



City of Yuma, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007

City of Yuma
Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2007

Prepared by:

Finance Department

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About the Cover:

At three acres in size, the Stewart Vincent Wolfe Creative Playground is the largest playground in Yuma and is a one of a kind experience for children and their families. Its unique components were designed from the ideas of over 5000-plus local schoolchildren. The Playground was built entirely by community members, young and old, working side by side in just 10 days time, similar to an old fashioned "Barn Raising".

*Photo - © 2007 City of Yuma,
Communications and Public Affairs*

CITY COUNCIL

Lawrence K. Nelson, Mayor
Gerald (Gerry) D. Giss
Ross J. Hieb
Paul B. Johnson
Scott D. Johnson
Alan (Al) L. Krieger
Ema Lea Shoop

City Administration

Mark S. Watson
City Administrator

Robert L. Stull
Deputy City Administrator

Gary R. Burroughs
Deputy City Administrator

City Departments

City Attorney
Steven W. Moore

City Clerk
Brigitta M. Kuiper

Community Development
Laurie L. Lineberry

Finance
Donald (Pat) Wicks

Fire Department
Jack McArthur, Chief

Information Technology
Laura S. Neinast

Municipal Court
Douglas S. Stanley, Judge

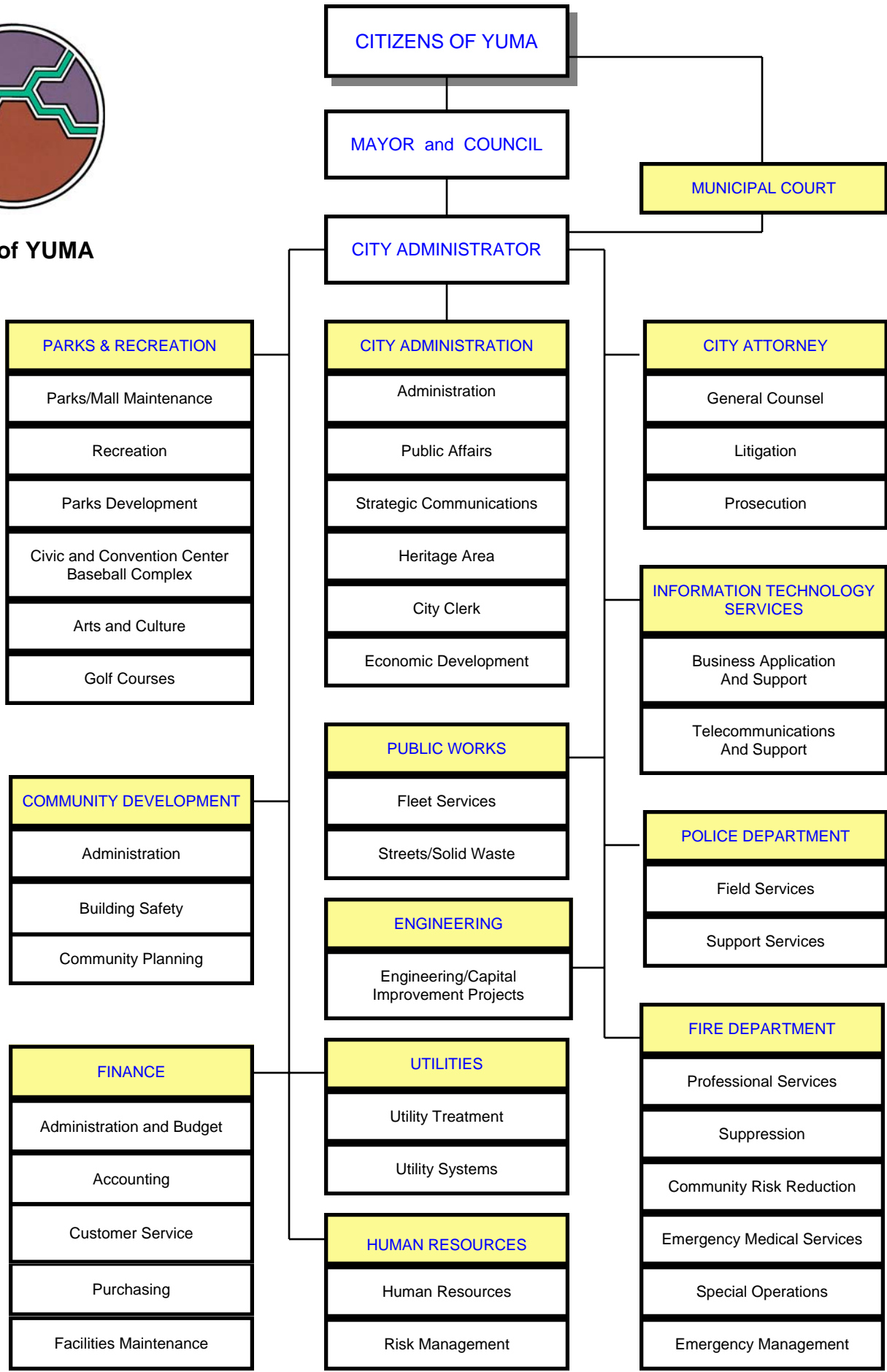
Parks and Recreation
Rebecca J. Chavez

Police Department
William D. (Robby) Robinson, Chief

Public Works
Gary R. Burroughs



City of YUMA



City of Yuma, Arizona
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2007

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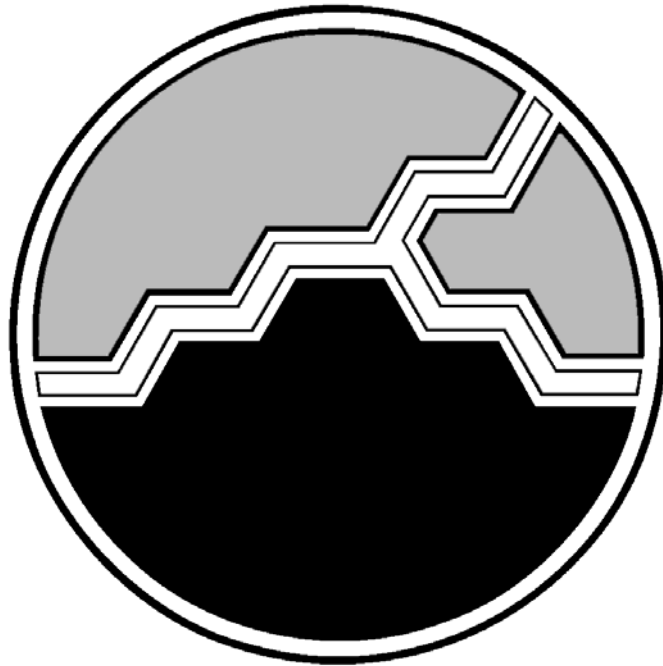
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INTRODUCTORY SECTION





City of YUMA

FINANCE DEPARTMENT
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August 17, 2007

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

The Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Yuma, Arizona for the fiscal year ended June 30, 2007. 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, 2007, 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, 2007, are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE CITY OF YUMA

The City of Yuma was incorporated in 1914 and adopted its first charter in June of that year. Yuma is the economic hub and county seat of Yuma County and is 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 part of the City’s operations and are combined within the report. The Yuma Municipal Property Corporation and the City of Yuma Employee Benefits Trust have been included in the reporting entity. Conversely, the report does not include the City of Yuma Housing Authority as the City is not financially accountable for the authority, nor does the City directly or indirectly rely upon or benefit from the financial activity of the authority.

ECONOMIC CONDITION AND OUTLOOK

Industrial Expansion. Yuma’s economy is based primarily in agriculture, tourism and government, although further diversification continues. Agriculture remains the Yuma area’s dominant industry, producing almost \$1 billion in revenues annually¹. Several major agricultural companies, most notably Dole Food Company, maintain operations here. Their chief consumer products 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.

The United States Marine Corps Air Station and United States Army Yuma Proving Ground help provide economic stability. These two installations are cornerstones in the military’s flight training and equipment testing programs and should survive any continued base closure efforts by the federal government. In fact, both installations are enjoying new construction and expansion to meet their needs into the 21st century. The importance of these two bases to the military establishment has been magnified by the conflict in Iraq and the continued fight against terrorism.

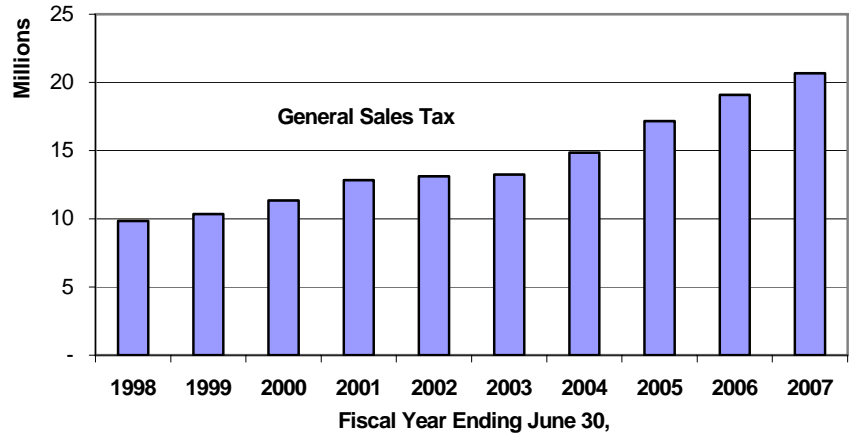
Although manufacturing currently accounts for less than 10% of countywide employment, the City’s partnership with the Greater Yuma Economic Development Council continues to attract attention to the area. Several companies have located or expanded operations in Yuma in recent years.

¹ Source: Yuma County Chamber of Commerce

Economic Growth. Yuma’s most reliable indicator of the condition of its economy is sales tax. The graph below reflects the last ten years of data. Even with the limited growth following 2001, collections continue to average better than 7% increase annually. For 2007, Yuma’s collections exceeded that average ending at an 8% increase. Planning for fiscal year 2008 anticipates another 8% growth in sales tax collections.

Yuma’s basis as a regional retail center expanded during 2007 with the construction of a 1 million square foot shopping center adjoining the recently constructed Yuma Palms Regional Shopping Center. More nationally known retail operations hope to open before the 2007 holiday season.

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



LONG-TERM FINANCIAL PLANNING

Yuma Crossing National Heritage Area. Plans to restore, preserve and interpret the Yuma Crossing National Heritage area began more than thirty years ago. A study at the time aimed at gaining full economic and recreational benefit from the Colorado River for the Yuma area. The river, once the primary reason for Yuma’s existence, was ignored for years as community growth and new development moved away from the riverfront. Awareness of the river’s importance has re-emerged, culminating in the establishment of the Yuma Crossing National Heritage Area in 2000, the first such National Heritage Area west of the Mississippi River.

During fiscal year 2007, work on the East Wetlands portion of the plan continued to restore natural vegetation and wildlife habitat. With continued diligence, the City is determined to continue development of historic and cultural activities so important in meeting the Council’s goals in enriching the area’s cultural attributes. Progress in providing opportunities for local residents and 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. During 2007, the City’s long-awaited reopening of Main Street was completed. This project enhances traffic flow to emerging downtown businesses while still allowing popular civic and entertainment events on the historic street. Along the riverfront, construction began on a new hotel and conference center, and construction was nearly completed on the new Gateway Park. This park will improve access to the river area with new parking, restroom facilities and picnic and play facilities.

East Mesa Development. Construction of the new East Mesa Water and Wastewater Treatment plants continued during 2007. The eastern edge of the City on the Yuma Mesa continues to grow. These two plants will not only establish the infrastructure necessary to accommodate that growth, but will improve capacity of existing plants in the older Yuma area to accommodate that dramatic growth. The Water Infrastructure Financing Authority (WIFA) of the State of Arizona has been invaluable in providing lower-cost financing for these important projects. Rate structures for both the Water Fund and the Wastewater Fund have already been passed and put in place by the City Council to assure adequate funding for the project’s debt service.

FINANCIAL INFORMATION

Budgetary Controls. The annual budget serves as the foundation for City financial planning and control. The City maintains budgetary controls with the objectives to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the City Council. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Fund, Enterprise Funds, and three of the City's Internal Service Funds are included in the annual appropriated budget. As with the governmental funds, the City's proprietary funds are presented on a current financial resources basis to account for capital and debt-related expenditures. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. Encumbered amounts lapse at year-end. However, encumbrances generally are re-appropriated as part of the following year's budget. As demonstrated by the budgetary schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. In addition to budgetary schedules, Note I-D in the Notes to the Financial Statements beginning on page 35 describes in detail the budget process used by the City.

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 to \$84,840,562 at June 30, 2007 from \$99,924,803 last year. The decrease reflects the heightened capital program funded in part by the city's current resources. Following the turnaround in market conditions, average yield on investments rose at June 30, 2007, to 4.92%. A review of Note III-A in the Notes to the Financial Statements, beginning on page 39, 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 participates, with other entities, in a local area self funded consortium for employee health, life and dental insurance. 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, 2006. This is the twenty-fifth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. The report satisfied both generally accepted accounting principles and applicable legal requirements.

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

I wish to express my sincere thanks to the employees of the Accounting Division for their dedicated service in preparing this report. Their work, along with those services provided by other members of the Finance

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

Respectfully submitted,

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

Donald (Pat) Wicks, CPA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Yuma
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

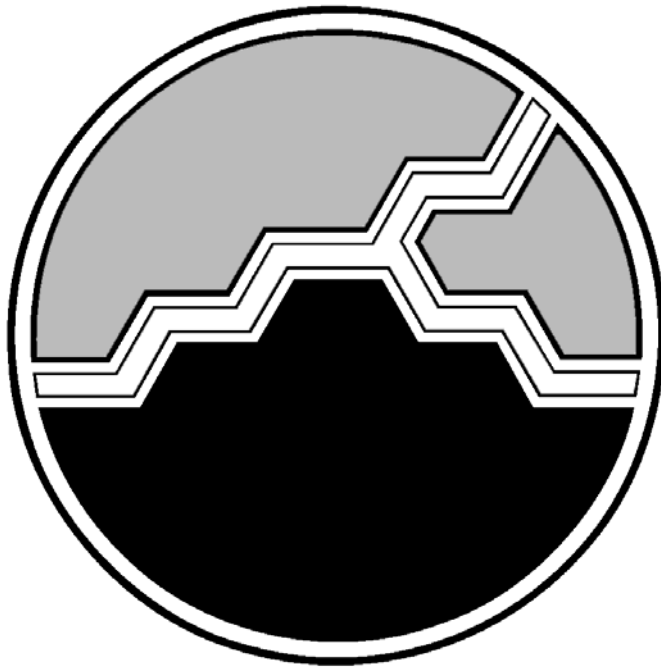
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

FINANCIAL SECTION





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CERTIFIED PUBLIC ACCOUNTANTS

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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 User Revenues Fund, City Road Tax Fund, Grants Fund, Community Redevelopment Fund, Debt Service Fund, Capital Projects Fund, Water Fund, Wastewater Fund), and the aggregate remaining fund information of the City of Yuma, Arizona (the City) as of and for the year ended June 30, 2007, 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, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2007, on our consideration of City of Yuma, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Heinfeld, Meech & Co., P.C.

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

August 17, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Required Supplementary Information)

As management of the City of Yuma, we offer readers of the City of Yuma's financial statements this narrative overview and analysis of the financial activities of the City of Yuma for the fiscal year ended June 30, 2007. 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 \$34.6 million for the fiscal year, \$19.2 million of which was generated by governmental activities while \$15.3 million was due to business-type activities of the City.
- The City's combined net assets total \$378.5 million at June 30, 2007. Of this amount, \$51.2 million is available (unrestricted) to finance ongoing programs, \$43.6 million in governmental programs and \$7.6 million in business activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 66.

Major Governmental Funds:

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

Nonmajor Governmental Funds:

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

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

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

Major Enterprise Funds:

Water Fund
Wastewater Fund

Nonmajor Enterprise Funds:

Desert Hills Golf Course
Arroyo Dunes Golf Course

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The basic proprietary fund financial statements can be found on pages 29-31 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 33 of this report.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Yuma, assets exceeded liabilities by \$378.5 million at the close of the fiscal year.

Net Assets (millions)	Governmental Activities		Business-type Activities		Total	
	June 30,					
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 95.7	\$ 94.8	\$ 18.3	\$ 31.0	\$ 114.0	\$ 125.8
Capital assets	227.8	201.2	245.6	202.2	473.4	403.4
Total assets	323.5	296.0	263.9	233.2	587.4	529.2
Long-term liabilities outstanding	67.6	71.5	91.5	82.5	159.1	154.0
Other liabilities	39.0	26.9	10.8	4.4	49.8	31.3
Total liabilities	106.6	98.4	102.3	86.9	208.9	185.3
Net assets:						
Invested in capital assets, net of related debt	160.2	130.2	154.0	119.7	314.2	249.9
Restricted	13.1	24.8	-	-	13.1	24.8
Unrestricted	43.6	42.6	7.6	26.6	51.2	69.2
Total net assets	216.9	197.6	161.6	146.3	378.5	343.9

The largest portion of the City of Yuma's net assets reflects its investment in capital assets (e.g., land, buildings, machinery), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to pay these liabilities. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, including the City as a whole, as well as for its separate governmental and business-type activities. The same held true for the previous fiscal year. Net assets rose to \$378.5 million, up \$34.6 million from the prior year. Governmental activities accounted for \$19.2 million of the increase while business-type activities amounted to \$15.3 million. Most of the increase would be attributable to capital asset acquisitions, particularly infrastructure, as governmental capital assets increased \$26.6 million (net of depreciation), funded in part by the excess of revenues over operating expenses as reported in the Statement of Activities on page 19. These acquisitions are reflected in the portion of net assets shown above as 'Invested in capital assets, net of related debt.' Unrestricted

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

Changes in Net Assets Fiscal Year Ended June 30, (millions)	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
Program revenues:						
Charges for services	\$ 14.7	\$ 14.2	\$ 31.5	\$ 27.4	\$ 46.2	\$ 41.6
Operating grants and contributions	2.7	2.9	-	-	2.7	2.9
Capital grants and contributions	5.3	5.7	11.2	11.0	16.5	16.7
General revenues:						
Property taxes	7.4	6.8	-	-	7.4	6.8
Sales taxes	39.6	36.6	-	-	39.6	36.6
Franchise taxes	2.7	3.1	-	-	2.7	3.1
Intergovernmental revenues	30.5	28.2	-	-	30.5	28.2
Unrestricted grants and contributions	0.1	7.8	-	-	0.1	7.8
Unrestricted investment earnings	4.1	2.2	1.0	0.8	5.1	3.0
Gain from sale of assets	-	0.3	-	-	-	0.3
Total revenues	<u>107.1</u>	<u>107.8</u>	<u>43.7</u>	<u>39.2</u>	<u>150.8</u>	<u>147.0</u>
Expenses:						
General government	10.9	9.1	-	-	10.9	9.1
Public safety	36.1	33.1	-	-	36.1	33.1
Streets	13.4	12.3	-	-	13.4	12.3
Parks, recreation and culture	15.4	12.2	-	-	15.4	12.2
Environmental health and protection	2.1	3.4	-	-	2.1	3.4
Community design and development	6.8	6.5	-	-	6.8	6.5
Interest on long-term debt	2.9	2.9	-	-	2.9	2.9
Water	-	-	14.6	13.0	14.6	13.0
Wastewater	-	-	11.5	10.4	11.5	10.4
Golf courses	-	-	2.6	2.6	2.6	2.6
Total expenses	<u>87.6</u>	<u>79.5</u>	<u>28.7</u>	<u>26.0</u>	<u>116.3</u>	<u>105.5</u>
Transfers	(0.3)	-	0.3	-	-	-
Change in net assets	<u>\$ 19.2</u>	<u>\$ 28.3</u>	<u>\$ 15.3</u>	<u>\$ 13.2</u>	<u>\$ 34.5</u>	<u>\$ 41.5</u>

For the fiscal year, net assets increased \$34.6 million, with \$19.3 of the increase coming from governmental activities. The increase in assets in governmental activities is related in great part to construction of capital assets, rather than accumulation of cash or other liquid assets. The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenditures while its revenues include general taxes whose primary purpose is for the construction of those very assets or their related debt service (i.e., public safety or road sales taxes).

