29,635	35,498	34,732	22,480	33,785	35,334	42,580	38,720
Retail Trade	760,867	823,785	925,936	1,024,886	1,088,053	1,089,001	1,001,579	962,699	973,426	987,416
Restaurants and Bars	103,690	110,633	123,683	143,594	157,866	162,560	162,404	157,024	160,742	168,358
Finance, Insurance and Real Estate	42,376	69,235	97,875	117,161	143,725	132,593	115,857	116,046	123,876	129,208
Hotels and Other Lodging	26,789	30,785	34,930	37,333	39,360	33,642	36,093	29,502	29,507	33,368
Services	79,392	66,721	44,921	48,639	58,050	52,012	50,858	43,356	45,208	45,804
Arts, Entertainment, Government and All Others Not Specified	<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>18,434</u>	<u>20,670</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>	<u>\$ 1,763,351</u>	<u>\$ 1,846,891</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>
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%
2011	1.70%	2.00%	1.10%	6.60%
2012	1.70%	2.00%	1.10%	6.60%

Source: Arizona Department of Revenue

City of Yuma, Arizona

**Ratio of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Municipal Property Corporation Bonds	Special Assessment Bonds	Long-term Contracts Payable	Municipal Property Corporation Bonds	General Obligation Bonds	Long-term Contracts Payable			
2003	\$ -	\$ 66,240,000	\$ -	\$ 3,320,000	\$ -	\$ 11,385,000	\$ 10,408,191	\$ 91,353,191	2.75%	\$ 548
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	6.69%	1,708
2011	-	125,665,000	5,745,000	-	117,025,000	2,765,000	68,249,441	319,449,441	6.03%	1,623
2012	-	119,055,000	4,625,000	-	113,765,000	1,420,000	63,921,846	302,786,846	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 120 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 Obligation Debt (Business-type Activities)</u>	<u>Ratio of General Bonded Debt to Assessed Value</u>	<u>General Bonded Debt per Capita</u>
2003	80,300	\$ 305,708,909	\$ 11,385,000	3.7%	142
2004	83,330	322,623,524	10,505,000	3.3%	126
2005	86,070	329,526,546	9,575,000	2.9%	111
2006	88,775	367,376,807	8,585,000	2.3%	97
2007	92,160	468,531,273	7,535,000	1.6%	82
2008	93,212	572,280,942	6,420,000	1.1%	69
2009	93,719	699,754,765	5,250,000	0.8%	56
2010	93,064	747,149,498	4,040,000	0.5%	43
2011	94,536	733,033,525	2,765,000	0.4%	29
2012	94,536 *	666,827,282	1,420,000	0.2%	15

Source: Yuma County Assessor

U.S. Department of Commerce

*2012 Population not available; used 2011 population figures

NOTE: General obligation debt issued for utility system improvements is paid through user charges. No property taxes are levied for this purpose.

City of Yuma, Arizona

**Computation of Direct and Overlapping Debt
June 30, 2012**

Jurisdiction	Debt Outstanding	Allocable to City of Yuma	
		Percent	Amount
City of Yuma	\$ 302,786,847	100.00%	\$ 302,786,847
Yuma County	9,640,000	48.39%	4,664,627
Yuma County Library District	46,710,000	48.39%	22,602,152
Yuma County Community College District	64,760,000	48.39%	31,336,232
Yuma Union High School District No. 70	29,920,000	54.04%	16,168,768
Yuma School District No. 1	22,885,000	56.13%	12,846,386
Yuma School District No. 13	12,505,000	64.49%	<u>8,064,509</u>
Total Overlapping Debt			<u>\$ 95,682,674</u>

