

# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2002



## City of Yuma, Arizona

City of Yuma  
Arizona

# Comprehensive Annual Financial Report

For the Fiscal Year Ended  
June 30, 2002

Prepared by:

**Administrative  
Services  
Department**

Robert L. Stull, CPA  
Director

Donald "Pat" Wicks, CPA  
Assistant Director for  
Financial Services

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*About the Cover:* The new City Hall was completed in June 2002 and opened for business on July 1. The new municipal center consolidates a number of city departments from previously dispersed locations. The historic Yuma City Hall will be turned over to the newly appointed Yuma Crossing National Heritage Area Board of Directors during fiscal year 2003.

## CITY COUNCIL

Lawrence K. Nelson, Mayor  
Bobby L. Brooks  
Edwin L. Hansberger  
Karen J. Hill  
Paul B. Johnson  
Norma A. Nelson  
Ema Lea Shoop

## City Administration

Joyce Wilson  
City Administrator

Martha Dempsey  
Assistant City Administrator

## City Departments

Administrative Services  
Robert L. Stull

City Attorney  
Steven W. Moore

City Clerk  
Brigitta K. Stanz

Community Development  
Michael A. Steele

Fire Department  
Gary L. Fisher, Chief

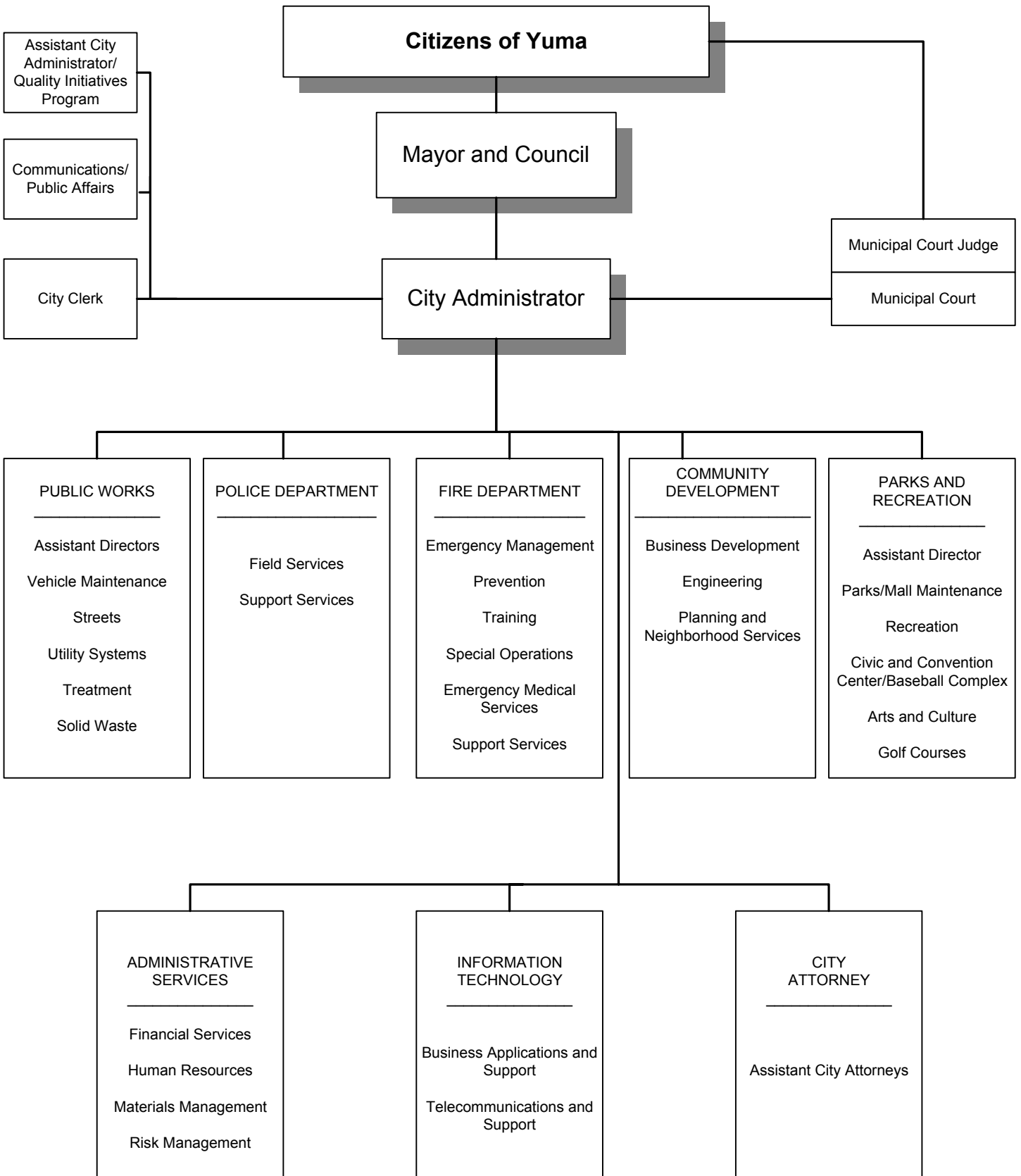
Information Technology  
Laura S. Neinast

Municipal Court  
Douglas S. Stanley, Judge

Parks and Recreation  
Stephen D. Bills

Police Department  
William D. "Robby" Robinson, Chief

Public Works  
Robert L. Wagner



**City of Yuma, Arizona**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Year Ended June 30, 2002**

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# **INTRODUCTORY SECTION**





## DEPARTMENT OF ADMINISTRATIVE SERVICES

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Fax: (928) 373-5068

### City of YUMA

September 19, 2002

To the Citizens, Honorable Mayor and City Council,  
and City Administrator

The Department of Administrative Services is pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Yuma, Arizona for the fiscal year ended June 30, 2002. 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, 2002, 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, 2002, 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 is the first year the report has been prepared using the new 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 new 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.

The report is presented in three sections:

**The Introductory Section.** The Introductory Section includes this letter of transmittal with its discussion on the City's economy, financial planning and cash management and information on the City's organizational structure.

**The Financial Section.** The Financial Section begins with the Independent Auditors' Report and MD&A. It then contains the basic financial statements, notes to the financial statements, required supplementary information, and other supplementary information. The basic financial statements include the new government-wide financial statements as well as fund financial statements for the City's major governmental funds and major enterprise funds. The notes to the financial statements follow after which can be found required supplementary information, including pension information and budgetary schedules of the General Fund and each major special revenue fund. The last portion of the financial section contains other supplementary information listing fund financial statements for the City's nonmajor governmental and enterprise funds, internal service funds, governmental capital assets and budgetary schedules for each of its funds with legally adopted budgets that were not presented with the required supplementary information.

**The Statistical Section.** The Statistical Section includes a number of tables containing ten-year revenue and expenditure information as well as other financial and economic data.

## 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 and is of one of the fastest growing areas in the United States. 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 parts of the City's operations and are combined within the report. The Yuma Municipal Property Corporation and the City of Yuma Employee Benefits Trust have been included in the reporting entity. Conversely, the report does not include the City of Yuma Housing Authority as the City is not financially accountable for the authority, nor does the city directly or indirectly rely upon or benefit from the financial activity of the authority.

## ECONOMIC CONDITION AND OUTLOOK

**Industrial Expansion.** Yuma's economy is based primarily in agriculture, tourism and government, although further diversification continues. Agriculture remains the Yuma area's dominant industry, producing almost \$800 million in revenues annually<sup>1</sup>. Several major agricultural companies, most notably Dole Food Company, maintain operations here. Their chief consumer products are packaged produce and salad mixes, 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.

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<sup>1</sup> Source: Yuma County Chamber of Commerce

The United States Marine Corps Air Station and United States Army Yuma Proving Ground help provide economic stability. These two installations are cornerstones in the military's flight training and equipment testing programs and should survive any continued base closure efforts by the federal government. In fact, both installations are enjoying new construction and expansion to meet their needs into the 21<sup>st</sup> century. With the tragic events of September 11, the importance of these two bases to the military establishment has heightened considerably.

Although manufacturing currently accounts for less than 10% of countywide employment, the City's partnership with the Greater Yuma Economic Development Council continues to attract attention to the area. Several companies have located or expanded operations in Yuma in recent years. As part of Yuma's economic development plan, a 47-acre business park now houses an addition to Arizona Western College and a new call center.

**Economic Growth.** Yuma's most reliable indicator of the condition of its economy is sales tax. The graph at right reflects the last ten years of data. Until this year, collections averaged a better than 7% increase annually. While Yuma's collections dipped slightly to a 2% growth during fiscal year 2002, Yuma escaped the dramatic downturns affecting the larger population centers. Planning for fiscal year 2003 includes growth of sales tax collections in the 4% range.

With more than 2 million people living within a 60-mile radius, Yuma will continue to be an important retail center. Recognizing this, major national retailers continue to expand or construct facilities in Yuma, the most recent notable additions being Home Depot and Lowe's Home Center.



**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. Yuma is so popular a destination that, while other areas in Arizona have seen reductions in their winter residents, the Yuma area adds new winter-resident households each year. This held true last year when visitors returned in record numbers despite the fears associated with September 11. While attendant sales tax collections grew less than recent years, review of collections showed hesitation to purchase big-ticket items having a noticeable, but short-term effect.

**LONG-TERM FINANCIAL PLANNING**

**Yuma Crossing Heritage Area.** Plans to restore, preserve and interpret the Yuma Crossing Heritage area began more than thirty years ago. A study at the time aimed at gaining full economic and recreational benefit from the Colorado River for the Yuma area. The river, once the primary reason for Yuma's existence, had been 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 Heritage Area in 2000, the first such National Heritage Area west of the Mississippi River.

During fiscal year 2002, the Heritage area plan was completed and submitted for review through the National Parks Service for eventual approval by the Secretary of the Interior. Also during this period, the City Council appointed the first members of the Yuma Crossing National Heritage Area Board as the management entity for the area.

This plan means up to \$10 million in federal funding over the next 10 years in developing the Heritage Area.

More than that, it means continued development of historic and cultural activities so important in meeting the Council's goals in enriching the area's cultural attributes. Progress in providing opportunities for local residents and for attracting employers to the area to continue 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 City purchased the historic Yuma Theater during fiscal 2002 with the plans of restoring the theater and building it into a performing arts center. During fiscal 2003, Municipal Property Corporation (MPC) bonds will be issued to finance the construction and renovation related to the center. Along with recent private developments in the area, the downtown area will continue to grow into a cultural and recreational portion of the Heritage Area.

**East Mesa development.** Construction of various components of the new East Mesa Wastewater Treatment plant is underway. The anticipated \$40 million plant and infrastructure will enable continued growth of the eastern edge of the City on the Yuma Mesa. In addition, the new \$60 million water treatment facility/expansion will allow continued growth of both residential and commercial developments already under construction or in the planning stages. The Water Infrastructure Financing Authority (WIFA) of the State of Arizona has been invaluable in attaining lower-cost financing for these important projects. During the fiscal year, the City successfully passed an election allowing use of this financial method. Rate structures for both the Water Fund and the Wastewater Fund have already been passed and put in place by the City Council to assure adequate funding for the project's debt service.

## FINANCIAL INFORMATION

**Budgetary Controls.** The annual budget serves as the foundation for City financial planning and control. The City maintains budgetary controls with the objectives to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the City Council. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Fund, Enterprise Funds, and one 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 on page 37 describes in detail the budget process used by the City.

**Cash Management.** The policy of the City of Yuma is to invest funds in a manner which will provide the maximum security of principal invested, provide the highest yield while conforming to applicable State statutes and City ordinances, and meet the daily cash flow needs of the City. Investments authorized by the City's Investment Policy include: 1) Obligations of the U.S. Government; 2) Fully insured or collateralized certificates of deposits; 3) Bankers acceptances issued by the ten largest domestic banks and the twenty largest international 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 counterpart bank or broker/dealer; 6) Money Market Funds whose portfolio consists of the foregoing; and, 7) the State of Arizona Local Government Investment Pool.

Total investments decreased, dropping to \$73,930,832 at June 30, 2002 from \$96,834,541 last year. The reduction reflects the expenditure of the proceeds of the 2001 MPC Bond with which the new Municipal Complex was constructed. Following market conditions, average yield on investments declined at June 30, 2002, to 3.28%. A review of Note III A in the Notes to the Financial Statements, page 41, will provide a more complete review of investment policy and balances.

**Risk Management.** The City is self insured for certain risks up to a maximum of \$250,000 per occurrence. Primary insurance is then available for the next \$1,000,000 per occurrence with a \$5,000,000 annual aggregate loss. An excess policy follows to cover losses in excess of \$1,000,000 per occurrence up to an additional \$4,000,000 per occurrence with a \$4,000,000 aggregate. The City self funds for workman's compensation up to \$100,000 per occurrence per year with a \$250,000 lifetime maximum loss per occurrence. The City also self-

funds its dental coverage while securing commercially provided health insurance for its employees. Coverage in excess of self-funded stop loss amounts is also provided through the purchase of commercial insurance.

The City pursues an aggressive safety program providing a wide range of training opportunities for employees in promoting safety, managing materials, defensive driving and many other issues. This program helps to mitigate claims costs and reduce exposure.

## **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, 2001. This is the twentieth 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 Department of Administrative Services, have made this report possible. The cooperation and assistance of the accounting firm of Heinfeld, Meech & Co., P.C., also contributed significantly to its production. Finally, I wish to thank the Mayor and Council, City Administrator, and the City Staff for their continued support.

Respectfully submitted,

A handwritten signature in cursive script that reads "Robert L. Stull". The signature is written in black ink and is positioned above the printed name and title.

Robert L. Stull  
Director of Administrative Services

# 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, 2001

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.



*Imelda Aruete*  
President

*Jeffrey L. Essler*  
Executive Director

# **FINANCIAL SECTION**





HEINFELD, MEECH & CO., P .C.  
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**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 (General Fund, Highway Users Revenue Fund, City Road Tax Fund, Grants Fund, Community Redevelopment Fund, Municipal Property Corporation Debt Service Fund, Capital Projects Fund, Water Fund, and Wastewater Fund), and the aggregate remaining fund information of the City of Yuma, Arizona (City), as of and for the year ended June 30, 2002, 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 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 as listed above, and the aggregate remaining fund information of the City of Yuma, Arizona as of June 30, 2002, 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.

As described in Note I, the City has implemented a new financial reporting model, as required by the provisions of the Governmental Accounting Standards Board Statement No.34, *Basic Financial Statements -and Management's Discussion and Analysis -for State and Local Governments*, as of June 30, 2002. In addition, as described in Note III, the City changed its capitalization threshold for equipment.

The management's discussion and analysis on pages 5 through 15, the Public Safety Personnel Retirement System on page 59, and budgetary comparison information on pages 61 through 67 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2002 on our consideration of City of Yuma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Heinfeld, Meech & Co., P.C.*

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

September 19, 2002

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## (Required Supplementary Information)

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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, 2002. 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 just under \$16.3 million for the fiscal year, \$12.2 million of which was generated by governmental activities while \$4.1 million was due to business-type activities of the City.
- The City's combined net assets total \$218.5 million at June 30, 2002. Of this amount, \$67.5 million is available (unrestricted) to finance ongoing programs, \$44.2 million in governmental programs and \$23.3 million in business activities.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (uncollected taxes and earned but unused vacation leave are two examples).

Both of the government-wide financial statements distinguish functions of the City of Yuma that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets, environmental health and welfare, community design and development and parks, recreation and culture. The business-type activities of the City include water, wastewater and golf course operations.

The government-wide financial statements can be found on pages 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

**Nonmajor Governmental Funds:**

Local Transportation Assistance  
Public Safety Tax  
Solid Waste  
Recreation Complex  
2 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 and Sewer Authority and for its golf courses. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Yuma uses internal service funds to account for its equipment replacement program and for its workers compensation and employee health insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

**Major Enterprise Funds:**

Water Fund  
Wastewater Fund

**Nonmajor Enterprise Funds:**

Desert Hills Golf Course  
Arroyo Dunes Golf Course

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements group major and nonmajor proprietary funds in a manner similar to governmental fund statements. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements, beginning on page 92.

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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The basic proprietary fund financial statements can be found on pages 31-33 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 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. A budgetary comparison schedule has been provided for the General Fund and major special revenue funds as required supplementary information. 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

As this is the first year of presentation under the new GASB Statement No. 34, no prior year comparisons are presented. Beginning next year, the City will present comparative amounts between fiscal years.

**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 \$218.5 million at the close of the fiscal year.

#### Summary Statement of Net Assets

June 30, 2002

(in millions)

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 58.9	\$ 14.7	\$ 73.5
Restricted assets	-	11.9	11.9
Capital assets	134.0	92.0	226.0
Total assets	192.9	118.5	311.4
Long-term liabilities outstanding	64.7	11.2	75.9
Other liabilities	13.2	3.9	17.0
Total liabilities	77.9	15.1	92.9
Net assets:			
Invest in capital assets, net of related debt	69.3	80.2	149.5
Restricted	1.5	-	1.5
Unrestricted	44.2	23.3	67.5
Total net assets	<u>\$ 115.0</u>	<u>\$ 103.5</u>	<u>\$ 218.5</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.

An additional portion of the City's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. Net assets rose to \$218.5 million, up \$16.3 million from the year. Governmental activities accounted for \$12.2 million while business-type activities amounted to \$4.1 million. Most of the increase would be attributable to capital asset acquisitions as governmental capital assets increased almost \$32 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 'Net assets invested in capital assets, net of related debt.' Unrestricted net assets are those assets available to finance programs in the upcoming fiscal year and would increase when the portion of taxes and other revenues exceed operating expenses but are not invested in capital assets.

**Statement of Activities.** Already noted was the statement of activities purpose in presenting information in how the government's net assets changed during the most recent fiscal year. A chart of changes in net assets follows. For the fiscal year, net assets increased \$16.3 million, with \$12.2 of the increase coming from governmental activities. The increase in assets in governmental activities is related in great part to construction of 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).

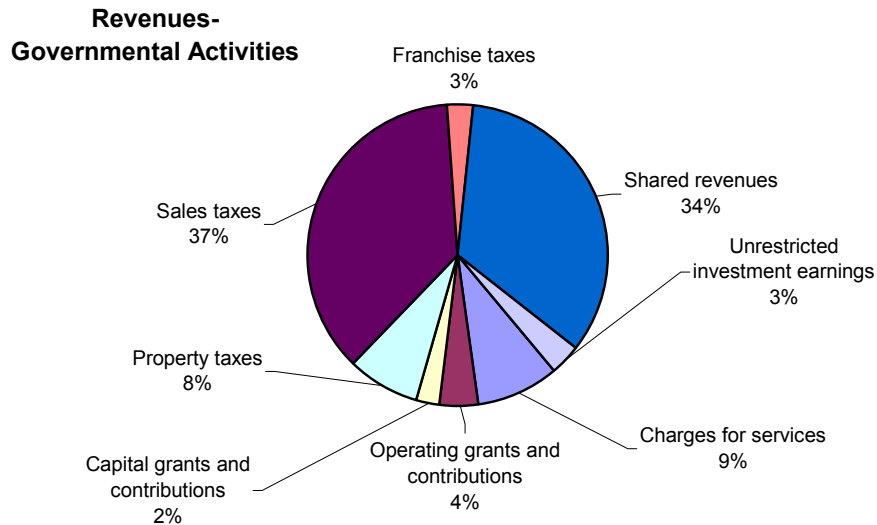
**Changes in Net Assets**  
For the Fiscal Year Ending June 30, 2002  
(in millions)

	Governmental activities	Business-type activities	Total
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 6.1	\$ 17.2	\$ 23.3
Operating grants and contributions	2.8	-	2.8
Capital grants and contributions	1.7	6.3	7.9
General revenues:			
Property taxes	5.3	-	5.3
Sales taxes	25.0	-	25.0
Franchise taxes	1.8	-	1.8
Shared revenues	23.3	-	23.3
Unrestricted investment earnings	2.2	1.0	3.2
<b>Total revenues</b>	<u>68.2</u>	<u>24.5</u>	<u>92.7</u>
<b>Expenses:</b>			
General government	3.5	-	3.5
Public safety	23.6	-	23.6
Streets	9.1	-	9.1
Parks, recreation and culture	8.5	-	8.5
Environmental health and protection	3.3	-	3.3
Community design and development	5.2	-	5.2
Interest on long-term debt	3.2	-	3.2
Water	-	9.8	9.8
Wastewater	-	6.5	6.5
Golf courses	-	2.5	2.5
<b>Total expenses</b>	<u>56.4</u>	<u>18.8</u>	<u>75.2</u>
Changes in net assets before transfers and special item			
Special item-litigation	-	(1.2)	(1.2)
Transfers	.4	(.4)	-
<b>Change in net assets</b>	<u>\$ 12.2</u>	<u>\$ 4.1</u>	<u>\$ 16.3</u>

**Governmental Activities**

Revenues

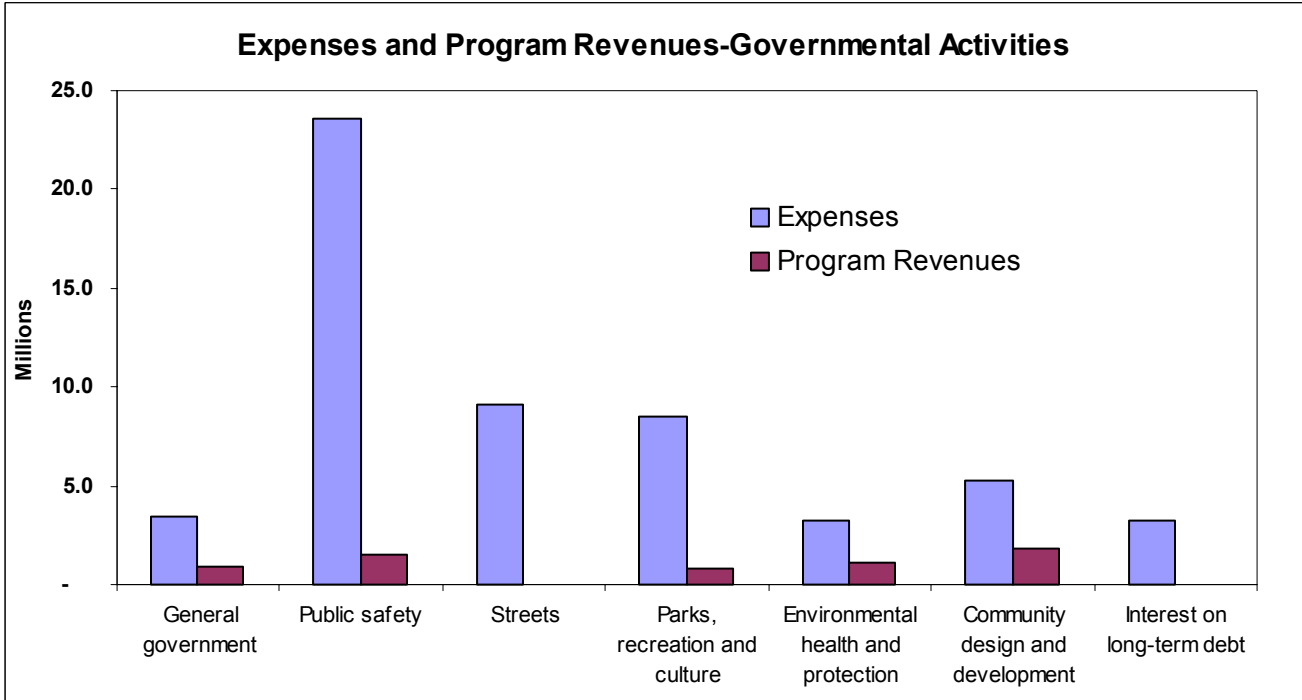
Governmental activities revenues totaled \$68.2 million for fiscal year 2002. Local sales taxes are the largest revenue source for the City and are comprised of the 1% general sales tax along with a .5% road tax and a .2% public safety tax. State-shared revenues are the City's second largest revenue. State-shared revenues include state sales tax, urban revenue sharing, auto in-lieu tax and highway user funds (gas tax). Sales taxes and state shared revenues account for 71% of governmental revenues for the year. Charges for services, the third segment of governmental activities revenues, count building permits and inspections, fines, recreation fees, solid waste environmental fees, police services and civic center rental fees among its largest sources. The charges for services category amounts to 9% of governmental revenues. Property taxes represent 8% of governmental revenues. The large majority of property taxes are levied for general purposes with a small levy for downtown mall maintenance. No property taxes are levied for debt service. Various grants and contributions and franchise taxes account for most of the remaining governmental revenues.



Expenses

Governmental expenses totaled \$56.4 million for the fiscal year. Of the expenditures, 42% or \$23.6 million, is related to public safety for police, fire and municipal court services. Parks and recreation expenses amounted to \$8.5 million, or 15%, while streets and community design and development expenses amounted to 16.1% and 9.2% respectively. Interest on long-term debt accounted for 5.6% of overall governmental expenses.

The following chart 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.