Governmental Activities

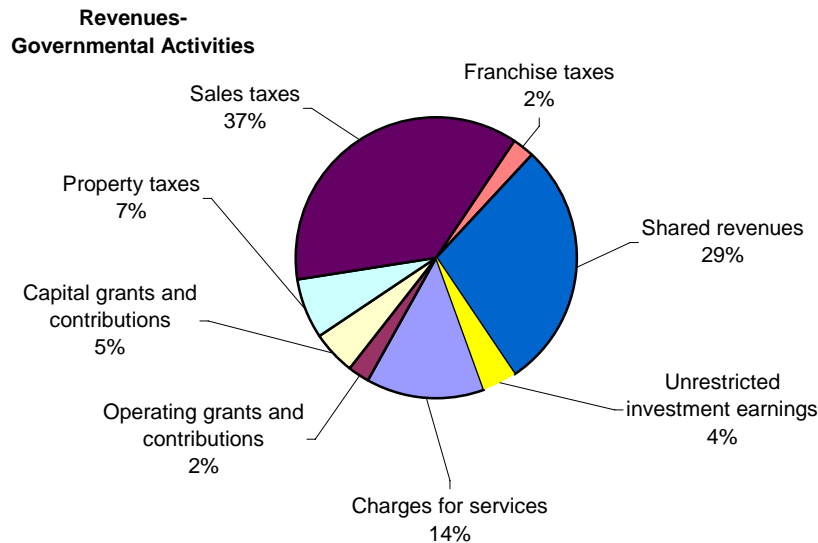
Revenues

Governmental activities revenues totaled \$107.2 million for fiscal year 2007, down slightly from 2006 because of reductions in grants revenues. Local sales taxes remain the largest revenue source for the City and are comprised of the 1% general sales tax along with a .5% road tax and a .2% public safety tax. State-shared revenues are the City's second largest revenue source. State-shared revenues include state sales tax, urban

MANAGEMENT'S DISCUSSION AND ANALYSIS

revenue sharing (income tax), auto in-lieu tax and highway user funds (gas tax). Sales taxes and state shared revenues account for 61% of governmental revenues for the year, which is comparable to 2006. 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 14% of governmental revenues. Property taxes represent 7% of governmental revenues. The large majority of property taxes are levied for general purposes with a small levy for downtown mall maintenance. No property taxes are levied for debt service. Various grants and contributions and franchise taxes account for most of the remaining governmental revenues. Some of the more significant changes in governmental activities revenues are noted:

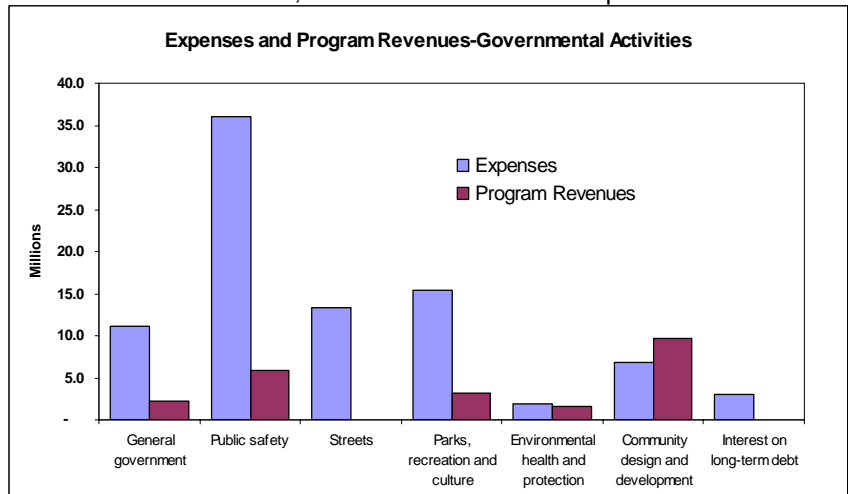
- Sales taxes increased \$3 million or 8.2% from 2006 showing a continued fast pace in economic activity.
- Intergovernmental revenues grew by \$2.3 million or 8.3%. State-shared income taxes rose 24% from 2006, as anticipated, while state-shared sales taxes declined because of the city's slightly lower population-based share.
- Overall grants and contributions decreased by \$8.3 million because of a decrease in developer infrastructure contributions.



Expenses

Governmental expenses totaled \$87.6 million for the fiscal year. Of the expenses, 41% or \$36.1 million is related to public safety for police, fire and municipal court services. Parks, recreation and culture expenses amounted to \$15.4 million, or 17.6%, while streets and community design and development expenses amounted to 15.3% and 7.8% respectively. Interest on long-term debt rose to \$2.9 million, or 3.4% of governmental expenses. Overall, governmental activities expenses rose 10.2%, or \$8.1 million, over 2006. This reflects in overall growth in positions in Public Safety, Streets and Parks as the city grows to keep up with service demands. In total, the city added 68 new positions to manage service expectations.

The chart at right compares governmental activities with their



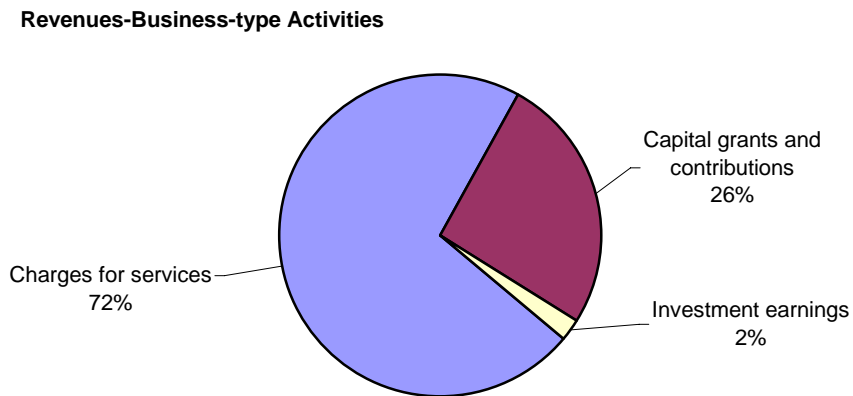
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

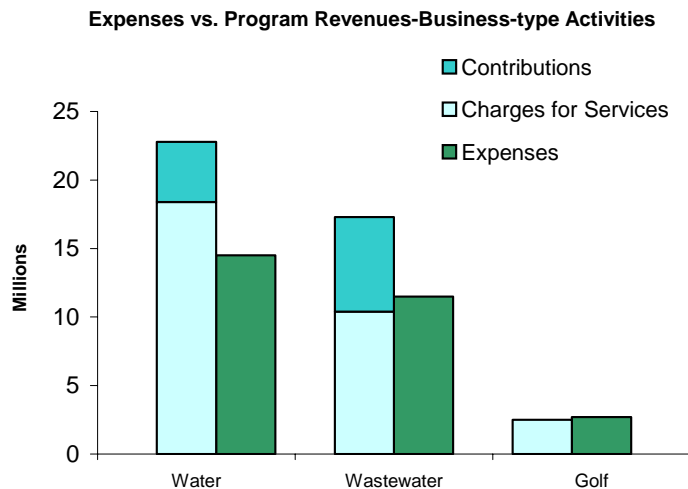
Revenues

General revenues do not support the City's business-type activities; thus, the largest source of revenues comes from charges for services. Of the \$31.5 million in charges for services, 92% 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 \$11.2 million in contributions are payments for capacity charges and development fees as well as constructed additions to the City's water and wastewater infrastructure by subdivision and other developers. Finally, investment earnings make up 2% of revenues for the City's business activities.



Expenses

Water and wastewater services account for 91% of the City's business-type activities with golf courses making up the remaining 9%. Water expenses amounted to \$14.5 million while wastewater expenses totaled \$11.5 million. Desert Hills Golf Course and Arroyo Dunes Golf Course recorded expenses of \$2.4 million and \$.3 million, respectively, for a total of \$2.7 million.



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental funds. The combined fund balances of governmental funds for the fiscal year ended June 30, 2007, is \$34.5 million. This represents a \$13.6 million decrease in fund balances, reflecting a significant increase in capital expenditures for the year. A review of some of the more significant funds follows.

General Fund

The fund balance of the General Fund declined by \$1.5 million for the fiscal year. Revenues increased by \$4.1 million, mostly from increases in local sales taxes (\$1.6 million increase, 8.3%) and state-shared intergovernmental revenues (\$2.2 million increase or 11.4%). Expenditures rose 11% to \$55.6 million. Public safety expenditures again showed the largest increase as more positions were added to keep pace with growth. Parks and recreation expenditures rose 17.2% due in part to new parks maintenance positions to maintain the growing parks system in the city.

Highway User Revenue Fund (HURF)

This fund, which accounts for the expenditure of state-shared gasoline taxes, showed a decline in fund balance for the year. The City's portion of those taxes grew by 2% for the fiscal year to \$8.1 million, seven new positions and increasing maintenance costs caused overall expenditures to rise by 24% to \$7.9 million.

City Road Tax Fund

This fund accounts for the one-half cent sales tax for use on the City's roadways in conjunction with HURF. In the same manner as general sales tax in the General Fund, sales taxes increased by 8.3% in 2007 to \$10.3 million. Transfers to the Capital Projects Fund for streets projects increased significantly over 2006, in this case by over \$4.1 million as the city maintains its growing network of streets.

Grants Fund

The City continues to acquire much needed assistance from both the state and federal levels. During 2007, revenues reached \$5.3 for use on projects such as the Main Street Reconstruction and Regional Interoperability Radio Projects.

Community Redevelopment Fund

The City utilized in part its Community Development Block Grant funding and its U.S. Department of Justice Weed and Seed Grant Program funding to operate the new Martin Luther King Community Center in the Carver revitalization area. The Community Development Block Grant revenues increased 27% to \$1.3 in part for funding for neighborhood Conservation Programs including Homeowner Rehab forgivable loans and the Carver Track Reconstruction.

Debt Service

Debt Service Fund expenditures increased by \$.2 million with the beginning of interest payments related to Improvement District 68. Government activities bonded debt requirements decreased slightly this year in accordance with debt service schedules. The fund's balance reflects amounts set aside for debt service reserves in accordance with the development agreement for the new Yuma Palms regional center.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Projects Fund

The Capital Projects Fund's fund balance dropped by \$5 million this year as the city continued an aggressive capital program. Expenditures for streets jumped \$9 million or 66% while public safety capital expenditures grew by more than \$8 million.

Proprietary funds. The City's enterprise funds posted an overall increase in net assets of \$15.1 million for the fiscal year ended June 30, 2007. The City's utility funds, water and wastewater, accounted for the increase as both have benefited from system growth and rate increases to sustain that growth.

Water Enterprise Fund

Operating revenues for the Water Fund increased by 18.9% for the year ending June 30, 2007. This is due both to an ongoing series of rate increases and to a 2% growth in the customer account base to 26,169. Operating expenses rose by 9.7% and the fund produced operating income of \$5.3 million. Rate increases will continue through 2011 to finance the ongoing construction of a new water treatment facility on the East Mesa and to make improvements within the current water system needed to maintain service levels and system pressure.

Wastewater Enterprise Fund

The Wastewater Fund also experienced growth with operating revenues increased 13.8% over fiscal 2006. Operating expenses rose \$1.2 million with income from operations of rising slightly to \$133,117. Additional rate and capacity charge increases have been approved through 2011 to complete costs of construction of the wastewater plant and related infrastructure.

Golf Courses

Operating losses continued for both of the city's golf courses for the year ended June 30, 2007. Revenues for Desert Hills declined slightly from 2006 to \$2.3 million while Arroyo Dunes posted a 7.7% increase to \$.2 million. The two courses incurred operating expense increases of under 4% to establish operating results near breakeven. The city will continue to operate the courses and implement strategies to improve its financial outlook.

GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2007, can be found starting on page 55. A summary of that schedule follows:

	Budget		Actual	Variance with Final
	Original	Final		
Revenues and Transfers In				
Taxes	\$ 31,250,654	\$ 31,250,654	\$ 30,873,817	\$ (376,837)
Intergovernmental	21,961,592	21,961,592	22,106,592	145,000
Other	7,860,157	7,860,157	8,021,186	161,029
Transfers In	220,100	220,100	660,300	440,200
Total	61,292,503	61,292,503	61,661,895	369,392
Expenditures and Transfers Out				
Expenditures	62,403,876	62,403,876	55,639,544	6,764,332
Transfers Out	6,999,280	6,999,280	7,559,694	(560,414)
Total	69,403,156	69,403,156	63,199,238	6,203,918
Change in Fund Balance	\$ (8,110,653)	\$ (8,110,653)	\$ (1,537,343)	\$ 6,573,310

General Fund tax revenues didn't meet expectations largely because of sales taxes. While sales taxes increased some 8.3% over 2006, the increase was under the budgeted increase. Overall, General Fund revenues exceeded expectations because of a continued surge in sales tax collections and state-shared intergovernmental revenues. Intergovernmental revenues increased 11% due to larger than expected increases in state-shared

MANAGEMENT'S DISCUSSION AND ANALYSIS

income taxes and auto in-lieu taxes. Conversely, building permits dropped some 71% as the residential construction activity in Yuma paralleled the national economy. Commercial permits continue to perform well.

Expenditures for the fund came in at \$6.7 million under budget with the largest contributions coming from Public Safety at \$2.7 million and General Government adding \$2.9 million, primarily because of incomplete projects in Information Technology and no expenditure of contingency funds for the year. Public Safety savings occurred mostly in the Police Department in Administration and Field Operations through personnel attrition. The remaining savings occur because city departments rarely spend up to their respective budgets, for similar reasons.

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, 2007, the City of Yuma's investment in capital assets in both governmental and business-type activities amounted to \$473.4 million, net of depreciation. This includes land, buildings, equipment, and infrastructure (roadways and bridges). Capital assets for governmental activities increased by 13% while business-type capital assets increased 21%. These changes included the following:

- Land purchases for governmental activities amounted to \$12.3 million for right-of-way for the Avenue A Corridor project, 4th Avenue and 16th Street intersection improvement, new Fleet Maintenance Facility, and the future Public Safety Training Facility.
- Construction continued on the new East Mesa water treatment plant.
- Ongoing parks improvements amounted to \$2.8 million.
- Ongoing public safety improvements amounted to \$3.0 million.
- Infrastructure additions are for street lights and traffic signal installations.

Change in Capital Assets

(In Millions)

	Governmental Activities			Business-type Activities			Total
	July 1, 2006	Net Additions/ Deletions	June 30, 2007	July 1, 2006	Net Additions/ Deletions	June 30, 2007	
Land	\$ 19.2	\$ 12.3	\$ 31.5	\$ 1.9	\$ 0.2	\$ 2.1	\$ 33.6
Buildings	66.5	0.1	66.6	8.0	-	8.0	74.6
Improvements	26.9	7.2	34.1	137.9	5.1	143.0	177.1
Infrastructure	153.0	0.5	153.5	-	-	-	153.5
Equipment	38.8	3.2	42.0	4.0	0.4	4.4	46.4
Construction in Progress	21.2	14.1	35.3	122.3	43.9	166.2	201.5
Accumulated Depreciation	(124.5)	(10.7)	(135.2)	(71.9)	(6.2)	(78.1)	(213.3)
Total	<u>\$ 201.1</u>	<u>\$ 26.7</u>	<u>\$ 227.8</u>	<u>\$ 202.2</u>	<u>\$ 43.4</u>	<u>\$ 245.6</u>	<u>\$ 473.4</u>

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

DEBT ADMINISTRATION

For the year ended June 30, 2007, the City's long-term debt increased by a net of \$5 million. Governmental activity debt decreased during the year due to scheduled debt payments. For business activities, debt increased by \$9 million as the city completed its drawdown of long-term loans with the state's Water Infrastructure Financing Authority for water capital projects.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

for the former type is \$93.7 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.

The City's recently issued improvement district bonds were rated by Fitch Ratings as "A". All other bond issues have been upgraded to an "A+" rating by Fitch. 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". With the exception of the improvement district bonds, 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-G on pages 45-48.

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	\$ -	\$ -	\$ 7.5	\$ 8.6	\$ 7.5	\$ 8.6
Yuma Municipal Property Corporation Bonds	55.0	57.8	-	-	55.0	57.8
Improvement District	9.8	10.5	-	-	9.8	10.5
Contracts Payable	.1	.9	84.2	74.1	84.3	75.0
Compensated Absences	2.7	2.4	-	-	2.7	2.4
Total Long-Term Debt	\$ 67.7	\$ 71.6	\$ 91.7	\$ 82.7	\$ 159.3	\$ 154.3

ECONOMIC FACTORS

Yuma County continues to be one of the fastest growing areas in the nation and the City of Yuma represents 47% of the county's population. Since 1990, the City has grown by 60% to an estimated 92,160 at July 1, 2006, the most recent numbers available. The City's economy is based on a triad of agriculture, tourism and military/government spending. Agribusiness continues to lead the economy, now contributing over \$1 billion annually. The area's 85,000-plus winter visitors add \$450 million to the mix, while two prominent military installations infuse some \$300 million to the economy.

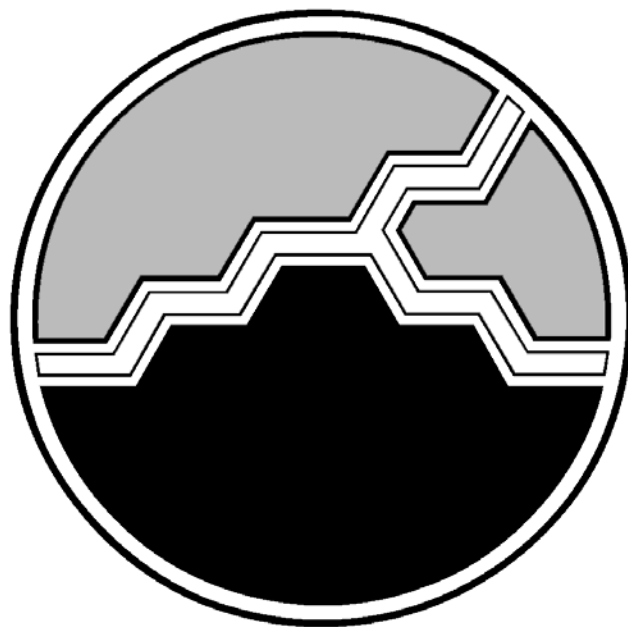
Property taxes are limited constitutionally in Arizona, so other local revenues make up the most significant reflectors of the condition of the economy. Sales tax, the City's primary source of general revenues, posted a substantive 8.3% increase this year, surpassing its historic growth rate of 7%. This compares more than favorably to the large metropolitan areas of the state. For fiscal year 2008, revenues were again projected using a conservative 8% growth in sales taxes.

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to familiarize our citizens, taxpayers and customers with the City's finances and to demonstrate the City's fiscal accountability for its operations. Questions concerning this report, or requests for additional financial information, should be directed to Mr. Donald (Pat) Wicks, Finance Director, One City Plaza, PO Box 13012, Yuma, AZ 85366-3012, telephone (928) 373-5087. The reader may also visit the City's website at www.yumaaz.gov for an electronic version of this report.