Source: Yuma County Finance Department
Arizona Western College

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

City of Yuma, Arizona

**Legal Debt Margin Information
June 30, 2012
(amounts expressed in thousands)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit										
Water, Sewer, Lights, Parks (20%)	\$ 61,142	\$ 64,525	\$ 65,905	\$ 73,475	\$ 572,281	\$ 114,456	\$ 139,951	\$ 149,430	\$ 146,607	\$ 133,365
All Others (6%)	18,343	19,357	19,772	22,043	114,456	34,337	41,985	44,829	43,982	40,010
Total net debt applicable to limit										
Water, Sewer, Lights, Parks (20%)	11,385	10,505	9,575	8,585	7,535	6,420	5,250	4,040	2,765	1,420
All Others (6%)	-	-	-	-	-	-	-	-	-	-
Legal debt margin										
Water, Sewer, Lights, Parks (20%)	\$ 50,637	\$ 54,950	\$ 57,320	\$ 67,890	\$ 86,171	\$ 108,036	\$ 134,701	\$ 145,390	\$ 143,842	\$ 131,945
All Others (6%)	18,343	19,357	19,772	22,043	28,112	34,337	41,985	44,829	131,945	40,010
Total net debt applicable to the limit as a percentage of debt limit										
Water, Sewer, Lights, Parks (20%)	18.62%	16.28%	14.53%	11.68%	1.32%	5.61%	3.75%	2.70%	1.89%	1.06%
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 2012

General Obligation Bonds

Water, Sewer,
Lights, Parks
(20%) All Others (6%)

2011 Tax Year Secondary Assessed Valuation	\$ 666,827	\$ 133,365	\$ 40,010
Outstanding General Obligation Debt:			
Project 1997		1,420	-
Total General Obligation Debt		1,420	-
		<u>\$ 131,945</u>	<u>\$ 40,010</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

	<i>Series 2007, 2003 Refunding 1995, and 2010 Refunding 2001 Covenants</i>					2007 Series Utilities	
	2003 Ref 1995A	2003 Ref 1995B	2010B Ref 2001B	2007 Series B	2007 Series D		
2011-12 Pledged Taxes	\$ 48,175,157	\$ 44,482,853	\$ 44,482,853	\$ 44,482,853	\$ 53,716,752	\$ -	
2011-12 Net Revenue	-	-	-	-	-	26,263,928	
Total Taxes/Net Revenue	<u>48,175,157</u>	<u>44,482,853</u>	<u>44,482,853</u>	<u>44,482,853</u>	<u>53,716,752</u>	<u>26,263,928</u>	
2012-13 Debt related to pledge:						Total	
2003 Ref 1995 Series A	\$ 1,598,203	\$ -	\$ -	\$ -	\$ -	\$ 1,598,203	\$ -
2003 Ref 1995 Series B	-	305,375	-	-	-	305,375	-
2003 Series B	-	691,847	-	-	-	691,847	-
2007 Series B	-	-	-	2,294,970	-	2,294,970	-
2010 Series B	-	-	2,530,081	-	-	2,530,081	-
Total Series A-B						<u>7,420,476</u>	
2007 Series D (highest year)	-	-	-	-	4,804,825	4,804,825	-
WIFA Loans (Parity Obligations)	-	-	-	-	-	-	6,683,150
2007 Series Utilities	-	-	-	-	-	-	8,967,538
Total Debt	<u>\$ 1,598,203</u>	<u>\$ 997,222</u>	<u>\$ 2,530,081</u>	<u>\$ 2,294,970</u>	<u>\$ 4,804,825</u>	<u>\$ 12,225,301</u>	<u>\$ 15,650,688</u>
Coverage	30.1	44.6	17.6	19.4	11.2		1.7
Required Coverage	4.0	3.0	3.0	3.0	1.5		1.2
<i>Collective Coverage</i>							
Total 2011-12 Taxes/Net Revenue	<u>\$ 48,175,157</u>	<u>\$ 44,482,853</u>	<u>\$ 44,482,853</u>	<u>\$ 44,482,853</u>	<u>\$ 53,716,752</u>		<u>\$ 26,263,928</u>
Total 2012-13 Debt	<u>\$ 7,420,476</u>	<u>\$ 7,420,476</u>	<u>\$ 7,420,476</u>	<u>\$ 7,420,476</u>	<u>\$ 12,225,301</u>		<u>\$ 15,650,688</u>
Coverage	6.5	6.0	6.0	6.0	4.4		1.7
Required Coverage	4.0	3.0	3.5	3.0	3.0		1.2

2003A, 2003B, 2007B, 2003B Refunding and 2010B Refunding Series: Bond covenants require that each series cover both its related debt and the collective debt for the succeeding year. For **2007D Series**, coverage requirements are measured against the maximum annual debt service.