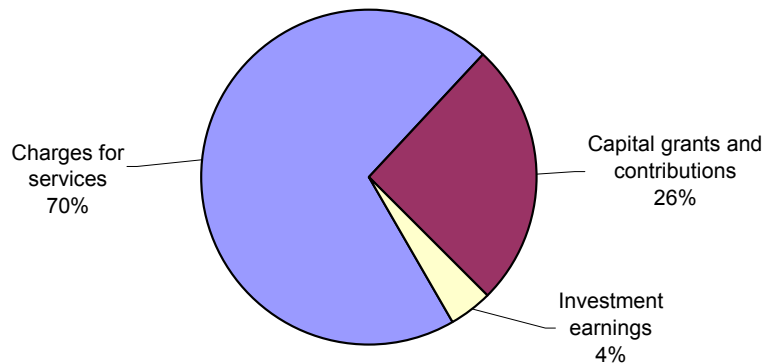


**Business-type activities**

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 \$17.2 million in charges, 87% come from the City’s two utility operations, water and wastewater. The remaining charges are from the City’s two golf courses, Desert Hills and Arroyo Dunes. The \$6.3 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 the final 4% of revenues for the City’s business activities.

**Revenues-Business-like Activities**



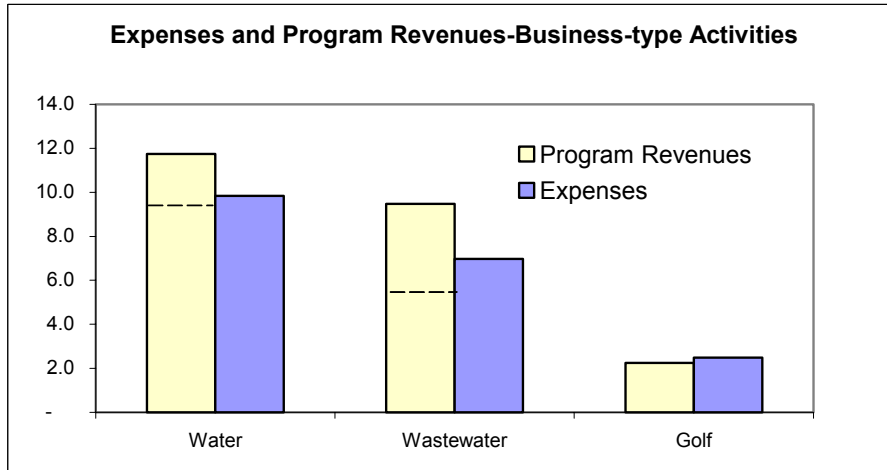
Expenses

Water and wastewater services account for 87% of the City’s business-type activities with golf course making up the remaining 13%. Water expenses amounted to \$9.8 million while wastewater expenses totaled \$6.5 million.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Desert Hills Golf Course and Arroyo Dunes Golf Course recorded expenses of \$2.3 million and \$.2 million, respectively, for a total of \$2.5 million.



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. The upper portion above the dotted line of the program revenues in the graph relates to contributions.

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

**Governmental funds.** The combined fund balances of governmental funds for the fiscal year ended June 30, 2002, is \$27.9 million. This represents a \$22.9 million decrease in fund balances, most of which is due to the significant amount of capital expenditures made during the year, particularly the bond proceeds used to construct the new Municipal Complex. A review of some of the more significant funds follows.

#### General Fund

The fund balance of the General Fund grew by \$1.9 million for the fiscal year. Revenues increased by \$1.2 million, led by state-shared revenues at \$1 million. Expenditures for the fund came in more than \$4 million under budget with General Government producing \$2.3 million of the savings and Public Safety adding almost \$1 million. Even with the savings in expenditures, the City still implemented an update in its salary structure to keep its compensation plan competitive and its employee base stable.

#### Highway User Revenue Fund

Another major operating fund to contribute to the increase in the overall governmental fund balance was the Highway User Revenue Fund (HURF), which accounts for the expenditure of state-shared gasoline taxes. The City's portion of those taxes grew by 4.2% for the fiscal year, and coupled with a budget savings of \$.5 million, produced a moderate increase in the fund's balance of \$212,506. This fund also transferred \$1.3 million into the Capital Projects Fund to continue the City's streets program.

#### Road Tax Fund

This fund accounts for the one-half cent sales tax for use on the City's roadways in conjunction with HURF. Ongoing projects from the previous fiscal year caused transfers to the Capital Projects Fund to exceed tax collections for the year and reduced the fund balance by \$851,764. A fund balance of \$3.3 million remains to help with the City's roads program in subsequent years.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Municipal Property Corporation Debt Service

The Municipal Property Corporation (MPC) Debt Service Fund decreased its fund balance by some \$1.6 million. Because fund balance began the year with unexpended bond proceeds used to pay the interest payments on the 2001 MPC issue, this reduction in fund balance is planned. Transfers from the other operating funds match the remaining principal and interest expenditures.

### Capital Projects Fund

As noted earlier, the Capital Projects Fund's expenditures exceeded its revenues and transfers in by \$22 million for the fiscal year. This is a result of expenditures related to the completion of the City's new Municipal Complex, first occupied in June 2002. In fiscal year 2001, bonds were sold to fund the completion of the building that produced an unusually high fund balance for the previous fiscal year. Expenditures of those proceeds this fiscal year reduced the fund balance to its historical levels. Remaining in the fund is \$3.3 million designated for uncompleted projects for fiscal 2003.

**Proprietary funds.** The City's enterprise funds posted an overall increase in net assets of \$4.0 million for the fiscal year ended June 30, 2002. The City's utility funds, water and wastewater both recorded increases in net assets for the year while the golf courses combined for a \$273,196 decrease in net assets. Even with the increase in net assets for the utilities, both funds would have shown decreases in net assets were it not for capital contributions during the year. This is reflected in a loss before contributions and transfers in the water and wastewater funds of \$(62,231) and \$(363,303), respectively.

### Water Enterprise Fund

Operating revenues for the Water Fund increased by 7.5 percent for the year ending June 30, 2002. This is due in part to the average 2½% increase in rates implemented in January 2002 and to a 3.4% growth in the customer base to 22,021. Operating expenses rose to a lesser degree to provide operating income of \$187,488. A reduction in interest income and a write-off of depreciable assets of \$146,657 to adopt GASB 34 capitalization levels resulted in a loss before contributions and transfers of \$62,231. In addition, the water fund had a special item charge of \$1,220,085 related to litigation. For a description of this special item, please see the Note III N on page 54.

### Wastewater Enterprise Fund

With the end of fiscal 2002, the Wastewater Fund completed its second year in its five-year series of rate adjustments to finance the construction of its \$40 million East Mesa wastewater treatment plant. Combined with similar growth noted in the Water Fund, operating revenues increased 14% over fiscal 2001. Operating expenditures increased by 16.8%, largely because depreciation expenses jumped with the significant additions to the plant in 2001. This left a loss before contributions and transfers of \$363,303. Again like the Water Fund, contributions, which finance many of the additions to the plant that are now affecting depreciation expenses, more than covered this loss for the year ended June 30, 2002.

### Golf Courses

Both of the City's nonmajor enterprise funds, the Desert Hills Golf Course and the Arroyo Dunes Golf Course, suffered operating losses for the year ended June 30, 2002. Green fees for Desert Hills, voted "Best Municipal Golf Course in Arizona" by Golf Digest, reported a 4.5% increase; however, sales in both the golf shop and the restaurant dropped to pull the operations into a loss. The City is considering privatizing the restaurant operations to improve performance of the fund.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2002, can be found starting on page 59. A summary of that schedule follows:

## MANAGEMENT'S DISCUSSION AND ANALYSIS

	Budget		Actual	Variance with Final
	Original	Final		
<b>Revenues and Transfers In</b>				
Taxes	\$ 20,574,910	\$ 20,574,910	\$ 20,387,835	\$ (187,075)
Intergovernmental	16,605,402	16,605,402	16,425,712	(179,690)
Other	3,617,150	3,617,150	4,099,497	482,347
Transfers In	1,584,500	1,584,500	-	(1,584,500)
<b>Total</b>	<b>42,381,962</b>	<b>42,381,962</b>	<b>40,913,044</b>	<b>(1,468,918)</b>
<b>Expenditures and Transfers Out</b>				
Expenditures	38,261,818	38,261,818	34,175,250	4,086,568
Transfers Out	4,999,321	4,999,321	4,749,734	249,587
<b>Total</b>	<b>43,261,139</b>	<b>43,261,139</b>	<b>38,924,984</b>	<b>4,336,155</b>
<b>Change in Fund Balance</b>	<b>\$ (879,177)</b>	<b>\$ (879,177)</b>	<b>\$ 1,988,060</b>	<b>\$ 2,867,237</b>

Both City and state-shared sales taxes ended the year below their expected amounts causing the negative variance in taxes. Both ended the year, however, posting gains in actual collections over fiscal 2001 at 2.2% and 3.5%, respectively. While this percentage increase is less than its ten-year average, the local economy's performance remains relatively strong, in spite of the downturn of the national economy.

The chart shows no change in budgetary amounts; however, with the City Administrator's ability to transfer appropriations within a fund, some changes in budget between departments occurred during the year. In each case, the transfers of budgetary authority were minor. Overall, expenditures remained below budgeted amounts, with no department exceeding its annual appropriation.

### CAPITAL ASSETS

At June 30, 2002, the City of Yuma's investment in capital assets in both governmental and business-type activities amounted to \$226 million, net of depreciation. This includes land, buildings, equipment, and for the first time with the implementation of GASB Statement No. 34, infrastructure (roadways and bridges). Capital assets for governmental activities increased by 31.1% (after restating amounts for July 1, 2001) while business-type capital assets increased 7.1%. These changes included the following:

- Construction was completed on the City's new Municipal Complex in excess of \$20 million.
- Land and right-of-way purchase for governmental activities exceed \$2 million. Construction in progress of \$16 million included \$12 million in street projects.
- Water system improvements include \$2.2 million in a major water line replacement.
- Construction on the new East Mesa wastewater plant began, accounting for over \$2.3 million.

#### Change in Capital Assets

(In Millions)

	Governmental Activities			Business-type Activities			Total
	Restated July 1, 2001	Net Additions/ Deletions	Balance June 30, 2002	July 1, 2001	Net Additions/ Deletions	Balance June 30, 2002	
Land	\$ 5.8	\$ 2.5	\$ 8.3	\$ 1.2	\$ -	\$ 1.2	\$ 9.5
Buildings	35.6	19.1	54.8	8.0	-	8.0	62.7
Improvements	10.6	3.4	13.9	115.5	3.9	119.5	133.4
Infrastructure	104.7	(.3)	104.4	-	-	-	104.4
Equipment	25.3	3.8	29.2	3.7	(.8)	2.9	32.1
Construction in Progress	7.0	8.9	16.0	2.7	6.3	9.0	24.9
Accumulated Depreciation	(86.9)	(5.6)	(92.5)	(45.1)	(3.4)	(48.5)	(141.0)
<b>Total</b>	<b>\$ 102.2</b>	<b>\$ 31.8</b>	<b>\$ 134.0</b>	<b>\$ 85.9</b>	<b>\$ 6.1</b>	<b>\$ 92.0</b>	<b>\$ 226.0</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### DEBT ADMINISTRATION

For the year ended June 30, 2002, the City's long-term debt decreased by a net of \$3.9 million, due to scheduled repayments. The only increase in debt for the fiscal year, aside from minimal operational increases in compensated absences, was related to acquisition of capital assets through the issuance of long-term contracts payable, as follow:

- The City purchased the historic Yuma Theater for \$103,499.
- Right-of-way was purchased for \$805,337, including buildings that will be leased until the project start.

In each case, payments were made on the contracts during the fiscal year.

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 \$51.3 million, well above the outstanding general obligation debt. 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.

All of the bond issues have been upgraded to a "A+" rating by Fitch Investment Services. The General Obligation Bonds and the MPC Bonds are rated "A" by Moody's Investor Services. Standard and Poors also rate the GO bonds "A". All City bond issues ultimately enjoy a "AAA" rating as a result of insurance coverage.

A summary of the City's long-term debt follows. Additional information on the City's long-term debt can be found in Note III-H on pages 48-51.

	Governmental activities		Business-type activities		Total	
	2001	2002	2001	2002	2001	2002
General Obligation Bonds	\$ -	\$ -	\$ 13.0	\$ 12.2	\$ 13.0	\$ 12.2
Yuma Municipal Property Corporation Bonds	65.9	62.3	-	-	65.9	62.3
Revenue Bonds	.2	-	-	-	.2	-
Contracts Payable	-	.6	.1	.1	.1	.6
Compensated Absences	1.7	1.8	-	-	1.7	1.8
Total Long-Term Debt	<u>\$ 67.8</u>	<u>\$ 64.7</u>	<u>\$ 13.1</u>	<u>\$ 12.3</u>	<u>\$ 80.9</u>	<u>\$ 77.0</u>

### ECONOMIC FACTORS

Yuma County is one of the fastest growing areas in the nation and the City of Yuma represents just under 50% of the county's population. Since 1990, the City has grown by 40% to an estimated 79,530. Ranked by Forbes-Milken in its top 20 'Best Small Places', the City's economy is based on a triad of agriculture, tourism and military/government spending. Agriculture continues to lead the economy, contributing \$800 million annually. The area's 85,000-plus winter visitors add \$450 million to the mix, while military/government spending infuses 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, continued this year with a moderate 3% growth, down slightly from its historical growth rate of 7%. Compared to a slight downturn in the large metropolitan areas of the state, Yuma's steady growth is positive. For fiscal year 2003, revenues were projected using similar trends.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Not all economic statistics reflect positive results; however, in that the City continues to suffer higher unemployment figures than most of the state. Hovering under 10% during the winter crop growing season, the rate surges into the 20% range for the summer, primarily because of lower agriculture employment. To combat this problem, the City helps to support the Greater Yuma Economic Development Corporation in its activities to encourage new employers to the area.

### CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to familiarize our citizens, taxpayers and customers with the City's finances and to demonstrate the City's fiscal accountability for its operations. Questions concerning this report, or requests for additional financial information, should be directed to Mr. Robert L. Stull, Director of Administrative Services, One City Plaza, PO Box 13012, Yuma, AZ 85366-3012, telephone (928) 373-5067. The reader may wish also to visit the City's website at [www.ci.yuma.az.us](http://www.ci.yuma.az.us), which will soon contain an electronic version of this report.



# **BASIC FINANCIAL STATEMENTS**



**GOVERNMENT-WIDE FINANCIAL  
STATEMENTS**

**City of Yuma, Arizona**  
**Statement of Net Assets**  
June 30, 2002

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and Investments	\$ 50,835,379	\$ 11,424,806	\$ 62,260,185
Receivables, Net of Allowances for Uncollectibles:	7,497,613	2,703,447	10,201,060
Internal Balances	(96,955)	96,955	-
Inventory, at cost	521,327	211,485	732,812
Prepaid Items	99,934	13,801	113,735
Restricted Assets:			
Cash and Investments	-	11,748,077	11,748,077
Accrued Interest	-	131,868	131,868
Long Term Contracts Receivable	-	4,609	4,609
Deferred Charges	-	214,550	214,550
Fixed Assets, Net of Accumulated Depreciation	<u>134,019,022</u>	<u>91,991,200</u>	<u>226,010,222</u>
Total Assets and Other Debits	<u>192,876,320</u>	<u>118,540,798</u>	<u>311,417,118</u>
 <u>Liabilities</u> 			
Accounts Payable	3,932,795	2,183,787	6,116,582
Accrued Liabilities	2,180,946	495,412	2,676,358
Accrued Interest Payable	1,547,821	78,882	1,626,703
Deferred Revenue	5,503,117	9,434	5,512,551
Liabilities Payable from Restricted Assets	-	1,092,056	1,092,056
Long-Term Debt:			
Due within one year	4,080,799	259,234	4,340,033
Due in more than one year	<u>60,638,102</u>	<u>10,947,017</u>	<u>71,585,119</u>
Total Liabilities	<u>77,883,580</u>	<u>15,065,822</u>	<u>92,949,402</u>
 <u>Net Assets</u> 			
Invested in Capital Assets, Net of Related Debt	69,300,121	80,223,792	149,523,913
Restricted for:			
Debt Service	1,484,212	-	1,484,212
Unrestricted	<u>44,208,407</u>	<u>23,251,184</u>	<u>67,459,591</u>
Total Net Assets	<u>\$ 114,992,740</u>	<u>\$ 103,474,976</u>	<u>\$ 218,467,716</u>

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
**Statement of Activities**  
For the Fiscal Ended June 30, 2002

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Assets</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Government Activities:</b>							
General Government	3,477,585	867,250	-	-	(2,610,335)	-	(2,610,335)
Public Safety	23,566,887	1,505,393	-	-	(22,061,494)	-	(22,061,494)
Streets	9,098,421	-	-	-	(9,098,421)	-	(9,098,421)
Parks, Recreation and Culture	8,526,230	799,842	-	1,650,018	(6,076,370)	-	(6,076,370)
Environmental Health and Protection	3,250,679	1,124,993	-	-	(2,125,686)	-	(2,125,686)
Community Design and Development	5,246,150	1,797,353	2,794,501	-	(654,296)	-	(654,296)
Interest on Long-Term Debt	3,227,438	-	-	-	(3,227,438)	-	(3,227,438)
<b>Total Governmental Activities</b>	<b>56,393,390</b>	<b>6,094,831</b>	<b>2,794,501</b>	<b>1,650,018</b>	<b>(45,854,040)</b>	<b>-</b>	<b>(45,854,040)</b>
<b>Business-type Activities:</b>							
Water	9,835,626	9,320,957	-	2,426,902	-	1,912,233	1,912,233
Wastewater	6,484,166	5,639,590	-	3,833,335	-	2,988,759	2,988,759
Golf Courses	2,490,371	2,247,550	-	-	-	(242,821)	(242,821)
<b>Total Business-type Activities</b>	<b>18,810,163</b>	<b>17,208,097</b>	<b>-</b>	<b>6,260,237</b>	<b>-</b>	<b>4,658,171</b>	<b>4,658,171</b>
<b>Total</b>	<b>\$ 75,203,553</b>	<b>\$ 23,302,928</b>	<b>\$ 2,794,501</b>	<b>\$ 7,910,255</b>	<b>(45,854,040)</b>	<b>4,658,171</b>	<b>(41,195,869)</b>
<b>General Revenues:</b>							
Property taxes					5,337,637	-	5,337,637
Sales taxes					25,038,760	-	25,038,760
Franchise taxes					1,835,810	-	1,835,810
Shared revenues					23,257,853	-	23,257,853
Unrestricted investment earnings					2,227,028	998,944	3,225,972
<b>Total general revenues</b>					<b>57,697,088</b>	<b>998,944</b>	<b>58,696,032</b>
Special Item - Litigation					-	(1,220,085)	(1,220,085)
Transfers					381,684	(381,684)	-
<b>Total general revenues, special item and transfers</b>					<b>58,078,772</b>	<b>(602,825)</b>	<b>57,475,947</b>
Change in net assets					12,224,732	4,055,346	16,280,078
Net assets-beginning					102,768,008	99,419,630	202,187,638
Net assets-ending					<b>\$ 114,992,740</b>	<b>\$ 103,474,976</b>	<b>\$ 218,467,716</b>

The accompanying notes are an integral part of these financial statements



## **FUND FINANCIAL STATEMENTS**

**City of Yuma, Arizona**  
 Balance Sheet  
 Governmental Funds  
 June 30, 2002

<u>Assets</u>	Special Revenue Funds			
	General	Highway Users Revenue	City Road Tax	Grants
Cash and Investments	\$ 12,880,884	\$ 4,353,721	\$ 2,747,296	\$ 495,487
Cash with Fiscal Agents	-	-	-	-
Receivables, Net of Allowances for Uncollectibles:				
Accounts Receivable	262,560	2,089	-	-
Intergovernmental	1,891,328	593,592	503,612	1,376,765
Special Assessments	23,379	-	-	-
Delinquent Property Taxes	181,788	-	-	-
Accrued Interest	32,061	49,104	67,230	8,055
Due from Other Funds	479,242	-	-	-
Inventory, at cost	514,191	-	-	-
Prepaid Items	24,357	-	-	-
Total Assets and Other Debits	\$ 16,289,790	\$ 4,998,506	\$ 3,318,138	\$ 1,880,307
<b><u>Liabilities and Fund Balances</u></b>				
Accounts Payable	\$ 650,170	\$ 109,988	\$ 8,229	\$ 73,628
Accrued Payroll, Taxes and Benefits Payable	1,683,027	89,597	6,990	6,677
Bonds Payable - Current Portion	-	-	-	-
Due to Other Funds	132,886	1,096,070	-	18,400
Accrued Interest Payable	-	-	-	-
Deposits	78,479	-	-	-
Deferred Revenue	194,204	134,250	-	1,772,934
Total Liabilities	2,738,766	1,429,905	15,219	1,871,639
Fund Balance:				
Reserved for:				
Inventory	514,191	-	-	-
Prepaid Items	24,357	-	-	-
Debt Service	-	-	-	-
Unreserved:				
Designated for Uncompleted Projects	-	-	-	-
Designated for Subsequent Years' Expenditures	1,408,207	80,412	-	-
Designated for Future Community Improvements	845,524	-	-	-
Undesignated	10,758,745	3,488,189	3,302,919	8,668
Total Fund Balances	13,551,024	3,568,601	3,302,919	8,668
Total Liabilities and Fund Balances	\$ 16,289,790	\$ 4,998,506	\$ 3,318,138	\$ 1,880,307

The accompanying notes are an integral part of these financial statements

<u>Community Redevelopment</u>	<u>Municipal Property Corporation Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ 5,297 6,819,265	\$ 6,645,626 -	\$ 2,591,255 -	\$ 29,719,566 6,819,265
1,466,259	-	23,700	154,639	1,909,247
484,516	-	-	214,544	5,064,357
-	-	-	-	23,379
-	-	-	-	181,788
-	1,592	-	36,941	194,983
-	-	1,445,376	18,400	1,943,018
-	-	-	7,136	521,327
-	-	-	75,577	99,934
<u>\$ 1,950,775</u>	<u>\$ 6,826,154</u>	<u>\$ 8,114,702</u>	<u>\$ 3,098,492</u>	<u>\$ 46,476,864</u>

\$ 174,048	\$ 7,139	\$ 2,470,519	\$ 153,029	\$ 3,646,750
9,664	-	-	75,688	1,871,643
	3,800,000	-	-	3,800,000
458,094	-	-	222,568	1,928,018
	1,534,803	13,019	-	1,547,822
	-	9,175	-	87,654
1,308,969	-	2,266,970	20,204	5,697,531
<u>1,950,775</u>	<u>5,341,942</u>	<u>4,759,683</u>	<u>471,489</u>	<u>18,579,418</u>

-	-	-	7,136	521,327
-	-	-	75,577	99,934
-	1,484,212	-	-	1,484,212
-	-	3,355,019	-	3,355,019
-	-	-	40,477	1,529,096
-	-	-	-	845,524
-	-	-	2,503,813	20,062,334
<u>-</u>	<u>1,484,212</u>	<u>3,355,019</u>	<u>2,627,003</u>	<u>27,897,446</u>
<u>\$ 1,950,775</u>	<u>\$ 6,826,154</u>	<u>\$ 8,114,702</u>	<u>\$ 3,098,492</u>	<u>\$ 46,476,864</u>

**City of Yuma, Arizona**  
Reconciliation of the Balance Sheet-Governmental Funds to the Statement of Net Assets  
June 30, 2002

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

Total Fund Balances per the Balance Sheet-Governmental Funds:	\$ 27,897,446
Property taxes receivable that are not financial resources are not reported in the funds.	46,329
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	124,563,152
Property tax revenue deferred to later years recognized in year levied in governmental activities.	194,417
Long-term liabilities, include bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(60,918,901)
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>23,210,297</u>
Net assets of governmental activities	<u>\$ 114,992,740</u>

The accompanying notes are an integral part of these financial statements

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**City of Yuma, Arizona**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2002

	Major Special Revenue Funds			
	General	Highway User Revenue	City Road Tax	Grants
<b>Revenues:</b>				
Taxes	\$ 20,387,835	\$ -	\$ 6,448,954	\$ -
Licenses and Permits	1,438,768	-	-	-
Intergovernmental	16,425,712	6,414,401	-	2,974,338
Charges for Services	1,216,819	-	-	-
Fines and Forfeitures	670,837	-	-	-
Use of Money and Property	672,876	153,748	175,521	76,379
Contributions and Donations	-	-	-	1,440
Miscellaneous	100,197	41,146	-	-
Total Revenues	<u>40,913,044</u>	<u>6,609,295</u>	<u>6,624,475</u>	<u>3,052,157</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	4,001,300	-	-	-
Public Safety	20,811,411	702,674	-	1,145,816
Streets	-	3,911,718	481,485	-
Parks, Recreation and Culture	5,049,653	-	-	7,400
Environmental Health and Protection	565,090	19,142	-	192,224
Community Design and Development	3,383,771	-	-	183
Capital Outlay	404,025	-	-	36,516
Debt Service				
Principal	63,499	-	-	-
Interest and Fiscal Agent Fees	-	-	-	-
Total Expenditures	<u>34,278,749</u>	<u>4,633,534</u>	<u>481,485</u>	<u>1,382,139</u>
Revenues Over/(Under) Expenditures	6,634,295	1,975,761	6,142,990	1,670,018
<b>Other Financing Sources/(Uses):</b>				
Increase In Long-Term Contracts	103,499	-	-	-
Sale of Real Property	-	-	-	-
Transfers In	-	19,142	-	-
Transfers Out	(4,749,734)	(1,782,397)	(6,994,754)	(1,670,018)
Total Other Financing Sources/(Uses)	<u>(4,646,235)</u>	<u>(1,763,255)</u>	<u>(6,994,754)</u>	<u>(1,670,018)</u>
Net Change in Fund Balances	1,988,060	212,506	(851,764)	-
Fund Balances - Beginning	<u>11,562,964</u>	<u>3,356,095</u>	<u>4,154,683</u>	<u>8,668</u>
Fund Balances - Ending	<u>\$ 13,551,024</u>	<u>\$ 3,568,601</u>	<u>\$ 3,302,919</u>	<u>\$ 8,668</u>