BASIC FINANCIAL STATEMENTS



**GOVERNMENT-WIDE FINANCIAL
STATEMENTS**

City of Yuma, Arizona
Statement of Net Assets
June 30, 2007

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and Investments	\$ 73,595,271	\$ 11,411,156	\$ 85,006,427
Receivables, Net	21,848,246	6,030,619	27,878,865
Internal Balances	(683,765)	683,765	-
Inventory, at cost	845,485	180,746	1,026,231
Prepaid Items	66,472	16,038	82,510
Deferred Charges	-	31,026	31,026
Capital Assets:			
Non-depreciable	66,784,298	168,343,530	235,127,828
Depreciable, Net	<u>161,000,209</u>	<u>77,238,816</u>	<u>238,239,025</u>
Total Assets	<u>323,456,216</u>	<u>263,935,696</u>	<u>587,391,912</u>
 <u>Liabilities</u> 			
Accounts Payable	4,224,370	8,268,601	12,492,971
Accrued Liabilities	4,856,712	816,134	5,672,846
Accrued Interest Payable	1,457,182	1,584,500	3,041,682
Unearned Revenue	28,503,796	97,022	28,600,818
Long-Term Liabilities:			
Due within one year	3,882,000	4,889,893	8,771,893
Due in more than one year	<u>63,688,439</u>	<u>86,638,075</u>	<u>150,326,514</u>
Total Liabilities	<u>106,612,499</u>	<u>102,294,225</u>	<u>208,906,724</u>
 <u>Net Assets</u> 			
Invested in Capital Assets, Net of Related Debt	160,214,068	154,054,378	314,268,446
Restricted for:			
Debt Service	501,908	-	501,908
Streets	7,446,457	-	7,446,457
Capital Projects	3,684,082	-	3,684,082
Parks and Recreation	1,359,028	-	1,359,028
Unrestricted	<u>43,638,174</u>	<u>7,587,093</u>	<u>51,225,267</u>
Total Net Assets	<u>\$ 216,843,717</u>	<u>\$ 161,641,471</u>	<u>\$ 378,485,188</u>

The accompanying notes are an integral part of these financial statements

City of Yuma, Arizona
Statement of Activities
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities:							
General Government	\$ 10,918,787	\$ 2,011,589	\$ 251,955	\$ -	\$ (8,655,243)	\$ -	\$ (8,655,243)
Public Safety	36,066,640	2,829,643	682,553	2,503,662	(30,050,782)	-	(30,050,782)
Streets	13,383,968	-	-	-	(13,383,968)	-	(13,383,968)
Parks, Recreation and Culture	15,399,570	1,160,206	8,510	2,158,211	(12,072,643)	-	(12,072,643)
Environmental Health and Protection	2,097,905	1,491,325	74,406	-	(532,174)	-	(532,174)
Community Design and Development	6,791,120	7,222,455	1,644,009	679,000	2,754,344	-	2,754,344
Interest on Long-Term Debt	2,948,276	-	-	-	(2,948,276)	-	(2,948,276)
Total Governmental Activities	87,606,266	14,715,218	2,661,433	5,340,873	(64,888,742)	-	(64,888,742)
Business-type Activities:							
Water	14,562,327	18,446,956	-	4,362,513	-	8,247,142	8,247,142
Wastewater	11,538,280	10,477,163	-	6,886,568	-	5,825,451	5,825,451
Golf Courses	2,676,293	2,563,161	-	-	-	(113,132)	(113,132)
Total Business-type Activities	28,776,900	31,487,280	-	11,249,081	-	13,959,461	13,959,461
Total	\$ 116,383,166	\$ 46,202,498	\$ 2,661,433	\$ 16,589,954	(64,888,742)	13,959,461	(50,929,281)
General Revenues:							
Property taxes					7,430,371	-	7,430,371
Sales taxes					39,616,037	-	39,616,037
Franchise taxes					2,678,454	-	2,678,454
Intergovernmental, unrestricted Grants and contributions					30,557,590	-	30,557,590
not restricted to specific programs					114,764	-	114,764
Unrestricted investment earnings					4,097,187	1,016,419	5,113,606
Gain from sale of assets					-	-	-
Total general revenues					84,494,403	1,016,419	85,510,822
Transfers					(362,503)	362,503	-
Total general revenues and transfers					84,131,900	1,378,922	85,510,822
Change in net assets					19,243,158	15,338,383	34,581,541
Net assets-beginning					197,600,559	146,303,088	343,903,647
Net assets-ending					\$ 216,843,717	\$ 161,641,471	\$ 378,485,188

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



FUND FINANCIAL STATEMENTS

City of Yuma, Arizona
Balance Sheet
Governmental Funds
June 30, 2007

<u>Assets</u>	Major Special Revenue Funds			
	General	Highway Users Revenue	City Road Tax	Grants
Cash and Investments	\$ 18,829,555	\$ 3,945,832	\$ 2,969,649	\$ -
Cash with Fiscal Agents	-	-	-	-
Receivables, Net of Allowances for Uncollectibles:				
Accounts Receivable	376,195	853	-	-
Intergovernmental	3,239,755	720,951	761,655	1,906,764
Special Assessments	20,169	-	-	-
Delinquent Property Taxes	139,203	-	-	-
Accrued Interest	173,734	36,403	55,235	2,431
Due from Other Funds	1,924,485	-	-	-
Inventory, at cost	246,516	-	-	-
Prepaid Items	62,877	600	-	-
Total Assets and Other Debits	\$ 25,012,489	\$ 4,704,639	\$ 3,786,539	\$ 1,909,195
<u>Liabilities and Fund Balances</u>				
Accounts Payable	\$ 816,642	\$ 146,884	\$ 2,269	\$ 999
Accrued Payroll, Taxes and Benefits Payable	3,376,132	314,693	21,998	20,868
Long-Term Debt - Current Portion	-	-	-	-
Due to Other Funds	-	-	-	861,745
Accrued Interest Payable	-	-	-	-
Deposits	421,534	-	-	-
Deferred Revenues	196,049	-	594,669	1,025,583
Total Liabilities	4,810,357	461,577	618,936	1,909,195
Fund Balance:				
Reserved for:				
Inventory	246,516	-	-	-
Prepaid Items	62,877	600	-	-
Debt Service	-	-	-	-
Unreserved:				
Designated for Uncompleted Projects	-	-	-	-
Designated for Debt Service	216,913	-	-	-
Designated for Subsequent Years' Expenditures	834,589	-	-	-
Designated for Future Community Improvements, reported in:				
General Fund	187,100	-	-	-
Special Revenue Funds	-	-	-	-
Undesignated, reported in:				
General Fund	18,654,137	-	-	-
Special Revenue Funds	-	4,242,462	3,167,603	-
Total Fund Balances	20,202,132	4,243,062	3,167,603	-
Total Liabilities and Fund Balances	\$ 25,012,489	\$ 4,704,639	\$ 3,786,539	\$ 1,909,195

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

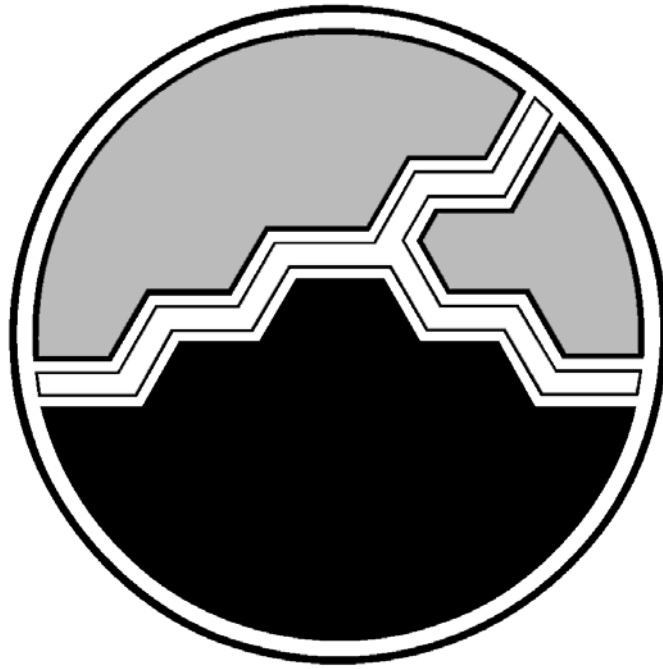
<u>Community Redevelopment</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total</u>
\$ -	\$ 608,603	\$ 16,893,979	\$ 5,209,004	\$ 48,456,622
	4,075,334	-	-	4,075,334
1,314,582	91,062	164,590	249,994	2,197,276
201,516	-	1,780,000	315,254	8,925,895
-	9,765,000	-	-	9,785,169
-	-	-	-	139,203
-	3,891	51,365	90,397	413,456
-	-	189,814	-	2,114,299
-	-	-	7,365	253,881
-	-	-	2,995	66,472
<u>\$ 1,516,098</u>	<u>\$ 14,543,890</u>	<u>\$ 19,079,748</u>	<u>\$ 5,875,009</u>	<u>\$ 76,427,607</u>
\$ 37,354	\$ 1,652	\$ 2,464,015	\$ 104,757	\$ 3,574,572
26,699	-	-	118,256	3,878,646
	2,820,000	-	-	2,820,000
132,392	-	-	71,478	1,065,615
-	1,455,330	-	-	1,455,330
	-	19,165	-	440,699
<u>1,319,653</u>	<u>9,765,000</u>	<u>15,670,430</u>	<u>87,820</u>	<u>28,659,204</u>
<u>1,516,098</u>	<u>14,041,982</u>	<u>18,153,610</u>	<u>382,311</u>	<u>41,894,066</u>
-	-	-	7,365	253,881
-	-	-	2,995	66,472
-	501,908	-	-	501,908
-	-	926,138	-	926,138
-	-	-	-	216,913
-	-	-	-	834,589
-	-	-	-	187,100
-	-	-	50,000	50,000
-	-	-	-	18,654,137
-	-	-	5,432,338	12,842,403
<u>-</u>	<u>501,908</u>	<u>926,138</u>	<u>5,492,698</u>	<u>34,533,541</u>
<u>\$ 1,516,098</u>	<u>\$ 14,543,890</u>	<u>\$ 19,079,748</u>	<u>\$ 5,875,009</u>	<u>\$ 76,427,607</u>

City of Yuma, Arizona
 Reconciliation of the Balance Sheet-Governmental Funds to the Statement of Net Assets
 June 30, 2007

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

Total Fund Balances per the Balance Sheet-Governmental Funds:	\$ 34,533,541
Property taxes receivable that are not financial resources are not reported in the funds.	33,988
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	217,745,838
Property tax revenue deferred to later years recognized in year levied in governmental activities.	155,408
Interest payments accrued in government-wide statements not recorded until payment in governmental activities.	(1,852)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(2,739,624)
Contracts payable	(117,000)
MPC bonds payable	(52,215,000)
Improvement District #67	(5,890,000)
Improvement District #68	(3,875,000)
Unamortized deferred charges are not recorded in the governmental funds	86,185
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>29,127,233</u>
Net assets of governmental activities	<u>\$ 216,843,717</u>

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



City of Yuma, Arizona
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2007

	Major Special Revenue Funds			
	General	Highway User Revenue	City Road Tax	Grants
Revenues:				
Taxes	\$ 30,873,817	\$ -	\$ 10,334,503	\$ -
Licenses and Permits	2,844,691	-	-	-
Intergovernmental	22,106,592	8,137,895	-	5,308,896
Charges for Services	2,806,483	-	-	-
Fines and Forfeitures	1,038,871	-	-	-
Special Assessments	-	-	-	-
Use of Money and Property	1,193,007	241,260	376,640	648
Contributions and Donations	-	-	-	35,844
Miscellaneous	138,134	100,950	144,388	-
Total Revenues	<u>61,001,595</u>	<u>8,480,105</u>	<u>10,855,531</u>	<u>5,345,388</u>
Expenditures:				
Current:				
General Government	7,640,575	-	-	-
Public Safety	33,047,263	1,227,028	-	594,867
Streets	-	6,353,093	801,573	-
Parks, Recreation and Culture	8,288,035	-	-	18,479
Environmental Health and Protection	110,814	17,802	-	74,429
Community Design and Development	4,558,499	-	-	5,280
Capital Outlay	1,994,358	294,900	10,056	128,760
Debt Service				
Principal	-	-	200,000	-
Interest and Fiscal Agent Fees	-	-	1,647	-
Total Expenditures	<u>55,639,544</u>	<u>7,892,823</u>	<u>1,013,276</u>	<u>821,815</u>
Revenues Over/(Under) Expenditures	5,362,051	587,282	9,842,255	4,523,573
Other Financing Sources/(Uses):				
Transfers In	660,300	17,802	-	-
Transfers Out	(7,559,694)	(1,519,852)	(12,522,958)	(4,523,573)
Total Other Financing Sources/(Uses)	<u>(6,899,394)</u>	<u>(1,502,050)</u>	<u>(12,522,958)</u>	<u>(4,523,573)</u>
Net Change in Fund Balances	(1,537,343)	(914,768)	(2,680,703)	-
Fund Balances - Beginning	<u>21,739,475</u>	<u>5,157,830</u>	<u>5,848,306</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 20,202,132</u>	<u>\$ 4,243,062</u>	<u>\$ 3,167,603</u>	<u>\$ -</u>

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

<u>Community Redevelopment</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 8,477,749	\$ 49,686,069
	-	-	-	2,844,691
1,684,045	-	251,955	425,850	37,915,233
-	-	4,517,266	1,480,646	8,804,395
	-	-	-	1,038,871
	679,000	-	-	679,000
31,210	347,710	932,982	1,250,747	4,374,204
-	-	-	42,566	78,410
178,879	-	25,434	35,954	623,739
<u>1,894,134</u>	<u>1,026,710</u>	<u>5,727,637</u>	<u>11,713,512</u>	<u>106,044,612</u>
-	-	-	-	7,640,575
-	-	-	144,353	35,013,511
-	-	-	-	7,154,666
-	-	-	2,715,820	11,022,334
-	-	-	3,347,796	3,550,841
1,777,492	-	-	356,917	6,698,188
-	-	38,966,929	54,870	41,449,873
107,000	3,530,000	-	-	3,837,000
6,292	2,931,102	-	-	2,939,041
<u>1,890,784</u>	<u>6,461,102</u>	<u>38,966,929</u>	<u>6,619,756</u>	<u>119,306,029</u>
3,350	(5,434,392)	(33,239,292)	5,093,756	(13,261,417)
-	5,462,578	28,742,162	3,527,621	38,410,463
<u>(3,350)</u>	<u>-</u>	<u>(552,282)</u>	<u>(12,091,257)</u>	<u>(38,772,966)</u>
<u>(3,350)</u>	<u>5,462,578</u>	<u>28,189,880</u>	<u>(8,563,636)</u>	<u>(362,503)</u>
-	28,186	(5,049,412)	(3,469,880)	(13,623,920)
-	473,722	5,975,550	8,962,578	48,157,461
<u>\$ -</u>	<u>\$ 501,908</u>	<u>\$ 926,138</u>	<u>\$ 5,492,698</u>	<u>\$ 34,533,541</u>

City of Yuma, Arizona
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances-Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2007

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

Net change in fund balances-governmental funds	(13,623,920)
A portion of property tax revenues recorded on the statement of activities does not provide current financial resources and are not recorded as revenues in the funds	(11,404)
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	(9,587,535)
Capital outlay expenditures reported as additions to assets:	
Capital outlay expenditures-governmental funds	41,449,873
Infrastructure maintenance expenditures recorded as capital outlay but not capitalized as asset additions	(4,817,300)
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	3,837,000
Increase in compensated absences expense not recorded in governmental funds	(336,426)
Investment earnings of the internal service funds are general revenues on the statement of activities	1,013,760
Interest payments accrued in government-wide statements are not recorded in governmental activities until paid	(9,235)
Net revenues of internal service funds in excess of expenses reduce governmental activities expenses on the statement of activities	1,213,581
Contributions of infrastructure assets are not recorded as revenues in the governmental funds	<u>114,764</u>
Change in net assets of governmental activities	<u>19,243,158</u>

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

City of Yuma, Arizona
Statement of Net Assets
Proprietary Funds
June 30, 2007

Assets	Business-Type Activities-Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
Current Assets:					
Cash and Investments	\$ 2,520,980	\$ 53,946	\$ 546,449	\$ 3,121,375	\$ 21,063,315
Receivables, Net of Allowance for Uncollectibles:					
Accounts Receivable	3,493,854	1,590,793	3,457	5,088,104	193,072
Intergovernmental	11,260	787,456	524	799,240	46
Accrued Interest	97,928	42,207	3,140	143,275	160,141
Inventory, at cost	85,609	-	95,137	180,746	591,604
Prepaid Expenses	1,994	4,132	9,912	16,038	-
Total Unrestricted Current Assets	<u>6,211,625</u>	<u>2,478,534</u>	<u>658,619</u>	<u>9,348,778</u>	<u>22,008,178</u>
Restricted Assets:					
Cash and Investments:					
Current Debt Service	1,297,533	-	-	1,297,533	-
Advancement for Future Expansion	2,731,395	3,914,701	-	6,646,096	-
Customer Deposits	346,152	-	-	346,152	-
Total Restricted Current Assets	<u>4,375,080</u>	<u>3,914,701</u>	<u>-</u>	<u>8,289,781</u>	<u>-</u>
Total Current Assets	<u>10,586,705</u>	<u>6,393,235</u>	<u>658,619</u>	<u>17,638,559</u>	<u>22,008,178</u>
Noncurrent Assets:					
Capital Assets:					
Land	1,408,895	709,198	-	2,118,093	219,610
Buildings	2,911,198	1,931,133	3,102,865	7,945,196	19,251
Improvements Other than Buildings	82,475,141	57,523,260	3,015,667	143,014,068	53,235
Equipment	2,474,648	1,675,561	278,900	4,429,109	25,505,188
Construction In Progress	86,090,983	80,134,454	-	166,225,437	-
Less Accumulated Depreciation	(46,209,271)	(28,591,355)	(3,348,931)	(78,149,557)	(15,758,615)
Total Capital Assets	<u>129,151,594</u>	<u>113,382,251</u>	<u>3,048,501</u>	<u>245,582,346</u>	<u>10,038,669</u>
Deferred Charges	31,026	-	-	31,026	-
Total Noncurrent Assets	<u>129,182,620</u>	<u>113,382,251</u>	<u>3,048,501</u>	<u>245,613,372</u>	<u>10,038,669</u>
Total Assets	<u>139,769,325</u>	<u>119,775,486</u>	<u>3,707,120</u>	<u>263,251,931</u>	<u>32,046,847</u>
Liabilities					
Current Liabilities Payable from Current Assets:					
Accounts Payable	6,912,599	984,476	25,374	7,922,449	209,099
Accrued Payroll and Related Taxes	380,981	302,839	132,314	816,134	125,346
Current Portion-Long-Term Contracts-Principal	39,002	177,448	-	216,450	-
Current Portion-Bonds Payable	278,750	-	-	278,750	-
Estimated Claims and Judgements	-	-	-	-	852,720
Due to Other Funds	-	-	-	-	1,048,684
Accrued Interest Payable	58,972	60,688	-	119,660	-
Unearned Revenue	-	-	47,474	47,474	-
Total Current Liabilities Payable from Current Assets	<u>7,670,304</u>	<u>1,525,451</u>	<u>205,162</u>	<u>9,400,917</u>	<u>2,235,849</u>
Current Liabilities Payable from Restricted Assets:					
Deposits	346,152	-	-	346,152	-
Unearned Revenue	17,210	32,338	-	49,548	-
Current Portion-Long-Term Contracts-Principal	1,785,851	1,772,592	-	3,558,443	-
Current Portion-Long-Term Contracts-Interest	721,703	606,237	-	1,327,940	-
Current Portion-Bonds Payable	836,250	-	-	836,250	-
Accrued Interest Payable	136,900	-	-	136,900	-
Total Current Liabilities Payable from Restricted Assets	<u>3,844,066</u>	<u>2,411,167</u>	<u>-</u>	<u>6,255,233</u>	<u>-</u>
Total Current Liabilities	<u>11,514,370</u>	<u>3,936,618</u>	<u>205,162</u>	<u>15,656,150</u>	<u>2,235,849</u>
Noncurrent Liabilities:					
Long-Term Contracts Payable	42,043,858	38,335,366	-	80,379,224	-
Bonds Payable	6,258,851	-	-	6,258,851	-
Total Noncurrent Liabilities	<u>48,302,709</u>	<u>38,335,366</u>	<u>-</u>	<u>86,638,075</u>	<u>-</u>
Total Liabilities	<u>59,817,079</u>	<u>42,271,984</u>	<u>205,162</u>	<u>102,294,225</u>	<u>2,235,849</u>
Net Assets					
Invested in capital assets, net of related debt	77,909,032	73,096,845	3,048,501	154,054,378	10,038,669
Unrestricted	2,043,214	4,406,657	453,457	6,903,328	19,772,329
Total Net Assets	<u>\$ 79,952,246</u>	<u>\$ 77,503,502</u>	<u>\$ 3,501,958</u>	<u>160,957,706</u>	<u>\$ 29,810,998</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				683,765	
Net assets of business-type activities				<u>\$ 161,641,471</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, 2007