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
Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Local Taxes										
Sales Tax (1%)	\$ 13,237,042	\$ 14,849,984	\$ 17,165,647	\$ 19,087,873	\$ 20,672,520	\$ 20,479,641	\$ 18,961,780	\$ 17,461,635	\$ 17,635,454	\$ 18,470,938
Franchise Fee	1,961,272	2,177,952	2,347,116	3,360,835	2,923,064	3,135,077	3,255,453	3,251,794	3,243,939	3,058,634
Intergovernmental Revenues:										
State Revenue Sharing	8,250,011	7,002,250	7,141,392	8,133,573	10,079,129	12,518,215	13,355,612	11,530,342	8,692,400	7,854,670
State Sales Tax	6,062,278	6,535,654	7,196,762	8,292,930	8,437,831	8,183,395	7,105,468	6,553,759	6,856,996	7,272,049
Auto In-Lieu Tax	2,746,086	2,852,832	3,067,961	3,391,236	3,476,885	3,518,863	3,445,491	3,302,490	3,250,436	3,108,562
Emergency Services and Other	19,432	36,132	36,573	28,288	112,747	133,560	189,929	44,700	55,745	34,252
Licenses:										
Business Licenses	297,643	291,080	300,290	300,596	315,968	332,122	319,631	315,580	302,668	288,133
Liquor Licenses	27,765	32,115	32,965	36,600	38,880	34,700	35,715	34,130	35,131	31,670
Fees for Services:										
Building Permits and Inspection Fees	2,343,219	3,608,965	4,096,137	4,508,571	3,465,837	2,401,049	1,386,593	1,435,276	1,319,507	1,170,037
Recreation Fees	355,658	381,442	431,931	453,273	485,647	546,680	563,437	628,264	609,192	546,940
Police Services and Other Public Safety Fees	705,976	544,869	647,381	774,246	1,335,542	1,852,400	1,226,013	1,447,064	603,253	1,043,802
Use of Money and Property:										
Investment Income	243,955	70,322	318,886	556,095	1,038,848	1,021,862	504,146	166,500	108,396	53,277
Fines, Forfeitures and Penalties:										
City Court Fines	801,121	725,948	805,772	863,316	1,038,871	1,143,006	1,237,672	1,436,928	1,484,105	1,549,889
<i>Total Series B Pledged Taxes</i>	<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>	<u>44,197,222</u>	<u>44,482,853</u>
Additional Series A Pledged Taxes										
City Public Safety Taxes (.2%)	2,646,059	2,968,482	3,431,379	3,815,628	4,132,396	4,093,839	3,790,422	3,490,546	3,525,292	3,692,304
<i>Total Series A Pledged Taxes</i>	<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>	<u>47,722,514</u>	<u>48,175,157</u>
Additional Series C Pledged Taxes										
City Special Taxes (2%)	2,741,989	3,044,645	3,374,350	3,866,902	4,232,008	4,424,358	4,383,419	4,253,079	4,425,556	4,665,296
<i>Total Series C Pledged Taxes</i>	<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>	<u>48,622,778</u>	<u>49,148,149</u>
Additional Series D Pledged Taxes										
City Road Tax (.5%)	6,617,396	7,423,730	8,581,364	9,542,314	10,334,503	10,238,080	9,479,279	8,729,333	8,816,228	9,233,899
<i>Total Series D Pledged Taxes</i>	<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>	<u>\$ 53,013,450</u>	<u>\$ 53,716,752</u>
<i>Gross Excise Tax Pledged Revenues</i>	<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>	<u>\$ 60,964,298</u>	<u>\$ 62,074,352</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
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
2010	195,751	4,994,489	26	26.30%	546	33,118,172	759	40,924,654
2011	196,830	5,300,165	27	27.10%	610	52,240,172	670	26,660,688

Note: Unemployment rate and population presented represents the Yuma Metropolitan Statistical Area and it reflects revised inputs, reestimation, and new statewide controls through 2010.

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 Eight Years Ago**

Employer	2004			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Marine Corps Air Station	6,043	1	9.67%	6,599	1	10.12%
U. S. Army Yuma Proving Ground	1,176	5	1.88%	2,800	2	4.29%
Yuma Regional Medical Center	1,500	2	2.40%	2,078	3	3.19%
Yuma County	1,100	6	1.76%	1,661	4	2.55%
Yuma School District #1	1,200	4	1.92%	1,260	5	1.93%
United States Border Patrol	-	-	-	1,033	6	1.58%
Walmart	-	-	-	1,001	7	1.53%
Yuma Union High School District	690	10	1.10%	965	8	1.48%
City of Yuma	864	9	1.38%	890	9	1.36%
Quechan Paradise Casino	-	-	-	850	10	1.30%
Growers Company	1,500	2	2.40%			
Salyer American Fresh	1,000	7	1.60%			
Total			24.11%			29.33%

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Source: Greater Yuma Economic Development Corporation

Note: Figures presented represent the Yuma Metropolitan Statistical Area. Data for 2012 is not available.