The accompanying notes are an integral part of these financial statements

<u>Community Redevelopment</u>	<u>Municipal Property Corporation Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 5,295,028	\$ 32,131,817
				1,438,768
1,444,341	-	-	440,004	27,698,796
-	-	544,960	1,114,179	2,875,958
				670,837
16,393	50,387	722,333	626,336	2,493,973
			24,400	25,840
31,046	-	57,032	29,087	258,508
<u>1,491,780</u>	<u>50,387</u>	<u>1,324,325</u>	<u>7,529,034</u>	<u>67,594,497</u>
-	-	-	-	4,001,300
-	-	-	-	22,659,901
-	-	-	-	4,393,203
-	-	-	2,370,897	7,427,950
-	-	-	2,398,266	3,174,722
1,572,724	-	-	374,207	5,330,885
153,577	-	36,682,805	34,084	37,311,007
-	3,800,000	272,003	210,000	4,345,502
-	3,205,788	13,019	8,631	3,227,438
<u>1,726,301</u>	<u>7,005,788</u>	<u>36,967,827</u>	<u>5,396,085</u>	<u>91,871,908</u>
(234,521)	(6,955,401)	(35,643,502)	2,132,949	(24,277,411)
		805,337	-	908,836
454,747	-	-	-	454,747
-	5,352,205	12,868,781	3,182,506	21,422,634
<u>(220,226)</u>	<u>-</u>	<u>(125,832)</u>	<u>(5,958,451)</u>	<u>(21,501,412)</u>
<u>234,521</u>	<u>5,352,205</u>	<u>13,548,286</u>	<u>(2,775,945)</u>	<u>1,284,805</u>
-	(1,603,196)	(22,095,216)	(642,996)	(22,992,606)
-	3,087,408	25,450,235	3,269,999	50,890,052
<u>\$ -</u>	<u>\$ 1,484,212</u>	<u>\$ 3,355,019</u>	<u>\$ 2,627,003</u>	<u>\$ 27,897,446</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 Fiscal Year Ended June 30, 2002

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

Net change in fund balances-governmental funds	\$ (22,992,606)
A portion of property tax revenues recorded on the statement of activities does not provide current financial resources are not recorded as revenues in the funds.	80,390
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	(5,195,001)
Capital outlay expenditures reported as additions to assets:	
Capital outlay expenditures-governmental funds	37,311,007
Infrastructure maintenance expenditures recorded as capital outlay but not capitalized as asset additions	(1,329,169)
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.	4,345,501
Increase in compensated absences expense not recorded in governmental funds.	(147,451)
Other financing sources in governmental funds to reflect acquisitions of financed capital assets are recorded on the statement of net assets	(908,836)
Sales of governmental capital assets are not revenues on the statement of activities.	(454,747)
Investment earnings of the internal service funds are general revenues on the statement of activities.	561,551
Revenues of internal service funds in excess of expenses reduce governmental activities expenses on the statement of activities	493,631
Transfers between governmental Public Safety Tax Fund and Internal Service Equipment Replacement Fund	<u>460,462</u>
Change in net assets of governmental activities	<u>\$ 12,224,732</u>

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
**Statement of Net Assets**  
Proprietary Funds  
June 30, 2002

<u>Assets</u>	<u>Business-Type Activities-Enterprise Funds</u>				Governmental Activities Internal Service Funds
	Water Fund	Wastewater Fund	Other Funds	Totals	
Current Assets:					
Cash and Investments	\$ 10,340,060	\$ 903,964	\$ 180,782	\$ 11,424,806	\$ 14,296,548
Receivables, Net of Allowance for Uncollectibles:					
Accounts Receivable	1,581,398	754,459	4,493	2,340,350	8,283
Intergovernmental	538	261,576	379	262,493	-
Contracts Receivable	-	52,984	-	52,984	-
Accrued Interest	45,975	-	1,645	47,620	69,247
Inventory, at cost	59,935	-	151,550	211,485	-
Prepaid Expenses	9,822	550	3,429	13,801	-
Total Current Assets	<u>12,037,728</u>	<u>1,973,533</u>	<u>342,278</u>	<u>14,353,539</u>	<u>14,374,078</u>
Restricted Assets:					
Cash and Investments:					
Current Debt Service	1,140,528	-	-	1,140,528	-
Advancement for Future Expansion	-	10,403,227	-	10,403,227	-
Customer Deposits	204,322	-	-	204,322	-
Receivables:					
Accrued Interest	11,933	119,935	-	131,868	-
Long-Term Contracts Receivable	-	4,609	-	4,609	-
Total Restricted Assets	<u>1,356,783</u>	<u>10,527,771</u>	<u>-</u>	<u>11,884,554</u>	<u>-</u>
Fixed Assets:					
Land	1,043,951	127,079	-	1,171,030	-
Buildings	2,911,198	1,931,134	3,102,865	7,945,197	-
Improvements Other than Buildings	71,865,523	44,615,224	3,002,762	119,483,509	-
Equipment	1,597,556	1,092,400	237,926	2,927,882	19,751,441
Gross Fixed Assets	77,418,228	47,765,837	6,343,553	131,527,618	19,751,441
Less Accumulated Depreciation	29,242,119	17,236,435	2,009,640	48,488,194	10,295,571
Fixed Assets Net of Depreciation	48,176,109	30,529,402	4,333,913	83,039,424	9,455,870
Construction In Progress	4,656,195	4,287,219	8,362	8,951,776	-
Total Fixed Assets	<u>52,832,304</u>	<u>34,816,621</u>	<u>4,342,275</u>	<u>91,991,200</u>	<u>9,455,870</u>
Other Assets:					
Deferred Charges	214,550	-	-	214,550	-
Total Assets	<u>66,441,365</u>	<u>47,317,925</u>	<u>4,684,553</u>	<u>118,443,843</u>	<u>23,829,948</u>
<u>Liabilities</u>					
Current Liabilities Payable from Current Assets:					
Accounts Payable	1,683,481	439,033	61,273	2,183,787	198,393
Accrued Payroll and Related Taxes	220,041	179,559	95,812	495,412	-
Current Portion-Long-Term Contracts	-	-	52,984	52,984	-
Current Portion-Bonds Payable	206,250	-	-	206,250	-
Estimated Claims and Judgements	-	-	-	-	309,303
Due to Other Funds	-	-	-	-	15,000
Accrued Interest Payable	78,882	-	-	78,882	-
Deferred Revenue	-	-	9,434	9,434	-
Total Current Liabilities Payable from Current Assets	<u>2,188,654</u>	<u>618,592</u>	<u>219,503</u>	<u>3,026,749</u>	<u>522,696</u>
Current Liabilities Payable from Restricted Assets:					
Deposits	204,322	-	-	204,322	-
Deferred Revenue	-	32,338	-	32,338	-
Current Portion-Bonds Payable	618,750	-	-	618,750	-
Accrued Bond Interest Payable	236,646	-	-	236,646	-
Total Current Liabilities Payable from Restricted Assets	<u>1,059,718</u>	<u>32,338</u>	<u>-</u>	<u>1,092,056</u>	<u>-</u>
Long-Term Liabilities:					
Long-Term Contracts Payable	-	-	4,609	4,609	-
Bonds Payable	10,942,408	-	-	10,942,408	-
Total Long-Term Liabilities	<u>10,942,408</u>	<u>-</u>	<u>4,609</u>	<u>10,947,017</u>	<u>-</u>
Total Liabilities	<u>14,190,780</u>	<u>650,930</u>	<u>224,112</u>	<u>15,065,822</u>	<u>522,696</u>
<u>Net Assets</u>					
Invested in capital assets, net of related debt	41,064,896	34,816,621	4,342,275	80,223,792	9,455,870
Unrestricted	11,185,689	11,850,374	118,166	23,154,229	13,851,382
Total Net Assets	<u>\$ 52,250,585</u>	<u>\$ 46,666,995</u>	<u>\$ 4,460,441</u>	<u>\$ 103,378,021</u>	<u>\$ 23,307,252</u>

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2002

	Business-Type Activities-Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
Operating Revenues:					
Metered Water Sales	\$ 8,821,057	\$ -	\$ -	\$ 8,821,057	\$ -
Commercial Raw Water	237,948	-	-	237,948	-
Wastewater Charges	-	5,582,691	-	5,582,691	-
Meters, Connections and Services	214,781	44,430	-	259,211	-
Green Fees and Concessions	-	-	2,122,940	2,122,940	-
Equipment Rental	-	-	119,487	119,487	2,584,544
Miscellaneous Charges	8,388	-	-	8,388	4,282,665
Total Operating Revenues	<u>9,282,174</u>	<u>5,627,121</u>	<u>2,242,427</u>	<u>17,151,722</u>	<u>6,867,209</u>
Operating Expenses:					
Operations and Maintenance	5,862,075	4,276,985	2,261,291	12,400,351	4,261,277
Depreciation and Amortization	<u>3,232,611</u>	<u>2,110,559</u>	<u>236,580</u>	<u>5,579,750</u>	<u>2,134,418</u>
Total Operating Expenses	<u>9,094,686</u>	<u>6,387,544</u>	<u>2,497,871</u>	<u>17,980,101</u>	<u>6,395,695</u>
Operating Income/(Loss)	<u>187,488</u>	<u>(760,423)</u>	<u>(255,444)</u>	<u>(828,379)</u>	<u>471,514</u>
Non-Operating Revenues/(Expenses):					
Interest	491,919	500,119	6,906	998,944	561,551
Gain/(Loss) on Disposal of Assets	(146,657)	(115,468)	(28,665)	(290,790)	119,072
Interest and Fiscal Agent Fees	(633,764)	-	(2,463)	(636,227)	-
Miscellaneous Revenues/(Expenses)	<u>38,783</u>	<u>12,469</u>	<u>5,123</u>	<u>56,375</u>	<u>-</u>
Total Non-Operating Revenues/(Expenses)	<u>(249,719)</u>	<u>397,120</u>	<u>(19,099)</u>	<u>128,302</u>	<u>680,623</u>
Income/(Loss) before Contributions and Transfers	(62,231)	(363,303)	(274,543)	(700,077)	1,152,137
Capital Contributions	2,426,902	3,833,335	-	6,260,237	-
Special Item-litigation	(1,220,085)	-	-	(1,220,085)	-
Transfers In	20,000	-	246,727	266,727	460,463
Transfers Out	<u>(67,382)</u>	<u>(335,649)</u>	<u>(245,380)</u>	<u>(648,411)</u>	<u>-</u>
Change in Net Assets	1,097,204	3,134,383	(273,196)	3,958,391	1,612,600
Net Assets - Beginning	<u>51,153,381</u>	<u>43,532,612</u>	<u>4,733,637</u>	<u>99,419,630</u>	<u>21,694,652</u>
Net Assets - Ending	<u>\$ 52,250,585</u>	<u>\$ 46,666,995</u>	<u>\$ 4,460,441</u>	<u>\$ 103,378,021</u>	<u>\$ 23,307,252</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, 2002

	Business-Type Activities-Enterprise Fund:				Governmental
	Water Fund	Wastewater Fund	Other Funds	Totals	Activities Internal Service Funds
<b>Cash Flow from Operating Activities:</b>					
Cash Received from Customers	\$ 9,133,865	\$ 5,578,152	\$ 2,248,847	\$ 16,960,864	\$ 6,819,000
Cash Paid to Employees	(2,122,462)	(1,598,569)	(953,430)	(4,674,461)	(107,554)
Cash Paid to Suppliers	(2,676,083)	(2,721,254)	(1,339,697)	(6,737,034)	(4,182,745)
Other Operating Activity Revenue/(Expense)	38,783	11,458	5,122	55,363	-
Net Cash Provided by Operating Activities	4,374,103	1,269,787	(39,158)	5,604,732	2,528,701
<b>Cash Flows from Noncapital Financing Activities:</b>					
Cash Received from Other Funds	20,000	48,923	246,727	315,650	460,463
Cash Paid to Other Funds	(67,382)	(335,649)	(296,766)	(699,797)	-
Net Cash Provided by/(Used for) Noncapital Financing Activities	(47,382)	(286,726)	(50,039)	(384,147)	460,463
<b>Cash Flow from Capital and Related Financing Activities:</b>					
Contributions of Capital	1,468,918	2,051,231	-	3,520,149	-
Acquisition and Construction of Assets	(5,530,038)	(3,296,078)	(49,080)	(8,875,196)	(2,203,369)
Proceeds from Sale of Capital Assets	-	1,011	-	1,011	124,718
Principal Payments on Bonds	(785,000)	-	-	(785,000)	-
Special Item - Litigation	(1,220,085)	-	-	(1,220,085)	-
Interest and Fiscal Agent Fee Payments	(655,067)	-	-	(655,067)	-
Net Cash Used for Capital and Related Financing Activities	(6,721,272)	(1,243,836)	(49,080)	(8,014,188)	(2,078,651)
<b>Cash Flows from Investing Activities:</b>					
Receipt of Interest	508,985	515,043	7,087	1,031,115	576,180
Net Cash Provided by Investing Activities	508,985	515,043	7,087	1,031,115	576,180
Net Increase in Cash and Cash Equivalents	(1,885,566)	254,268	(131,190)	(1,762,488)	1,486,693
Cash and Cash Equivalents, July 1	13,570,476	11,052,923	311,972	24,935,371	12,809,855
Cash and Cash Equivalents, June 30	<u>\$ 11,684,910</u>	<u>\$ 11,307,191</u>	<u>\$ 180,782</u>	<u>\$ 23,172,883</u>	<u>\$ 14,296,548</u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:</b>					
Operating Income/(Loss)	\$ 187,488	\$ (760,423)	\$ (255,444)	\$ (828,379)	\$ 471,514
<b>Adjustments to Reconcile Operating Income/(Loss)</b>					
Depreciation and Amortization Expense	3,232,611	2,110,559	236,580	5,579,750	2,134,418
(Increase)/Decrease in Accounts Receivables	(168,490)	(48,968)	(2,014)	(219,472)	(5,820)
(Increase)/Decrease in Inventories	(9,087)	-	9,852	765	-
Increase/(Decrease) in Accounts Payable	1,076,516	(59,937)	(32,604)	983,975	(2,058)
(Increase)/Decrease in Prepaid Items	(9,072)	(160)	782	(8,450)	-
Increase/(Decrease) in Accrued Wages and Taxes Payable	9,523	9,333	(9,866)	8,990	-
(Decrease) in Claims Incurred but Not Reported	-	-	-	-	(69,353)
Increase/(Decrease) in Customer Deposits	15,831	7,925	8,434	32,190	-
Other Operating Activity Revenue/(Expense)	38,783	11,458	5,122	55,363	-
Total Adjustments	4,186,615	2,030,210	216,286	6,433,111	2,057,187
Net Cash Provided by Operating Activities	<u>\$ 4,374,103</u>	<u>\$ 1,269,787</u>	<u>\$ (39,158)</u>	<u>\$ 5,604,732</u>	<u>\$ 2,528,701</u>
<b>Noncash Transactions Affecting Financial Position</b>					
Purchase of Assets with Vendor Provided Financing	\$ 421,953	\$ 316,511	\$ -	\$ 738,464	\$ 96,780
Contributions of Fixed Assets	957,984	1,782,103	-	2,740,087	-
Total Noncash Transactions Affecting Financial Position	<u>\$ 1,379,937</u>	<u>\$ 2,098,614</u>	<u>\$ -</u>	<u>\$ 3,478,551</u>	<u>\$ 96,780</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, 2002

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## **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.

One of the most significant pronouncements was GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This statement establishes a new model for government reporting for which the City was required to implement for the fiscal year ending June 30, 2003. The City elected, however, to implement the statement for the year ended June 30, 2002. While retaining the familiar fund financial statements of the older model, the new statement establishes a level of government-wide reporting similar to private sector reporting to give the financial statement user a better understanding of the performance of the City.

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. Currently, the Corporation is financing the acquisition of 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.

**City of Yuma, Arizona**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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 or statement of 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.

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 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. While some operating expenditures related to retention basins are recorded within the fund, most revenues are eventually transferred to the Capital Projects Fund where construction expenditures for roadways are recorded.

Grant Fund - The Grant Fund accounts for all of the federal and state grants provided to the City with the exception of the Community Development Block Grant.

Community Redevelopment Fund – This fund accounts for the financial activities of Community Development Block Grant funds.

Municipal Property Corporation Debt Service – This fund accounts for expenditures to service the debt of the City of Yuma Municipal Property Corporation, a blended component unit. Pledged excise tax and other revenues are transferred to this fund for payments of long-term bonded debt of the corporation.

Capital Projects Fund – The Capital Projects Fund accounts for the expenditure of monies for purchase or construction of long-lived capital assets including land and buildings and streets infrastructure.

**City of Yuma, Arizona**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Other Governmental Funds – Other nonmajor governmental funds of the City of Yuma are aggregated and are presented in a combining statement in the Other Supplementary Information section. These include the Local Transportation Assistance; Public Safety Tax; Solid Waste; Recreation Complex; Two Percent Tax; and Yuma Mall Maintenance Special Revenue Funds and the Revenue Bond Debt Service Fund.

**PROPRIETARY FUNDS**

Water Fund – The operations of the City’s drinking water treatment and distribution system are accounted for in this enterprise fund.

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

Other Enterprise Funds – Other nonmajor enterprise funds of the City of Yuma are aggregated along with the major enterprise funds and are also presented in a combining statement in the Other Supplementary Information section . These funds include the Desert Hills Golf Course and Arroyo Dunes Golf Course Funds.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. They are also presented in the aggregate with major enterprise funds and are included in a combining internal service fund presentation in the Other Supplementary Information section. Because they service primarily governmental funds, they are not included with in the business-like 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, Workers Compensation Trust and Employee Benefits Trust Funds.

**C. Measurement focus and basis of accounting**

The government-wide financial statements, as well as the proprietary fund financial statements, use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Property taxes are recognized as revenue in the year levied. Grants are recognized as revenue when all eligibility requirements are met and the underlying expenses have been recorded.

Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable *and* available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period (within 60 days). Expenditures are recorded when the liability is incurred. Exceptions include debt service expenditures (recorded when the payment is due) and compensated absences (recorded when earned exclusive of long-term portions not expected to be paid within one year).

Property taxes, along with franchise taxes, licenses and sales taxes are susceptible to accrual and have been recognized as revenues of the current period. Delinquent property taxes and property taxes for which there is an enforceable legal claim as of the fiscal year, but which were levied to finance operations of the subsequent fiscal year, have been recorded as deferred revenue. Grants and similar awards received before the eligibility requirements are met are also recorded as deferred revenue. Receivables that will not be collected within the available period have also been reported as deferred revenue on the governmental fund financial statements. All other revenue items are considered measurable and available only when cash is received.

**D. Budgets and Budgetary Accounting**

1) The City follows these procedures in establishing the budgetary data reflected in the financial statements:

**City of Yuma, Arizona**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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- 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 Trust and Employee Benefits Trust Internal Services Funds are not budgeted). The budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP) with the exception of the Enterprise Funds and the Internal Service Fund-Equipment Replacement Fund. For these proprietary funds, the expenditures related to debt service and capital acquisition are budgeted in the same manner as governmental funds. 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) Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed during the fiscal year. Encumbrances outstanding at year-end are closed and related purchase orders are re-issued for the new fiscal year. Accordingly, there is no reservation of fund balances for encumbrances in the governmental fund types.

3) 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 Municipal Property Corporation 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 a reconciliation to the accrual-based operating statements. Total expenditures on the budgetary schedules of the General and Capital Projects Funds exclude capital outlay expenditures for assets acquired by long-term contracts.

**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) operating 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

**City of Yuma, Arizona**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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(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 weekly basis to the individual funds based upon average daily balance.

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

3) Inventories:

Inventories of the General Fund, Special Revenue Funds and Enterprise Funds consist primarily of expendable supplies held for consumption. These inventories are maintained on a perpetual inventory basis verified through annual physical counts. Items are valued using the weighted average method. Expenditures are recorded at the time inventories are used in the governmental funds; therefore, the reserve for inventory is equal to the inventory level needed to maintain adequate operating supplies and indicates that a portion of fund balance is not available for future expenditures.

4) Grants Revenue:

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

5) Unbilled Accounts Receivable:

The City records as receivables and as revenues the amount of water sales, sewer service charges and commercial refuse collection charges accrued but unbilled at fiscal year end. At June 30, 2002, the estimated amounts of unbilled revenues for the Water and Wastewater Enterprise Funds and the Solid Waste Special Revenue Fund are \$938,537, \$406,308, and \$82,451, 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
Improvements	20 to 50 years
Infrastructure	35 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.

**City of Yuma, Arizona**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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7) Contributions:

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

8) Long-term obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or bond discount. Bond issuance costs are reported as deferred charges and amortized over the life of the debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9) Reserves and Designated Fund Balances:

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

**F. Revenues, Expenditures, Expenses and Other Disclosures**

1) Property Tax Revenue Recognition:

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

2) Compensated Absences:

The City's administrative regulations provide permanent City employees with general and major illness leave in varying amounts based on years of service. In addition, employees may accrue hours worked on holidays for absences or payment in the future. General leave vests with the employee as it is earned. At fiscal year end, the Governmental Funds include an accrual of general and holiday leave pay and related benefits that would normally be liquidated with expendable available financial resources. General and holiday leave with related benefits in excess of this accumulation, \$1,333,974, are recorded in the governmental activities column of the government-wide financial statements. The amounts of general and holiday leave pay and related benefits attributable to the Water, Wastewater, Desert Hills, and Arroyo Dunes Enterprise Funds are \$147,787, \$127,767, \$60,112 and \$4,402 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, 2002, the amount accumulated

**City of Yuma, Arizona**  
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sick pay and related benefits is \$5,404,573, including \$707,034 attributable to the 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, \$496,589, 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 Water, Wastewater, and Desert Hills and Arroyo Dunes Golf Course Enterprise Funds of \$35,875, \$26,435, \$14,022 and \$1,084 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 general purpose 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. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Excess of Expenditures Over Appropriations**

The City’s expenditures exceeded appropriations in one Debt Service Fund. Within the Municipal Property Corporation (MPC) Bonds Fund, the City had not budgeted for its annual interest payment on the 2001 MPC Issue. As a result, the City exceeded its appropriations by \$1,649,993.

**III. 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 type’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, that are restricted by bond indenture requirements for the payment of principal and interest at the end of the fiscal year.

The policy of the City of Yuma is to invest public funds in a manner which will provide the maximum security of principal invested while providing the highest yield which will also meet the daily cash flow needs of the City while conforming to all applicable State statutes and City ordinances governing the investment of public funds. The primary objectives, in priority order, of the City of Yuma’s investment activities are:

1. **SAFETY OF PRINCIPAL:** Safety of principal is the foremost objective of the City of Yuma. Investments of the City shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio. To obtain this goal, diversification is required in the portfolio’s composition consistent with the other provisions of the policy.
2. **LIQUIDITY:** The City of Yuma’s investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

**City of Yuma, Arizona**  
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3. **YIELD:** The City of Yuma's investment portfolio shall be designed with the objective of attaining the highest yield of return throughout budgetary and economic cycles, taking into account the City's risk constraints and the cash flow of the portfolio.

Investments authorized by the City's Investment Policy include:

1. Obligations of the United States Government, its agencies and instrumentalities, and government sponsored enterprises; derivative securities of any type are not eligible investments under the policy;
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 and the twenty largest international 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.

If additional types of securities are approved for investment of public funds by State Statutes, they will not be eligible for investment by the City of Yuma until the policy is amended and the amendment passed by the City Council.

It is the policy of the City to diversify its investment portfolio. Invested funds are diversified to minimize the risk of loss resulting from over concentration of assets in a specific maturity, specific issuer, or specific class of security. Diversification strategies are established and periodically reviewed by the investment committee. Diversification standards by security type and issuer do not exceed the following:

U. S. Treasuries and securities having principal and interest guaranteed by the U.S. Government .....	100%
U. S. Government agencies, instrumentalities and government sponsored enterprise .....	No more than 50%
Fully insured or collateralized CD's .....	No more than 30%
Banker's Acceptances .....	No more than 25%
A-1/P-1 Commercial Paper .....	No more than 25%
Maximum per issuer .....	20% of total C. P.
Repurchase Agreements .....	100%
Money Market Funds .....	100%
Local Government Investment Pool .....	100%

The Investment Officer is required to diversify maturities. The Investment Officer, to the extent possible, attempts to match investments with anticipated cash flow requirements. Matching maturities with cash flow dates reduces the need to sell securities prior to maturity, thus reducing market risk. Unless matched to a specific requirement, the Investment Officer may not invest more than 25% of the portfolio for a period greater than three years. Unless matched to a specific requirement, the Investment Officer may not invest any portion of the portfolio for a period greater than five years.

All security transactions, including collateral for repurchase agreements, entered into by the City are conducted on a delivery versus payment basis. A third party custodian designated by the Investment Officer holds all securities. The third party custodian is required to issue a safekeeping receipt to the City listing the specific

**City of Yuma, Arizona**  
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instrument, rate, maturity and other pertinent information. In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on Certificates of Deposit and Repurchase Agreements.