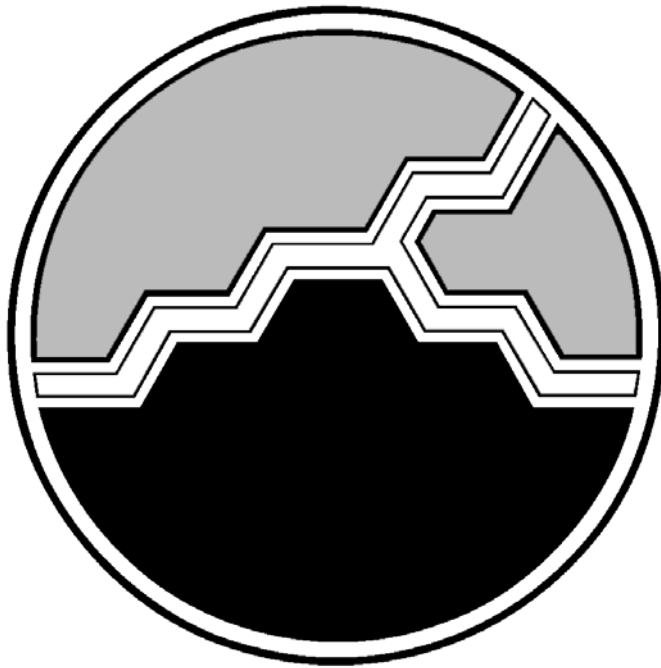
	Business-Type Activities-Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
Operating Revenues:					
Metered Water Sales	\$ 17,521,575	\$ -	\$ -	\$ 17,521,575	\$ -
Commercial Raw Water	381,085	-	-	381,085	-
Wastewater Charges	-	10,386,519	-	10,386,519	-
Meters, Connections and Services	438,501	44,886	-	483,387	-
Green Fees and Concessions	-	-	2,189,298	2,189,298	-
Equipment Rental	-	-	368,230	368,230	3,229,060
Miscellaneous Charges	-	-	-	-	6,501,192
Total Operating Revenues	<u>18,341,161</u>	<u>10,431,405</u>	<u>2,557,528</u>	<u>31,330,094</u>	<u>9,730,252</u>
Operating Expenses:					
Operations and Maintenance	9,299,510	7,836,866	2,453,420	19,589,796	6,161,415
Depreciation and Amortization	3,678,806	2,461,422	271,374	6,411,602	2,250,473
Total Operating Expenses	<u>12,978,316</u>	<u>10,298,288</u>	<u>2,724,794</u>	<u>26,001,398</u>	<u>8,411,888</u>
Operating Income/(Loss)	<u>5,362,845</u>	<u>133,117</u>	<u>(167,266)</u>	<u>5,328,696</u>	<u>1,318,364</u>
Non-Operating Revenues/(Expenses):					
Interest	681,986	317,304	17,129	1,016,419	1,013,760
Gain/(Loss) on Disposal of Assets	-	-	-	-	142,062
Interest and Fiscal Agent Fees	(1,688,498)	(1,333,850)	-	(3,022,348)	-
Miscellaneous Revenues	105,795	45,758	5,633	157,186	-
Total Non-Operating Revenues/(Expenses)	<u>(900,717)</u>	<u>(970,788)</u>	<u>22,762</u>	<u>(1,848,743)</u>	<u>1,155,822</u>
Income/(Loss) before Contributions and Transfers	<u>4,462,128</u>	<u>(837,671)</u>	<u>(144,504)</u>	<u>3,479,953</u>	<u>2,474,186</u>
Capital Contributions	4,362,513	6,886,568	-	11,249,081	-
Transfers In	61,575	394,372	231,334	687,281	-
Transfers Out	(60,500)	(32,944)	(231,334)	(324,778)	-
Change in Net Assets	<u>8,825,716</u>	<u>6,410,325</u>	<u>(144,504)</u>	<u>15,091,537</u>	<u>2,474,186</u>
Net Assets - Beginning	<u>71,126,530</u>	<u>71,093,177</u>	<u>3,646,462</u>	<u>75,866,169</u>	<u>27,336,812</u>
Net Assets - Ending	<u>\$ 79,952,246</u>	<u>\$ 77,503,502</u>	<u>\$ 3,501,958</u>	<u>\$ 83,958,716</u>	<u>\$ 29,810,998</u>
Adjustment for consolidation of internal service fund activities related to enterprise funds				<u>246,846</u>	
Change in net assets of business-type activities				<u>\$ 15,338,383</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, 2007

	Business-Type Activities-Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
Cash Flow from Operating Activities:					
Cash Received from Customers	\$ 17,663,532	\$ 9,853,570	\$ 2,555,757	\$ 30,072,859	\$ 9,643,666
Cash Paid to Employees	(3,465,091)	(2,448,012)	(1,108,850)	(7,021,953)	(1,150,409)
Cash Paid to Suppliers	(5,861,071)	(5,393,726)	(1,343,920)	(12,598,717)	(168,913)
Cash Paid for Operating Expenses	-	-	-	-	(4,628,342)
Other Operating Activity Revenue	<u>105,795</u>	<u>45,758</u>	<u>5,633</u>	<u>157,186</u>	<u>-</u>
Net Cash Provided by Operating Activities	8,443,165	2,057,590	108,620	10,609,375	3,696,002
Cash Flows from Noncapital Financing Activities:					
Cash Received from Other Funds	61,575	394,372	231,334	687,281	79,386
Cash Paid to Other Funds	<u>(60,500)</u>	<u>(32,944)</u>	<u>(231,334)</u>	<u>(324,778)</u>	<u>-</u>
Net Cash Provided by/(Used for) Noncapital Financing Activities	1,075	361,428	-	362,503	79,386
Cash Flow from Capital and Related Financing Activities:					
Contributions of Capital	2,494,276	4,021,741	-	6,516,017	-
Acquisition and Construction of Assets	(29,536,888)	(9,176,951)	(8,927)	(38,722,766)	(1,741,898)
Proceeds from Sale of Capital Assets	-	-	-	-	179,495
Principal Payments on Bonds	(985,760)	-	-	(985,760)	-
WIFA - Contracted Loan	11,867,311	(1,887,543)	-	9,979,768	-
Interest and Fiscal Agent Fee Payments	<u>(1,487,488)</u>	<u>(1,365,098)</u>	<u>-</u>	<u>(2,852,586)</u>	<u>-</u>
Net Cash Provided by/(Used for) Capital and Related Financing Activities	(17,648,549)	(8,407,851)	(8,927)	(26,065,327)	(1,562,403)
Cash Flows from Investing Activities:					
Receipt of Interest	<u>667,628</u>	<u>358,725</u>	<u>16,817</u>	<u>1,043,170</u>	<u>954,472</u>
Net Cash Provided by Investing Activities	<u>667,628</u>	<u>358,725</u>	<u>16,817</u>	<u>1,043,170</u>	<u>954,472</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(8,536,681)	(5,630,108)	116,510	(14,050,279)	3,167,457
Cash and Cash Equivalents, July 1	<u>15,432,741</u>	<u>9,598,755</u>	<u>429,939</u>	<u>25,461,435</u>	<u>17,895,858</u>
Cash and Cash Equivalents, June 30	<u>\$ 6,896,060</u>	<u>\$ 3,968,647</u>	<u>\$ 546,449</u>	<u>\$ 11,411,156</u>	<u>\$ 21,063,315</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:					
Operating Income/(Loss)	\$ 5,362,845	\$ 133,117	\$ (167,266)	\$ 5,328,696	\$ 1,318,364
Adjustments to Reconcile Operating Income/(Loss)					
Depreciation and Amortization Expense	3,678,806	2,461,422	271,374	6,411,602	2,250,473
(Increase) in Accounts Receivable	(693,809)	(529,045)	562	(1,222,292)	(37,852)
(Increase) in Inventories	(8,182)	-	(21,655)	(29,837)	(115,612)
(Increase) in Deposits	(8,400)	(100)	-	(8,500)	-
Decrease in Prepaid Items	32,078	18,618	1,537	52,233	9,428
(Decrease)/Increase in Accounts Payable	(63,762)	(118,356)	(5,119)	(187,237)	112,752
Increase in Accrued Payroll and Related Taxes	23,245	46,176	20,358	89,779	(1,006)
Increase in Claims Incurred but Not Reported	-	-	-	-	159,455
Increase/(Decrease) in Customer Deposits	14,549	-	3,196	17,745	-
Other Operating Activity Revenue	<u>105,795</u>	<u>45,758</u>	<u>5,633</u>	<u>157,186</u>	<u>-</u>
Total Adjustments	<u>3,080,320</u>	<u>1,924,473</u>	<u>275,886</u>	<u>5,280,679</u>	<u>2,377,638</u>
Net Cash Provided by Operating Activities	<u>\$ 8,443,165</u>	<u>\$ 2,057,590</u>	<u>\$ 108,620</u>	<u>\$ 10,609,375</u>	<u>\$ 3,696,002</u>
Noncash Transactions Affecting Financial Position					
Purchase of Assets with Vendor					
Provided Financing	\$ 6,466,056	\$ 794,222	\$ -	\$ 7,260,278	\$ 30,607
Contributions of Capital Assets	<u>1,868,237</u>	<u>2,864,827</u>	<u>-</u>	<u>4,733,064</u>	<u>-</u>
Total Noncash Transactions Affecting Financial Position	<u>\$ 8,334,293</u>	<u>\$ 3,659,049</u>	<u>\$ -</u>	<u>\$ 11,993,342</u>	<u>\$ 30,607</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, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

The City is a municipal entity governed by an elected mayor and council. As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the City, the primary government. The component units presented have a June 30 year-end.

Blended Component Units

Yuma Municipal Property Corporation. The Yuma Municipal Property Corporation's board members are appointed by the City Council. The Corporation was formed to finance the acquisition of certain improvements such as the Yuma Civic and Convention Center, Baseball Complex and Desert Hills Golf Course. The Corporation was also used to finance the acquisition of three public safety buildings, (the police headquarters, a fire station and the Municipal Court facility) and Public Works facilities, along with a clubhouse for the municipal golf course and the new Municipal Complex. The Corporation conducts no business other than with the City and that business is solely the retirement of debt related to the aforementioned acquisitions. Complete financial statements may be obtained at the City of Yuma, City Clerk's Office, One City Plaza, PO Box 13012, Yuma, AZ 85366-3012.

City of Yuma Employee Benefits Trust. The City of Yuma Employee Benefits Trust is responsible for providing health insurance for the City employees. The City Council appoints the Trust's Board of Directors. The Trust provides services entirely to the City and therefore has been included as an Internal Service Fund as of June 30, 1997 in accordance with the criteria established in GASB Statement No. 14, *The Financial Reporting Entity*. Complete financial statements may be obtained at the City of Yuma Employee Benefit Trust's administrative offices, One City Plaza, PO Box 13012, Yuma, AZ 85366-3012.

B. Government-wide and fund financial statements

The government-wide financial statements report financial information on all the activities of the City of Yuma and its component units. These financial statements include the Statement of Net Assets and the Statement of Activities, a statement showing changes in net assets. Most interfund activities have been removed from these statements to avoid duplicating the information with some exceptions such as proprietary fund sales to governmental funds (i.e., water bills paid by a governmental fund). Eliminating these transactions would distort both the measurement of income generated in serving proprietary customers as well as the direct cost of governmental functions serving the citizenry. In these government-wide statements, governmental activities, normally supported by taxes and intergovernmental revenues, are separated from business-type activities that rely on fees and charges for services.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

The statement of activities presents direct expenses of a given function or segment and the degree to which these expenses are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who use or directly benefit from the services of the function; and 2) grants and contributions that are restricted to the operational or capital needs of a particular function. Taxes and other revenues that are identifiable with a particular function or segment are reported as general revenues.

In addition to government-wide presentations, fund financial statements are provided for all governmental and proprietary funds. The financial statements are segregated by their respective significance to City operations with individual major governmental and proprietary funds separated from nonmajor funds (aggregate nonmajor financial activity is reported as a column on the major funds presentation for both governmental and proprietary funds). The City uses GASB Statement No. 34 to determine which funds are to be presented as major funds. In addition to those minimum requirements, the City will, from time to time, include within its major funds presentations of other funds, that because of their significance preclude aggregate reporting outside the basic financial statements.

The City of Yuma reports the following funds:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those for which another fund is required or used.

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

City Road Tax Fund – This fund accounts for the collection and expenditure of a local one-half percent transaction privilege tax approved by voters in 1994 for maintenance and construction of roadways. 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.

Debt Service Fund – This fund accounts for expenditures to service the debt of the City of Yuma Municipal Property Corporation, a blended component unit, and Special Assessment Improvement Districts. Pledged excise tax and other revenues are transferred to this fund along with property owner's revenue for payments of long-term bonded debt.

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

Other Governmental Funds – Other nonmajor governmental funds of the City of Yuma are aggregated and are presented in a combining statement in the Other Supplementary Information section. These include the Local Transportation Assistance; Public Safety Tax; Solid Waste; Recreation Complex; Two Percent Tax; and Yuma Mall Maintenance Special Revenue Funds.

PROPRIETARY FUNDS

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

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

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

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. They are also presented in the aggregate with major enterprise funds and are included in a combining internal service fund presentation in the Other Supplementary Information section. Because they service primarily governmental funds, they are not included within the business-type activities of the Statement of Net Assets. Rather, they are combined with the governmental activities on that statement. Moreover, because of their essentially duplicative nature in accounting for their operations (revenues of the internal service funds are expenses of the operating funds), the operations of the internal service funds have been eliminated from the operations of the Statement of Activities. Internal service funds include the Equipment Replacement, Equipment Maintenance, Insurance Reserve, Workers Compensation and Employee Benefits Trust Funds.

C. Measurement focus and basis of accounting

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

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

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

Proprietary funds classify revenues and expenses as operating or nonoperating items. Operating revenues and expenses relate to the fund's ongoing operations in providing goods and services. Operating revenues for the City's proprietary funds are customer charges for sales and services. Operating expenses include the cost of sales or services, administrative expenses and depreciation. All other revenues and expenses are classified as nonoperating revenues and expenses.

D. Budget Information

- 1) The City follows these procedures in establishing the budgetary data reflected in the financial statements:
 - i. On or before the first Monday in June, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
 - ii. Two public hearings are held prior to the budget's final adoption in order to obtain taxpayer comments.
 - iii. On or before the third Monday in August, the budget is legally enacted through passage of an ordinance.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

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

2) Budgetary Reporting and Budgetary Basis of Accounting:

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

E. Assets, Liabilities and Fund Equity Disclosures

1) Transactions between Funds:

Interfund transactions consisting of identified services performed for other funds or costs billed to other funds are treated as expenditures in the fund receiving the services and as a reimbursement reducing expenditures in the fund performing the services. Exceptions to this include: (1) sales of water and wastewater treatment are treated as revenue by the Enterprise Fund, and in-lieu property taxes are recorded as revenues in the General Fund and expenses in the Enterprise Funds; (2) 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 (3) charges for services of the Internal Service Funds are recorded as expenditures in the funds receiving the service. For purposes of government-wide presentation, these latter transactions are eliminated.

2) Cash and Investments:

Cash balances of the City's funds are pooled and invested by the City. The policy of the City is to invest public funds in a manner which will provide the maximum security of principal invested and conform to all applicable State statutes and City ordinances while providing the highest yield and meeting the City's daily cash flows. Income earned or loss arising from the investment of the pooled cash is allocated on a monthly basis to the individual funds based upon average daily balance.

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

3) Inventories:

Inventories of the General Fund, Special Revenue Funds, Internal Service Funds, and Enterprise Funds consist primarily of expendable supplies held for consumption. These inventories are maintained on a perpetual inventory basis verified through annual physical counts. Items are valued using the weighted average method. Expenditures are recorded at the time inventories are used in the governmental funds;

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

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, 2007, the estimated amounts of unbilled revenues for the Water and Wastewater Enterprise Funds and the Solid Waste Special Revenue Fund are \$2,063,068, \$833,079, and \$131,172, respectively.

6) Capital Assets:

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

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

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

7) Contributions:

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

8) Long-term obligations:

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

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

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

are recorded to represent resources available to finance intended future expenditures based upon managerial plans.

F. Revenues, Expenditures, Expenses and Other Disclosures

1) Property Tax Revenue Recognition:

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

2) Compensated Absences:

The City's administrative regulations provide permanent City employees with general and major illness leave in varying amounts based on years of service. In addition, employees may accrue hours worked on holidays for absences or payment in the future. General leave vests with the employee as it is earned. At fiscal year end, the Governmental Funds include an accrual of general and holiday leave pay and related benefits that would normally be liquidated with expendable available financial resources. All governmental funds (excepting the Capital Projects, Debt Service, Local Transportation Assistance and Two Percent Tax Funds), to varying degrees, liquidate these benefits. General and holiday leave with related benefits in excess of this accumulation, \$2,232,244, 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 \$214,336, \$180,884, \$76,019 and \$7,984 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, 2007, the amount accumulated in sick pay and related benefits is \$7,470,850, including \$171,306 attributable to Internal Service Funds and \$981,918 to Enterprise Funds. Under GASB Statement No. 16, *Accounting for Compensated Absences*, the City uses the "termination payment" method to determine its provision for major illness leave liability. The portion of the major illness leave liability related to governmental fund types, \$507,380, is reported within the governmental activities column of the government-wide financial statements, as current amounts of that liability have been determined to be immaterial and are not recorded within the respective governmental funds. The provision for probable future major illness leave and related benefits attributable to the Equipment Maintenance Internal Service Fund is \$14,029 and Water, Wastewater, and Desert Hills and Arroyo Dunes Golf Course Enterprise Funds of \$44,425, \$32,734, \$10,950 and \$741 respectively, are recorded in those funds and are accrued as earned.

G. Investment Income

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

H. Use of Estimates

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Net Assets

Continued increases in claims expenses during fiscal 2007 has resulted in a net assets deficit in the Workers Compensation Internal Service Fund. Management implemented internal rate increases during the second quarter of fiscal 2007 to improve the fund's viability.

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's portion of the cash and investment pool is shown in the accompanying balance sheet as "Cash and Investments", including the portion listed under "Restricted Assets". The City also records cash and investments, held by fiscal agents, which are restricted by bond indenture requirements for the payment of principal and interest at the end of the fiscal year.

Deposits

At June 30, 2007, the City's deposits had a carrying value of \$137,528 and a bank balance of \$347,372. The difference represents outstanding checks and other reconciling items. The main City checking accounts sweeps nightly to a money market fund and is disclosed with investments.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City's deposits may not be covered. The City requires all demand deposits be covered by federal depository insurance or by pledged collateral held by the financial institution's trust department in the name of the City at 102% of market value. At June 30, 2007, there are no deposits exposed to custodial credit risk. The petty cash and change fund balances totaled \$26,310.

Investments

The City adheres to State Law and its adopted Investment Policy to invest public funds in a manner which will provide the maximum security of principal invested while providing the highest yield which will also meet the daily cash flow needs of the City.

The City's investment balances at June 30, 2007 were as follows:

Investment Type	Fair Value	Investment Maturities in Years		
		< 1 Year	1-2 Years	2-3 Years
US Treasury Notes/Bills	\$ 1,107,572	\$ 1,107,572	\$ -	\$ -
Commercial Paper	6,994,837	6,994,837	-	-
US Agencies:				
Federal Farm Credit Bank	1,995,938	996,875	-	999,063
Federal Home Loan Bank	25,944,424	9,928,289	13,771,369	2,244,766
Federal Home Loan Mtg. Corp.	11,704,257	10,704,645	999,612	-
Federal National Mtg. Assoc.	19,258,813	17,886,399	1,372,414	-
Money Market Funds	9,793,598	9,793,598	-	-
State Investment Pool	8,041,123	8,041,123	-	-
Total Value	<u>\$ 84,840,562</u>	<u>\$ 65,453,338</u>	<u>\$ 16,143,395</u>	<u>\$ 3,243,829</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

Credit Risk

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

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

At June 30, 2007, all investments, with the exception of the State Investment Pool, are rated AAA by Standard and Poor's and Aaa by Moody's. The State Investment Pool is not rated.

Concentration of Credit Risk

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

	Maximum %	Actual %
U. S. Treasuries and securities having principal and interest guaranteed by the U.S. Government	100%	1%
U. S. Government agencies, instrumentalities and government sponsored enterprises	No more than 80%	69%
Fully insured or collateralized CD's	No more than 30%	0%
Banker's Acceptances	No more than 25%	0%
A-1/P-1 Commercial Paper.....	No more than 35%	8%
Maximum per issuer.....	10% of total C. P	8%
Repurchase Agreements.....	100%	0%
Money Market Funds.....	100%	12%
State Investment Pool	100%	9%

Interest Rate Risk

Interest Rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with State law and its investment policy, the City sets a maximum maturity on any investment of five years. Unless matched to a specific requirement, no more than 25% of the portfolio may have maturities greater than three years. There are three investments with maturities greater than two years which represents 3.82% of the portfolio, and there are no holdings with a stated maturity beyond five years. The portfolio at June 30, 2007 had a weighted average maturity of 102 days. The policy does not set a maximum for this measurement.