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

United States Border Patrol data not available for 2004.

Salyer American Fresh and Growers Company data not available for 2011.

Walmart and Quechan Paradise Casino added in for 2010 due to Salyer and Growers dropping from list.

City of Yuma, Arizona

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

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	188	195	195	208	226	228	241	235	192	201
Public Safety										
Police	228	229	237	252	267	269	266	267	239	249
Fire	103	105	105	110	122	122	122	133	129	131
Streets										
Engineering	22	25	30	32	37	44	44	41	33	32
Maintenance	48	48	50	52	51	47	56	56	46	46
Solid Waste	13	13	15	15	16	16	17	17	13	13
Parks and recreation	125	129	128	136	141	145	133	133	116	116
Water	54	55	59	64	73	75	76	80	73	73
Wastewater	37	41	45	48	52	52	47	51	49	49
Total	818	840	864	917	985	998	1,002	1,013	890	910

City of Yuma, Arizona

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Calls for service*	84,738	87,770	86,802	88,013	87,797	81,347	84,332	83,226	76,232	NA
Case reports*	15,075	15,804	16,644	17,019	15,281	13,746	13,740	13,434	13,535	NA
Fire										
Number of calls answered*	8,774	9,205	10,032	10,094	10,862	11,455	11,045	11,565	12,067	NA
Inspections*	1,121	1,182	1,774	1,850	2,030	2,059	2,322	745	864	NA
Streets										
Streets slurry sealed (miles)	23	19	24	19	9	22	11	2	15	10
Solid Waste										
Refuse collected (tons)	33,993	27,781	33,003	33,965	34,938	34,919	33,996	33,288	32,638	32,177
Parks and recreation										
Ramada rentals	5,308	5,519	3,285	3,122	3,247	3,160	2,673	2,519	2,554	2,327
Water										
Connections	22,723	23,622	24,831	25,971	26,686	27,174	27,622	28,058	28,984	29,009
Daily treatment capacity (million gallons)	41.0	45.0	45.0	48.0	48.0	48.0	60.0	64.0	65.0	65.0
Annual quantity processed (billion gallons)	9.3	9.3	9.1	9.3	9.5	9.5	8.2	7.5	8.4	8.3
Wastewater										
Daily processing capacity (million gallons)	12.2	12.3	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6

Source: Various city departments.

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

*Numbers presented are for calendar year.

City of Yuma, Arizona

Capital Asset Statistics by Function
Last Ten Fiscal Years

		Fiscal Year									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function											
Public Safety											
	Police stations	1	1	1	1	1	1	1	1	1	1
	Police vehicles	123	123	127	134	143	150	163	164	163	198
	Fire stations	5	5	6	6	6	6	6	6	6	6
Streets											
	Streets (miles)	300	300	361	361	361	361	384	389	395	420
	Streetlights	4,250	4,500	5,042	5,298	5,303	5,375	5,463	5,606	5,750	5,753
	Traffic Signals	32	32	36	38	40	42	42	49	50	50
Solid Waste											
	Collection trucks	10	10	10	12	13	13	13	13	13	11
Parks and Recreation											
	Parks acreage	553	553	553	578	592	607	607	607	607	607
	Parks/Athletic Fields	25	25	25	25	27	32	79*	79*	79	79
	Swimming pools	3	3	3	3	3	3	4	4	4	4
	Tennis courts	1	1	1	1	1	1	2	9	9	9
	Community centers	7	7	9	9	9	9	9	9	9	9
Water											
	Water mains (miles)	427	437	448	470	493	501	501	507	520	525
	Fire hydrants	2,400	2,600	2,850	3,000	3,150	3,267	3,400	3,438	3,450	3,573
Wastewater											
	Sanitary sewers (miles)	261	266	275	290	310	320	320	342	340	341

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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.