**Deposits.** At June 30, 2002, the carrying amount of the City's deposits was \$56,795 and the bank balance was \$263,391. The difference of \$206,596 relates to outstanding checks and unrecorded deposits in transit. The City's deposits of \$253,391 are categorized to indicate the level of custodial risk assumed by the City. Category 1 includes deposits that are insured or collateralized with securities held by the City or by its agent in the City's name. Category 2 includes deposits collateralized with securities held by the bank's trust department or its agent in the City's name. Category 3 includes deposits that are not collateralized or that are collateralized with securities held by the bank's trust department or its agent but not in the City's name.

The bank balance includes \$109,709 covered by federal depository insurance, which is Category 1, and \$153,682 covered by collateral held by the bank's agent in the City's name, which is Category 2. Deposits in both categories are covered by collateral arrangements with the bank in which the bank pledges collateral in the form of government securities. The amount of collateral pledged is monitored both by the City and by the bank to insure that the collateral exceeds actual and anticipated deposits.

**Investments.** The City's investments are also categorized according to the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the City or its agent in the City's name holds the securities. Category 2 includes uninsured and unregistered investment for which the counter party's trust department or agent in the City's name holds the securities. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent, but not in the City's name. The City's investments in the State Treasurer's investment pool represents shares of the pool's portfolio. Those shares are not identified with specific investments and are not subject to custodial risk. The fair value of the position in the pool is the same as the value of the pool shares. The pool is overseen by the State Board of Investment in accordance with Arizona Revised Statutes.

	<b>Category 1</b>	<b>Amount</b>	<b>Fair Value</b>
U.S. Treasuries	\$ 24,868,857	\$ 24,868,857	\$ 24,868,857
Federal Agencies	34,748,132	34,748,132	34,748,132
	\$ 59,616,989	59,616,989	59,616,989
Money Market		9,695,549	9,695,549
Investments in State Investment Pool		4,618,294	4,618,294
		\$ 73,930,832	\$ 73,930,832

Cash and Investments are presented on the Statement of Net Assets as follows:

Cash and Investments	\$ 62,260,185	On Hand	\$ 20,635
Restricted Cash and Investments	11,748,077	Deposits	56,795
	-	Investments	73,930,832
Total	\$ 74,008,262	Total	\$ 74,008,262

For purposes of the statements of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**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

**City of Yuma, Arizona**  
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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 2000-01 (Tax Year 2000) and fiscal year 2001-02 (Tax Year 2001), follow:

	<u>Tax Year 2000</u>	<u>Tax Year 2001</u>
Primary Assessed Valuation	\$250,659,103	\$271,369,779
Primary Tax Rate	1.9902	1.9192
Primary Tax Levy	\$4,988,638	\$5,240,594
Secondary Assessed Valuation	\$256,612,102	\$278,555,470
Secondary Tax Rate	-	-
Secondary Tax Levy	-	-
Current Tax Collections	\$5,099,285	\$5,071,973
Delinquent Tax Collections	\$144,699	\$121,102
Delinquent Taxes Outstanding as of June 30	\$251,936	\$181,788

**C. Accounts Receivable**

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

	<u>Gross Receivable</u>		<u>Allowance Amount</u>	
	<u>June 30,</u>			
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Special Revenue Funds - Solid Waste	\$ 142,510	\$ 138,110	\$ 3,391	\$ 6,246
Enterprise Funds:				
Water	1,617,392	1,466,972	35,994	53,897
Wastewater	770,377	705,598	15,918	32,977

**D. Due from Other Governments (Intergovernmental Receivables)**

Amounts due from other government units at June 30, 2002, are as follows:

Fund	<u>Agencies</u>				
	<u>Federal</u>	<u>State</u>	<u>County</u>	<u>Local</u>	<u>Total</u>
Governmental Funds					
Major Funds					
General	\$ -	\$ 1,508,436	\$ 327,083	\$ 55,809	\$ 1,891,328
Highway User Revenue	-	583,709	9,624	259	593,592
City Road Tax	-	503,612	-	-	503,612
Community Redevelopment Grants	280,187	204,329	-	-	484,516
	270,418	820,629	285,718	-	1,376,765
Non-major Funds					
Public Safety Tax	-	201,376	-	-	201,376
Recreation Complex	-	-	-	9,995	9,995
Solid Waste	-	116	-	-	116
Mall Maintenance	-	-	3,057	-	3,057
Enterprise Funds					
Water	-	-	538	-	538
Wastewater	92,821	-	-	168,755	261,576
Desert Hills Golf Course	-	379	-	-	379
Total	<u>\$ 643,426</u>	<u>\$ 3,822,586</u>	<u>\$ 626,020</u>	<u>\$ 234,818</u>	<u>\$ 5,326,850</u>

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**E. Capital Assets**

In accordance with GASB Statement No. 34, capital assets have been restated at June 30, 2001 to include infrastructure assets of the City. The City used estimated historical cost on its entire street grid, based on street data on hand, current costs to construct and price indexes to deflate current cost. Depreciation of infrastructure based on this deflated cost was determined through June 30, 2001 and amounts restated. In addition, the City's capitalization threshold was increased from \$1,000 to \$5,000.

Capital asset activity for the year ended June 30, 2002, follows:

<b>Governmental Activities:</b>	Restated Balance			Balance
	June 30, 2001	Increases	Decreases	June 30, 2002
Capital Assets Not Being Depreciated:				
Land	\$ 5,810,040	\$ 2,496,878	\$ -	\$ 8,306,918
Construction in Progress	7,017,441	8,937,968	-	15,955,409
Total Capital Assets Not Being Depreciated	<u>12,827,481</u>	<u>11,434,846</u>	<u>-</u>	<u>24,262,327</u>
Other Capital Assets:				
Buildings	35,642,370	19,123,054	-	54,765,424
Improvements	10,572,738	3,360,380	-	13,933,118
Infrastructure	104,697,122	288,077	614,475	104,370,724
Equipment	25,334,847	4,990,925	1,145,536	29,180,236
Total Other Capital Assets	<u>176,247,077</u>	<u>27,762,436</u>	<u>1,760,011</u>	<u>202,249,502</u>
Less Accumulated Depreciation for:				
Buildings	6,204,899	1,216,295	-	7,421,194
Improvements	4,434,730	810,881	-	5,245,611
Infrastructure	63,688,212	1,885,059	614,475	64,958,796
Equipment	12,553,866	3,446,901	1,133,561	14,867,206
Total Accumulated Depreciation	<u>86,881,707</u>	<u>7,359,136</u>	<u>1,748,036</u>	<u>92,492,807</u>
Other Capital Assets, Net	<u>89,365,370</u>	<u>20,403,300</u>	<u>11,975</u>	<u>109,756,695</u>
Total Capital Assets, Governmental Activities	<u>\$ 102,192,851</u>	<u>\$ 31,838,146</u>	<u>\$ 11,975</u>	<u>\$ 134,019,022</u>

Government activities capital assets net of accumulated depreciation at June 30, 2002, are comprised of:

General Capital Assets, Net	\$ 124,563,152
Internal Service Fund Capital Assets, Net	9,455,870
TOTAL	<u>\$ 134,019,022</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,015,843
Public Safety	1,261,059
Parks, Recreation, and Culture	968,845
Environmental Health and Protection	17,078
Community Design and Development	72,678
Streets	1,889,215
Assets held by Internal Service Funds are charged based on usage of assets	<u>2,134,418</u>
Total	<u>\$ 7,359,136</u>

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<b>Business-type activities:</b>	<u>Balance</u> <u>June 30, 2001</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2002</u>
Capital Assets Not Being Depreciated:				
Land	\$ 1,172,308	\$ -	\$ 1,278	\$ 1,171,030
Construction in Progress	<u>2,661,763</u>	<u>7,517,358</u>	<u>1,227,345</u>	<u>8,951,776</u>
Total Capital Assets				
Not Being Depreciated	<u>3,834,071</u>	<u>7,517,358</u>	<u>1,228,623</u>	<u>10,122,806</u>
Other Capital Assets:				
Buildings	7,973,063	5,194	33,060	7,945,197
Improvements	115,541,795	5,407,103	1,465,389	119,483,509
Equipment	<u>3,682,260</u>	<u>141,290</u>	<u>895,668</u>	<u>2,927,882</u>
Total Other Capital Assets	<u>127,197,118</u>	<u>5,553,587</u>	<u>2,394,117</u>	<u>130,356,588</u>
Less Accumulated Depreciation for:				
Buildings	3,221,815	203,370	28,907	3,396,278
Improvements	39,672,002	5,006,222	1,340,569	43,337,655
Equipment	<u>2,211,106</u>	<u>278,284</u>	<u>735,129</u>	<u>1,754,261</u>
Total Accumulated Depreciation	<u>45,104,923</u>	<u>5,487,876</u>	<u>2,104,605</u>	<u>48,488,194</u>
Other Capital Assets, Net	<u>82,092,195</u>	<u>65,711</u>	<u>289,512</u>	<u>81,868,394</u>
Total Capital Assets, Business-like activities	<u>\$ 85,926,266</u>	<u>\$ 7,583,069</u>	<u>\$ 1,518,135</u>	<u>\$ 91,991,200</u>

Depreciation was charged to programs as follows:

Water	\$ 3,140,737
Wastewater	2,110,559
Golf courses	<u>236,580</u>
Total	<u>\$ 5,487,876</u>

Construction in progress is comprised mainly of water projects and a wastewater treatment plant project.

**F. Retirement Plans**

The City has adopted GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. This statement requires the following disclosures.

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

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

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

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

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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	1020 E. Missouri Avenue
P.O. Box 33910	Phoenix, AZ 85014
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, 2002, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 2.49 percent (2.00 percent retirement and 0.49 percent long-term disability) of the members' annual covered payroll. The City's contribution to ASRS for the years ended June 30, 2002, 2001, and 2000 were \$500,530, \$407,230, and \$478,247, respectively, which were equal to the required contributions for the year. In addition, active EORP members were required by statute to contribute 7 percent of the members' annual covered payroll while the City was required to contribute at the actuarially determined rate of 6.67 percent. The City's contributions to EORP for the years ended June 30, 2002, 2001 and 2000 were \$8,027, \$11,221, and \$11,394, respectively, which were equal to the required contributions for the year.

**Agent plans** - For the year ended June 30, 2002, active PSPRS members were required by statute to contribute 7.65 percent of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 2.00 percent for police and 3.66 percent for fire.

**Annual Pension Cost** - The City's pension cost for the two agent plans for the year ended June 30, 2002, follows:

	<u>Police</u>	<u>Fire</u>
Contribution Rates	2.00%	3.66%
Annual Pension Cost	\$86,526	\$165,652
Contributions Made	\$86,526	\$165,652
Actuarial Valuation Date	June 30, 2001	June 30, 2001
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Investment Rate of Return	9%	9%
Projected Salary Increases	6.5% - 9.5%	6.5% - 9.5%
Inflation projection	5.5%	5.5%
Cost-of-Living Adjustments	None	None
Amortization Method	Level Percentage Open	Level Percentage Open
Remaining Amortization Period	20 years	20 years
Asset Valuation Method	4 year smoothed market	4 year smoothed market

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

		<u>Annual</u>	<u>Percent</u>	<u>Net Pension</u>
		<u>Pension Cost</u>	<u>Contributed</u>	<u>Obligation</u>
<b>POLICE</b>	1999	300,774	100.0%	-
	2000	223,767	100.0%	-
	2001	86,526	100.0%	-
<b>FIRE</b>	1999	256,381	100.0%	-
	2000	255,074	100.0%	-
	2001	165,652	100.0%	-

**City of Yuma, Arizona**  
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**G. Other Employee Benefit Plan**

In addition to the leave plans described under compensated absences, the City maintains a self funded insurance plan for employee and dependent related health, life, and dental claims. An Internal Service Fund is established to record employee and employer contributions. No minimum level of reserve has been established for the Fund; however, incurred but unreported claims have been accrued within the fund that amount to \$47,642. At June 30, 2002, there was a retained earnings balance of \$288,988.

**H. Long-Term Liabilities**

With the implementation of GASB Statement No. 34, the presentation of long-term debt has changed. In prior years, this long-term debt note focused on amounts reported within the General Long-Term Debt Account Group (GLTDAG). Retirements shown in the presentation of changes to long-term debt equaled the amount of debt retirement recorded in the Debt Service Funds. The long-term debt retirement (payable) was accrued in the Debt Service Fund while the actual debt retirement payment occurred on the following July 1 each year.

Under Statement No. 34, the GLTDAG is no longer presented. Instead, long-term debt is presented on the government-wide financial statements. On the Statement of Net Assets, long-term debt due within one year is presented separately from remaining long-term debt. Since the bonds payable amount within the government fund Debt Service represents the 'due within one year' portion when it is 'rolled' into the statement, the remaining amount on the statement is the former GLTDAG long-term portion. Accordingly, the presentations below are revised to equal the combined balance of all long-term debt. The amount shown as retired represents the amount actually *paid* during the fiscal year as opposed to the amount accrued within the Debt Service Fund. This new method will make the following tables appear unchanged from the prior year when, in fact, they now present all long-term debt, not just amounts previously reported in the GLTDAG.

The following changes occurred in long-term liabilities during the fiscal year ended June 30, 2002:

	<b>Balance July 1, 2001 (Restated)</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2002</b>	<b>Due Within One Year</b>
<b>Governmental activities:</b>					
Yuma Municipal Property Corporation	\$ 65,940,000	\$ -	\$ 3,625,000	\$ 62,315,000	\$ 3,800,000
Revenue: Governmental	210,000	-	210,000	-	-
Contracts Payable	-	908,836	335,502	573,334	280,799
Compensated Absences	1,683,113	186,990	39,536	1,830,567	901,019
Total Governmental Activity Long-Term Debt	<u>\$ 67,833,113</u>	<u>\$ 1,095,826</u>	<u>\$ 4,210,038</u>	<u>\$ 64,718,901</u>	<u>\$ 4,981,818</u>
<b>Business-like activities:</b>					
General Obligation Bonds	\$ 12,995,000	\$ -	\$ 785,000	\$ 12,210,000	\$ 825,000
Contracts Payable	106,516	-	48,923	57,593	52,984
Total Business-like Activity Long-Term Debt	<u>\$ 13,101,516</u>	<u>\$ -</u>	<u>\$ 833,923</u>	<u>\$ 12,267,593</u>	<u>\$ 877,984</u>

On the Statement of Net Assets, the current portion of governmental activity long-term debt of \$4,080,799 excludes the current portion of compensated absences of \$901,019 that is recorded within accrued liabilities. In addition, the current portion of business-type activities long-term debt of \$259,234 excludes the current portion of bonds payable of \$618,750 that is recorded within liabilities payable from restricted assets. Moreover, the long-term portion is net of \$442,592 of unamortized issuance costs.

**City of Yuma, Arizona**  
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**Contracts Payable**

During fiscal year 2002, the City purchased two buildings that resulted in long-term contracts payable. The first was purchased as right-of-way for future street improvements. This land and building purchase of \$805,337 was funded through the Capital Projects Fund and future payments will be originated in that fund. The second purchase was to reclaim the historic Yuma Theater in preparation for the construction of the performing arts center during fiscal year 2003. The purchase of \$103,499 was funded and future payments will be paid by the General Fund.

Minimum payments due under these contracts are as follow:

Year Ended June 30,	<b>Contracts Payable</b>		
	<u>Right-of-way</u>	<u>Theater</u>	<u>Total</u>
2003	\$ 284,800	\$ 20,000	\$ 304,800
2004	<u>284,800</u>	<u>20,000</u>	<u>304,800</u>
Total Minimum Future Payments	<u>569,600</u>	<u>40,000</u>	<u>609,600</u>
Less Amount Representing Interest	<u>36,266</u>	<u>-</u>	<u>36,266</u>
Net Present Value of Contracts Payable	<u>\$ 533,334</u>	<u>\$ 40,000</u>	<u>\$ 573,334</u>

**Bonded Debt - Excluding Refunded Debt**

The following is a description of bonded indebtedness at June 30, 2002. 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.

**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 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:

1995 – Series A	Excise and Public Safety Taxes
1995 – Series B	Excise Taxes
1995 – Series C	Excise and Special Sales Taxes
1996 Issue	Excise Taxes
1998 Issue	Excise Taxes
2001 Issue	Excise Taxes

In addition to, or in lieu of, excise taxes, the City may use other operational revenues to repay the debt, as budgeted in each fund. These include payments from the Water, Wastewater and Desert Hills Golf Course Enterprise Funds, and Highway User Revenue and Solid Waste Special Revenue Funds, as determined by the projects acquired or constructed by the debt proceeds.

**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.

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	Interest Rate	Issue Date	Maturity Date	Authorized and Issued
General Obligation Bonds:				
1992 Project	6.13%	12/16/1992	2012	\$ 14,370,000
1997 Refunding	4.90%	12/1/1997	2012	8,085,000
				22,455,000
Yuma Municipal Property Corporation Bonds:				
1995 - Series A	5.55%	11/1/1995	2015	20,400,000
1995 - Series B	5.38%	11/1/1995	2015	3,900,000
1995 - Series C	5.25%	11/1/1995	2010	2,500,000
1996 Issue	5.07%	9/1/1996	2003	9,600,000
1998 Issue	3.74%	12/1/1998	2004	6,020,000
2001 Issue	4.94%	3/21/2001	2025	34,150,000
Total MPC Bonds				76,570,000
Total Bonds Authorized and Issued				\$ 99,025,000

**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, 2002 follows:

	Water, Etc. (20%)	All Other (6%)
Legal Limit	\$ 56,049,419	\$ 16,814,826
Outstanding G.O. Debt	12,210,000	-
Available Debt Margin	\$ 43,839,419	\$ 16,814,826

**Advanced Refunding of Bonded Debt in Prior Years**

In prior years, the City issued new debt through an advanced refunding bond issue resulting in the defeasance of old debt. Under an advanced refunding arrangement, refunded bonds are issued and the new proceeds, plus additional resources that may be required, are used to purchase securities issued or guaranteed by the United States Government. These securities are then deposited in an irrevocable trust under an escrow agreement which provides that all proceeds from the trust will be used to fund the principal and interest payments of the previously issued bonded debt being refunded. The trust deposits have been computed so that the securities in the trust, along with future cash flow generated by the securities, will be sufficient to service the previously issued bonds. The outstanding balance of the refunded debt and the related assets are not included in the accompanying financial statements. At June 30, 2002, the only refunded issue outstanding is a portion of the City's 1992 General Obligation Bonds refunded on December 1, 1997 for \$7,250,000, due on July 1, 2003.

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**Annual Debt Service Requirements to Maturity**

July 1	MPC Bonds 1995 - Series A			MPC Bonds 1995 - Series B			MPC Bonds 1995 - Series C		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2002	\$ 815,000	\$ 883,361	\$ 1,698,361	\$ 155,000	\$ 166,360	\$ 321,360	\$ 155,000	\$ 85,445	\$ 240,445
2003	865,000	820,199	1,685,199	165,000	154,347	319,347	165,000	78,470	243,470
2004	910,000	753,161	1,663,161	175,000	145,272	320,272	175,000	70,880	245,880
2005	955,000	707,661	1,662,661	185,000	136,960	321,960	180,000	62,568	242,568
2006	1,005,000	661,344	1,666,344	190,000	127,988	317,988	190,000	53,838	243,838
2007	1,060,000	611,093	1,671,093	200,000	118,488	318,488	200,000	44,337	244,337
2008	1,115,000	558,093	1,673,093	215,000	108,488	323,488	210,000	34,337	244,337
2009	1,175,000	500,950	1,675,950	225,000	97,468	322,468	225,000	23,575	248,575
2010	1,240,000	439,850	1,679,850	240,000	85,937	325,937	235,000	12,044	247,044
2011	1,315,000	374,750	1,689,750	250,000	73,637	323,637	-	-	-
2012	1,385,000	305,713	1,690,713	265,000	60,638	325,638	-	-	-
2013	1,465,000	233,000	1,698,000	280,000	46,725	326,725	-	-	-
2014	1,550,000	159,750	1,709,750	295,000	32,025	327,025	-	-	-
2015	1,645,000	82,250	1,727,250	315,000	16,538	331,538	-	-	-
	<u>\$ 16,500,000</u>	<u>\$ 7,091,175</u>	<u>\$ 23,591,175</u>	<u>\$ 3,155,000</u>	<u>\$ 1,370,871</u>	<u>\$ 4,525,871</u>	<u>\$ 1,735,000</u>	<u>\$ 465,494</u>	<u>\$ 2,200,494</u>

	MPC Bonds 1996 Series			MPC Bonds 1998 Series		
2002	\$ 1,480,000	\$ 145,475	\$ 1,625,475	\$ 1,195,000	\$ 141,140	\$ 1,336,140
2003	1,550,000	75,175	1,625,175	1,250,000	96,925	1,346,925
2004	-	-	-	1,300,000	50,050	1,350,050
	<u>\$ 3,030,000</u>	<u>\$ 220,650</u>	<u>\$ 3,250,650</u>	<u>\$ 3,745,000</u>	<u>\$ 288,115</u>	<u>\$ 4,033,115</u>

	MPC Bonds 2001 Series			G.O. Bonds 1992 Issue			1997 Refunding Bonds		
2002	\$ -	\$ 1,647,825	\$ 1,647,825	\$ 765,000	\$ 252,245	\$ 1,017,245	\$ 60,000	\$ 380,310	\$ 440,310
2003	-	1,647,825	1,647,825	815,000	209,405	1,024,405	65,000	377,580	442,580
2004	-	1,647,825	1,647,825	865,000	162,950	1,027,950	65,000	374,622	439,622
2005	890,000	1,647,825	2,537,825	920,000	112,780	1,032,780	70,000	371,665	441,665
2006	925,000	1,612,225	2,537,225	975,000	58,500	1,033,500	75,000	368,480	443,480
2007	965,000	1,575,225	2,540,225	-	-	-	1,115,000	365,067	1,480,067
2008	1,000,000	1,536,625	2,536,625	-	-	-	1,170,000	312,105	1,482,105
2009	1,040,000	1,494,125	2,534,125	-	-	-	1,210,000	257,115	1,467,115
2010	1,080,000	1,449,925	2,529,925	-	-	-	1,275,000	196,615	1,471,615
2011	1,130,000	1,404,025	2,534,025	-	-	-	1,345,000	134,140	1,479,140
2012	1,175,000	1,356,000	2,531,000	-	-	-	1,420,000	69,580	1,489,580
2013	1,235,000	1,297,250	2,532,250	-	-	-	-	-	-
2014	1,295,000	1,235,500	2,530,500	-	-	-	-	-	-
2015	1,355,000	1,170,750	2,525,750	-	-	-	-	-	-
2016	1,755,000	1,103,000	2,858,000	-	-	-	-	-	-
2017	1,840,000	1,015,250	2,855,250	-	-	-	-	-	-
2018	1,935,000	923,250	2,858,250	-	-	-	-	-	-
2019	2,030,000	826,500	2,856,500	-	-	-	-	-	-
2020	2,130,000	725,000	2,855,000	-	-	-	-	-	-
2021	2,240,000	618,500	2,858,500	-	-	-	-	-	-
2022	2,350,000	506,500	2,856,500	-	-	-	-	-	-
2023	2,470,000	389,000	2,859,000	-	-	-	-	-	-
2024	2,590,000	265,500	2,855,500	-	-	-	-	-	-
2025	2,720,000	136,000	2,856,000	-	-	-	-	-	-
	<u>\$ 34,150,000</u>	<u>\$ 27,231,450</u>	<u>\$ 61,381,450</u>	<u>\$ 4,340,000</u>	<u>\$ 795,880</u>	<u>\$ 5,135,880</u>	<u>\$ 7,870,000</u>	<u>\$ 3,207,279</u>	<u>\$ 11,077,279</u>

**City of Yuma, Arizona**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2002

**I. Interfund Transfers**

	Transfer From/To		Transfer To/From
<b><u>Governmental activities - major funds:</u></b>			
<b>General Fund</b>	HURF \$ 19,142	<b>HURF</b>	General Fund \$ 19,142
	Solid Waste 1,297,740	<b>MPC Debt Service</b>	General Fund 1,307,503
	Mall Maintenance 216,135		HURF 470,840
	MPC Debt Service 1,307,503		2% Tax 234,731
	Capital Projects 1,909,214		Public Safety Tax 2,542,218
<b>HURF</b>	MPC Debt Service 470,840		Capital Projects 125,832
	Capital Projects 1,311,557		Solid Waste 22,670
<b>Road Tax</b>	Capital Projects 6,994,754		Desert Hills G.C. 245,380
<b>Grants</b>	Capital Projects 1,650,018		Wastewater 335,649
	Water 20,000		Water 67,382
<b>Community Redevelopment</b>	Revenue Bond		
	Debt Service 218,631	<b>Capital Projects</b>	General Fund 1,909,214
	Capital Projects 1,595		HURF 1,311,557
<b>Capital Projects</b>	Debt Service 125,832		Road Tax 6,994,754
			LTAf 381,346
			Public Safety Tax 257,080
			2% Tax 347,589
			Community Redevelopment 1,595
			Recreation Complex 15,628
			Grants 1,650,018
<b><u>Nonmajor funds:</u></b>			
<b>LTAf</b>	Capital Projects 381,346	<b>Solid Waste</b>	General Fund 1,297,740
<b>Public Safety Tax</b>	MPC Debt Service 2,542,218	<b>Recreation Complex</b>	2% Tax 1,450,000
	Capital Projects 257,080	<b>Mall Maintenance</b>	General Fund 216,135
	Equipment Replacement 460,463	<b>Revenue Bond Debt Service</b>	
<b>Solid Waste</b>	MPC Debt Service 22,670		Community Redevelopment 218,631
<b>Recreation Complex</b>	Capital Projects 15,628		
<b>2% Tax</b>	Recreation Complex 1,450,000		
	MPC Debt Service 234,731		
	Capital Projects 347,589		
	Desert Hill G.C. 246,727		
<b>Total Governmental Activities</b>	21,501,413	<b>Total Governmental Activities</b>	21,422,634
<b><u>Internal Service Funds:</u></b>			
		<b>Equipment Replacement</b>	
			Public Safety Tax 460,463
<b><u>Business-type activities:</u></b>			
<b>Desert Hills G.C.</b>	MPC Debt Service 245,380	<b>Water</b>	Grants 20,000
<b>Water</b>	MPC Debt Service 67,382	<b>Desert Hill Golf Course</b>	2% Tax 246,727
<b>Wastewater</b>	MPC Debt Service 335,649		
<b>Total Business-like Activities</b>	648,411	<b>Total Business-like Activities</b>	266,727
	<i>Total Transfers Out</i> \$ 22,149,824	<i>Total Transfers In</i>	\$ 22,149,824

The majority of the transfers listed above are for capital projects expenditures or for debt service requirements and are recognizable by the fund to which the transfer is made. This includes Enterprise Fund transfers to debt service as the majority of the related bond debt service is governmental in nature and is recorded in the MPC Debt Service Fund rather than within the Enterprise Funds. As for the remaining transfers, they include operating subsidies from the General Fund to HURF (\$19,142), Solid Waste Fund (\$1,297,740) and Mall Maintenance

**City of Yuma, Arizona**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2002

(\$216,135); and from the 2 Percent Fund to Recreation Complex Fund (\$1,450,000) and Desert Hills Golf Course (\$246,727). Also included is a transfer from the Grants Fund to the Water Fund (\$20,000) for its portion of the cost of an outside study concerning areas related to riverfront development and a transfer from the Capital Projects Fund to MPC Debt Service (\$125,832) for unexpended monies from the Series 1998 MPC Bonds.