Custodial Credit Risk

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

B. Property Tax

The City's property tax is levied by the Yuma County Treasurer on or before the third Monday in August based upon the previous January 1 full cash value as determined by the Yuma County Assessor. Under Arizona law two assessed valuations are used. One is for primary taxes (used to fund operating expenditures) and the other is for secondary taxes (used to meet general obligation debt service requirements). The primary tax levy is limited to a two percent increase over the previous year with adjustments for growth and annexation. Secondary taxes are tied to the annual debt service requirements of voter-approved general obligation bonds. Taxes are due in two equal installments on October 1 and March 1 following the levy date and are delinquent on the first day of November and May, respectively. Liens are filed when taxes are delinquent for two years. Assessed values, levies and collections for fiscal year 2005-06 (Tax Year 2005) and fiscal year 2006-07 (Tax Year 2006), follow:

	<u>Tax Year 2005</u>	<u>Tax Year 2006</u>
Primary Assessed Valuation	\$ 350,964,150	\$ 421,397,393
Primary Tax Rate	1.8693	1.7373
Primary Tax Levy	\$ 6,560,574	\$ 7,320,954
Secondary Assessed Valuation	\$ 367,376,807	\$ 468,531,273
Secondary Tax Rate/Levy	None	None
Current Tax Collections	\$ 6,581,375	\$ 7,125,281
Delinquent Tax Collections	\$ 76,454	\$ 152,952
Delinquent Taxes Outstanding as of June 30	\$ 143,386	\$ 139,203

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>Accounts</u>	<u>Intergovern- mental</u>	<u>Special Assessments</u>	<u>Delinquent Property Taxes</u>	<u>Accrued Interest</u>	<u>Total</u>
General	\$ 376,195	\$ 3,239,755	\$ 20,169	\$ 139,203	\$ 173,734	\$ 3,949,056
Highway User Revenue	853	720,951	-	-	36,403	758,207
City Road Tax	-	761,655	-	-	55,235	816,890
Grants	-	1,906,764	-	-	2,431	1,909,195
Community Redevelopment	1,314,582	201,516	-	-	-	1,516,098
Debt Service	91,062	-	9,765,000	-	3,891	9,859,953
Capital Projects	164,590	1,780,000	-	-	51,365	1,995,955
Water	3,493,854	11,260	-	-	97,928	3,603,042
Wastewater	1,590,793	787,456	-	-	42,207	2,420,456
Other Funds-Governmental	249,994	315,254	-	-	90,397	655,645
Other Funds-Enterprise	3,457	524	-	-	3,140	7,121
Internal Service	193,072	46	-	-	160,141	353,259
Total	<u>\$ 7,478,452</u>	<u>\$ 9,725,181</u>	<u>\$ 9,785,169</u>	<u>\$ 139,203</u>	<u>\$ 716,872</u>	<u>27,844,877</u>
Governmental activities receivables for revenues not available to liquidate liabilities of the current period						<u>33,988</u>
						<u>\$ 27,878,865</u>

	<u>Allowance Amount</u>	
	<u>2007</u>	<u>2006</u>
Special Revenue Funds - Solid Waste	\$ 5,272	\$ 7,202
Enterprise Funds:		
Water	92,566	71,535
Wastewater	35,246	26,477

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

D. Due from Other Governments (Intergovernmental Receivables)

Amounts due from other government units at June 30, 2007, are as follows:

Fund	Agencies				Total
	Federal	State	County	Local	
Governmental Funds					
Major Funds					
General	\$ -	\$ 2,559,121	\$ 568,311	\$ 112,323	\$ 3,239,755
Highway User Revenue	-	719,037	1,914	-	720,951
City Road Tax	-	761,655	-	-	761,655
Grants	1,038,613	868,151	-	-	1,906,764
Community Redevelopment	184,791	16,725	-	-	201,516
Capital Projects	-	1,000,000	-	780,000	1,780,000
Non-major Funds					
Public Safety Tax	-	304,558	-	-	304,558
Recreation Complex	-	-	-	7,594	7,594
Solid Waste	-	23	-	-	23
Mall Maintenance	-	-	3,079	-	3,079
Enterprise Funds					
Water	10,708	552	-	-	11,260
Wastewater	142,513	-	-	644,943	787,456
Desert Hills Golf Course	-	524	-	-	524
Internal Service Funds					
Equipment Maintenance	-	46	-	-	46
Total	<u>\$ 1,376,625</u>	<u>\$ 6,230,392</u>	<u>\$ 573,304</u>	<u>\$ 1,544,860</u>	<u>\$ 9,725,181</u>

E. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2007, follows:

Capital Assets Not Being Depreciated:	Balance			Balance June 30, 2007
	June 30, 2006	Increases	Decreases	
Land	\$ 19,170,250	\$ 12,288,853	\$ -	\$ 31,459,103
Construction in Progress	21,178,708	14,146,487	-	35,325,195
Total Capital Assets Not Being Depreciated	<u>40,348,958</u>	<u>26,435,340</u>	<u>-</u>	<u>66,784,298</u>
Other Capital Assets:				
Buildings	66,496,308	99,877	-	66,596,185
Improvements	26,900,491	7,179,517	-	34,080,008
Infrastructure	153,072,738	457,211	-	153,529,949
Equipment	38,854,523	4,341,904	1,140,996	42,055,431
Total Other Capital Assets	<u>285,324,060</u>	<u>12,078,509</u>	<u>1,140,996</u>	<u>296,261,573</u>
Less Accumulated Depreciation for:				
Buildings	15,203,740	2,211,281	-	17,415,021
Improvements	11,370,706	2,356,125	-	13,726,831
Infrastructure	74,611,244	3,746,297	-	78,357,541
Equipment	23,341,234	3,524,304	1,103,567	25,761,971
Total Accumulated Depreciation	<u>124,526,924</u>	<u>11,838,007</u>	<u>1,103,567</u>	<u>135,261,364</u>
Other Capital Assets, Net	<u>160,797,136</u>	<u>240,502</u>	<u>37,429</u>	<u>161,000,210</u>
Total Capital Assets, Governmental Activities	<u>\$ 201,146,094</u>	<u>\$ 26,675,842</u>	<u>\$ 37,429</u>	<u>\$ 227,784,507</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

Government activities capital assets net of accumulated depreciation at June 30, 2007, include:

General Capital Assets, Net	\$ 217,745,838
Internal Service Fund Capital Assets, Net	<u>10,038,669</u>
Total	<u>\$ 227,784,507</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,628,510
Public Safety	1,399,775
Parks, Recreation, and Culture	2,626,680
Environmental Health and Protection	28,350
Community Design and Development	92,979
Streets	3,811,240
Assets held by Internal Service Funds are charged based on usage of assets	<u>2,250,473</u>
Total	<u>\$ 11,838,007</u>

Business-type activities:

	Balance June 30, 2006	Increases	Decreases	Balance June 30, 2007
Capital Assets Not Being Depreciated:				
Land	\$ 1,945,954	\$ 172,139	\$ -	\$ 2,118,093
Construction in Progress	122,280,655	43,945,239	457	166,225,437
Total Capital Assets Not Being Depreciated	<u>124,226,609</u>	<u>44,117,378</u>	<u>457</u>	<u>168,343,530</u>
Other Capital Assets:				
Buildings	7,945,196	-	-	7,945,196
Improvements	137,897,739	5,116,329	-	143,014,068
Equipment	4,006,829	480,813	58,533	4,429,109
Total Other Capital Assets	<u>149,849,764</u>	<u>5,597,142</u>	<u>58,533</u>	<u>155,388,373</u>
Less Accumulated Depreciation for:				
Buildings	4,205,765	202,089	-	4,407,854
Improvements	65,160,448	5,876,062	-	71,036,510
Equipment	2,502,747	260,979	58,533	2,705,193
Total Accumulated Depreciation	<u>71,868,960</u>	<u>6,339,130</u>	<u>58,533</u>	<u>78,149,557</u>
Other Capital Assets, Net	<u>77,980,804</u>	<u>(741,988)</u>	<u>-</u>	<u>77,238,816</u>
Total Capital Assets, Business-type activities	<u>\$ 202,207,413</u>	<u>\$ 43,375,390</u>	<u>\$ 457</u>	<u>\$ 245,582,346</u>

Depreciation was charged to programs as follows:

Water	\$ 3,606,333
Wastewater	2,461,423
Golf courses	<u>271,374</u>
Total	<u>\$ 6,339,130</u>

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

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.

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 P.O. Box 33910 Phoenix, AZ 85067-3910 (602) 240-2200 or (800) 621-3778	1020 E. Missouri Avenue Phoenix, AZ 85014 (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, 2007, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 9.1 percent (8.6 percent retirement and 0.50 percent long-term disability) of the members' annual covered payroll. The City's contribution to ASRS for the years ended June 30, 2007, 2006, and 2005 were \$2,403,198, \$1,748,357, and \$1,240,899, 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 18.55 percent. The City's contributions to EORP for the years ended June 30, 2007, 2006 and 2005 were \$40,782, 43,463, and \$28,154, respectively, which were equal to the required contributions for the year.

Agent plans - For the year ended June 30, 2007 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 12.23 percent for police and 19.35 percent for fire.

Annual Pension Cost - The City's pension cost for the two agent plans for the year ended June 30, 2006 (the date of the most recent actuarial report) follows:

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

	<u>Police</u>	<u>Fire</u>
Contribution Rates	12.23%	19.35%
Annual Pension Cost	\$828,088	\$825,129
Contributions Made	\$828,088	\$825,129
Actuarial Valuation Date	June 30, 2006	June 30, 2006
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Investment Rate of Return	8.50%	8.50%
Projected Salary Increases	6% - 8.5%	5.5% - 8.5%
Inflation projection	5.00%	5.00%
Cost-of-Living Adjustments	None	None
Amortization Method	Level Percentage Open	Level Percentage Open
Remaining Amortization Period	20 years	20 years
Asset Valuation Method	Smoothed market	Smoothed market

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

		<u>Annual</u>	<u>Percent</u>	<u>Net Pension</u>
		<u>Pension Cost</u>	<u>Contributed</u>	<u>Obligation</u>
POLICE	2004	\$ 366,322	100.0%	-
	2005	547,043	100.0%	-
	2006	828,088	100.0%	-
FIRE	2004	332,035	100.0%	-
	2005	804,531	100.0%	-
	2006	825,129	100.0%	-

G. Long-Term Liabilities

The following changes occurred in long-term liabilities during the fiscal year ended June 30, 2007:

	<u>Balance</u>			<u>Balance</u>	<u>Due</u>
	<u>July 1,</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30,</u>	<u>Within</u>
	<u>2006</u>			<u>2007</u>	<u>One Year</u>
Governmental activities:					
Yuma Municipal Property Corporation	\$ 57,765,000	\$ -	\$ 2,730,000	\$ 55,035,000	\$ 2,820,000
Improvement District #67	6,600,000	-	710,000	5,890,000	945,000
Improvement District #68	3,875,000	-	-	3,875,000	-
Contracts Payable	924,000	-	807,000	117,000	117,000
Compensated Absences	2,403,198	382,467	46,041	2,739,624	-
Total Governmental Activity Long-Term Debt	<u>\$ 71,567,198</u>	<u>\$ 382,467</u>	<u>\$ 4,293,041</u>	<u>\$ 67,656,624</u>	<u>\$ 3,882,000</u>
Business-type activities:					
General Obligation Bonds	\$ 8,585,000	\$ -	\$ 1,050,000	\$ 7,535,000	\$ 1,115,000
Contracts Payable	74,110,111	13,692,165	3,648,159	84,154,117	3,774,893
Total Business-type Activity Long-Term Debt	<u>\$ 82,695,111</u>	<u>\$ 13,692,165</u>	<u>\$ 4,698,159</u>	<u>\$ 91,689,117</u>	<u>\$ 4,889,893</u>

On the Statement of Net Assets, the current portion of governmental activity long-term liabilities of \$3,882,000 excludes the current portion of compensated absences of \$1,910,657 that is recorded within accrued liabilities. The long-term portion of governmental activity long-term liabilities is net of \$86,185 of unamortized deferred charges while the long-term portion of business-type activities is net of \$161,149 of unamortized issuance costs.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

Contracts Payable

Governmental Activities - During fiscal year 2007, the City held a loan recorded as a long-term contract payable. The loan was a \$500,000 note with the U.S. Department of Housing and Urban Development Section 108 program for use in neighborhood revitalization. Proceeds were used to generate loans to qualified neighborhood residents and future payments will be funded by loan repayments of the recipients.

The final debt service requirement under this contract for fiscal 2008 includes principal and interest payments of \$117,000 and \$2,223, respectively.

Business-type activities – During fiscal year 2004, the City began construction of major additions to its utility infrastructure, including new, additional treatment plants for its water and wastewater systems. Financing for these additions comes from the Arizona Water Infrastructure Financing Authority (WIFA) in the form of 20 year loan contracts.

Bonded Debt - Excluding Refunded Debt

Special Assessment Bonds – Special assessment bonds are issued by the City on behalf of improvement districts created by property owners for a specific purpose. Property owners in the designated districts agree to be assessed for the principal and interest costs of repaying the bonds. As trustee for improvement districts, the City is responsible for collecting the assessments levied against the owners of the property within the improvement districts and for disbursing these amounts to retire the bonds issued to finance the improvements.

Special assessment bonds are secured by liens against the property within each district. In the event of delinquency, the City may secure payment of the bonds through sale of the property. All activity related to these bonds is recorded in the City's Debt Service Fund.

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

1998 Issue	Excise Taxes
2001 Issue	Excise Taxes
2003 – Series A	Excise and Public Safety Taxes
2003 – Series B	Excise Taxes
2003 – Series C	Excise and Special Sales 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.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding</u>
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	7,535,000
Unamortized deferred amount on refunding				<u>-</u>	<u>(161,149)</u>
				<u>22,455,000</u>	<u>7,373,851</u>
Yuma Municipal Property Corporation Bonds:					
2001 Issue	4.94%	3/21/2001	2025	34,150,000	32,335,000
2003 - Series A Refunding	4.21%	2/18/2003	2015	14,640,000	11,625,000
2003 - Series B Refunding	3.67%	2/18/2003	2015	2,905,000	2,280,000
2003 - Series C Refunding	2.97%	2/18/2003	2010	1,445,000	860,000
2003 - Series B Addition	4.18%	2/18/2003	2022	<u>9,000,000</u>	<u>7,935,000</u>
Total MPC Bonds				<u>62,140,000</u>	<u>55,035,000</u>
Total Bonds Authorized and Issued				<u>\$ 84,595,000</u>	<u>\$ 62,408,851</u>

Legal Debt Margin

Under Arizona's Constitution, outstanding general obligation bonded debt for combined water, sewer, artificial light, parks, open space preserves, playgrounds and recreational facilities may not exceed 20% of a City's net secondary assessed valuation. Outstanding general obligation debt for all other purposes may not exceed 6% of a City's net secondary assessed valuation. The legal borrowing capacity of the City of Yuma at June 30, 2007 follows:

	<u>Water, Etc. (20%)</u>	<u>All Other (6%)</u>
Secondary Assessed Valuation	<u>\$468,531,273</u>	
Legal Limit	\$ 93,706,255	\$ 28,111,876
Outstanding G.O. Debt	<u>7,535,000</u>	<u>-</u>
Available Debt Margin	<u>\$ 86,171,255</u>	<u>\$ 28,111,876</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

Annual Debt Service Requirements to Maturity

July 1	G.O. Refunding Bonds-1997 Issue			Improvement District No. 67 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2007	\$ 1,115,000	\$ 365,067	\$ 1,480,067	\$ 740,000	\$ 217,930	\$ 957,930
2008	1,170,000	312,105	1,482,105	770,000	190,550	960,550
2009	1,210,000	257,115	1,467,115	805,000	162,060	967,060
2010	1,275,000	196,615	1,471,615	840,000	132,275	972,275
2011	1,345,000	134,140	1,479,140	875,000	101,195	976,195
2012	1,420,000	69,580	1,489,580	910,000	68,820	978,820
2013	-	-	-	950,000	35,150	985,150
	<u>\$ 7,535,000</u>	<u>\$ 1,334,622</u>	<u>\$ 8,869,622</u>	<u>\$ 5,890,000</u>	<u>\$ 907,980</u>	<u>\$ 6,797,980</u>

MPC Bonds 2001 Series			MPC Bonds 2003 Series			Improvement District No. 68 Bonds			
2007	\$ 965,000	\$ 1,575,225	\$ 2,540,225	\$ 375,000	\$ 320,233	\$ 695,233	\$ 205,000	\$ 182,125	\$ 387,125
2008	1,000,000	1,536,625	2,536,625	385,000	309,920	694,920	210,000	172,490	382,490
2009	1,040,000	1,494,125	2,534,125	395,000	298,370	693,370	220,000	162,620	382,620
2010	1,080,000	1,449,925	2,529,925	410,000	285,532	695,532	230,000	152,280	382,280
2011	1,130,000	1,404,025	2,534,025	420,000	272,207	692,207	245,000	141,470	386,470
2012	1,175,000	1,356,000	2,531,000	435,000	257,507	692,507	255,000	129,955	384,955
2013	1,235,000	1,297,250	2,532,250	450,000	241,847	691,847	265,000	117,970	382,970
2014	1,295,000	1,235,500	2,530,500	470,000	224,973	694,973	280,000	105,515	385,515
2015	1,355,000	1,170,750	2,525,750	490,000	207,347	697,347	290,000	92,355	382,355
2016	1,755,000	1,103,000	2,858,000	515,000	182,847	697,847	305,000	78,725	383,725
2017	1,840,000	1,015,250	2,855,250	535,000	157,098	692,098	320,000	64,390	384,390
2018	1,935,000	923,250	2,858,250	560,000	134,628	694,628	335,000	49,350	384,350
2019	2,030,000	826,500	2,856,500	585,000	110,828	695,828	350,000	33,605	383,605
2020	2,130,000	725,000	2,855,000	610,000	85,672	695,672	365,000	17,155	382,155
2021	2,240,000	618,500	2,858,500	635,000	58,833	693,833	-	-	-
2022	2,350,000	506,500	2,856,500	665,000	30,258	695,258	-	-	-
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>\$ 32,335,000</u>	<u>\$ 19,027,925</u>	<u>\$ 51,362,925</u>	<u>\$ 7,935,000</u>	<u>\$ 3,178,100</u>	<u>\$ 11,113,100</u>	<u>\$ 3,875,000</u>	<u>\$ 1,500,005</u>	<u>\$ 5,375,005</u>

MPC Bonds 2003 Refunding 1995A			MPC Bonds 2003 Refunding 1995B			MPC Bonds 2003 Refunding 1995C			
2007	\$ 1,060,000	\$ 506,853	\$ 1,566,853	\$ 215,000	\$ 81,897	\$ 296,897	\$ 205,000	\$ 26,400	\$ 231,400
2008	1,095,000	477,703	1,572,703	230,000	75,985	305,985	210,000	20,763	230,763
2009	1,150,000	422,953	1,572,953	235,000	69,085	304,085	220,000	14,463	234,463
2010	1,210,000	365,453	1,575,453	245,000	61,448	306,448	225,000	7,313	232,313
2011	1,285,000	304,953	1,589,953	250,000	53,485	303,485	-	-	-
2012	1,350,000	240,703	1,590,703	260,000	44,735	304,735	-	-	-
2013	1,425,000	173,203	1,598,203	270,000	35,375	305,375	-	-	-
2014	1,490,000	119,765	1,609,765	280,000	25,250	305,250	-	-	-
2015	1,560,000	62,400	1,622,400	295,000	14,750	309,750	-	-	-
	<u>\$ 11,625,000</u>	<u>\$ 2,673,986</u>	<u>\$ 14,298,986</u>	<u>\$ 2,280,000</u>	<u>\$ 462,010</u>	<u>\$ 2,742,010</u>	<u>\$ 860,000</u>	<u>\$ 68,939</u>	<u>\$ 928,939</u>

WIFA Loan #920069-03			WIFA Loan #910043-03			WIFA Loan #920088-04			
2007	\$ 426,066	\$ 291,434	\$ 717,500	\$ 1,950,040	\$ 1,333,850	\$ 3,283,890	\$ 1,398,788	\$ 1,315,703	\$ 2,714,491
2008	440,173	277,327	717,500	2,014,606	1,269,284	3,283,890	1,451,270	1,263,221	2,714,491
2009	454,747	262,753	717,500	2,081,310	1,202,580	3,283,890	1,505,722	1,208,769	2,714,491
2010	469,804	247,696	717,500	2,150,222	1,133,668	3,283,890	1,562,217	1,152,274	2,714,491
2011	485,359	232,141	717,500	2,221,416	1,062,474	3,283,890	1,620,831	1,093,660	2,714,491
2012	501,429	216,071	717,500	2,294,967	988,923	3,283,890	1,681,644	1,032,846	2,714,491
2013	518,032	199,468	717,500	2,370,953	912,937	3,283,890	1,744,740	969,751	2,714,491
2014	535,184	182,316	717,500	2,449,455	834,435	3,283,890	1,810,202	904,288	2,714,491
2015	552,904	164,596	717,500	2,530,557	753,333	3,283,890	1,878,121	836,370	2,714,491
2016	571,210	146,290	717,500	2,614,343	669,547	3,283,890	1,948,588	765,903	2,714,491
2017	590,123	127,377	717,500	2,700,904	582,986	3,283,890	2,021,699	692,792	2,714,491
2018	609,662	107,838	717,500	2,790,331	493,559	3,283,890	2,097,554	616,937	2,714,491
2019	629,848	87,652	717,500	2,882,719	401,171	3,283,890	2,176,254	538,237	2,714,491
2020	650,702	66,798	717,500	2,978,166	305,724	3,283,890	2,257,907	456,584	2,714,491
2021	672,247	45,253	717,500	3,076,773	207,117	3,283,890	2,342,623	371,867	2,714,491
2022	694,505	22,995	717,500	3,178,645	105,245	3,283,890	2,430,519	283,972	2,714,491
2023	-	-	-	-	-	-	2,521,712	192,779	2,714,491
2024	-	-	-	-	-	-	2,616,326	98,165	2,714,491
	<u>\$ 8,801,995</u>	<u>\$ 2,678,004</u>	<u>\$ 11,479,999</u>	<u>\$ 40,285,407</u>	<u>\$ 12,256,832</u>	<u>\$ 52,542,239</u>	<u>\$ 35,066,717</u>	<u>\$ 13,794,119</u>	<u>\$ 48,860,836</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

H. Interfund Transfers

<i>Transfers Out</i>			<i>Transfers In</i>		
From / Into			Into / From		
Governmental funds - major funds:					
General Fund	HURF	\$ 17,802	General Fund -	Two Percent Tax	\$ 660,300
	Solid Waste	1,876,825	(Riverfront Redevelopment)		
	Mall Maintenance	150,796	HURF	General Fund	17,802
	Debt Service	2,631,758			
	Capital Projects	2,882,513	Debt Service	General Fund	2,631,758
HURF	Debt Service	98,394		HURF	98,394
	Capital Projects	1,421,458		Road Tax	30,392
Road Tax	Capital Projects	12,492,566		Capital Projects	96,335
	Debt Service	30,392		Public Safety Tax	2,260,567
Grants	Capital Projects	4,523,573		Solid Waste	20,354
				Desert Hills G.C.	231,334
Community Redevelopment	Capital Projects	3,350		Wastewater	32,944
			Capital Projects	Water	60,500
Capital Projects	Debt Service	96,335		General Fund	2,882,513
	Water	61,575		HURF	1,421,458
	Wastewater	394,372		Road Tax	12,492,566
				Community Redevelopment	3,350
				Grants	4,523,573
				LTAf	389,351
				Public Safety Tax	4,615,440
				Two Percent Tax	1,819,632
				Recreation Complex	594,279
Nonmajor funds:					
LTAf	Capital Projects	389,351	Solid Waste	General Fund	1,876,825
Public Safety Tax	Debt Service	2,260,567			
	Capital Projects	4,615,440	Recreation Complex	Two Percent Tax	1,500,000
Solid Waste	Debt Service	20,354	Mall Maintenance	General Fund	150,796
Recreation Complex	Capital Projects	594,279			
Two Percent Tax	Recreation Complex	1,500,000			
	Riverfront Redevelpmnt	660,300			
	Capital Projects	1,819,632			
	Desert Hill G.C.	231,334			
		<u>38,772,966</u>			
Total Governmental Activities			Total Governmental Activities		<u>38,410,463</u>
Enterprise funds:					
Desert Hills G.C.	Debt Service	231,334	Desert Hills G.C.	Two Percent Tax	231,334
Water	Debt Service	60,500	Water	Capital Projects	61,575
Wastewater	Debt Service	32,944	Wastewater	Capital Projects	394,372
	Total Enterprise Funds	<u>324,778</u>			<u>687,281</u>
	<i>Total Transfers Out</i>	<u>\$ 39,097,744</u>		<i>Total Transfers In</i>	<u>\$ 39,097,744</u>

The majority of the transfers listed above are for capital projects expenditures or for debt service requirements and are recognizable by the fund to which the transfer is made. This includes Enterprise Fund transfers to debt service as the majority of the related bond debt service is governmental in nature and is recorded in the Debt Service Fund rather than within the Enterprise Funds. As for the remaining transfers, they include operating subsidies from the General Fund to HURF (\$17,802), Solid Waste Fund (\$1,876,825) and Mall Maintenance (\$150,796); and from the Two Percent Tax Fund to the General Fund (per riverfront development agreement), to the Recreation Complex Fund (\$1,500,000) and Desert Hills Golf Course (\$231,334).