Interfund activity is eliminated within the governmental activities column of the Statement of Activities. Transfers appearing on that statement represent only those amounts transferred between governmental and business-type activities. The net transfers out of \$381,684 (transfers out of \$648,411 less transfers in of \$266,727) are for debt service.

**J. Interfund Receivables and Payables**

A summary of interfund due to/due from balances at June 30, 2002, follows:

<u>Interfund Payable</u>	<u>Interfund Receivable</u>			<u>Total</u>
	<u>Major Funds</u>		<u>Nonmajor Fund</u>	
	<u>General</u>	<u>Capital Projects</u>	<u>2 Percent</u>	
<b>Major Governmental Funds:</b>				
General Fund	\$ -	\$ 132,886	\$ -	\$ 132,886
Highway Users Revenue Fund		1,096,070	-	1,096,070
Community Redevelopment Fund	458,094	-	-	458,094
Grants Fund	-	-	18,400	18,400
<b>Nonmajor Governmental Funds:</b>				
Solid Waste Fund	6,148	-	-	6,148
Public Safety Tax Fund	-	216,420	-	216,420
<b>Internal Service Funds:</b>				
Employee Benefits Trust	15,000	-	-	15,000
<b>Total Receivable</b>	<u>\$ 479,242</u>	<u>\$ 1,445,376</u>	<u>\$ 18,400</u>	<u>\$ 1,943,018</u>

Because they serve primarily governmental funds, the interfund activity noted above in the Internal Service Employee Benefits Trust is combined within the governmental activities for government-wide reporting. As such, the interfund activity is eliminated in the governmental activities column of the Statement of Net Assets. The internal balances amount appearing on that statement, \$96,995, represents net balances allocated to business-like activities for consolidation of internal service funds net profits.

**K. Fund Equity**

**Unreserved Fund Balances – Designations - Uncompleted Projects** - \$3,355,019 is the uncompleted portion of capital projects for which Council has authorized the funding from current year available resources. Expenditures for these projects are rebudgeted in the subsequent fiscal year since unexpended appropriations lapse at year-end. *Subsequent Years' Expenditures* – Insurance reserve - \$1,028,827 for subsequent year expenditures for insurance purposes, of which \$400,000 is designated for the Yuma Fine Arts Center fire loss; an additional \$500,000 reserve for the new Yuma Performing Arts Center; and, public/educational/government (PEG) Facility - \$269 remaining for continuing development of the channel on the local cable system. *Future Community Improvements* - \$845,524 represents special projects in subsequent years as designated by City Council.

**L. 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; natural disasters; and health and accident, dental and other medical benefits provided to employees.

**City of Yuma, Arizona**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2002

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The City uses the Employee Benefits Trust Fund, an Internal Service Fund, to account for the financing of its risks of loss relating to dental claims and its insured health programs. The City purchases commercial insurance for employee health coverage but retains the risk for its dental coverage. Dental coverage claims are limited annually by employee. As such, the prospect is unlikely that claims would be incurred in excess of the fund's ability to pay.

All funds of the City participate in the program and make payments to the Internal Service Fund based on the number of full time employees who receive health benefits assigned to the individual funds. The Employee Benefits Trust Fund Board set the amount to be charged per employee based upon contracts with the insurance provider for health coverage and based upon prior year claims for dental coverage. The claims liability of \$47,642 reported in the Internal Service Fund, Employee Benefits Trust Fund at June 30, 2002 is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The City uses an application of historical experience to determine claims payable. Changes in the Employee Benefits Trust Fund claims liability amounts in fiscal year 2002, 2001, and 2000 were:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Claims and Changes In Estimates</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
<b>2001-02</b>	\$ 42,000	\$ 382,920	\$ 377,278	\$ 47,642
<b>2000-01</b>	39,600	326,109	323,709	42,000
<b>1999-00</b>	39,700	290,226	290,326	39,600

The City is self-insured for Workman's Compensation. The changes to claims liability amounts in fiscal year 2002, 2001, and 2000 were:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Claims and Changes In Estimates</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
<b>2001-02</b>	\$ 336,656	\$ 203,460	\$ 278,455	\$ 261,661
<b>2000-01</b>	131,638	494,820	289,802	336,656
<b>1999-00</b>	27,956	397,924	294,242	131,638

The City carries commercial insurance for all other risks of loss, including property and liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**M. Construction Commitments**

As of June 30, 2002, the City is involved in several construction projects. The estimated cost to complete the construction projects is \$3,335,019.

**N. Special Item - Litigation**

In July 2002, the City settled a lawsuit involving retirement system claims of current and former employees. The net settlement of \$1,220,085, representing the award plus attorney fees less amounts that would have been paid over time by employees, establishes full retirement benefits for the employees under the Arizona State Retirement System. The employees were originally hired by the Arizona Water Company, purchased in 1968, and participated in a voluntary, noncontributory pension plan. The item was charged to fiscal year 2002 in that the settlement was reached initially during that period.

**City of Yuma, Arizona**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2002

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**O. Subsequent Events**

**Loan Agreement**

On August 7, 2002, the City Council adopted a resolution authorizing the execution of a loan agreement with the Water Infrastructure Financing Authority of Arizona to provide funding for the construction of two projects. The first, a water pollution control facility, was executed for \$44 million, including collection system construction and upgrades. The second, a water treatment plant, was initially approved for \$10 million with the loan to eventually fund the project at \$60 million.

**Bond Sale**

The City Council will soon consider a resolution authorizing staff to prepare for the issuance of municipal property corporation bonds for the construction of a fire station and a performing arts center. The bond sale is anticipated in the amount of \$9 million. In addition, the City Council will consider issuance of municipal property corporation refunding bonds, not to exceed \$51 million, to refund an as yet undetermined number of Municipal Property Corporation Bonds. The refunding issue was authorized based on how favorable the interest rates will be at the time of sale. Council action is planned during October 2002.

**IV. CONTINGENT LIABILITIES**

**A. Pending Litigation**

The City is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations. It is the opinion of the City management, based on the advice of the City Attorney, that such matters will not have a material adverse effect on the City's financial position at June 30, 2002.

**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 which 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**

	<b>Actual Value of Plan Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Funding Liability (Excess)</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>Unfunded Liability as Percentage of Payroll</b>
<b><i>POLICE</i></b>						
1999	31,533,360	23,221,136	(8,312,224)	135.8%	5,413,329	-%
2000	36,064,305	25,623,095	(10,441,210)	140.7%	5,703,337	-%
2001	38,686,969	26,356,089	(12,330,880)	146.8%	5,888,020	-%
<b><i>FIRE</i></b>						
1999	26,695,236	23,229,386	(3,465,850)	114.9%	3,935,124	-%
2000	29,687,106	24,894,069	(4,793,037)	119.3%	4,056,042	-%
2001	31,549,536	25,790,543	(5,758,993)	122.3%	4,141,659	-%

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 General Fund  
 (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2002

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ 8,489,239	\$ 8,489,239	\$ 11,562,964	\$ 3,073,725
Resources (inflows):				
Taxes:				
Property Tax - Primary	5,240,000	5,240,000	5,071,973	(168,027)
Property Tax - Delinquent	140,000	140,000	121,102	(18,898)
City Sales Tax	13,328,000	13,328,000	13,116,950	(211,050)
Public Enterprise In-Lieu	241,260	241,260	242,000	740
Franchise Tax	1,625,650	1,625,650	1,835,810	210,160
Total Taxes	<u>20,574,910</u>	<u>20,574,910</u>	<u>20,387,835</u>	<u>(187,075)</u>
Licenses:				
Business Licenses	277,000	277,000	210,565	(66,435)
Liquor Licenses	29,000	29,000	27,185	(1,815)
Building Permits	1,083,700	1,083,700	1,194,512	110,812
Alcohol Permits	4,200	4,200	6,506	2,306
Total Licenses	<u>1,393,900</u>	<u>1,393,900</u>	<u>1,438,768</u>	<u>44,868</u>
Intergovernmental:				
Sales Tax - State	6,194,783	6,194,783	5,973,339	(221,444)
State Revenue Sharing	8,083,619	8,083,619	8,084,914	1,295
Auto Lieu Tax	2,310,000	2,310,000	2,345,195	35,195
County Emergency Services	17,000	17,000	19,432	2,432
Other Intergovernmental	-	-	2,832	2,832
Total Intergovernmental	<u>16,605,402</u>	<u>16,605,402</u>	<u>16,425,712</u>	<u>(179,690)</u>
Charges for Services:				
Building Inspection Fees	350,000	350,000	355,560	5,560
Recreation Fees	324,600	324,600	341,523	16,923
Police Services	426,500	426,500	459,564	33,064
Other Charges	45,450	45,450	60,172	14,722
Total Charges for Services	<u>1,146,550</u>	<u>1,146,550</u>	<u>1,216,819</u>	<u>70,269</u>
Fines and Forfeitures:				
City Court Fines	638,250	638,250	670,837	32,587
Total Fines and Forfeitures	<u>638,250</u>	<u>638,250</u>	<u>670,837</u>	<u>32,587</u>
Use of Money and Property:				
Interest	280,000	280,000	461,606	181,606
Rental Receipts	82,950	82,950	211,270	128,320
Total Use of Money and Property	<u>362,950</u>	<u>362,950</u>	<u>672,876</u>	<u>309,926</u>
Miscellaneous				
Sales of Surplus Property	7,000	7,000	31,946	24,946
Other	68,500	68,500	68,251	(249)
Total Miscellaneous	<u>75,500</u>	<u>75,500</u>	<u>100,197</u>	<u>24,697</u>
Total Revenues	<u>40,797,462</u>	<u>40,797,462</u>	<u>40,913,044</u>	<u>115,582</u>
Transfers From Other Funds	1,584,500	1,584,500	-	(1,584,500)
Amounts Available for Appropriation	<u>50,871,201</u>	<u>50,871,201</u>	<u>52,476,008</u>	<u>1,604,807</u>

Continued on next page

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 General Fund  
 (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2002

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Charges to Appropriations (outflows):				
General Government:				
Mayor and Council	227,370	227,370	195,900	31,470
Elections	126,250	126,250	111,941	14,309
City Administrator	227,892	227,892	211,953	15,939
Communications	118,011	121,511	97,394	24,117
Quality Initiatives	555,348	555,098	497,752	57,346
General Government	606,046	674,526	370,685	303,841
City Clerk	207,761	207,761	191,756	16,005
Community Investment Trust	989,000	925,501	119,868	805,633
City Attorney	843,406	843,406	781,069	62,337
Litigation	267,800	267,800	157,961	109,839
Administrative Services	270,843	270,843	239,781	31,062
Accounting	713,612	681,112	604,967	76,145
Customer Services	382,494	382,494	372,262	10,232
Information Technology Services	1,975,934	1,975,934	1,241,617	734,317
Materials Management	567,278	567,278	554,583	12,695
Human Resources	725,735	758,235	733,038	25,197
Intragovernmental Charges	<u>(2,381,912)</u>	<u>(2,381,912)</u>	<u>(2,381,912)</u>	<u>-</u>
Total General Government Expenditures	<u>6,422,868</u>	<u>6,431,099</u>	<u>4,100,615</u>	<u>2,330,484</u>
Less Capital Outlay	240,438	351,125	35,816	315,309
Less Debt Service				
Principal	-	63,499	63,499	-
Interest and Fiscal Agent Fees	-	-	-	-
Total General Government Deductions	<u>240,438</u>	<u>414,624</u>	<u>99,315</u>	<u>315,309</u>
General Government Operating Expenditures	<u>6,182,430</u>	<u>6,016,475</u>	<u>4,001,300</u>	<u>2,015,175</u>
Public Safety:				
Police Administration - Field Operations	9,590,770	9,548,872	9,614,634	(65,762)
Police Reserve Unit	7,750	7,750	667	7,083
Police Support Services	3,490,883	3,496,883	2,919,191	577,692
Fire Administration	215,719	215,719	219,634	(3,915)
Fire Training	288,089	288,089	245,571	42,518
Fire Suppression	5,262,253	5,262,253	5,175,935	86,318
Fire Prevention	325,019	325,019	302,642	22,377
Fire Maintenance	502,057	502,057	514,230	(12,173)
Fire Special Operations	116,791	116,791	91,028	25,763
Fire Emergency Medical Services	682,740	682,740	543,050	139,690
Fire Emergency Management	73,388	73,388	54,089	19,299
Animal Control	375,158	375,158	375,158	-
Municipal Court	952,752	952,752	859,148	93,604
Total Public Safety Expenditures	<u>21,883,369</u>	<u>21,847,471</u>	<u>20,914,977</u>	<u>932,494</u>
Less Capital Outlay	289,010	232,583	103,566	129,017
Public Safety Operating Expenditures	<u>21,594,359</u>	<u>21,614,888</u>	<u>20,811,411</u>	<u>803,477</u>

Continued on next page

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 General Fund  
 (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2002

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Parks, Recreation and Culture:				
Parks and Recreation Administration	404,755	404,755	358,845	45,910
Parks Maintenance	2,932,697	2,932,697	2,764,954	167,743
Parks Development	311,410	311,410	284,283	27,127
Recreation Administration	535,404	536,142	453,797	82,345
Senior Adult Activities	166,669	166,669	136,069	30,600
Adult Activities	195,212	195,212	206,668	(11,456)
Youth Activities	251,298	250,560	183,146	67,414
Aguatics	550,857	550,857	582,061	(31,204)
Yuma Theatre	86,673	83,173	28,154	55,019
Arts and Culture	317,281	319,922	253,214	66,708
Intragovernmental Charges	(86,943)	(86,943)	(86,943)	-
Total Parks, Recreation and Culture	<u>5,665,313</u>	<u>5,664,454</u>	<u>5,164,248</u>	<u>500,206</u>
Less Capital Outlay	<u>191,625</u>	<u>186,065</u>	<u>114,595</u>	<u>71,470</u>
Parks, Recreation and Culture Operating Expenditures	<u>5,473,688</u>	<u>5,478,389</u>	<u>5,049,653</u>	<u>428,736</u>
Environmental Health and Protection:				
Environmental Management	875,445	875,445	851,819	23,626
Health Services	400,815	400,815	400,815	-
Intragovernmental Charges	(658,890)	(658,890)	(658,890)	-
Total Environmental Health and Protection	<u>617,370</u>	<u>617,370</u>	<u>593,744</u>	<u>23,626</u>
Less Capital Outlay	<u>30,700</u>	<u>30,465</u>	<u>28,654</u>	<u>1,811</u>
Environmental Health and Protection Operating Expenditures	<u>586,670</u>	<u>586,905</u>	<u>565,090</u>	<u>21,815</u>
Community Design and Development:				
Community Development Administration	658,308	609,039	545,923	63,116
Engineering	866,657	854,157	751,827	102,330
Business Development	408,000	408,000	385,762	22,238
Planning and Neighborhood Services	1,429,013	1,479,308	1,376,674	102,634
Outside Agencies	310,920	350,920	341,480	9,440
Total Community Design and Development	<u>3,672,898</u>	<u>3,701,424</u>	<u>3,401,666</u>	<u>299,758</u>
Less Capital Outlay	<u>22,590</u>	<u>21,432</u>	<u>17,895</u>	<u>3,537</u>
Community Design and Development Operating Expenditures	<u>3,650,308</u>	<u>3,679,992</u>	<u>3,383,771</u>	<u>296,221</u>
Total Operating Expenditures	<u>37,487,455</u>	<u>37,376,649</u>	<u>33,811,225</u>	<u>3,565,424</u>
Capital Outlay	774,363	821,670	300,526	521,144
Debt Service				
Principal	-	63,499	63,499	-
Total Expenditures	<u>38,261,818</u>	<u>38,261,818</u>	<u>34,175,250</u>	<u>4,086,568</u>
Transfers to Other Funds	4,999,321	4,999,321	4,749,734	249,587
Total Charges to Appropriations	<u>43,261,139</u>	<u>43,261,139</u>	<u>38,924,984</u>	<u>4,336,155</u>
Budgetary Fund Balance, June 30	<u>\$ 7,610,062</u>	<u>\$ 7,610,062</u>	<u>\$ 13,551,024</u>	<u>\$ 5,940,962</u>
The accompanying notes are an integral part of these financial statements				Concluded

**City of Yuma, Arizona**  
**Budgetary Comparison Schedule**  
**Highway User Revenue Fund**  
**For the Year Ended June 30, 2002**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ 3,472,938	\$ 3,472,938	\$ 3,356,095	\$ (116,843)
Resources (inflows):				
Intergovernmental				
State Gasoline Tax	6,700,000	6,700,000	6,414,401	(285,599)
Use of Money and Property				
Interest	250,000	250,000	153,748	(96,252)
Miscellaneous				
Other	10,000	10,000	41,146	31,146
Total Revenues	6,960,000	6,960,000	6,609,295	(350,705)
Transfers From Other Funds	22,865	22,865	19,142	(3,723)
Amounts Available for Appropriation	10,455,803	10,455,803	9,984,532	(471,271)
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Traffic Signals, Signs, and Striping	818,776	809,872	702,674	107,198
Streets				
Street Maintenance	2,698,025	2,679,929	2,390,748	289,181
Street Lighting	456,910	483,910	453,370	30,540
Street Sweeping	410,995	410,995	407,719	3,276
Storm Drain Maintenance	386,318	365,318	301,070	64,248
Curbs, Gutters, and Sidewalks	411,860	411,860	358,811	53,049
Environmental Health				
Lot Cleaning	23,351	23,351	19,142	4,209
Capital Outlay	12,000	33,000	-	33,000
Total Expenditures	5,218,235	5,218,235	4,633,534	584,701
Transfers To Other Funds	3,366,726	3,366,726	1,782,397	1,584,329
Total Charges to Appropriations	8,584,961	8,584,961	6,415,931	2,169,030
Budgetary Fund Balance, June 30	\$ 1,870,842	\$ 1,870,842	\$ 3,568,601	\$ 1,697,759

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 Road Tax Fund  
 For the Year Ended June 30, 2002

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,613,889	\$ 3,613,889	\$ 4,154,683	\$ 540,794
Resources (inflows):				
Taxes				
Special Road Sales Tax	6,664,000	6,664,000	6,448,954	(215,046)
Use of Money and Property				
Interest	165,000	165,000	175,521	10,521
Total Revenues	6,829,000	6,829,000	6,624,475	(204,525)
Amounts Available for Appropriation	10,442,889	10,442,889	10,779,158	336,269
Charges to Appropriations (outflows):				
Current:				
Streets				
Street Maintenance	196,556	196,556	196,556	-
Retention Basin Maintenance	307,620	311,101	284,929	26,172
Capital Outlay	3,500	19	-	19
Total Expenditures	507,676	507,676	481,485	26,191
Transfers to Other Funds	8,628,500	8,628,500	6,994,754	1,633,746
Total Charges to Appropriations	9,136,176	9,136,176	7,476,239	1,659,937
Budgetary Fund Balance, June 30	\$ 1,306,713	\$ 1,306,713	\$ 3,302,919	\$ 1,996,206

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 Grants Fund  
 For the Year Ended June 30, 2002

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 386,490	\$ 386,490	\$ 8,668	\$ (377,822)
Resources (inflows):				
Intergovernmental				
Federal Government	7,496,101	7,496,101	1,919,406	(5,576,695)
State Government	1,591,590	1,591,590	1,054,932	(536,658)
Budget Authority Reserve	600,000	600,000	-	(600,000)
Use of Money and Property				
Interest	-	-	76,379	76,379
Contributions/Donations	11,000	11,000	1,440	(9,560)
Total Revenues	9,698,691	9,698,691	3,052,157	(6,646,534)
Amounts Available for Appropriation	10,085,181	10,085,181	3,060,825	(7,024,356)
Charges to Appropriations (outflows):				
Current:				
Public Safety	1,326,764	1,347,077	1,145,816	201,261
Parks, Recreation and Culture	9,410	9,410	7,400	2,010
Environmental Health and Protection	976,000	977,095	192,224	784,871
Community Design & Development	-	-	183	(183)
Capital Outlay	110,000	88,592	36,516	52,076
Total Expenditures	2,422,174	2,422,174	1,382,139	1,040,035
Operating Transfers Out	7,620,897	7,620,897	1,670,018	5,950,879
Total Charges to Appropriations	10,043,071	10,043,071	3,052,157	6,990,914
Budgetary Fund Balance, June 30	\$ 42,110	\$ 42,110	\$ 8,668	\$ (33,442)

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 Community Redevelopment Fund  
 For the Year Ended June 30, 2002

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	6,907,974	6,907,974	874,036	(6,033,938)
State Government	-	-	570,305	570,305
Use of Money and Property				
Rental Receipts	-	-	16,393	16,393
Miscellaneous				
Loan Repayments	-	-	16,011	16,011
Other	1,218,631	1,218,631	15,035	(1,203,596)
Sale of Real Property	-	-	454,747	454,747
Total Revenues	<u>8,126,605</u>	<u>8,126,605</u>	<u>1,946,527</u>	<u>(6,180,078)</u>
Amounts Available for Appropriation	<u>8,126,605</u>	<u>8,126,605</u>	<u>1,946,527</u>	<u>(6,180,078)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development	4,249,974	4,018,836	1,572,724	2,446,112
Capital Outlay	<u>8,000</u>	<u>239,138</u>	<u>153,577</u>	<u>85,561</u>
Total Expenditures	<u>4,257,974</u>	<u>4,257,974</u>	<u>1,726,301</u>	<u>2,531,673</u>
Operating Transfers Out	<u>3,868,631</u>	<u>3,868,631</u>	<u>220,226</u>	<u>3,648,405</u>
Total Charges to Appropriations	<u>8,126,605</u>	<u>8,126,605</u>	<u>1,946,527</u>	<u>6,180,078</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements



**OTHER SUPPLEMENTARY  
INFORMATION**



# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds

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

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

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

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

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

**Two Percent Tax** To record the financial activities of the Two Percent Special Revenue Excise Tax on hotel, motel, restaurant and bar sales. This tax can finance the operations of the Civic and Convention Center, Baseball Complex, Golf Courses, the Yuma Crossing Area and Convention and Tourism.

**Yuma Mall Maintenance** To record the special maintenance levy for the Yuma Downtown Mall District. The assessment supports cleaning, maintenance, landscaping and utility costs of common areas. Costs in excess of the assessment are financed by a transfer from the General Fund.

## Debt Service Fund

Debt Service Funds account for the payment of interest and principal on all bonded debt other than debt issued for and serviced by enterprise funds.