Interfund activity is eliminated within the governmental activities column of the Statement of Activities. Only transfers between governmental and business-type activities appear on that statement. The net asset transfers in of \$362,503 are for capital assets.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

I. Interfund Receivables and Payables

Interfund balances at June 30, 2007, follow:

<u>Interfund Payable</u>	<u>Interfund Receivable</u>		<u>Total</u>
	<u>Major Funds</u>		
	<u>General</u>	<u>Capital Projects</u>	
Major Governmental Funds:			
Community Redevelopment Fund	\$ 132,392	\$ -	\$ 132,392
Grants Fund	671,931	189,814	861,745
Nonmajor Governmental Funds:			
Solid Waste Fund	63,478	-	63,478
Mall Maintenance Fund	8,000	-	8,000
Internal Service Funds:			
Equipment Maintenance	495,603	-	495,603
Workers Compensation	553,081	-	553,081
Total Receivable	<u>\$ 1,924,485</u>	<u>\$ 189,814</u>	<u>\$ 2,114,299</u>

Because they serve primarily governmental funds, the interfund activity noted above in the Internal Service Equipment Maintenance and Workers Compensation are combined within the governmental activities for government-wide reporting. As such, the interfund activity is eliminated in the governmental activities column of the Statement of Net Assets. The internal balances amount appearing on that statement, \$683,765, represents net balances allocated to business-type activities for consolidation of internal service funds net profits.

J. Fund Equity

Unreserved Fund Balances – Designations - Uncompleted Projects - \$926,138 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* - \$834,589 includes sales tax rebates of \$334,320, capital projects of \$500,000 and the remaining \$269 is for public/educational/government (PEG) facility for the local cable system. *Future Community Improvements* – In General Fund, \$187,100 in Community Investment Trust represents special projects in subsequent years as designated by City Council, and \$50,000 in Special Revenue Funds is a contingency account, designated by City Council, for the Yuma Civic Center.

K. Risk Management

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

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

Fiscal Year	Insurance Reserve Fund				Workers Compensation Fund			
	Beginning of Year Liability	Claims and Changes In Estimates	Claim Payments	End of Year Liability	Beginning of Year Liability	Claims and Changes In Estimates	Claim Payments	End of Year Liability
2006-07	\$ 29,331	\$ 118,661	\$ 113,332	\$ 34,660	\$ 663,933	\$ 761,715	\$ 607,588	\$ 818,060
2005-06	34,036	205,735	210,440	29,331	464,508	892,640	693,215	663,933
2004-05	-	178,069	144,033	34,036	464,350	322,021	321,863	464,508

L. Construction Commitments

The City has active construction projects as of June 30, 2007. At year-end the government's commitments with contractors for specific projects are as follows:

Construction Commitments	Original Contract	Spent to Date	Remaining Commitment
General Government	\$ 150,000	\$ 13,697	\$ 136,303
Public Safety	2,725,053	630,289	2,094,764
Parks & Recreation	2,029,895	956,228	1,073,667
Environmental Health	112,468	43,292	69,176
Streets	8,391,355	3,371,444	5,019,911
Water System	14,784,886	9,071,944	5,712,942
Wastewater	18,206,970	2,176,992	16,029,978
	<u>\$ 46,400,625</u>	<u>\$ 16,263,884</u>	<u>\$ 30,136,741</u>

M. Subsequent Event

In fiscal 2006 and fiscal 2007, the City Council passed Resolutions R2005-116 and R2006-86, respectively, establishing the intent to issue bonded debt for the purpose of constructing a variety of infrastructure and other capital projects to be funded by both governmental and business-like activities. Final issue amounts are not determined; however, capital plans call for issuance of bonds in excess of \$200 million over the next two fiscal years. The aforementioned resolutions allow for reimbursement of operating funds from which expenditures were made for bond-related projects prior to the bonds' issuance. During the year ended June 30, 2007, expenditures from governmental activities and business-like activities for related projects totaled \$5,987,495 and \$27,014,458, respectively. These operating funds will be reimbursed during fiscal 2008.

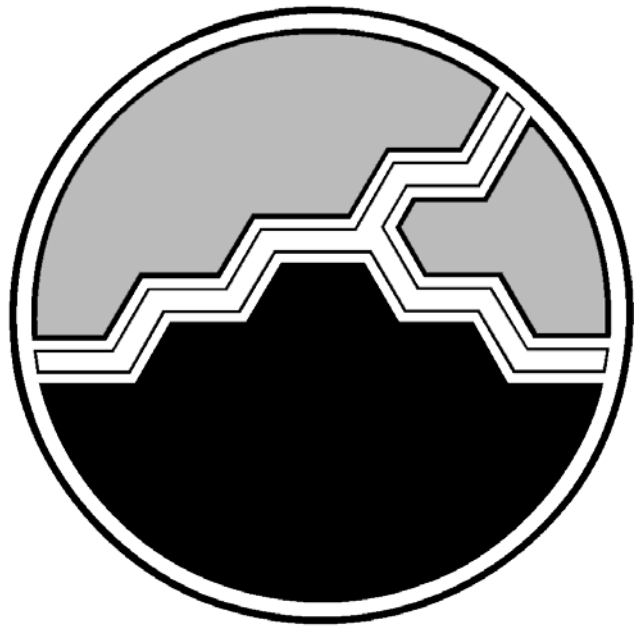
IV. CONTINGENT LIABILITIES

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, 2007.

B. Compliance

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



**REQUIRED SUPPLEMENTARY
INFORMATION**

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

	Actual Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Payroll
<i>POLICE</i>						
2004	\$ 38,470,273	\$ 37,305,569	\$ (1,164,704)	103.1%	\$ 6,781,905	-%
2005	39,130,092	43,029,465	3,899,373	90.9%	7,550,449	51.6%
2006	39,606,532	47,038,163	7,431,631	84.2%	8,334,721	89.2%
<i>FIRE</i>						
2004	29,419,423	34,779,442	5,360,019	84.6%	4,504,681	119.0%
2005	29,151,838	38,122,098	8,794,173	76.8%	4,682,644	191.6%
2006	28,456,219	39,701,588	11,245,339	71.7%	5,206,722	216.0%

City of Yuma, Arizona
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	\$ 20,804,824	\$ 20,804,824	\$ 21,739,475	\$ 934,651
Resources (inflows):				
Taxes:				
Property Tax - Primary	7,320,954	7,320,954	7,125,281	(195,673)
Property Tax - Delinquent	180,000	180,000	152,952	(27,048)
City Sales Tax	21,319,700	21,319,700	20,672,520	(647,180)
Public Enterprise In-Lieu	242,000	242,000	244,610	2,610
Franchise Tax	2,188,000	2,188,000	2,678,454	490,454
Total Taxes	31,250,654	31,250,654	30,873,817	(376,837)
Licenses:				
Business Licenses	296,000	296,000	315,968	19,968
Liquor Licenses	37,500	37,500	38,880	1,380
Building Permits	3,211,400	3,211,400	2,480,543	(730,857)
Alcohol Permits	7,500	7,500	9,300	1,800
Total Licenses	3,552,400	3,552,400	2,844,691	(707,709)
Intergovernmental:				
Sales Tax - State	9,016,000	9,016,000	8,437,831	(578,169)
State Revenue Sharing	9,825,592	9,825,592	10,079,129	253,537
Auto Lieu Tax	3,120,000	3,120,000	3,476,885	356,885
Other Governmental Charges	-	-	112,747	112,747
Total Intergovernmental	21,961,592	21,961,592	22,106,592	145,000
Charges for Services:				
Building Inspection Fees	760,100	760,100	985,294	225,194
Recreation Fees	465,000	465,000	485,647	20,647
Police Services	660,000	660,000	805,478	145,478
Other Charges	1,109,000	1,109,000	530,064	(578,936)
Total Charges for Services	2,994,100	2,994,100	2,806,483	(187,617)
Fines and Forfeitures:				
City Court Fines	783,000	783,000	1,038,871	255,871
Total Fines and Forfeitures	783,000	783,000	1,038,871	255,871
Use of Money and Property:				
Interest	307,657	307,657	1,038,848	731,191
Rental Receipts	140,000	140,000	154,159	14,159
Total Use of Money and Property	447,657	447,657	1,193,007	745,350
Miscellaneous				
Sales of Surplus Property	3,000	3,000	20,360	17,360
Other	80,000	80,000	117,774	37,774
Total Miscellaneous	83,000	83,000	138,134	55,134
Total Revenues	61,072,403	61,072,403	61,001,595	(70,808)
Transfers From Other Funds	220,100	220,100	660,300	440,200
Amounts Available for Appropriation	82,097,327	82,097,327	83,401,370	1,304,043

Continued on next page

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Charges to Appropriations (outflows):				
General Government:				
Mayor and Council	297,813	302,813	262,313	40,500
Elections	115,100	115,100	66	115,034
City Administrator	1,044,774	1,044,774	957,459	87,315
Public Affairs	180,406	180,406	170,634	9,772
Strategic Communications	666,210	666,210	652,363	13,847
Economic Development	167,117	167,117	95,822	71,295
General Government	2,423,061	2,223,061	1,221,269	1,001,792
City Clerk	303,420	303,420	276,387	27,033
Community Investment Trust	-	-	199,685	(199,685)
City Attorney	1,119,434	1,114,434	1,037,446	76,988
City Prosecutor	247,459	247,459	247,431	28
Finance-Administration	344,473	344,473	259,790	84,683
Accounting	733,047	733,047	687,361	45,686
Customer Services	431,546	431,546	415,129	16,417
Information Technology Services	4,047,761	4,237,761	2,765,656	1,472,105
Purchasing	631,793	631,793	599,882	31,911
Human Resources	933,665	933,665	862,321	71,344
Facilities Maintenance	775,583	775,583	763,013	12,570
Intragovernmental Charges	<u>(3,330,669)</u>	<u>(3,330,669)</u>	<u>(3,330,669)</u>	-
Total General Government Expenditures	<u>11,131,993</u>	<u>11,121,993</u>	<u>8,143,358</u>	<u>2,978,635</u>
Less Capital Outlay	1,651,628	1,932,579	502,783	1,429,796
Less Debt Service				
Principal	-	-	-	-
Total General Government Deductions	<u>1,651,628</u>	<u>1,932,579</u>	<u>502,783</u>	<u>1,429,796</u>
General Government Operating Expenditures	<u>9,480,365</u>	<u>9,189,414</u>	<u>7,640,575</u>	<u>1,548,839</u>
Public Safety:				
Police Administration - Field Operations	17,862,451	17,774,526	16,401,858	1,372,668
Police Reserve Unit	5,750	5,750	1,089	4,661
Police Support Services	2,977,297	3,065,222	2,747,145	318,077
Police Communication Center	2,107,548	2,107,548	1,843,943	263,605
Fire Administration	527,176	527,176	545,170	(17,994)
Fire Training	531,643	531,643	492,537	39,106
Fire Suppression	9,477,585	9,457,585	9,003,960	453,625
Community Risk Reduction	904,158	914,158	850,055	64,103
Fire Special Operations	138,394	138,394	91,403	46,991
Fire Emergency Medical Services	212,369	232,369	122,661	109,708
Fire Emergency Management	194,833	194,833	122,559	72,274
Animal Control	450,000	450,000	450,000	-
Municipal Court	<u>1,643,852</u>	<u>1,643,852</u>	<u>1,594,291</u>	<u>49,561</u>
Total Public Safety Expenditures	<u>37,033,056</u>	<u>37,043,056</u>	<u>34,266,671</u>	<u>2,776,385</u>
Less Capital Outlay	<u>1,714,471</u>	<u>1,678,380</u>	<u>1,219,408</u>	<u>458,972</u>
Public Safety Operating Expenditures	<u>35,318,585</u>	<u>35,364,676</u>	<u>33,047,263</u>	<u>2,317,413</u>

Continued on next page

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Parks, Recreation and Culture:				
Parks and Recreation Administration	580,062	579,562	552,749	26,813
Parks Maintenance	4,961,082	4,960,182	4,747,627	212,555
Parks Development	309,975	309,825	333,427	(23,602)
Recreation Administration	648,902	650,702	640,446	10,256
Senior Adult Activities	185,652	185,652	184,207	1,445
Adult Activities	258,124	258,124	253,512	4,612
Youth Activities	292,340	292,340	232,198	60,142
Aguatics	695,425	695,425	698,846	(3,421)
Yuma Readiness Center	194,669	194,554	148,838	45,716
Yuma Art Center	841,130	840,995	820,586	20,409
Intragovernmental Charges	(118,853)	(118,853)	(118,853)	-
Total Parks, Recreation and Culture	<u>8,848,508</u>	<u>8,848,508</u>	<u>8,493,583</u>	<u>354,925</u>
Less Capital Outlay	<u>431,400</u>	<u>431,400</u>	<u>205,548</u>	<u>225,852</u>
Parks, Recreation and Culture				
Operating Expenditures	<u>8,417,108</u>	<u>8,417,108</u>	<u>8,288,035</u>	<u>129,073</u>
Environmental Health and Protection:				
Environmental Management	1,100,726	1,100,726	1,010,277	90,449
Intragovernmental Charges	(875,340)	(875,340)	(875,340)	-
Total Environmental Health and Protection	<u>225,386</u>	<u>225,386</u>	<u>134,937</u>	<u>90,449</u>
Less Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>24,123</u>	<u>877</u>
Environmental Health and Protection				
Operating Expenditures	<u>200,386</u>	<u>200,386</u>	<u>110,814</u>	<u>89,572</u>
Community Design and Development:				
Community Development Administration	401,638	401,638	474,191	(72,553)
Development Engineering	396,003	396,003	245,071	150,932
Business Development	440,000	440,000	458,129	(18,129)
Planning and Neighborhood Services	3,137,349	3,137,349	2,649,573	487,776
Heritage Area Development	502,943	502,943	503,031	(88)
Outside Agencies	287,000	287,000	271,000	16,000
Total Community Design and Development	<u>5,164,933</u>	<u>5,164,933</u>	<u>4,600,995</u>	<u>563,938</u>
Less Capital Outlay	<u>50,050</u>	<u>51,381</u>	<u>42,496</u>	<u>8,885</u>
Community Design and Development				
Operating Expenditures	<u>5,114,883</u>	<u>5,113,552</u>	<u>4,558,499</u>	<u>555,053</u>
Total Operating Expenditures	<u>58,531,327</u>	<u>58,285,136</u>	<u>53,645,186</u>	<u>4,639,950</u>
Capital Outlay	<u>3,872,549</u>	<u>4,118,740</u>	<u>1,994,358</u>	<u>2,124,382</u>
Total Expenditures	<u>62,403,876</u>	<u>62,403,876</u>	<u>55,639,544</u>	<u>6,764,332</u>
Transfers to Other Funds	<u>6,999,280</u>	<u>6,999,280</u>	<u>7,559,694</u>	<u>(560,414)</u>
Total Charges to Appropriations	<u>69,403,156</u>	<u>69,403,156</u>	<u>63,199,238</u>	<u>6,203,918</u>
Budgetary Fund Balance, June 30	<u>\$ 12,694,171</u>	<u>\$ 12,694,171</u>	<u>\$ 20,202,132</u>	<u>\$ 7,507,961</u>

Concluded

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Highway User Revenue Fund
 For the Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ 4,452,980	\$ 4,452,980	\$ 5,157,830	\$ 704,850
Resources (inflows):				
Intergovernmental				
State Gasoline Tax	8,250,284	8,250,284	8,137,895	(112,389)
Use of Money and Property				
Interest	100,000	100,000	241,260	141,260
Miscellaneous				
Engineering Oversight Fees	30,000	30,000	94,006	64,006
Other	30,000	30,000	6,944	(23,056)
Total Revenues	<u>8,410,284</u>	<u>8,410,284</u>	<u>8,480,105</u>	<u>69,821</u>
Transfers From Other Funds	<u>23,822</u>	<u>23,822</u>	<u>17,802</u>	<u>(6,020)</u>
Amounts Available for Appropriation	<u>12,887,086</u>	<u>12,887,086</u>	<u>13,655,737</u>	<u>768,651</u>
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Traffic Signals, Signs, and Striping	1,247,218	1,260,218	1,227,028	33,190
Streets				
Engineering	894,488	898,988	956,014	(57,026)
Street Maintenance	2,903,306	2,903,306	2,789,545	113,761
Street Lighting	513,355	513,355	675,266	(161,911)
Street Sweeping	616,727	616,727	607,246	9,481
Storm Drain Maintenance	880,978	880,978	879,886	1,092
Curbs, Gutters, and Sidewalks	456,616	456,616	445,136	11,480
Environmental Health				
Lot Cleaning	25,790	25,790	17,802	7,988
Capital Outlay	<u>436,465</u>	<u>418,965</u>	<u>294,900</u>	<u>124,065</u>
Total Expenditures	<u>7,974,943</u>	<u>7,974,943</u>	<u>7,892,823</u>	<u>82,120</u>
Transfers To Other Funds	<u>2,255,742</u>	<u>2,255,742</u>	<u>1,519,852</u>	<u>735,890</u>
Total Charges to Appropriations	<u>10,230,685</u>	<u>10,230,685</u>	<u>9,412,675</u>	<u>818,010</u>
Budgetary Fund Balance, June 30	<u>\$ 2,656,401</u>	<u>\$ 2,656,401</u>	<u>\$ 4,243,062</u>	<u>\$ 1,586,661</u>

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 City Road Tax Fund
 For the Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ 7,343,384	\$ 7,343,384	\$ 5,848,306	\$ (1,495,078)
Resources (inflows):				
Taxes				
Special Road Sales Tax	10,658,000	10,658,000	10,334,503	(323,497)
Use of Money and Property				
Interest	120,000	120,000	376,640	256,640
Miscellaneous				
Other	100,000	100,000	144,388	44,388
Total Revenues	10,878,000	10,878,000	10,855,531	(22,469)
Amounts Available for Appropriation	18,221,384	18,221,384	16,703,837	(1,517,547)
Charges to Appropriations (outflows):				
Current:				
Streets				
Street Maintenance	256,565	256,565	256,565	-
Retention Basin Maintenance	631,977	631,977	545,008	86,969
Debt Service				
Principal	200,000	200,000	200,000	-
Interest and Fiscal Agent Fees	1,647	1,647	1,647	-
Total Expenditures	1,099,189	1,099,189	1,013,276	85,913
Transfers to Other Funds	8,674,200	8,674,200	12,522,958	(3,848,758)
Total Charges to Appropriations	9,773,389	9,773,389	13,536,234	(3,762,845)
Budgetary Fund Balance, June 30	\$ 8,447,995	\$ 8,447,995	\$ 3,167,603	\$ (5,280,392)