**Revenue Bonds** To account for shared revenue sources used to service certain pledged-revenue debt

**City of Yuma, Arizona**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2002**

<b><u>Assets</u></b>	Special Revenue			
	Local Transportation Assistance	Public Safety Tax	Solid Waste	Recreation Complex
Cash and Investments	\$ 19,605	\$ 1,570,237	\$ -	\$ 516,002
Receivables (Net of Allowances for Uncollectibles):				
Accounts Receivable	-	-	139,119	13,042
Intergovernmental	-	201,376	116	9,995
Accrued Interest	953	21,486	-	14,038
Due From Other Funds	-	-	-	-
Inventory, at cost	-	-	-	7,136
Prepaid Items	-	-	-	577
Total Assets	\$ 20,558	\$ 1,793,099	\$ 139,235	\$ 560,790
<b><u>Liabilities</u></b>				
Liabilities:				
Accounts Payable	\$ 170	\$ 1,580	\$ 103,522	\$ 42,583
Accrued Payroll and Related Taxes	-	-	29,565	37,928
Due to Other Funds	-	216,420	6,148	-
Deferred Revenue	-	-	-	20,204
Total Liabilities	170	218,000	139,235	100,715
<b><u>Fund Balances</u></b>				
Reserved for:				
Inventory	-	-	-	7,136
Prepaid Items	-	-	-	577
Unreserved:				
Designated for Subsequent Years' Expenditures	-	-	-	40,477
Undesignated	20,388	1,575,099	-	411,885
Total Fund Balance	20,388	1,575,099	-	460,075
Total Liabilities and Fund Balance	\$ 20,558	\$ 1,793,099	\$ 139,235	\$ 560,790

<u>Special Revenue</u>		Total
<u>2 Percent</u>	<u>Yuma Mall Maintenance</u>	<u>Nonmajor Governmental Funds</u>
-		
\$ 477,864	\$ 7,547	\$ 2,591,255
-	2,478	154,639
-	3,057	214,544
464	-	36,941
18,400	-	18,400
-	-	7,136
75,000	-	75,577
<u>\$ 571,728</u>	<u>\$ 13,082</u>	<u>\$ 3,098,492</u>

\$ 287	\$ 4,887	\$ 153,029
-	8,195	75,688
-	-	222,568
-	-	20,204
<u>287</u>	<u>13,082</u>	<u>471,489</u>

-	-	7,136
75,000	-	75,577
-	-	40,477
<u>496,441</u>	<u>-</u>	<u>2,503,813</u>
<u>571,441</u>	<u>-</u>	<u>2,627,003</u>
<u>\$ 571,728</u>	<u>\$ 13,082</u>	<u>\$ 3,098,492</u>

**City of Yuma, Arizona**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2002

	Special Revenue			
	Local Transportation Assistance	Public Safety Tax	Solid Waste	Recreation Complex
Revenues:				
Taxes	\$ -	\$ 2,578,704	\$ -	\$ -
Intergovernmental	440,004	-	-	-
Charges for Services	-	-	1,114,179	-
Use of Money and Property	10,004	122,506	-	465,486
Contributions/Donations	24,400	-	-	-
Miscellaneous	-	-	10,814	7,831
Total Revenues	<u>474,408</u>	<u>2,701,210</u>	<u>1,124,993</u>	<u>473,317</u>
Expenditures:				
Current:				
Parks, Recreation and Culture	-	-	-	1,745,285
Environmental Health and Protection	-	-	2,398,266	-
Community Design and Development	83,458	-	-	-
Capital Outlay	-	-	1,797	32,287
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Agent Fees	-	-	-	-
Total Expenditures	<u>83,458</u>	<u>-</u>	<u>2,400,063</u>	<u>1,777,572</u>
Revenues Over/(Under) Expenditures	390,950	2,701,210	(1,275,070)	(1,304,255)
Other Financing Sources/(Uses):				
Operating Transfers In	-	-	1,297,740	1,450,000
Operating Transfers Out	(381,346)	(3,259,760)	(22,670)	(15,628)
Total Other Financing Sources/(Uses)	<u>(381,346)</u>	<u>(3,259,760)</u>	<u>1,275,070</u>	<u>1,434,372</u>
Revenues and Other Financing Sources Over/(Under) Expenditures and Other Uses	9,604	(558,550)	-	130,117
Fund Balances, July 1	<u>10,784</u>	<u>2,133,649</u>	<u>-</u>	<u>329,958</u>
Fund Balances, June 30	<u>\$ 20,388</u>	<u>\$ 1,575,099</u>	<u>\$ -</u>	<u>\$ 460,075</u>

The accompanying notes are an integral part of these financial statements

<u>Special Revenue</u>		<u>Debt Service</u>	<u>Total</u>
<u>2 Percent Special Revenue</u>	<u>Yuma Mall Maintenance</u>	<u>Revenue Bond</u>	<u>Nonmajor Governmental Funds</u>
\$ 2,652,152	\$ 64,172	\$ -	\$ 5,295,028
-	-	-	440,004
-	-	-	1,114,179
28,340	-	-	626,336
-	-	-	24,400
-	10,442	-	29,087
<u>2,680,492</u>	<u>74,614</u>	<u>-</u>	<u>7,529,034</u>
625,612	-	-	2,370,897
-	-	-	2,398,266
-	290,749	-	374,207
-	-	-	34,084
-	-	210,000	210,000
-	-	8,631	8,631
<u>625,612</u>	<u>290,749</u>	<u>218,631</u>	<u>5,396,085</u>
2,054,880	(216,135)	(218,631)	2,132,949
-	216,135	218,631	3,182,506
<u>(2,279,047)</u>	<u>-</u>	<u>-</u>	<u>(5,958,451)</u>
<u>(2,279,047)</u>	<u>216,135</u>	<u>218,631</u>	<u>(2,775,945)</u>
(224,167)	-	-	(642,996)
<u>795,608</u>	<u>-</u>	<u>-</u>	<u>3,269,999</u>
<u>\$ 571,441</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,627,003</u>

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 Municipal Property Corporation Bonds Debt Service Fund  
 For the Year Ended June 30, 2002

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ 3,087,408	\$ 3,087,408
Resources (inflows):				
Use of Money and Property:				
Interest	-	-	50,387	50,387
Total Revenues	-	-	50,387	50,387
Transfers In from Other Funds	5,355,795	5,355,795	5,352,205	(3,590)
Amounts Available for Appropriation	5,355,795	5,355,795	8,490,000	3,134,205
Charges to Appropriations (outflows):				
Debt Service:				
Bond Principal	3,800,000	3,800,000	3,800,000	-
Bond Interest	1,431,891	1,431,891	3,081,884	(1,649,993)
Fiscal Agent Fees	123,904	123,904	123,904	-
Total Expenditures	5,355,795	5,355,795	7,005,788	(1,649,993)
Total Charges to Appropriations	5,355,795	5,355,795	7,005,788	(1,649,993)
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ 1,484,212	\$ 1,484,212

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 Capital Projects Fund  
 (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2002

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 13,277,916	\$ 13,277,916	\$ 25,450,235	\$ 12,172,319
Resources (inflows):				
Charges for Services				
Developer Charges	150,000	150,000	544,960	394,960
Use of Money and Property				
Rents	50,000	50,000	150,345	100,345
Interest	-	-	571,988	571,988
Miscellaneous	1,010,000	1,010,000	57,032	(952,968)
Bond Proceeds	30,000,000	30,000,000	-	(30,000,000)
Total Revenues	<u>31,210,000</u>	<u>31,210,000</u>	<u>1,324,325</u>	<u>(29,885,675)</u>
Transfers From Other Funds	25,450,497	25,450,497	12,868,781	(12,581,716)
Amounts Available for Appropriation	<u>69,938,413</u>	<u>69,938,413</u>	<u>39,643,341</u>	<u>(30,295,072)</u>
Charges to Appropriations (outflows):				
Capital Outlay:				
General Government	35,759,000	36,250,604	21,554,863	14,695,741
Public Safety	3,318,000	3,638,900	296,405	3,342,495
Streets	13,539,678	14,679,540	10,245,394	4,434,146
Parks, Recreation and Culture	7,838,716	8,148,054	3,055,888	5,092,166
Environmental Health and Safety	4,344,000	2,082,296	724,918	1,357,378
Debt Service:				
Principal	-	-	272,003	(272,003)
Interest and Fiscal Agent Fees	-	-	13,019	(13,019)
Total Expenditures	<u>64,799,394</u>	<u>64,799,394</u>	<u>36,162,490</u>	<u>28,636,904</u>
Operating Transfers Out	-	-	125,832	(125,832)
Total Charges to Appropriations	<u>64,799,394</u>	<u>64,799,394</u>	<u>36,288,322</u>	<u>28,511,072</u>
Budgetary Fund Balance, June 30	<u>\$ 5,139,019</u>	<u>\$ 5,139,019</u>	<u>\$ 3,355,019</u>	<u>\$ (1,784,000)</u>

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 Local Transportation Assistance Special Revenue Fund  
 For the Year Ended June 30, 2002

	<u>Budget</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Budgetary Fund Balance, July 1	\$ 20,000	\$ 20,000	\$ 10,784	\$ (9,216)
Resources (inflows):				
Intergovernmental				
State Lottery Distribution	418,000	418,000	440,004	22,004
Use of Money and Property				
Interest	1,500	1,500	10,004	8,504
Contributions/Donations	<u>40,000</u>	<u>40,000</u>	<u>24,400</u>	<u>(15,600)</u>
Total Revenues	<u>459,500</u>	<u>459,500</u>	<u>474,408</u>	<u>14,908</u>
Amounts Available for Appropriation	<u>479,500</u>	<u>479,500</u>	<u>485,192</u>	<u>5,692</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development				
Outside Agencies - Cultural Council	<u>103,458</u>	<u>103,458</u>	<u>83,458</u>	<u>20,000</u>
Total Expenditures	<u>103,458</u>	<u>103,458</u>	<u>83,458</u>	<u>20,000</u>
Operating Transfers Out	<u>356,042</u>	<u>356,042</u>	<u>381,346</u>	<u>(25,304)</u>
Total Charges to Appropriations	<u>459,500</u>	<u>459,500</u>	<u>464,804</u>	<u>(5,304)</u>
Budgetary Fund Balance, June 30	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,388</u>	<u>\$ 388</u>

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 Public Safety Tax Special Revenue Fund  
 For the Year Ended June 30, 2002

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,760,453	\$ 1,760,453	\$ 2,133,649	\$ 373,196
Resources (inflows):				
Taxes				
Public Safety Sales Tax	2,665,600	2,665,600	2,578,704	(86,896)
Use of Money and Property				
Interest	120,000	120,000	122,506	2,506
Total Revenues	2,785,600	2,785,600	2,701,210	(84,390)
Amounts Available for Appropriation	4,546,053	4,546,053	4,834,859	288,806
Charges to Appropriations (outflows):				
Capital Outlay	16,000	16,000	-	16,000
Total Expenditures	16,000	16,000	-	16,000
Operating Transfers Out	2,657,669	2,657,669	3,259,760	(602,091)
Total Charges to Appropriations	2,673,669	2,673,669	3,259,760	(586,091)
Budgetary Fund Balance, June 30	\$ 1,872,384	\$ 1,872,384	\$ 1,575,099	\$ 297,285

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 Solid Waste Special Revenue Fund  
 For the Year Ended June 30, 2002

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Charges for Service				
Collection Fees	1,109,580	1,109,580	1,114,179	4,599
Miscellaneous				
Other	<u>5,000</u>	<u>5,000</u>	<u>10,814</u>	<u>5,814</u>
Total Revenues	<u>1,114,580</u>	<u>1,114,580</u>	<u>1,124,993</u>	<u>10,413</u>
Transfers from Other Funds	<u>1,318,135</u>	<u>1,318,135</u>	<u>1,297,740</u>	<u>(20,395)</u>
Amounts Available for Appropriation	<u>2,432,715</u>	<u>2,432,715</u>	<u>2,422,733</u>	<u>(9,982)</u>
Charges to Appropriations (outflows):				
Current:				
Environmental Health and Protection				
Residential Services	2,056,533	2,056,533	2,092,116	(35,583)
Uncontained Waste	331,157	331,157	275,659	55,498
Recycling	14,859	14,859	30,591	(15,732)
Roll-Off Containers	-	-	(100)	100
Capital Outlay	<u>2,500</u>	<u>2,500</u>	<u>1,797</u>	<u>703</u>
Total Expenditures	<u>2,405,049</u>	<u>2,405,049</u>	<u>2,400,063</u>	<u>4,986</u>
Transfers to Other Funds	<u>27,666</u>	<u>27,666</u>	<u>22,670</u>	<u>4,996</u>
Total Charges to Appropriations	<u>2,432,715</u>	<u>2,432,715</u>	<u>2,422,733</u>	<u>9,982</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 Recreation Complex Special Revenue Fund  
 For the Year Ended June 30, 2002

	<u>Budget</u>		Actual	Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>	Amounts	(Negative)
Budgetary Fund Balance, July 1	\$ 201,741	\$ 201,741	\$ 329,958	\$ 128,217
Resources (inflows):				
Use of Money and Property				
Rents and Concessions	497,850	497,850	450,488	(47,362)
Interest	7,000	7,000	14,998	7,998
Miscellaneous				
Other	<u>4,500</u>	<u>4,500</u>	<u>7,831</u>	<u>3,331</u>
Total Revenues	<u>509,350</u>	<u>509,350</u>	<u>473,317</u>	<u>(36,033)</u>
Transfers from Other Funds	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>-</u>
Amounts Available for Appropriation	<u>2,161,091</u>	<u>2,161,091</u>	<u>2,253,275</u>	<u>92,184</u>
Charges to Appropriations (outflows):				
Current:				
Parks, Recreation and Culture				
Civic and Convention Center	1,366,729	1,361,825	1,181,135	180,690
Baseball Complex	567,721	578,019	564,150	13,869
Capital Outlay	<u>77,204</u>	<u>71,810</u>	<u>32,287</u>	<u>39,523</u>
Total Expenditures	<u>2,011,654</u>	<u>2,011,654</u>	<u>1,777,572</u>	<u>234,082</u>
Transfers to Other Funds	<u>16,000</u>	<u>16,000</u>	<u>15,628</u>	<u>372</u>
Total Charges to Appropriations	<u>2,027,654</u>	<u>2,027,654</u>	<u>1,793,200</u>	<u>234,454</u>
Budgetary Fund Balance, June 30	<u>\$ 133,437</u>	<u>\$ 133,437</u>	<u>\$ 460,075</u>	<u>\$ 326,638</u>

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 2 Percent Tax Special Revenue Fund  
 For the Year Ended June 30, 2002

	<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	\$ 420,042	\$ 420,042	\$ 795,608	\$ 375,566
Resources (inflows):				
Taxes				
2% Special Revenue Tax	2,604,000	2,604,000	2,652,152	48,152
Use of Money and Property				
Interest	25,000	25,000	28,340	3,340
Miscellaneous				
Other	-	-	-	-
Total Revenues	<u>2,629,000</u>	<u>2,629,000</u>	<u>2,680,492</u>	<u>51,492</u>
Amounts Available for Appropriation	<u>3,049,042</u>	<u>3,049,042</u>	<u>3,476,100</u>	<u>427,058</u>
Charges to Appropriations (outflows):				
Current:				
Parks, Recreation and Culture				
Administration	15,612	15,612	15,612	-
Outside Agencies	610,000	610,000	610,000	-
Total Expenditures	<u>625,612</u>	<u>625,612</u>	<u>625,612</u>	-
Operating Transfers Out	<u>2,218,684</u>	<u>2,218,684</u>	<u>2,279,047</u>	<u>(60,363)</u>
Total Charges to Appropriations	<u>2,844,296</u>	<u>2,844,296</u>	<u>2,904,659</u>	<u>(60,363)</u>
Budgetary Fund Balance, June 30	<u>\$ 204,746</u>	<u>\$ 204,746</u>	<u>\$ 571,441</u>	<u>\$ 366,695</u>

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 Yuma Mall Maintenance Special Revenue Fund  
 For the Year Ended June 30, 2002

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Taxes				
Mall Assessments	60,000	60,000	64,172	4,172
Miscellaneous				
Other	7,000	7,000	10,442	3,442
Total Revenues	67,000	67,000	74,614	7,614
Transfers from Other Funds	307,024	307,024	216,135	(90,889)
Amounts Available for Appropriation	374,024	374,024	290,749	(83,275)
Charges to Appropriations (outflows):				
Current:				
Community Design and Development				
Mall Maintenance	370,024	370,024	290,749	79,275
Capital Outlay	4,000	4,000	-	4,000
Total Expenditures	374,024	374,024	290,749	83,275
Total Charges to Appropriations	374,024	374,024	290,749	83,275
 Budgetary Fund Balance, June 30	 \$ -	 \$ -	 \$ -	 \$ -

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 Revenue Bond Debt Service Fund  
 For the Year Ended June 30, 2002

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Operating Transfers In	218,631	218,631	218,631	-
Amounts Available for Appropriation	218,631	218,631	218,631	-
Charges to Appropriations (outflows):				
Debt Service:				
Bond Principal	210,000	210,000	210,000	-
Bond Interest	8,631	8,631	8,631	-
Total Expenditures	218,631	218,631	218,631	-
Total Charges to Appropriations	218,631	218,631	218,631	-
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

# NONMAJOR ENTERPRISE FUNDS

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

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

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

**City of Yuma, Arizona**  
Combining Statement of Net Assets  
Nonmajor Proprietary Funds  
June 30, 2002

<u>Assets</u>	Enterprise Funds		Total Nonmajor Proprietary Funds
	Desert Hills Golf Course	Arroyo Dunes Golf Course	
Current Assets:			
Cash and Investments	\$ 12,830	\$ 167,952	\$ 180,782
Receivables, Net of Allowance for Uncollectibles:			
Accounts Receivable	4,493	-	4,493
Intergovernmental	379	-	379
Accrued Interest	-	1,645	1,645
Inventory, at cost	149,529	2,021	151,550
Prepaid Expenses	3,429	-	3,429
Total Current Assets	170,660	171,618	342,278
Fixed Assets:			
Buildings	3,102,865	-	3,102,865
Improvements Other than Buildings	2,357,191	645,571	3,002,762
Equipment	216,060	21,866	237,926
Gross Fixed Assets	5,676,116	667,437	6,343,553
Less Accumulated Depreciation	1,677,602	332,038	2,009,640
Fixed Assets Net of Depreciation	3,998,514	335,399	4,333,913
Construction In Progress	8,362	-	8,362
Total Fixed Assets	4,006,876	335,399	4,342,275
Total Assets	4,177,536	507,017	4,684,553
 <u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	58,513	2,760	61,273
Accrued Payroll and Related Taxes	88,795	7,017	95,812
Current Portion-Long-Term Contracts	-	52,984	52,984
Deferred Revenue	9,434	-	9,434
Total Current Liabilities Payable from Current Assets	156,742	62,761	219,503
Long-Term Liabilities:			
Long-Term Contracts Payable	-	4,609	4,609
Total Long-Term Liabilities	-	4,609	4,609
Total Liabilities	156,742	67,370	224,112
 <u>Net Assets</u>			
Invested in capital assets, net of related debt	4,006,876	335,399	4,342,275
Unrestricted	13,918	104,248	118,166
Total Net Assets	\$ 4,020,794	\$ 439,647	\$ 4,460,441

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Nonmajor Proprietary Funds  
For the Year Ended June 30, 2002

	Enterprise Funds		Total Nonmajor Proprietary Funds
	Desert Hills Golf Course	Arroyo Dunes Golf Course	
Operating Revenues:			
Green Fees	\$ 1,072,496	\$ 229,295	\$ 1,301,791
Cart and Club Rental	111,218	8,269	119,487
Pro Shop Sales	398,557	2,134	400,691
Restaurant Sales	420,458	-	420,458
Total Operating Revenues	<u>2,002,729</u>	<u>239,698</u>	<u>2,242,427</u>
Operating Expenses:			
Operations and Maintenance	2,051,206	210,085	2,261,291
Depreciation and Amortization	206,791	29,789	236,580
Total Operating Expenses	<u>2,257,997</u>	<u>239,874</u>	<u>2,497,871</u>
Operating Income/(Loss)	<u>(255,268)</u>	<u>(176)</u>	<u>(255,444)</u>
Non-Operating Revenues/(Expenses):			
Interest	-	6,906	6,906
Interest and Fiscal Agent Fees	-	(2,463)	(2,463)
Loss on Sale of Surplus	(25,985)	(2,680)	(28,665)
Miscellaneous Revenues/(Expenses)	4,904	219	5,123
Net Non-Operating Revenues/(Expenses)	<u>(21,081)</u>	<u>1,982</u>	<u>(19,099)</u>
Income/(Deficit) before Contributions and Transfers	(276,349)	1,806	(274,543)
Operating Transfers In	246,727	-	246,727
Operating Transfers Out	<u>(245,380)</u>	<u>-</u>	<u>(245,380)</u>
Change in Net Assets	(275,002)	1,806	(273,196)
Net Assets-beginning	<u>4,295,796</u>	<u>437,841</u>	<u>4,733,637</u>
Net Assets-ending	<u>\$ 4,020,794</u>	<u>\$ 439,647</u>	<u>\$ 4,460,441</u>

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
Combining Statement of Cash Flows  
Nonmajor Proprietary Funds  
For the Fiscal Year Ended June 30, 2002

	Enterprise Funds		Total Nonmajor Proprietary Funds
	Desert Hills Golf Course	Arroyo Dunes Golf Course	
<b>Cash Flow from Operating Activities:</b>			
Cash Received from Customers	\$ 2,009,149	\$ 239,698	\$ 2,248,847
Cash Paid to Employees	(864,118)	(89,312)	(953,430)
Cash Paid to Suppliers	(1,208,460)	(131,237)	(1,339,697)
Other Operating Activity Revenue/(Expense)	4,903	219	5,122
Net Cash Provided by Operating Activities	(58,526)	19,368	(39,158)
<b>Cash Flows from Noncapital Financing Activities:</b>			
Cash Received from Other Funds	246,727	-	246,727
Cash Paid to Other Funds	(245,380)	(51,386)	(296,766)
Net Cash Provided by/(Used for) Noncapital Financing Activities	1,347	(51,386)	(50,039)
<b>Cash Flow from Capital and Related Financing Activities:</b>			
Acquisition and Construction of Assets	(49,080)	-	(49,080)
Net Cash Used for Capital and Related Financing Activities	(49,080)	-	(49,080)
<b>Cash Flows from Investing Activities:</b>			
Receipt of Interest	-	7,087	7,087
Net Cash Provided by Investing Activities	-	7,087	7,087
Net Increase in Cash and Cash Equivalents	(106,259)	(24,931)	(131,190)
Cash and Cash Equivalents, July 1	119,089	192,883	311,972
Cash and Cash Equivalents, June 30	\$ 12,830	\$ 167,952	\$ 180,782
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:</b>			
Operating Income/(Loss)	\$ (255,268)	\$ (176)	\$ (255,444)
<b>Adjustments to Reconcile Operating Income/(Loss)</b>			
Depreciation and Amortization Expense	206,791	29,789	236,580
(Increase)/Decrease in Accounts Receivables	(2,014)	-	(2,014)
(Increase)/Decrease in Inventories	11,645	(1,793)	9,852
Increase/(Decrease) in Accounts Payable	(23,088)	(9,516)	(32,604)
(Increase)/Decrease in Prepaid Items	782	-	782
Increase/(Decrease) in Accrued Wages and Taxes Payab	(10,711)	845	(9,866)
Increase/(Decrease) in Deferred Revenue	8,434	-	8,434
Other Operating Activity Revenue/(Expense)	4,903	219	5,122
Total Adjustments	196,742	19,544	216,286
Net Cash Provided by Operating Activities	\$ (58,526)	\$ 19,368	\$ (39,158)

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

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 Water Enterprise Fund  
 (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2002

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Resources (inflows):				
Inside City	\$ 7,477,800	\$ 7,477,800	\$ 7,763,357	\$ 285,557
Outside City	1,281,350	1,281,350	1,057,700	(223,650)
Commercial Raw Water	190,000	190,000	237,948	47,948
Meters, Connections and Services	249,704	249,704	214,781	(34,923)
Capital Contributions:				
System Development	120,000	120,000	220,133	100,133
Capacity Rights	1,100,000	1,100,000	1,248,785	148,785
Proceeds from Long-Term Debt	9,153,000	9,153,000	-	(9,153,000)
Interest	555,000	555,000	491,919	(63,081)
Miscellaneous	16,000	16,000	47,171	31,171
Total Revenues	<u>20,142,854</u>	<u>20,142,854</u>	<u>11,281,794</u>	<u>(8,861,060)</u>
Transfers from Other Funds	-	-	20,000	20,000
Amounts Available for Appropriation	<u>20,142,854</u>	<u>20,142,854</u>	<u>11,301,794</u>	<u>(8,841,060)</u>
Charges to Appropriations (outflows):				
Current:				
Administration	1,421,299	1,421,299	1,383,995	37,304
Treatment	3,435,817	3,389,672	3,037,193	352,479
Water Transmission	1,012,473	1,024,531	922,262	102,269
Customer Services	356,191	356,191	354,450	1,741
Water Transfer	37,710	37,710	12,200	25,510
Laboratory	229,885	236,003	151,975	84,028
Capital Outlay:				
Capital Outlay	215,128	243,097	90,107	152,990
Capital Projects	13,572,260	13,572,260	5,483,274	8,088,986
Debt Service:				
Principal Retirement	893,117	893,117	825,000	68,117
Interest and Fiscal Agent Fees	653,808	653,808	633,764	20,044
Total Expenditures	<u>21,827,688</u>	<u>21,827,688</u>	<u>12,894,220</u>	<u>8,933,468</u>
Transfers to Other Funds	267,370	267,370	67,382	199,988
Total Charges to Appropriations	<u>22,095,058</u>	<u>22,095,058</u>	<u>12,961,602</u>	<u>9,133,456</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (1,952,204)</u>	<u>\$ (1,952,204)</u>	<u>(1,659,808)</u>	<u>\$ 292,396</u>
Reconciliation to Change in Net Assets:				
Capital Outlay			90,107	
Capital Projects			5,483,274	
Principal Retirement			825,000	
Capital Contributions for Subdivider Additions to System			957,984	
Special item-litigation			(1,220,085)	
Loss on Disposal of Assets			(146,657)	
Depreciation and Amortization			(3,232,611)	
Change in Net Assets			<u>\$ 1,097,204</u>	

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

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 Wastewater Enterprise Fund  
 (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2002

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
<b>Resources (inflows):</b>				
Inside City	\$ 4,631,400	\$ 4,631,400	\$ 4,615,555	\$ (15,845)
Outside City	261,800	261,800	300,570	38,770
Contractual/Industrial Services	542,500	542,500	666,566	124,066
Meters, Connections and Services	30,900	30,900	44,430	13,530
<b>Capital Contributions:</b>				
Capacity Rights	500,000	500,000	1,823,803	1,323,803
Wastewater Interceptor	150,000	150,000	224,535	74,535
Wastewater Trunk Line Charges	4,500	4,500	2,894	(1,606)
Proceeds from Long-Term Debt	2,549,400	2,549,400	-	(2,549,400)
Interest	676,000	676,000	500,119	(175,881)
Miscellaneous	2,000	2,000	12,469	10,469
Total Revenues	<u>9,348,500</u>	<u>9,348,500</u>	<u>8,190,941</u>	<u>(1,157,559)</u>
Amounts Available for Appropriation	<u>9,348,500</u>	<u>9,348,500</u>	<u>8,190,941</u>	<u>(1,157,559)</u>
<b>Current:</b>				
Administration	794,469	794,937	733,047	61,890
Treatment	2,842,979	2,864,747	2,771,247	93,500
Pretreatment	281,095	283,270	232,094	51,176
Collection	415,048	415,048	404,872	10,176
Laboratory	203,453	207,235	135,725	71,510
<b>Capital Outlay:</b>				
Capital Outlay	135,245	107,052	68,774	38,278
Capital Projects	5,211,000	5,211,000	3,416,587	1,794,413
Total Expenditures	<u>9,883,289</u>	<u>9,883,289</u>	<u>7,762,346</u>	<u>2,120,943</u>
Transfers To Other Funds	<u>340,941</u>	<u>340,941</u>	<u>335,649</u>	<u>5,292</u>
Total Charges to Appropriations	<u>10,224,230</u>	<u>10,224,230</u>	<u>8,097,995</u>	<u>2,126,235</u>
<b>Excess/(Deficiency) of Resources</b>				
Over Charges to Appropriations	<u>\$ (875,730)</u>	<u>\$ (875,730)</u>	<u>92,946</u>	<u>\$ 968,676</u>
<b>Reconciliation to Change in Net Assets:</b>				
Capital Outlay			68,774	
Capital Projects			3,416,587	
Capital Contributions for Subdivider Additions to System			1,782,103	
Loss on Disposal of Assets			(115,468)	
Depreciation and Amortization			(2,110,559)	
Change in Net Assets			<u>\$ 3,134,383</u>	

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

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 Desert Hills Golf Course Enterprise Fund  
 (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2002

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
<b>Resources (inflows):</b>				
Green Fees	\$ 1,220,995	\$ 1,220,995	\$ 1,072,496	\$ (148,499)
Cart and Club Rental	327,400	327,400	111,218	(216,182)
Pro Shop Sales	392,000	392,000	398,557	6,557
Restaurant Sales	535,739	535,739	420,458	(115,281)
Miscellaneous	2,000	2,000	4,904	2,904
Total Revenues	2,478,134	2,478,134	2,007,633	(470,501)
Transfers From Other Funds	246,727	246,727	246,727	-
Amounts Available for Appropriation	2,724,861	2,724,861	2,254,360	(470,501)
<b>Charges to Appropriations (outflows):</b>				
Current:				
Maintenance	958,790	956,290	860,337	95,953
Concession	659,608	664,737	726,999	(62,262)
Restaurant	557,743	557,743	463,870	93,873
Capital Outlay:				
Capital Outlay	51,850	49,221	2,222	46,999
Capital Projects	92,000	92,000	45,776	46,224
Total Expenditures	2,319,991	2,319,991	2,099,204	220,787
Transfers To Other Funds	246,727	246,727	245,380	1,347
Total Charges to Appropriations	2,566,718	2,566,718	2,344,584	222,134
<b>Excess/(Deficiency) of Resources</b>				
Over Charges to Appropriations	\$ 158,143	\$ 158,143	(90,224)	\$ (248,367)
<b>Reconciliation to Change in Net Assets:</b>				
Capital Outlay			2,222	
Capital Projects			45,776	
Loss on Disposal of Assets			(25,985)	
Depreciation and Amortization			(206,791)	
Change in Net Assets			\$ (275,002)	

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, 2002

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
<b>Resources (inflows):</b>				
Green Fees	\$ 305,700	\$ 305,700	\$ 229,295	\$ (76,405)
Cart and Club Rental	14,650	14,650	8,269	(6,381)
Pro Shop Sales	2,500	2,500	2,134	(366)
Interest	6,500	6,500	6,906	406
Miscellaneous	600	600	219	(381)
Total Revenues	329,950	329,950	246,823	(83,127)
Amounts Available for Appropriation	329,950	329,950	246,823	(83,127)
<b>Charges to Appropriations (outflows):</b>				
Current:				
Maintenance	225,362	225,362	160,258	65,104
Concession	73,574	73,574	49,827	23,747
Debt Service:				
Principal Retirement	48,950	48,950	48,923	27
Interest	5,500	5,500	2,463	3,037
Total Expenditures	353,386	353,386	261,471	91,915
Total Charges to Appropriations	353,386	353,386	261,471	91,915
<b>Excess/(Deficiency) of Resources</b>				
Over Charges to Appropriations	\$ (23,436)	\$ (23,436)	(14,648)	\$ 8,788
<b>Reconciliation to Change in Net Assets:</b>				
Principal Retirement			48,923	
Loss on Disposal of Assets			(2,680)	
Depreciation and Amortization			(29,789)	
Change in Net Assets			\$ 1,806	

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

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

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

**Workman's Compensation Trust Fund** 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, 2002

<u>Assets</u>	<u>Equipment Replacement</u>	<u>Employee Benefits Trust Fund</u>	<u>Workman's Compensation Trust Fund</u>	<u>Totals</u>
Current Assets:				
Cash and Investments	\$ 13,457,818	\$ 435,382	\$ 403,348	\$ 14,296,548
Accounts Receivable	-	8,070	213	8,283
Accrued Interest	67,568	856	823	69,247
Total Current Assets	<u>13,525,386</u>	<u>444,308</u>	<u>404,384</u>	<u>14,374,078</u>
Fixed Assets:				
Equipment	19,751,441	-	-	19,751,441
Less Accumulated Depreciation	<u>10,295,571</u>	<u>-</u>	<u>-</u>	<u>10,295,571</u>
Total Fixed Assets	<u>9,455,870</u>	<u>-</u>	<u>-</u>	<u>9,455,870</u>
Total Assets	<u>22,981,256</u>	<u>444,308</u>	<u>404,384</u>	<u>23,829,948</u>
<u>Liabilities</u>				
Liabilities:				
Accounts Payable	105,546	92,677	170	198,393
Estimated Claims and Judgements	-	47,642	261,661	309,303
Due to Other Funds	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Liabilities	<u>105,546</u>	<u>155,319</u>	<u>261,831</u>	<u>522,696</u>
<u>Net Assets</u>				
Invested in capital assets, net of related debt	9,455,870	-	-	9,455,870
Unrestricted	<u>13,419,840</u>	<u>288,988</u>	<u>142,554</u>	<u>13,851,382</u>
	<u>\$ 22,875,710</u>	<u>\$ 288,988</u>	<u>\$ 142,554</u>	<u>\$ 23,307,252</u>

**City of Yuma, Arizona**  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2002

	Equipment Replacement	Employee Benefits Trust Fund	Workman's Compensation Trust Fund	Totals 2002
<b>Operating Revenue:</b>				
Contributions				
Employees	\$ -	\$ 1,264,980	\$ -	\$ 1,264,980
City	-	2,648,041	352,825	3,000,866
Equipment Rental	2,584,544	-	-	2,584,544
Miscellaneous	-	1,814	15,005	16,819
Total Operating Revenues	<u>2,584,544</u>	<u>3,914,835</u>	<u>367,830</u>	<u>6,867,209</u>
<b>Operating Expenses:</b>				
Claims Incurred	-	377,278	278,455	655,733
Premiums to Insurance Carriers	-	3,486,880	39,250	3,526,130
Administration	42,387	29,205	7,822	79,414
Depreciation	2,134,418	-	-	2,134,418
Total Operating Expenses	<u>2,176,805</u>	<u>3,893,363</u>	<u>325,527</u>	<u>6,395,695</u>
Operating Income/(Loss)	<u>407,739</u>	<u>21,472</u>	<u>42,303</u>	<u>471,514</u>
<b>Non-Operating Revenue:</b>				
Interest	523,539	22,557	15,455	561,551
Gain on the Sale of Assets	119,072	-	-	119,072
Total Non-Operating Revenues	<u>642,611</u>	<u>22,557</u>	<u>15,455</u>	<u>680,623</u>
Income/(Loss) before Operating Transfers	1,050,350	44,029	57,758	1,152,137
<b>Operating Transfers:</b>				
Operating Transfers In	460,463	-	-	460,463
Net Operating Transfers	<u>460,463</u>	<u>-</u>	<u>-</u>	<u>460,463</u>
Change in Net Assets	1,510,813	44,029	57,758	1,612,600
Net Assets, Beginning	<u>21,364,897</u>	<u>244,959</u>	<u>84,796</u>	<u>21,694,652</u>
Net Assets, Ending	<u>\$ 22,875,710</u>	<u>\$ 288,988</u>	<u>\$ 142,554</u>	<u>\$ 23,307,252</u>

The accompanying notes are an integral part of these financial statements

**City of Yuma, Arizona**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2002

	<u>Equipment Replacement</u>	<u>Employee Benefits Trust Fund</u>	<u>Workman's Compensation Trust Fund</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$ 2,542,157	\$ 3,909,227	\$ 367,616	\$ 6,819,000
Cash Paid to Employees	-	(107,554)	-	(107,554)
Cash Paid to Suppliers	-	(3,770,792)	(411,953)	(4,182,745)
Net Cash Flows Provided by/(Used for) Operating Activities	<u>2,542,157</u>	<u>30,881</u>	<u>(44,337)</u>	<u>2,528,701</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Cash Received from Other Funds	460,463	-	-	460,463
Cash Paid to Other Funds	-	-	-	-
Net Cash Flows Provided by/(Used for) Noncapital Financing Activities	<u>460,463</u>	<u>-</u>	<u>-</u>	<u>460,463</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Proceeds from Sale of Capital Assets	124,718	-	-	124,718
Payments for Capital Acquisitions	(2,203,369)	-	-	(2,203,369)
Net Cash Flows Used for Capital and Related Financing Activities	<u>(2,078,651)</u>	<u>-</u>	<u>-</u>	<u>(2,078,651)</u>
<b>Cash Flows from Investing Activities</b>				
Receipt of Interest	536,720	22,224	17,236	576,180
Net Cash Flows Provided by Investing Activities	<u>536,720</u>	<u>22,224</u>	<u>17,236</u>	<u>576,180</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	1,460,689	53,105	(27,101)	1,486,693
Cash and Cash Equivalents, July 1, 2001	11,997,129	382,277	430,449	12,809,855
Cash and Cash Equivalents, June 30, 2002	<u>\$ 13,457,818</u>	<u>\$ 435,382</u>	<u>\$ 403,348</u>	<u>\$ 14,296,548</u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:</b>				
Operating Income/(Loss)	\$ 407,739	\$ 21,472	\$ 42,303	\$ 471,514
<b>Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:</b>				
Depreciation Expense	2,134,418	-	-	2,134,418
Decrease in Accounts Receivable	-	(5,607)	(213)	(5,820)
Increase/(Decrease) in Accounts Payable	-	9,374	(11,432)	(2,058)
Increase in Claims Incurred but Not Reported	-	5,642	(74,995)	(69,353)
Total Adjustments	<u>2,134,418</u>	<u>9,409</u>	<u>(86,640)</u>	<u>2,057,187</u>
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 2,542,157</u>	<u>\$ 30,881</u>	<u>\$ (44,337)</u>	<u>\$ 2,528,701</u>
<b>Noncash Transactions Affecting Financial Position:</b>				
Purchase of Capital Assets with Financing Provided by Vendor	\$ 96,780	\$ -	\$ -	\$ 96,780
Contributions of Fixed Assets	-	-	-	-
Total Noncash Transactions Affecting Financial Position	<u>\$ 96,780</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,780</u>

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

**City of Yuma, Arizona**  
 Budgetary Comparison Schedule  
 Equipment Replacement Internal Service Fund  
 (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2002

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
<b>Resources (inflows):</b>				
Charges for Services	\$ 2,688,026	\$ 2,688,026	\$ 2,584,544	\$ (103,482)
Interest	<u>590,000</u>	<u>590,000</u>	<u>523,539</u>	<u>(66,461)</u>
Total Revenues	<u>3,278,026</u>	<u>3,278,026</u>	<u>3,108,083</u>	<u>(169,943)</u>
Transfers From Other Funds	<u>-</u>	<u>-</u>	<u>460,463</u>	<u>460,463</u>
Amounts Available for Appropriation	<u>3,278,026</u>	<u>3,278,026</u>	<u>3,568,546</u>	<u>290,520</u>
<b>Charges to Appropriations (outflows):</b>				
Current				
Administration	42,387	42,387	42,387	-
Capital Outlay	<u>2,880,200</u>	<u>2,880,200</u>	<u>2,300,149</u>	<u>580,051</u>
Total Expenditures	<u>2,922,587</u>	<u>2,922,587</u>	<u>2,342,536</u>	<u>580,051</u>
Total Charges to Appropriations	<u>2,922,587</u>	<u>2,922,587</u>	<u>2,342,536</u>	<u>580,051</u>
<b>Excess of Resources Over</b>				
Charges to Appropriations	<u>\$ 355,439</u>	<u>\$ 355,439</u>	<u>1,226,010</u>	<u>\$ 870,571</u>
<b>Reconciliation to Change in Net Assets:</b>				
Capital Outlay			2,300,149	
Gain on Sale of Assets			119,072	
Depreciation and Amortization			<u>(2,134,418)</u>	
Change in Net Assets			<u>\$ 1,510,813</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.



**CAPITAL ASSETS  
USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS**

**City of Yuma, Arizona**  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Capital Assets by Source  
 June 30, 2002

Governmental funds capital assets:

Land and Buildings	\$ 77,005,462
Infrastructure	104,370,724
Construction in Progress	15,955,409
Equipment	<u>9,428,794</u>
 Total governmental funds fixed assets	 <u>\$ 206,760,389</u>

Investments in governmental funds capital assets by source:

From Current Revenues	\$ 75,219,202
From Special Revenues	124,969,341
From Grant-in-Aid	5,826,357
From Gifts	<u>745,489</u>
 Total governmental funds fixed assets	 <u>\$ 206,760,389</u>

NOTE: This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**City of Yuma, Arizona**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Function and Activity**  
**June 30, 2002**

	Land and Buildings	Infrastructure	Construction In Progress	Equipment	Total
<b>General Government:</b>					
Mayor and Council	\$ -	\$ -	\$ -	\$ 12,088	\$ 12,088
General Government	25,955,033	-	-	4,907,806	30,862,839
City Administrator	495,165	-	-	19,704	514,869
City Attorney	-	-	-	14,493	14,493
Administrative Services	270,162	-	-	105,679	375,841
Information Technology	74,870	-	-	704,506	779,376
<b>Total General Government</b>	<b>26,795,230</b>	<b>-</b>	<b>-</b>	<b>5,764,276</b>	<b>32,559,506</b>
<b>Public Safety</b>					
Police	20,282,754	-	-	541,962	20,824,716
Fire	5,679,619	-	-	2,159,601	7,839,220
Municipal Court	-	-	-	38,904	38,904
Building Safety	-	-	-	46,516	46,516
<b>Total Public Safety</b>	<b>25,962,373</b>	<b>-</b>	<b>-</b>	<b>2,786,983</b>	<b>28,749,356</b>
<b>Parks, Recreation and Culture</b>					
General Recreation and Administration	15,452,541	-	-	483,722	15,936,263
Recreation Complex	3,404,875	-	-	73,315	3,478,190
<b>Total</b>	<b>18,857,416</b>	<b>-</b>	<b>-</b>	<b>557,037</b>	<b>19,414,453</b>
<b>Environmental Health and Protection</b>					
Public Works Administration	304,407	-	-	55,272	359,679
Equipment Maintenance Shop	282,476	-	-	55,544	338,020
Solid Waste	50,738	-	-	1,797	52,535
<b>Total Environmental Health and Protection</b>	<b>637,621</b>	<b>-</b>	<b>-</b>	<b>112,613</b>	<b>750,234</b>
<b>Community Design and Development</b>					
Engineering, Planning and Administration	991,391	-	-	127,084	1,118,475
Mall Maintenance	6,200	-	-	-	6,200
<b>Total Community Design and Development</b>	<b>997,591</b>	<b>-</b>	<b>-</b>	<b>127,084</b>	<b>1,124,675</b>
Streets	3,755,231	104,370,724	15,955,409	80,801	124,162,165
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 77,005,462</b>	<b>\$ 104,370,724</b>	<b>\$ 15,955,409</b>	<b>\$ 9,428,794</b>	<b>\$ 206,760,389</b>

NOTE: This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**City of Yuma, Arizona**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes By Function and Activity**  
**June 30, 2002**

	Balance June 30, 2001 (Restated)	Additions	Deletions	Balance June 30, 2002
<b>General Government</b>				
Mayor and Council	\$ 12,088	\$ -	\$ -	\$ 12,088
General Government	9,357,567	21,505,272	-	30,862,839
City Administrator	514,869	-	-	514,869
City Attorney	14,493	-	-	14,493
Administrative Services	360,811	15,030	-	375,841
Information Technology	806,129	15,209	41,962	779,376
<b>Total General Government</b>	<b>11,065,957</b>	<b>21,535,511</b>	<b>41,962</b>	<b>32,559,506</b>
<b>Public Safety</b>				
Police	20,676,683	153,266	5,233	20,824,716
Fire	7,571,213	269,709	1,702	7,839,220
Municipal Court	36,299	2,605	-	38,904
Building Safety	43,952	2,564	-	46,516
<b>Total Public Safety</b>	<b>28,328,147</b>	<b>428,144</b>	<b>6,935</b>	<b>28,749,356</b>
<b>Parks, Recreation and Culture</b>				
General Recreation and Administration	12,802,412	3,133,851	-	15,936,263
Recreation Complex	3,430,241	47,949	-	3,478,190
<b>Total Parks, Recreation and Culture</b>	<b>16,232,653</b>	<b>3,181,800</b>	<b>-</b>	<b>19,414,453</b>
<b>Environmental Health and Protection</b>				
Public Works Administration	336,069	23,610	-	359,679
Equipment Maintenance Shop	336,068	1,952	-	338,020
Solid Waste	50,738	1,797	-	52,535
<b>Total Environmental Health     and Protection</b>	<b>722,875</b>	<b>27,359</b>	<b>-</b>	<b>750,234</b>
<b>Community Design and Development</b>				
Engineering, Planning and Administration	964,608	175,237	21,370	1,118,475
Mall Maintenance	6,200	-	-	6,200
<b>Total Community Design     and Development</b>	<b>970,808</b>	<b>175,237</b>	<b>21,370</b>	<b>1,124,675</b>
Streets	114,106,806	10,669,834	614,475	124,162,165
<b>Total Governmental Funds Capital Assets</b>	<b><u>\$ 171,427,246</u></b>	<b><u>\$ 36,017,885</u></b>	<b><u>\$ 684,742</u></b>	<b><u>\$ 206,760,389</u></b>

NOTE: This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

# **STATISTICAL SECTION**

**City of Yuma, Arizona**

**Table I  
Government-wide Expenses by Function  
One Fiscal Year**

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Streets</u>	<u>Parks Recreation and Culture</u>	<u>Environmental Health and Protection</u>	<u>Community Design and Development</u>	<u>Interest on Long-Term Debt</u>	<u>Total</u>
2001-02	\$ 3,477,585	\$ 23,566,887	\$ 6,155,398	\$ 8,526,230	\$ 3,250,679	\$ 5,246,150	\$ 3,227,438	\$ 53,450,367

**City of Yuma, Arizona**

**Table II  
Government-wide Revenues  
One Fiscal Year**

Fiscal Year	Program Revenues			General Revenues			Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Shared Revenues	Unrestricted Investment Earnings	
2001-02	\$ 23,302,928	\$ 2,794,501	\$ 7,910,255	\$ 32,212,207	\$ 23,257,853	\$ 2,227,028	\$ 91,704,772

**City of Yuma, Arizona**

**Table III  
General Governmental Expenditures by Function  
Last Ten Fiscal Years**

Fiscal Year	General Government	Public Safety	Streets	Parks Recreation and Culture	Environmental Health and Protection	Community Design and Development	Capital Outlay	Debt Service	Total
1992-93	\$ 2,717,806	\$ 12,596,916	\$ 3,419,840	\$ 3,961,118	\$ 2,720,262	\$ 2,035,627	\$ 2,350,037	\$ 870,577	\$ 30,672,183
1993-94	2,966,622	13,390,672	3,390,811	4,393,630	2,616,090	2,686,705	4,061,308	635,823	34,141,661
1994-95	3,310,521	14,540,768	3,818,333	4,927,496	2,936,146	2,540,748	6,268,560	311,743	38,654,315
1995-96	3,507,223	15,414,741	4,087,147	5,295,885	2,679,826	3,065,678	14,233,788	2,102,423	50,386,711
1996-97	2,892,817	16,598,461	4,333,310	5,716,071	3,459,715	2,804,504	21,141,249	4,356,132	61,302,259
1997-98	3,201,449	17,159,134	3,525,923	5,557,476	2,933,404	2,598,481	26,763,764	4,555,709	66,295,340
1998-99	3,431,900	17,695,284	3,421,245	5,798,588	2,313,673	4,241,837	19,101,666	4,499,767	60,503,960
1999-00	3,833,734	19,422,879	4,156,528	6,541,240	2,400,834	4,826,992	12,773,991	5,699,179	59,655,377
2000-01	3,498,091	20,732,963	4,163,416	6,704,068	2,823,020	4,810,570	23,091,843	6,047,871	71,871,842
2001-02	4,001,300	22,659,901	4,393,203	7,427,950	3,174,722	5,330,885	37,311,007	7,572,940	91,871,908

**City of Yuma, Arizona**

**Table IV  
General Revenues by Source  
Last Ten Fiscal Years**

Fiscal Year	Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fines and Forfeitures	Use of Money and Property	Miscellaneous Revenue	Total
1992-93	\$ 13,334,768	\$ 334,349	\$ 14,249,550	\$ 2,226,947	\$ 415,295	\$ 569,837	\$ 428,279	\$ 31,559,025
1993-94	15,350,018	346,468	16,134,529	1,954,112	444,465	879,535	725,476	35,834,603
1994-95	18,985,947	448,347	18,226,966	1,933,434	384,598	1,268,540	647,741	41,895,573
1995-96	21,524,540	1,277,644	20,711,518	1,855,171	525,982	2,100,613	745,012	48,740,480
1996-97	23,198,296	708,271	18,929,681	1,685,051	420,915	2,639,263	1,532,728	49,114,205
1997-98	24,710,870	681,672	19,635,508	1,528,534	486,047	2,291,095	1,063,783	50,397,509
1998-99	25,666,570	947,752	23,329,979	1,671,621	511,115	1,634,317	274,530	54,035,884
1999-00	28,412,684	1,249,632	24,683,344	2,110,970	447,813	1,922,970	371,053	59,198,466
2000-01	31,994,899	1,464,096	24,587,495	2,411,318	587,620	2,630,216	354,744	64,030,388
2001-02	32,131,817	1,438,768	27,698,796	2,875,958	670,837	2,493,973	284,348	67,594,497

**City of Yuma, Arizona**

**Table V  
Tax Revenues by Source  
Last Ten Fiscal Years**

Fiscal Year	Property Tax	General Sales Tax	City Road Sales Tax	Public Safety Sales Tax	Civic Center Excise Tax	2% Special Revenue Tax	Utility Franchise	Public Enterprise In-Lieu	Mall District Levy	Total
1992-93	\$3,469,648	\$ 7,032,083	\$ -	\$ -	\$ 1,704,517	\$ -	\$ 1,053,502	\$ -	\$ 75,018	\$13,334,768
1993-94	3,670,845	7,855,849	913,222	-	940,775	806,815	1,024,123	42,000	96,389	15,350,018
1994-95	3,579,519	8,172,410	3,903,429	391,077	17,793	1,766,817	1,025,146	42,000	87,756	18,985,947
1995-96	3,962,082	8,497,121	4,146,044	1,701,619	10,902	1,997,930	1,028,738	42,000	138,104	21,524,540
1996-97	4,050,744	9,190,489	4,470,925	1,838,760	721	2,097,687	1,447,845	42,030	59,095	23,198,296
1997-98	4,355,377	9,848,292	4,836,428	2,002,155	3,301	2,187,192	1,392,706	42,000	43,419	24,710,870
1998-99	4,486,819	10,354,676	5,088,978	2,105,780	1,263	2,313,453	1,224,830	42,000	48,771	25,666,570
1999-00	4,730,665	11,342,233	5,574,996	2,306,895	5,674	2,363,269	1,796,281	242,000	50,671	28,412,684
2000-01	5,243,984	12,836,934	6,417,376	2,566,078	-	2,490,071	2,135,544	242,000	62,912	31,994,899
2001-02	5,193,075	13,116,950	6,448,954	2,578,704	-	2,652,152	1,835,810	242,000	64,172	32,131,817