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Grants Fund
 For the Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		\$
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	9,554,583	9,554,583	4,813,494	(4,741,089)
State Government	1,609,550	1,609,550	495,402	(1,114,148)
Budget Authority Reserve	7,988,150	7,988,150	-	(7,988,150)
Use of Money and Property				
Interest	-	-	648	648
Contributions/Donations	79,650	79,650	35,844	(43,806)
Total Revenues	19,231,933	19,231,933	5,345,388	(13,886,545)
Amounts Available for Appropriation	19,231,933	19,231,933	5,345,388	(13,886,545)
Charges to Appropriations (outflows):				
Current:				
Public Safety	4,042,154	3,948,452	594,867	3,353,585
Parks, Recreation and Culture	27,000	27,825	18,479	9,346
Environmental Health and Protection	1,365,779	1,342,946	74,429	1,268,517
Community Design & Development	6,000	11,102	5,280	5,822
Capital Outlay	661,000	771,608	128,760	642,848
Total Expenditures	6,101,933	6,101,933	821,815	5,280,118
Operating Transfers Out	13,130,000	13,130,000	4,523,573	8,606,427
Total Charges to Appropriations	19,231,933	19,231,933	5,345,388	13,886,545
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Community Redevelopment Fund
 For the Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	2,632,675	2,632,675	1,553,832	(1,078,843)
State Government	300,000	300,000	130,213	(169,787)
Use of Money and Property				
Rental Receipts	-	-	31,210	31,210
Miscellaneous				
Loan Repayments	-	-	37,897	37,897
Other	144,762	144,762	140,982	(3,780)
Total Revenues	<u>3,077,437</u>	<u>3,077,437</u>	<u>1,894,134</u>	<u>(1,183,303)</u>
Amounts Available for Appropriation	<u>3,077,437</u>	<u>3,077,437</u>	<u>1,894,134</u>	<u>(1,183,303)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development	2,779,299	2,779,299	1,777,492	1,001,807
Capital Outlay	2,000	2,000	-	2,000
Debt Service				
Principal	107,000	107,000	107,000	-
Interest and Fiscal Agent Fees	8,138	8,138	6,292	1,846
Total Expenditures	<u>2,896,437</u>	<u>2,896,437</u>	<u>1,890,784</u>	<u>1,005,653</u>
Operating Transfers Out	181,000	181,000	3,350	177,650
Total Charges to Appropriations	<u>3,077,437</u>	<u>3,077,437</u>	<u>1,894,134</u>	<u>1,183,303</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to this schedule

City of Yuma, Arizona
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2007

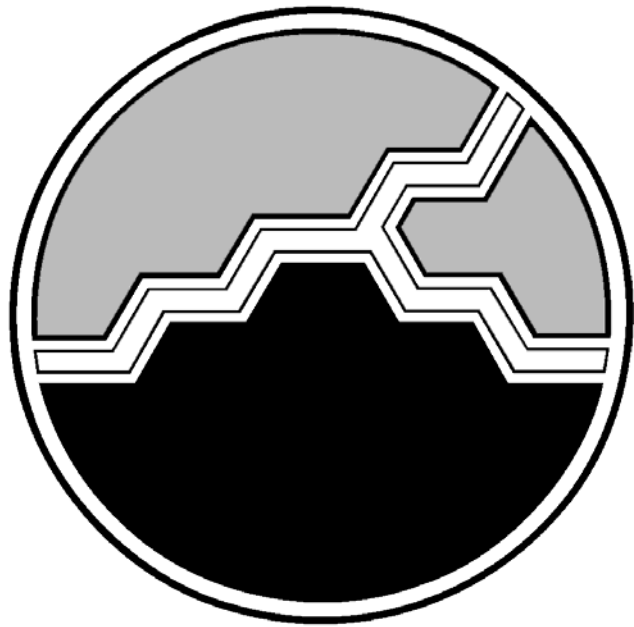
A. Budgetary Reporting and Budgetary Basis of Accounting

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

B. Excess of Expenditures Over Appropriations

The City's expenditures exceeded appropriations in the four funds. Unbudgeted interest and fiscal agent fees related to Improvement District No. 68 caused expenditures within the Debt Service Fund to exceed appropriations by \$189,429. In the Two Percent Tax Special Revenue Fund, unbudgeted arbitrage costs resulted in an excess of expenditures over budget of \$5,069. Expenditures exceeded appropriations by \$389,959 in the Equipment Maintenance Internal Service Fund because equipment parts and fuel costs were underestimated while in the Insurance Reserve Internal Service Fund litigation costs caused expenditures to exceed appropriations by \$17,387.

**OTHER SUPPLEMENTARY
INFORMATION**



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

City of Yuma, Arizona
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

<u>Assets</u>	Special Revenue			
	Local Transportation Assistance	Public Safety Tax	Solid Waste	Recreation Complex
Cash and Investments	\$ 33,661	\$ 2,400,037	\$ -	\$ 1,432,288
Receivables (Net of Allowances for Uncollectibles):				
Accounts Receivable	-	-	226,476	11,735
Intergovernmental	-	304,558	23	7,594
Accrued Interest	2,859	55,701	-	14,802
Inventory, at cost	-	-	-	7,365
Prepaid Items	-	-	-	2,995
Total Assets	\$ 36,520	\$ 2,760,296	\$ 226,499	\$ 1,476,779
<u>Liabilities</u>				
Liabilities:				
Accounts Payable	\$ 128	\$ 2,352	\$ 79,614	\$ 19,842
Accrued Payroll and Related Taxes	-	-	56,262	56,928
Due to Other Funds	-	-	63,478	-
Unearned Revenue	-	-	-	87,820
Total Liabilities	128	2,352	199,354	164,590
<u>Fund Balances</u>				
Reserved for:				
Inventory	-	-	-	7,365
Prepaid Items	-	-	-	2,995
Unreserved:				
Designated For				
Future Community Improvements	-	-	-	-
Undesignated	36,392	2,757,944	27,145	1,301,829
Total Fund Balance	36,392	2,757,944	27,145	1,312,189
Total Liabilities and Fund Balance	\$ 36,520	\$ 2,760,296	\$ 226,499	\$ 1,476,779

<u>Special Revenue</u>		Total
<u>Two Percent Tax</u>	<u>Yuma Mall Maintenance</u>	<u>Nonmajor Governmental Funds</u>
-		
\$ 1,342,598	\$ 420	\$ 5,209,004
361	11,422	249,994
-	3,079	315,254
17,035	-	90,397
-	-	7,365
-	-	2,995
<u>\$ 1,359,994</u>	<u>\$ 14,921</u>	<u>\$ 5,875,009</u>
\$ 966	\$ 1,855	\$ 104,757
-	5,066	118,256
-	8,000	71,478
-	-	87,820
<u>966</u>	<u>14,921</u>	<u>382,311</u>
-	-	7,365
-	-	2,995
50,000		50,000
<u>1,309,028</u>	<u>-</u>	<u>5,432,338</u>
<u>1,359,028</u>	<u>-</u>	<u>5,492,698</u>
<u>\$ 1,359,994</u>	<u>\$ 14,921</u>	<u>\$ 5,875,009</u>

City of Yuma, Arizona
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2007

	Special Revenue			
	Local Transportation Assistance	Public Safety Tax	Solid Waste	Recreation Complex
Revenues:				
Taxes	\$ -	\$ 4,132,396	\$ -	\$ -
Intergovernmental	425,850	-	-	-
Charges for Services	-	-	1,480,646	-
Use of Money and Property	18,095	352,820	-	768,260
Contributions/Donations	42,566	-	-	-
Miscellaneous	-	-	10,679	10,563
Total Revenues	<u>486,511</u>	<u>4,485,216</u>	<u>1,491,325</u>	<u>778,823</u>
Expenditures:				
Current:				
Public Safety	-	144,353	-	-
Parks, Recreation and Culture	-	-	-	1,867,801
Environmental Health and Protection	-	-	3,347,796	-
Community Design and Development	95,373	-	-	-
Capital Outlay	-	-	-	37,716
Total Expenditures	<u>95,373</u>	<u>144,353</u>	<u>3,347,796</u>	<u>1,905,517</u>
Revenues Over/(Under) Expenditures	391,138	4,340,863	(1,856,471)	(1,126,694)
Other Financing Sources/(Uses):				
Transfers In	-	-	1,876,825	1,500,000
Transfers Out	(389,351)	(6,876,007)	(20,354)	(594,279)
Total Other Financing Sources/(Uses)	<u>(389,351)</u>	<u>(6,876,007)</u>	<u>1,856,471</u>	<u>905,721</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	1,787	(2,535,144)	-	(220,973)
Fund Balances, July 1	<u>34,605</u>	<u>5,293,088</u>	<u>27,145</u>	<u>1,533,162</u>
Fund Balances, June 30	<u>\$ 36,392</u>	<u>\$ 2,757,944</u>	<u>\$ 27,145</u>	<u>\$ 1,312,189</u>

<u>Special Revenue</u>		<u>Total</u>
<u>Two Percent</u>	<u>Yuma</u>	<u>Nonmajor</u>
<u>Tax</u>	<u>Mall</u>	<u>Governmental</u>
	<u>Maintenance</u>	<u>Funds</u>
\$ 4,232,008	\$ 113,345	\$ 8,477,749
-	-	425,850
-	-	1,480,646
111,572	-	1,250,747
-	-	42,566
<u>155</u>	<u>14,557</u>	<u>35,954</u>
<u>4,343,735</u>	<u>127,902</u>	<u>11,713,512</u>
-	-	144,353
848,019	-	2,715,820
-	-	3,347,796
-	261,544	356,917
-	<u>17,154</u>	<u>54,870</u>
<u>848,019</u>	<u>278,698</u>	<u>6,619,756</u>
3,495,716	(150,796)	5,093,756
-	150,796	3,527,621
<u>(4,211,266)</u>	<u>-</u>	<u>(12,091,257)</u>
<u>(4,211,266)</u>	<u>150,796</u>	<u>(8,563,636)</u>
(715,550)	-	(3,469,880)
<u>2,074,578</u>	<u>-</u>	<u>8,962,578</u>
<u>\$ 1,359,028</u>	<u>\$ -</u>	<u>\$ 5,492,698</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ 473,722	\$ 473,722
Resources (inflows):				
Special Assessments:				
Principal Payments	-	-	679,000	679,000
Use of Money and Property:				
Interest	-	-	347,710	347,710
Total Revenues	-	-	1,026,710	1,026,710
Transfers In from Other Funds	6,405,005	6,405,005	5,462,578	(942,427)
Amounts Available for Appropriation	6,405,005	6,405,005	6,963,010	558,005
Charges to Appropriations (outflows):				
Debt Service:				
Bond Principal	3,530,000	3,530,000	3,530,000	-
Bond Interest	2,741,673	2,741,673	2,923,797	(182,124)
Fiscal Agent Fees	-	-	7,305	(7,305)
Total Expenditures	6,271,673	6,271,673	6,461,102	(189,429)
Total Charges to Appropriations	6,271,673	6,271,673	6,461,102	(189,429)
Budgetary Fund Balance, June 30	\$ 133,332	\$ 133,332	\$ 501,908	\$ 368,576

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Capital Projects Fund
 For the Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ 5,975,550	\$ 5,975,550
Resources (inflows):				
Intergovernmental				
Arizona Department of Transportation	-	-	251,955	251,955
Charges for Services				
Developer Charges	9,200,900	9,200,900	4,517,266	(4,683,634)
Use of Money and Property				
Rents	435,500	435,500	441,565	6,065
Interest	140,000	140,000	491,417	351,417
Miscellaneous	18,902,000	18,902,000	25,434	(18,876,566)
Total Revenues	<u>28,678,400</u>	<u>28,678,400</u>	<u>5,727,637</u>	<u>(22,950,763)</u>
Issuance of Long-Term Debt	86,083,750	86,083,750	-	(86,083,750)
Transfers From Other Funds	<u>34,089,000</u>	<u>34,089,000</u>	<u>28,742,162</u>	<u>(5,346,838)</u>
Amounts Available for Appropriation	<u>148,851,150</u>	<u>148,851,150</u>	<u>40,445,349</u>	<u>(108,405,801)</u>
Charges to Appropriations (outflows):				
Capital Outlay:				
General Government	10,905,000	8,735,698	1,997,642	6,738,056
Public Safety	18,172,250	18,172,250	9,302,527	8,869,723
Streets	78,837,700	80,089,502	22,522,365	57,567,137
Parks, Recreation and Culture	31,334,800	31,917,300	4,991,839	26,925,461
Environmental Health and Safety	<u>5,582,000</u>	<u>5,417,000</u>	<u>152,556</u>	<u>5,264,444</u>
Total Expenditures	<u>144,831,750</u>	<u>144,331,750</u>	<u>38,966,929</u>	<u>105,364,821</u>
Operating Transfers Out	<u>(941,065)</u>	<u>(941,065)</u>	<u>552,282</u>	<u>(1,493,347)</u>
Total Charges to Appropriations	<u>143,890,685</u>	<u>143,390,685</u>	<u>39,519,211</u>	<u>103,871,474</u>
Budgetary Fund Balance, June 30	<u>\$ 4,960,465</u>	<u>\$ 5,460,465</u>	<u>\$ 926,138</u>	<u>\$ (4,534,327)</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Local Transportation Assistance Special Revenue Fund
 For the Year Ended June 30, 2007

	<u>Budget</u>		Actual	Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(Negative)</u>
Budgetary Fund Balance, July 1	\$ 20,000	\$ 20,000	\$ 34,605	\$ 14,605
Resources (inflows):				
Intergovernmental				
State Lottery Distribution	425,664	425,664	425,850	186
Use of Money and Property				
Interest	5,000	5,000	18,095	13,095
Contributions/Donations	<u>42,566</u>	<u>42,566</u>	<u>42,566</u>	<u>-</u>
Total Revenues	<u>473,230</u>	<u>473,230</u>	<u>486,511</u>	<u>13,281</u>
Amounts Available for Appropriation	<u>493,230</u>	<u>493,230</u>	<u>521,116</u>	<u>27,886</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development				
Outside Agencies - Cultural Activities	<u>95,373</u>	<u>95,373</u>	<u>95,373</u>	<u>-</u>
Total Expenditures	<u>95,373</u>	<u>95,373</u>	<u>95,373</u>	<u>-</u>
Operating Transfers Out	<u>377,857</u>	<u>377,857</u>	<u>389,351</u>	<u>(11,494)</u>
Total Charges to Appropriations	<u>473,230</u>	<u>473,230</u>	<u>484,724</u>	<u>(11,494)</u>
Budgetary Fund Balance, June 30	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 36,392</u>	<u>\$ 16,392</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Public Safety Tax Special Revenue Fund
 For the Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,293,087	\$ 5,293,087	\$ 5,293,088	\$ 1
Resources (inflows):				
Taxes				
Public Safety Sales Tax	4,261,600	4,261,600	4,132,396	(129,204)
Use of Money and Property				
Interest	80,000	80,000	352,820	272,820
Total Revenues	4,341,600	4,341,600	4,485,216	143,616
Amounts Available for Appropriation	9,634,687	9,634,687	9,778,304	143,617
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Police Support Services	-	-	130,698	(130,698)
Fire Support Services	100,000	100,000	13,655	86,345
Capital Outlay	11,491	186,491	-	186,491
Total Expenditures	111,491	286,491	144,353	142,138
Operating Transfers Out	7,072,777	7,072,777	6,876,007	196,770
Total Charges to Appropriations	7,184,268	7,359,268	7,020,360	338,908
Budgetary Fund Balance, June 30	\$ 2,450,419	\$ 2,275,419	\$ 2,757,944	\$ 482,525

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Solid Waste Special Revenue Fund
 For the Year Ended June 30, 2007

	<u>Budget</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ 27,145	\$ 27,145
Resources (inflows):				
Charges for Service				
Collection Fees	1,688,500	1,688,500	1,480,646	(207,854)
Miscellaneous				
Other	<u>5,000</u>	<u>5,000</u>	10,679	<u>5,679</u>
Total Revenues	<u>1,693,500</u>	<u>1,693,500</u>	<u>1,491,325</u>	<u>(202,175)</u>
Transfers from Other Funds	<u>2,148,830</u>	<u>2,148,830</u>	<u>1,876,825</u>	<u>(272,005)</u>
Amounts Available for Appropriation	<u>3,842,330</u>	<u>3,842,330</u>	<u>3,395,295</u>	<u>(447,035)</u>
Charges to Appropriations (outflows):				
Current:				
Environmental Health and Protection				
Residential Services	3,164,205	3,164,205	2,959,740	204,465
Uncontained Waste	403,539	403,539	362,795	40,744
Recycling	<u>54,189</u>	<u>54,189</u>	25,261	<u>28,928</u>
Total Expenditures	<u>3,821,933</u>	<u>3,821,933</u>	<u>3,347,796</u>	<u>474,137</u>
Transfers to Other Funds	<u>20,397</u>	<u>20,397</u>	20,354	<u>43</u>
Total Charges to Appropriations	<u>3,842,330</u>	<u>3,842,330</u>	<u>3,368,150</u>	<u>474,180</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,145</u>	<u>\$ 27,145</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Recreation Complex Special Revenue Fund
 For the Year Ended June 30, 2007

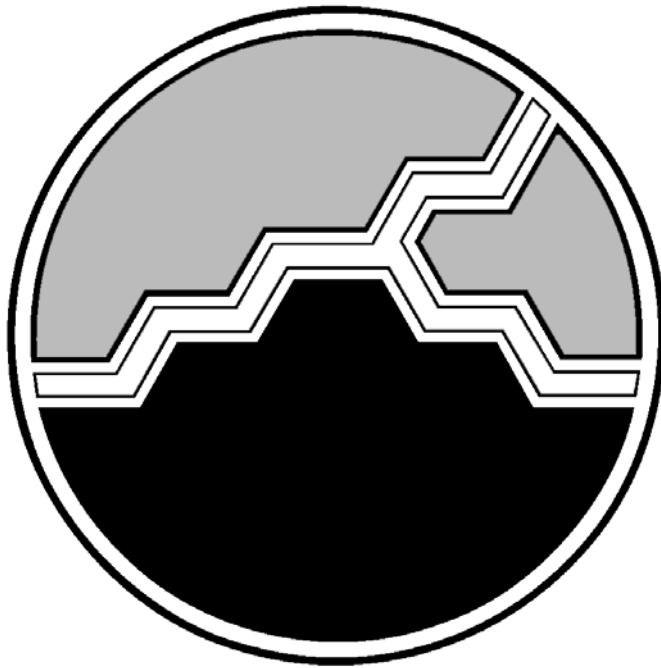
	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,073,860	\$ 1,073,860	\$ 1,533,162	\$ 459,302
Resources (inflows):				
Use of Money and Property				
Rents and Concessions	480,650	480,650	663,841	183,191
Interest	30,000	30,000	104,419	74,419
Miscellaneous				
Other	2,550	2,550	10,563	8,013
Total Revenues	513,200	513,200	778,823	265,623
Transfers from Other Funds	1,500,000	1,500,000	1,500,000	-
Amounts Available for Appropriation	3,087,060	3,087,060	3,811,985	724,925
Charges to Appropriations (outflows):				
Current:				
Parks, Recreation and Culture				
Civic and Convention Center	1,299,266	1,299,266	1,262,217	37,049
Baseball Complex	661,353	661,353	605,584	55,769
Capital Outlay	48,800	48,800	37,716	11,084
Total Expenditures	2,009,419	2,009,419	1,905,517	103,902
Transfers to Other Funds	940,000	940,000	594,279	345,721
Total Charges to Appropriations	2,949,419	2,949,419	2,499,796	449,623
Budgetary Fund Balance, June 30	\$ 137,641	\$ 137,641	\$ 1,312,189	\$ 1,174,548