City of Yuma, Arizona

Table VI  
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 (Table V)</u>	<u>Total</u>
1992-93	\$ 3,588,475	\$ 3,550,861	\$ 1,090,006	\$ 4,596,478	\$ 440,062	\$ 983,668	\$ 14,249,550
1993-94	3,889,282	3,580,336	1,212,759	5,110,653	435,468	1,906,031	16,134,529
1994-95	4,350,840	4,056,699	1,267,830	5,258,881	430,730	2,861,986	18,226,966
1995-96	4,595,727	4,350,984	1,488,372	5,575,537	435,038	4,265,860	20,711,518
1996-97	4,267,201	4,577,465	1,654,496	5,115,826	428,877	2,885,816	18,929,681
1997-98	4,506,916	5,171,767	1,595,995	5,768,654	439,556	2,152,620	19,635,508
1998-99	5,002,193	6,212,451	2,030,291	6,038,703	424,669	3,621,672	23,329,979
1999-00	5,515,532	6,958,385	2,075,329	6,715,766	418,463	2,999,869	24,683,344
2000-01	5,779,653	7,303,100	2,235,482	6,157,241	425,571	2,686,448	24,587,495
2001-02	5,973,339	8,084,914	2,345,195	6,414,401	440,004	4,440,943	27,698,796

City of Yuma, Arizona

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

Fiscal Year	Federal						State of Arizona				Local Government	Total
	Justice	Interior	Housing/Urban Development (CDBG)	Economic Development Administration	Other HUD	Other	Parks	Commerce	Transportation	Other		
1992-93	\$ 684,919	\$ -	\$ 74,703	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184,967	\$ 39,079	\$ 983,668
1993-94	797,712	-	734,150	-	-	-	-	-	-	284,242	89,927	1,906,031
1994-95	771,975	-	595,269	634,827	-	-	-	99,252	-	162,102	598,561	2,861,986
1995-96	780,737	-	1,857,444	1,429,672	-	-	5,160	92,927	-	430	99,490	4,265,860
1996-97	986,309	405,521	857,700	453,001	-	-	-	17,907	-	-	165,378	2,885,816
1997-98	855,001	119,355	794,492	35,766	-	-	36,000	3,935	-	257,318	50,753	2,152,620
1998-99	869,432	109,421	1,372,433	9,234	-	38,543	-	286,709	600,000	275,869	60,031	3,621,672
1999-00	948,716	172,030	1,215,765	-	82,536	89,525	169,567	20,339	40,000	46,535	214,856	2,999,869
2000-01	970,255	158,271	706,783	-	199,998	156,327	393,823	10,054	-	90,937	-	2,686,448
2001-02	1,010,764	405,198	640,280	-	229,712	507,488	753,502	264,684	240,890	366,161	22,264	4,440,943

**City of Yuma, Arizona**

**Table VIII  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collection as Percent of Current Levy</u>
1992-93	\$ 3,384,416	\$ 3,189,441	94.24%	\$ 280,207	\$ 3,469,648	102.52%
1993-94	3,541,505	3,414,770	96.42%	256,075	\$ 3,670,845	103.65%
1994-95	3,726,867	3,427,048	91.96%	152,471	\$ 3,579,519	96.05%
1995-96	3,857,407	3,750,005	97.22%	212,077	\$ 3,962,082	102.71%
1996-97	4,081,166	3,869,125	94.80%	181,689	\$ 4,050,814	99.26%
1997-98	4,285,195	4,163,448	97.16%	191,929	\$ 4,355,377	101.64%
1998-99	4,463,402	4,334,970	97.12%	151,849	\$ 4,486,819	100.52%
1999-00	4,711,704	4,569,886	96.99%	160,779	\$ 4,730,665	100.40%
2000-01	4,988,638	5,099,285	102.22%	144,699	\$ 5,243,984	105.12%
2001-02	5,240,594	5,071,973	96.78%	121,102	\$ 5,193,075	99.09%

City of Yuma, Arizona

**Table IX**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Tax Year	Type	Secured Personal Property and Real Property		Unsecured Personal Property		Total		Ratio of Total Assessed to Total Estimated Value
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1992	Primary	\$ 165,042,930	\$ 1,337,841,395	\$ 14,149,936	\$ 71,607,146	\$ 179,192,866	\$ 1,409,448,541	12.71%
	Secondary	169,370,863	1,294,178,532	14,754,447	73,187,430	184,125,310	1,367,365,962	13.47%
1993	Primary	168,006,922	1,303,125,916	14,554,274	69,675,023	182,561,196	1,372,800,939	13.30%
	Secondary	179,173,631	1,397,930,759	14,397,544	69,625,407	193,571,175	1,467,556,166	13.19%
1994	Primary	175,479,480	1,369,542,338	14,397,544	69,625,407	189,877,024	1,439,167,745	13.19%
	Secondary	179,173,631	1,397,930,759	14,397,544	69,625,407	193,571,175	1,467,556,166	13.19%
1995	Primary	175,509,342	1,412,395,181	20,816,777	97,214,650	196,326,119	1,509,609,831	13.01%
	Secondary	178,842,668	1,535,651,900	20,816,777	97,214,650	199,659,445	1,632,866,550	12.23%
1996	Primary	183,597,249	1,482,687,149	22,929,055	111,984,926	206,526,304	1,594,672,075	12.95%
	Secondary	185,412,281	1,497,377,895	22,929,055	111,984,926	208,341,336	1,609,362,821	12.95%
1997	Primary	193,255,960	1,572,307,887	22,059,428	98,854,853	215,315,388	1,671,162,740	12.88%
	Secondary	196,715,779	1,592,972,175	22,047,206	98,854,853	218,762,985	1,691,827,028	12.93%
1998	Primary	201,032,944	1,635,071,855	23,235,158	99,853,151	224,268,102	1,734,925,006	12.93%
	Secondary	209,173,222	1,680,497,739	23,224,769	99,863,151	232,397,991	1,780,360,890	13.05%
1999	Primary	198,440,910	1,669,781,968	38,303,391	182,242,377	236,744,301	1,852,024,345	12.78%
	Secondary	206,647,958	1,720,335,233	38,361,011	182,490,372	245,008,969	1,902,825,605	12.88%
2000	Primary	237,647,832	1,855,283,531	13,011,271	75,532,333	250,659,103	1,930,815,864	12.98%
	Secondary	243,568,945	1,893,146,460	13,043,157	76,701,583	256,612,102	1,969,848,043	13.03%
2001	Primary	257,577,033	2,057,839,955	13,792,746	83,851,167	271,369,779	2,141,691,122	12.67%
	Secondary	264,761,666	2,117,806,342	13,793,804	83,861,748	278,555,470	2,201,668,090	12.65%

City of Yuma, Arizona

**Table X**  
**Property Tax Rates Per \$100 of Assessed Valuation-Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Tax Year	Type	State	County	City	Yuma Union High School District No. 70	School District No. 1	School District No. 13	Community College District	Library District	Flood Control District	Total Within	
											School District No. 1	School District No. 13
1992	Primary	\$ 0.4700	\$ 2.4642	\$ 1.8887	\$ 2.5449	\$ 2.4449	\$ 2.2309	\$ 1.7484	\$ -	\$ -	\$ 11.5611	\$ 11.3471
	Secondary	-	0.3135	0.1115	0.6277	0.8132	1.4973	0.2734	-	-	2.1393	2.8234
1993	Primary	0.4700	2.4642	1.9399	2.3915	2.2567	2.3420	1.8400	-	-	11.3623	11.4476
	Secondary	-	0.3128	-	0.6185	0.9094	1.5269	0.3772	-	-	2.2179	2.8354
1994	Primary	0.4700	2.4642	1.9628	2.5603	2.4097	2.2080	1.8722	-	-	11.7392	11.5375
	Secondary	-	-	-	1.1109	1.1627	1.6386	0.3517	0.4352	0.5000	3.5605	4.0364
1995	Primary	0.4700	2.4500	1.9771	2.5636	2.2795	2.3105	1.8356	-	-	11.5758	11.6068
	Secondary	-	-	-	1.1041	1.1892	1.4128	0.3301	0.4831	0.5000	3.6065	3.8301
1996	Primary	-	2.4500	1.9771	2.5670	2.2859	2.3071	1.4106	-	-	10.6906	10.7118
	Secondary	-	-	-	1.1058	1.2157	1.4367	0.3454	0.4831	0.5000	3.6500	3.8710
1997	Primary	-	2.8480	1.9902	2.3610	2.2923	2.6132	1.8218	-	-	11.3133	11.6342
	Secondary	-	-	-	0.9954	1.3415	1.1248	0.3305	0.5040	0.2490	3.4204	3.2037
1998	Primary	-	2.8480	1.9902	2.3759	2.5027	2.6191	1.8072	-	-	11.5240	11.6404
	Secondary	-	-	-	0.9307	1.3002	1.3949	0.3138	0.5040	0.3500	3.3987	3.4934
1999	Primary	-	2.8397	1.9902	2.2269	2.5612	2.1935	1.8216	-	-	11.4396	11.0719
	Secondary	-	-	-	0.9121	1.5049	1.2755	0.3012	0.5040	0.3500	3.5722	3.3428
2000	Primary	-	2.8303	1.9902	2.2387	2.4934	2.0975	1.8181	-	-	11.3707	10.9748
	Secondary	-	-	-	0.8793	1.5377	1.4225	0.2815	0.5040	0.3500	3.5525	3.4373
2001	Primary	-	2.3180	1.9192	2.4303	2.8157	2.5481	1.8267	-	-	-	-
	Secondary	-	-	-	0.8753	1.2510	1.3288	0.2759	0.5040	0.3500	-	-

**City of Yuma, Arizona**

**Table XI  
Computation of Direct and Overlapping Debt  
June 30, 2002**

Jurisdiction	Debt Outstanding	Allocable to City of Yuma	
		Percent	Amount
City of Yuma	\$ -	100.00%	\$ -
Yuma County	42,260,000	48.92%	20,673,122
Yuma County Community College District	12,405,000	48.92%	6,068,388
Yuma Union High School District No. 70	18,145,000	52.62%	9,547,136
Yuma School District No. 1	29,390,000	55.43%	16,289,414
Yuma School District No. 13	11,535,000	68.37%	<u>7,886,106</u>
Total Overlapping Debt			<u>\$ 60,464,166</u>

Source: Yuma County Treasurer  
and Yuma County Assessor

**City of Yuma, Arizona**

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

<u>Fiscal Year</u>	<u>Population (1)(2)</u>	<u>Assessed Value</u>	<u>General Bonded Debt</u>	<u>Ratio of General Bonded Debt to Assessed Value</u>	<u>General Bonded Debt per Capita</u>
1992-93	59,749	\$ 184,125,310	\$ 175,000	0.001	\$ 2.93
1993-94	60,125	185,073,619	-	-	-
1994-95	60,457	193,571,175	-	-	-
1995-96	63,150	198,439,931	-	-	-
1996-97	65,130	208,341,336	-	-	-
1997-98	68,160	218,762,985	-	-	-
1998-99	69,055	232,397,991	-	-	-
1999-00	71,000	245,008,969	-	-	-
2000-01	77,515	256,612,102	-	-	-
2001-02	79,530	280,247,097	-	-	-

Source: (1) Census data

(2) City of Yuma, Department of Community Development

**City of Yuma, Arizona**

**Table XIII  
Special Assessments Collections  
Last Ten Fiscal Years**

Fiscal Year	Current Assessments Due	Assessments Collected	Ratio of Collections to Amount Due	Outstanding Delinquent Assessments (1)
1992-93	\$ 362,690	\$ 362,690	100%	\$ -
1993-94	352,611	352,611	100%	-
1994-95	296,000	296,000	100%	-
1995-96	278,052	278,052	100%	-
1996-97	243,965	243,965	100%	-
1997-98	234,868	234,868	100%	-
1998-99	12,480	12,480	100%	-
1999-00	12,701	13,094	103%	-
2000-01	6,181	6,181	100%	-
2001-02	-	-	-	-

(1) All assessments are either paid when due or sold to independent bidders when delinquent. In the event there are no interested bidders, the delinquency must be satisfied from available funds of the City; therefore, all assessments are considered collected currently. Fiscal year 1999-00 included \$393 prepaid for the subsequent fiscal year, reducing FY 2000-01 assessments due from \$6,574 to \$6,181.

City of Yuma, Arizona

Table XIV  
 Computation of Legal Debt Limitation  
 June 30, 2002

Legal Debt Limitation	General Obligation Bonds	
	Water, Sewer Lights, Parks (20%)	All Others (6%)
2001 Tax Year Secondary Assessed Valuation	\$ 280,247,097	\$ 16,814,826
Outstanding General Obligation Debt:		
Project 1992	3,575,000	-
Project 1997	7,810,000	-
Total General Obligation Debt	11,385,000	-
	<u>\$ 44,664,419</u>	<u>\$ 16,814,826</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

**Table XV**  
**Ratio of Debt Service of General Bonded Debt to Total General Governmental Expenditures**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
1992-93	\$ 175,000	\$ 16,450	\$ 191,450	\$ 30,672,183	0.6242%
1993-94	-	-	-	34,141,661	-
1994-95	-	-	-	38,654,315	-
1995-96	-	-	-	50,386,711	-
1996-97	-	-	-	61,302,259	-
1997-98	-	-	-	66,568,726	-
1998-99	-	-	-	60,503,960	-
1999-00	-	-	-	59,655,377	-
2000-01	-	-	-	71,871,842	-
2001-02	-	-	-	91,871,908	-

City of Yuma, Arizona

**Table XVI**  
**Schedule of Water and Wastewater Revenue Bond Coverage**  
**Last Ten Fiscal Years**

Fiscal Year	Gross Revenues	Operating Expenses (1)	Net Revenues Available for Debt Service	Debt Service Requirements		
				Principal	Interest	Total
1992-93	\$ 10,876,401	\$ 6,340,294	\$ 4,536,107	\$ 720,000	\$ 332,988	\$ 1,052,988
1993-94	11,632,799	6,553,131	5,079,668	785,000	273,588	1,058,588
1994-95	12,019,211	7,130,005	4,889,206	860,000	206,863	1,066,863
1995-96	13,051,001	7,610,591	5,440,410	935,000	131,612	1,066,612
1996-97	13,940,833	8,075,960	5,864,873	650,000	59,150	709,150
1997-98	13,497,421	8,011,547	5,485,874	-	-	-
1998-99	13,382,190	8,267,029	5,115,161	-	-	-
1999-00	14,433,719	8,902,681	5,531,038	-	-	-
2000-01	15,114,842	9,562,567	5,552,275	-	-	-
2001-02	15,952,585	10,139,060	5,813,525	-	-	-

(1) Excludes depreciation, amortization and other water expenses subordinate to debt service.

City of Yuma, Arizona

Table XVII

Pledged Tax Collections

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
<b>Local Taxes</b>							
Sales Tax (1%)	\$ 8,497,121	\$ 9,190,489	\$ 9,848,292	\$ 10,354,676	\$ 11,342,233	\$ 12,836,934	\$ 13,116,950
Franchise Fee	1,644,567	1,489,875	1,434,706	1,266,830	2,038,281	2,377,544	2,077,810
<b>Intergovernmental Revenues:</b>							
State Revenue Sharing	4,350,984	4,577,465	5,171,767	6,212,451	6,958,385	7,303,100	8,084,914
State Sales Tax	4,595,727	4,267,201	4,506,916	5,002,193	5,515,532	5,779,653	5,973,339
Auto In-Lieu Tax	1,488,372	1,654,496	1,595,995	2,030,291	2,075,329	2,235,482	2,345,195
Emergency Services and Other	20,051	14,634	17,702	18,079	21,856	19,675	22,264
<b>Licenses:</b>							
Business Licenses	260,881	282,976	288,771	286,644	273,704	262,991	210,565
Liquor Licenses	30,720	34,020	32,342	32,395	26,560	27,990	27,185
<b>Fees for Services:</b>							
Building Permits and Inspection Fees	549,605	537,079	499,810	912,959	1,318,636	1,543,648	1,550,072
Recreation Fees	255,668	282,596	267,065	286,838	305,014	332,466	341,523
Police Services and Other Public Safety Fees	176,954	210,534	434,843	253,442	423,643	495,782	482,394
<b>Use of Money and Property:</b>							
Investment Income	277,449	226,266	149,523	174,856	278,612	457,415	461,606
<b>Fines, Forfeitures and Penalties:</b>							
City Court Fines	525,982	420,915	486,047	511,115	447,813	587,620	670,837
<i>Total Series B Pledged Taxes</i>	<u>22,674,081</u>	<u>23,188,546</u>	<u>24,733,779</u>	<u>27,342,769</u>	<u>31,025,598</u>	<u>34,260,300</u>	<u>35,364,654</u>
<b>Additional Series A Pledged Taxes</b>							
City Public Safety Taxes (.2%)	1,701,619	1,838,760	2,002,155	2,105,780	2,306,895	2,566,078	2,578,704
<i>Total Series A Pledged Taxes</i>	<u>24,375,700</u>	<u>25,027,306</u>	<u>26,735,934</u>	<u>29,448,549</u>	<u>33,332,493</u>	<u>36,826,378</u>	<u>37,943,358</u>
<b>Additional Series C Pledged Taxes</b>							
City Special Taxes (2%)	2,008,832	2,098,408	2,190,493	2,313,453	2,363,269	2,490,071	2,652,152
<i>Total Series C Pledged Taxes</i>	<u>\$24,682,913</u>	<u>\$25,286,954</u>	<u>\$26,924,272</u>	<u>\$29,656,222</u>	<u>\$33,388,867</u>	<u>\$36,750,371</u>	<u>\$38,016,806</u>
<i>Gross Excise Tax Pledged Revenues</i>	<u>\$26,384,532</u>	<u>\$27,125,714</u>	<u>\$28,926,427</u>	<u>\$31,762,002</u>	<u>\$35,695,762</u>	<u>\$39,316,449</u>	<u>\$40,595,510</u>

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

Source: City of Yuma Financial Services Department

City of Yuma, Arizona

Table XVIII

Schedule of Municipal Property Corporation Debt Service Requirements and Coverage

<u>Series 1995, 1998 and 2001 Covenants</u>					<u>Series 1996 Covenants</u>	
	<u>1995 A</u>	<u>1995 B</u>	<u>1995 C</u>		<u>1995 B</u>	
2001-02 Pledged Taxes	\$ 37,943,358	\$ 35,364,654	\$ 38,016,806		2001-02 Pledged Taxes	\$ 35,364,654
					Less: Series B Debt Service	(319,347)
2002-03 Debt related to pledge:				Total	Excess of debt requirements	
1995 Series A	\$ 1,685,199	\$ -	\$ -	\$ 1,685,199	over pledged revenue:	
1995 Series B	-	319,347	-	319,347	Series A	-
1995 Series C	-	-	243,470	243,470	Series C	-
1998 Series	-	1,346,925	-	1,346,925	Net Series B Revenues	<u>\$ 35,045,307</u>
2001 Series	-	1,647,825	-	1,647,825	Series 1996 2002-03 Debt	<u>\$ 1,625,175</u>
Total Debt	<u>\$ 1,685,199</u>	<u>\$ 4,961,922</u>	<u>\$ 243,470</u>	<u>\$ 5,242,766</u>	Coverage	21.6
Coverage	22.5	7.1	156.1		<b>Required Coverage</b>	<b>2.0</b>
<b>Required Coverage</b>	<b>4.0</b>	<b>3.0</b>	<b>3.5</b>			
					<i>Collective Coverage</i>	
<i>Collective Coverage</i>					2001-02 Gross Excess Taxes	<u>\$ 39,316,449</u>
2001-02 Pledged Taxes	\$ 37,943,358	\$ 35,364,654	\$ 38,016,806		Total Senior Series Highest Debt	3,655,882
Total 2002-03 Debt	<u>\$ 5,242,766</u>	<u>\$ 5,242,766</u>	<u>\$ 5,242,766</u>		Series 1996 Series Highest Debt	<u>1,625,175</u>
Coverage	7.2	6.7	7.3		Total Debt-All Series	<u>\$ 5,281,057</u>
<b>Required Coverage</b>	<b>4.0</b>	<b>3.0</b>	<b>3.5</b>		Coverage	7.44
					<b>Required Coverage</b>	<b>2.0</b>

**1995, 1998 and 2001 Series:** Bond covenants require that each series cover both its related debt and the collective debt for the succeeding year.

**1996 Series:** The Series B pledged revenues are first reduced by the sum of current year debt service for the 1995 Series B bond and any excess debt service of the Series A and Series C pledged revenues. This "Net Series B" revenue must then cover the current year 1996 Series debt. Additionally, Gross Excess Taxes must cover all succeeding year debt (Series 1995 A-C, 1996 and 1998).

**City of Yuma, Arizona**

**Table XIX  
Building Permits, Bank Deposits and Retail Sales  
Last Ten Fiscal Years**

Tax Year	Building Permits (1)				Yuma County	
	Commercial		Residential		Bank Deposits(2)	Retail Sales(3)
	No.	Value	No.	Value	In Thousands	
1992	312	\$ 29,714,967	577	\$ 21,124,371	\$ 636,281	\$ 527,406
1993	286	28,456,506	619	23,480,659	599,336	535,681
1994	605	20,795,722	239	19,313,100	606,842	590,452
1995	265	17,613,928	620	23,915,670	651,312	626,043
1996	582	26,664,589	391	34,298,598	538,041	650,114
1997	430	40,281,141	373	20,370,303	606,965	671,821
1998	247	17,236,498	431	37,795,329	782,120	715,746
1999	241	25,249,505	633	26,625,914	740,482	762,778
2000	186	24,818,824	466	49,925,047	725,000	820,348
2001	343	42,381,125	568	60,363,660	792,000	855,556

(1) Calendar year permits issued by City of Yuma Community Development Department

(2) Arizona Banker's Association, 2001 N. Third Street, Ste 205, Phoenix, AZ (602)258-1200

(3) Arizona Department of Revenue website, Annual Report  
(excludes restaurants, bars, hotels and motor fuel)

City of Yuma, Arizona

**Table XX**  
**Assessed Valuation of Ten Major Property Taxpayers**  
**June 30, 2002**

Taxpayer	Primary Assessed Valuation	Percentage of Total
Dole Fresh Vegetables	\$ 4,182,779	1.54%
HPI-FW West Partners (Super WalMart Center)	1,571,961	0.58%
Shaw Industries	1,780,061	0.66%
Simon Real Estate Group (Southgate Mall)	1,699,484	0.63%
Tanimura and Antle, Inc.	1,657,873	0.61%
Weyerhaeuser Paper Company	1,644,859	0.61%
Shilo Inn	1,435,139	0.53%
Dayton-Hudson Corporation (Target Stores)	1,395,380	0.51%
Queen Carpets	1,254,137	0.46%
HSL Properties (Radisson Hotel)	1,160,015	0.43%
Total Taxpayers	<u>\$ 17,781,688</u>	6.55%
Total Assessed Valuation	<u>\$ 271,369,779</u>	100.00%

Source: Yuma County Assessor

Note: Excluded from the list are centrally-assessed utility and railroad values. These properties represent approximately 8%-9% of total assessed valuation.

City of Yuma, Arizona

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**City of Yuma, Arizona**

**Table XXI  
Miscellaneous Statistical Data  
June 30, 2002**

Incorporated:	April 14, 1914
First Charter:	June 11, 1914
Last Charter Amendment:	January 2, 2002
Form of Government:	Council-Manager

**Most Recent Election:**

Primary:	November 6, 2001
Registered Voters:	23,099
Votes Cast:	4,380
Percentage Voting:	19.00%

**Public Works:**

Streets (Miles est.)	
Paved	300
Unpaved	5
Alleys	45
Street lights	4,250
Refuse Collection:	
Accounts	18,166
Quantity Collected(tons)	29,358
Water Services:	
Connections	22,129
Customers	21,662
Miles of Lines	416
Storage Capacity (million gallons)	13.5
Daily Treatment Capacity (million gallons)	30
Annual Quantity Processed(billion gallons)	8.17
Wastewater Services:	
Sanitary Sewers	
Miles of Lines	255
Processing Capacity (million gallons daily)	12.26
Quantity Processed (million gallons daily)	8.31

<u>Year</u>	<u>Square Miles</u>	<u>Population</u>	
2002	108.45	81,380	(Estimated)
2000	106.60	77,515	
1995	22.90	60,457	
1990	21.74	56,966	
1985	21.55	46,400	
1980	18.46	43,057	
1975	8.00	30,081	
1970	7.92	29,007	
1960	7.79	23,974	

**Schools:**

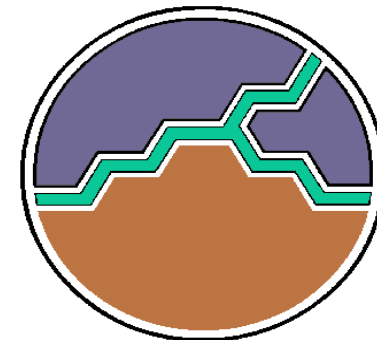
Schools	37
Teachers (est)	1,392
Enrollment (est)	26,422

**Public Safety:**

Fire Protection:	
Stations:	5
Employees:	113
Police Protection:	
Units-marked:	57
Units-unmarke	63
Motorcycles:	7
Employees:	217

**Parks:**

Park acreage	553
Municipal golf courses(acres)	175
Swimming Pools	3
Activity Centers	7
Cemetery (acres)	40
Retention Basins(acres)	128



**City of Yuma**