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Two Percent Tax Special Revenue Fund
 For the Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,328,402	\$ 2,328,402	\$ 2,074,578	\$ (253,824)
Resources (inflows):				
Taxes				
Two Percent Tax	3,822,500	3,822,500	4,232,008	409,508
Use of Money and Property				
Interest	25,000	25,000	111,572	86,572
Miscellaneous				
Other	-	-	155	155
Total Revenues	<u>3,847,500</u>	<u>3,847,500</u>	<u>4,343,735</u>	<u>496,235</u>
Amounts Available for Appropriation	<u>6,175,902</u>	<u>6,175,902</u>	<u>6,418,313</u>	<u>242,411</u>
Charges to Appropriations (outflows):				
Current:				
Parks, Recreation and Culture				
Administration	27,950	27,950	58,019	(30,069)
Outside Agencies	815,000	815,000	790,000	25,000
Total Expenditures	<u>842,950</u>	<u>842,950</u>	<u>848,019</u>	<u>(5,069)</u>
Operating Transfers Out	<u>3,913,500</u>	<u>3,913,500</u>	<u>4,211,266</u>	<u>(297,766)</u>
Total Charges to Appropriations	<u>4,756,450</u>	<u>4,756,450</u>	<u>5,059,285</u>	<u>(302,835)</u>
Budgetary Fund Balance, June 30	<u>\$ 1,419,452</u>	<u>\$ 1,419,452</u>	<u>\$ 1,359,028</u>	<u>\$ (60,424)</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Yuma Mall Maintenance Special Revenue Fund
 For the Year Ended June 30, 2007

	<u>Budget</u>		<u>Actual</u> Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Taxes				
Mall Assessments	90,000	90,000	113,345	23,345
Miscellaneous				
Other	<u>15,000</u>	<u>15,000</u>	<u>14,557</u>	<u>(443)</u>
Total Revenues	<u>105,000</u>	<u>105,000</u>	<u>127,902</u>	<u>22,902</u>
Transfers from Other Funds	<u>203,082</u>	<u>203,082</u>	<u>150,796</u>	<u>(52,286)</u>
Amounts Available for Appropriation	<u>308,082</u>	<u>308,082</u>	<u>278,698</u>	<u>(29,384)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development				
Mall Maintenance	284,682	284,682	261,544	23,138
Capital Outlay	<u>23,400</u>	<u>23,400</u>	<u>17,154</u>	<u>6,246</u>
Total Expenditures	<u>308,082</u>	<u>308,082</u>	<u>278,698</u>	<u>29,384</u>
Total Charges to Appropriations	<u>308,082</u>	<u>308,082</u>	<u>278,698</u>	<u>29,384</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



NONMAJOR ENTERPRISE FUNDS

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

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

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

City of Yuma, Arizona
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Proprietary Funds
For the Year Ended June 30, 2007

	Enterprise Funds		Total Nonmajor Proprietary Funds
	Desert Hills Golf Course	Arroyo Dunes Golf Course	
Operating Revenues:			
Green Fees	\$ 1,103,189	\$ 253,897	\$ 1,357,086
Cart and Club Rental	354,467	13,763	368,230
Pro Shop Sales	287,092	1,516	288,608
Restaurant Sales	543,604	-	543,604
Total Operating Revenues	<u>2,288,352</u>	<u>269,176</u>	<u>2,557,528</u>
Operating Expenses:			
Operations and Maintenance	2,201,721	251,699	2,453,420
Depreciation and Amortization	242,905	28,469	271,374
Total Operating Expenses	<u>2,444,626</u>	<u>280,168</u>	<u>2,724,794</u>
Operating Loss	<u>(156,274)</u>	<u>(10,992)</u>	<u>(167,266)</u>
Non-Operating Revenues/(Expenses):			
Interest	10,153	6,976	17,129
Miscellaneous Revenues	4,854	779	5,633
Net Non-Operating Revenues	<u>15,007</u>	<u>7,755</u>	<u>22,762</u>
Deficit before Contributions and Transfers	(141,267)	(3,237)	(144,504)
Transfers In	231,334	-	231,334
Transfers Out	<u>(231,334)</u>	<u>-</u>	<u>(231,334)</u>
Change in Net Assets	(141,267)	(3,237)	(144,504)
Net Assets-beginning	<u>3,290,841</u>	<u>355,621</u>	<u>3,646,462</u>
Net Assets-ending	<u>\$ 3,149,574</u>	<u>\$ 352,384</u>	<u>\$ 3,501,958</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2007

	Enterprise Funds		Total Nonmajor Proprietary Funds
	Desert Hills Golf Course	Arroyo Dunes Golf Course	
Cash Flow from Operating Activities:			
Cash Received from Customers	\$ 2,286,581	\$ 269,176	\$ 2,555,757
Cash Paid to Employees	(991,951)	(116,899)	(1,108,850)
Cash Paid to Suppliers	(1,220,677)	(123,243)	(1,343,920)
Other Operating Activity Revenue	4,854	779	5,633
Net Cash Provided by Operating Activities	<u>78,807</u>	<u>29,813</u>	<u>108,620</u>
Cash Flows from Noncapital Financing Activities:			
Cash Received from Other Funds	231,334	-	231,334
Cash Paid to Other Funds	(231,334)	-	(231,334)
Net Cash Provided (Used for) Noncapital Financing Activities	-	-	-
Cash Flow from Capital and Related Financing Activities:			
Acquisition and Construction of Assets	(8,927)	-	(8,927)
Net Cash Used for Capital and Related Financing Activities	(8,927)	-	(8,927)
Cash Flows from Investing Activities:			
Receipt of Interest	10,153	6,664	16,817
Net Cash Provided by Investing Activities	<u>10,153</u>	<u>6,664</u>	<u>16,817</u>
Net Increase in Cash and Cash Equivalents	80,033	36,477	116,510
Cash and Cash Equivalents, July 1	<u>291,358</u>	<u>138,581</u>	<u>429,939</u>
Cash and Cash Equivalents, June 30	<u>\$ 371,391</u>	<u>\$ 175,058</u>	<u>\$ 546,449</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating (Loss)	\$ (156,274)	\$ (10,992)	\$ (167,266)
Adjustments to Reconcile Operating Income/(Loss)			
Depreciation and Amortization Expense	242,905	28,469	271,374
(Increase)Decrease in Accounts Receivables	562	-	562
(Increase)/Decrease in Inventories	(21,342)	(313)	(21,655)
(Increase)Decrease in Prepaid Items	(4,115)	5,652	1,537
Increase/(Decrease) in Accounts Payable	(5,273)	154	(5,119)
Increase(decrease) in Accrued Wages and Taxes Payable	14,294	6,064	20,358
Increase(decrease) in Unearned Revenue	3,196	-	3,196
Other Operating Activity Revenue	4,854	779	5,633
Total Adjustments	<u>235,081</u>	<u>40,805</u>	<u>275,886</u>
Net Cash Provided by Operating Activities	<u>\$ 78,807</u>	<u>\$ 29,813</u>	<u>\$ 108,620</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Water Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Resources (inflows):				
Inside City	\$ 13,329,828	\$ 13,329,828	\$ 15,297,177	\$ 1,967,349
Outside City	2,075,543	2,075,543	2,224,398	148,855
Commercial Raw Water	250,000	250,000	381,085	131,085
Meters, Connections and Services	330,379	330,379	438,501	108,122
Capital Contributions:				
System Development	491,889	491,889	287,333	(204,556)
Capacity Rights	2,428,136	2,428,136	2,206,943	(221,193)
Issuance of Long-Term Debt	114,191,100	114,191,100	13,692,165	(100,498,935)
Interest	391,489	391,489	681,986	290,497
Miscellaneous	20,000	20,000	105,795	85,795
Total Revenues	<u>133,508,364</u>	<u>133,508,364</u>	<u>35,315,383</u>	<u>(98,192,981)</u>
Transfers From Other Funds	-	-	61,575	61,575
Amounts Available for Appropriation	<u>133,508,364</u>	<u>133,508,364</u>	<u>35,376,958</u>	<u>(98,131,406)</u>
Charges to Appropriations (outflows):				
Current:				
Administration	2,071,465	2,071,465	1,896,653	174,812
Treatment	5,253,089	5,213,689	4,436,449	777,240
Water Transmission	1,592,558	1,613,558	1,500,407	113,151
Customer Services	1,216,064	1,262,664	1,218,941	43,723
Water Transfer	90,189	90,189	67,469	22,720
Laboratory	363,638	363,638	179,591	184,047
Capital Outlay:				
Capital Outlay	328,450	300,250	275,468	24,782
Capital Projects	121,750,995	122,250,995	35,141,067	87,109,928
Debt Service:				
Principal Retirement	2,939,854	2,939,854	2,939,853	1
Interest and Fiscal Agent Fees	1,767,016	1,767,016	1,688,498	78,518
Total Expenditures	<u>137,373,318</u>	<u>137,873,318</u>	<u>49,344,396</u>	<u>88,528,922</u>
Transfers to Other Funds	60,626	60,626	60,500	126
Total Charges to Appropriations	<u>137,433,944</u>	<u>137,933,944</u>	<u>49,404,896</u>	<u>88,529,048</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (3,925,580)</u>	<u>\$ (4,425,580)</u>	<u>(14,027,938)</u>	<u>\$ (9,602,358)</u>
Reconciliation to Change in Net Assets:				
Capital Outlay			275,468	
Capital Projects			35,141,067	
Principal Retirement			2,939,853	
Issuance of Long-Term Debt			(13,692,165)	
Capital Contributions for Subdivider Additions to System			1,868,237	
Depreciation and Amortization			<u>(3,678,806)</u>	
Change in Net Assets			<u>\$ 8,825,716</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, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Inside City	\$ 7,385,256	\$ 7,385,256	\$ 8,097,978	\$ 712,722
Outside City	519,519	519,519	588,209	68,690
Contractual/Industrial Services	1,013,804	1,013,804	1,700,332	686,528
Meters, Connections and Services	85,948	85,948	44,886	(41,062)
Capital Contributions:				
Capacity Rights	3,500,000	3,500,000	3,641,728	141,728
Wastewater Interceptor	750,000	750,000	377,843	(372,157)
Wastewater Trunk Line Charges	1,500	3,000	2,170	(830)
Issuance of Long-Term Debt	28,422,931	28,422,931	-	(28,422,931)
Interest	385,649	385,649	317,304	(68,345)
Miscellaneous	5,000	5,000	45,758	40,758
Total Revenues	<u>42,069,607</u>	<u>42,071,107</u>	<u>14,816,208</u>	<u>(27,254,899)</u>
Transfers From Other Funds	-	-	394,372	394,372
Amounts Available for Appropriation	<u>42,069,607</u>	<u>42,071,107</u>	<u>15,210,580</u>	<u>(26,860,527)</u>
Charges to Appropriations (outflows):				
Current:				
Administration	1,856,049	1,856,049	1,646,943	209,106
Treatment	4,663,586	4,720,072	4,960,893	(240,821)
Pretreatment	401,140	404,140	331,487	72,653
Collection	856,117	856,117	713,977	142,140
Laboratory	282,493	282,493	183,566	98,927
Capital Outlay:				
Capital Outlay	312,200	252,714	195,959	56,755
Capital Projects	34,257,431	34,257,431	9,359,578	24,897,853
Debt Service:				
Principal Retirement	1,950,040	1,950,040	1,950,040	-
Interest and Fiscal Agent Fees	1,333,850	1,333,850	1,333,850	-
Total Expenditures	<u>45,912,906</u>	<u>45,912,906</u>	<u>20,676,293</u>	<u>25,236,613</u>
Transfers To Other Funds	23,395	23,395	32,944	(9,549)
Total Charges to Appropriations	<u>45,936,301</u>	<u>45,936,301</u>	<u>20,709,237</u>	<u>25,227,064</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (3,866,694)</u>	<u>\$ (3,865,194)</u>	<u>(5,498,657)</u>	<u>\$ (1,633,463)</u>
Reconciliation to Change in Net Assets:				
Capital Outlay			195,959	
Capital Projects			9,359,578	
Principal Retirement			1,950,040	
Capital Contributions for Subdivider Additions to System			2,864,827	
Depreciation and Amortization			<u>(2,461,422)</u>	
Change in Net Assets			<u>\$ 6,410,325</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, 2007

	<u>Budget</u>		<u>Actual</u> Amounts	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Resources (inflows):				
Green Fees	\$ 1,148,057	\$ 1,148,057	\$ 1,103,189	\$ (44,868)
Cart and Club Rental	355,290	355,290	354,467	(823)
Pro Shop Sales	330,838	330,838	287,092	(43,746)
Restaurant Sales	508,129	508,129	543,604	35,475
Interest	-	-	10,153	10,153
Miscellaneous	-	-	4,854	4,854
Total Revenues	<u>2,342,314</u>	<u>2,342,314</u>	<u>2,303,359</u>	<u>(38,955)</u>
Transfers From Other Funds	<u>231,400</u>	<u>231,400</u>	<u>231,334</u>	<u>(66)</u>
Amounts Available for Appropriation	<u>2,573,714</u>	<u>2,573,714</u>	<u>2,534,693</u>	<u>(39,021)</u>
Charges to Appropriations (outflows):				
Current:				
Maintenance	1,157,796	1,157,796	1,041,796	116,000
Concession	563,959	563,959	564,338	(379)
Restaurant	646,687	646,687	595,587	51,100
Capital Outlay:				
Capital Outlay	<u>9,000</u>	<u>9,000</u>	<u>9,384</u>	<u>(384)</u>
Total Expenditures	<u>2,377,442</u>	<u>2,377,442</u>	<u>2,211,105</u>	<u>166,337</u>
Transfers To Other Funds	<u>231,400</u>	<u>231,400</u>	<u>231,334</u>	<u>66</u>
Total Charges to Appropriations	<u>2,608,842</u>	<u>2,608,842</u>	<u>2,442,439</u>	<u>166,403</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (35,128)</u>	<u>\$ (35,128)</u>	<u>92,254</u>	<u>\$ 127,382</u>
Reconciliation to Change in Net Assets:				
Capital Outlay			9,384	
Depreciation and Amortization			<u>(242,905)</u>	
Change in Net Assets			<u>\$ (141,267)</u>	

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

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Arroyo Dunes Golf Course Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Resources (inflows):				
Green Fees	\$ 219,424	\$ 219,424	\$ 253,897	\$ 34,473
Cart and Club Rental	9,654	9,654	13,763	4,109
Pro Shop Sales	1,433	1,433	1,516	83
Interest	3,000	3,000	6,976	3,976
Miscellaneous	-	-	779	779
Total Revenues	233,511	233,511	276,931	43,420
Amounts Available for Appropriation	233,511	233,511	276,931	43,420
Charges to Appropriations (outflows):				
Current:				
Maintenance	222,028	222,028	210,604	11,424
Concession	49,051	49,051	41,095	7,956
Total Expenditures	271,079	271,079	251,699	19,380
Total Charges to Appropriations	271,079	271,079	251,699	19,380
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	\$ (37,568)	\$ (37,568)	25,232	\$ 62,800
Reconciliation to Change in Net Assets:				
Depreciation and Amortization			(28,469)	
Change in Net Assets			\$ (3,237)	

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

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

City of Yuma, Arizona
Combining Statement of Net Assets
Internal Service Funds
June 30, 2007

<u>Assets</u>	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Current Assets:						
Cash and Investments	\$ 17,695,836	\$ 37,817	\$ 1,803,114	\$ 573,991	\$ 952,557	\$ 21,063,315
Accounts Receivable	-	150,479	42,593	-	-	193,072
Intergovernmental Receivable	-	46	-	-	-	46
Accrued Interest	135,413	-	12,208	4,804	7,716	160,141
Inventory, at cost	-	591,604	-	-	-	591,604
Total Current Assets	<u>17,831,249</u>	<u>779,946</u>	<u>1,857,915</u>	<u>578,795</u>	<u>960,273</u>	<u>22,008,178</u>
Noncurrent Assets:						
Capital Assets:						
Land	-	219,610	-	-	-	219,610
Buildings	-	19,251	-	-	-	19,251
Improvements Other than Buildings	-	53,235	-	-	-	53,235
Equipment	25,315,494	189,694	-	-	-	25,505,188
Less Accumulated Depreciation	<u>(15,694,999)</u>	<u>(63,616)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,758,615)</u>
Total Noncurrent Assets	<u>9,620,495</u>	<u>418,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,038,669</u>
Total Assets	<u>27,451,744</u>	<u>1,198,120</u>	<u>1,857,915</u>	<u>578,795</u>	<u>960,273</u>	<u>32,046,847</u>
<u>Liabilities</u>						
Liabilities:						
Accounts Payable	30,607	40,215	138,094	183	-	209,099
Accrued Payroll, Taxes and Benefits Payable	-	125,346	-	-	-	125,346
Estimated Claims and Judgements	-	-	34,660	-	818,060	852,720
Due to Other Funds	-	495,603	-	-	553,081	1,048,684
Total Liabilities	<u>30,607</u>	<u>661,164</u>	<u>172,754</u>	<u>183</u>	<u>1,371,141</u>	<u>2,235,849</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	9,620,495	418,174	-	-	-	10,038,669
Unrestricted	<u>17,800,642</u>	<u>118,782</u>	<u>1,685,161</u>	<u>578,612</u>	<u>(410,868)</u>	<u>19,772,329</u>
Total Net Assets	<u>\$ 27,421,137</u>	<u>\$ 536,956</u>	<u>\$ 1,685,161</u>	<u>\$ 578,612</u>	<u>\$ (410,868)</u>	<u>\$ 29,810,998</u>

City of Yuma, Arizona
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2007

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Operating Revenues:						
Charges For Services	\$ -	\$ 4,089,605	\$ 1,650,092	\$ -	\$ -	\$ 5,739,697
Contributions						
City	-	-	-	-	614,094	614,094
Property Damage Restitution	-	-	6,335	-	-	6,335
Equipment Rental	3,229,060	-	-	-	-	3,229,060
Miscellaneous	-	-	124,388	107	16,571	141,066
Total Operating Revenues	<u>3,229,060</u>	<u>4,089,605</u>	<u>1,780,815</u>	<u>107</u>	<u>630,665</u>	<u>9,730,252</u>
Operating Expenses:						
Claims Incurred	-	-	113,332	665	607,588	721,585
Premiums to Insurance Carriers	-	-	726,284	62,880	130,356	919,520
Administration	48,736	3,870,269	558,135	15,884	27,286	4,520,310
Depreciation	2,234,849	15,624	-	-	-	2,250,473
Total Operating Expenses	<u>2,283,585</u>	<u>3,885,893</u>	<u>1,397,751</u>	<u>79,429</u>	<u>765,230</u>	<u>8,411,888</u>
Operating Income/(Loss)	<u>945,475</u>	<u>203,712</u>	<u>383,064</u>	<u>(79,322)</u>	<u>(134,565)</u>	<u>1,318,364</u>
Non-Operating Revenue/(Expenses):						
Interest	863,383	-	75,320	31,788	43,269	1,013,760
Loss on the Sale of Assets	142,062	-	-	-	-	142,062
Total Non-Operating Revenues	<u>1,005,445</u>	<u>-</u>	<u>75,320</u>	<u>31,788</u>	<u>43,269</u>	<u>1,155,822</u>
Change in Net Assets	1,950,920	203,712	458,384	(47,534)	(91,296)	2,474,186
Net Assets, Beginning	<u>25,470,217</u>	<u>333,244</u>	<u>1,226,777</u>	<u>626,146</u>	<u>(319,572)</u>	<u>27,336,812</u>
Net Assets, Ending	<u>\$ 27,421,137</u>	<u>\$ 536,956</u>	<u>\$ 1,685,161</u>	<u>\$ 578,612</u>	<u>\$ (410,868)</u>	<u>\$ 29,810,998</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2007

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Cash Flows from Operating Activities:						
Cash Received from Customers	\$ 3,180,324	\$ 4,051,551	1,781,019	\$ 107	\$ 630,665	\$ 9,643,666
Cash Paid to Employees	-	(1,150,409)	-	-	-	(1,150,409)
Cash Paid to Suppliers	-	(89,461)	-	(79,452)	-	(168,913)
Cash Paid For Operating Expenses	-	(2,711,439)	(1,305,799)	-	(611,104)	(4,628,342)
Net Cash Flows Provided by/(Used for) Operating Activities	<u>3,180,324</u>	<u>100,242</u>	<u>475,220</u>	<u>(79,345)</u>	<u>19,561</u>	<u>3,696,002</u>
Cash Flows from Noncapital Financing Activities:						
Cash Received from Other Funds	-	-	-	-	79,386	79,386
Cash Paid to Other Funds	-	-	-	-	-	-
Net Cash Flows Provided by/(Used for) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,386</u>	<u>79,386</u>
Cash Flows from Capital and Related Financing Activities:						
Proceeds from Sale of Capital Assets	179,495	-	-	-	-	179,495
Payments for Capital Acquisitions	(1,675,946)	(65,952)	-	-	-	(1,741,898)
Net Cash Flows Used for Capital and Related Financing Activities	<u>(1,496,451)</u>	<u>(65,952)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,562,403)</u>
Cash Flows from Investing Activities						
Receipt of Interest	818,182	-	65,286	29,624	41,380	954,472
Net Cash Flows Provided by Investing Activities	<u>818,182</u>	<u>-</u>	<u>65,286</u>	<u>29,624</u>	<u>41,380</u>	<u>954,472</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	2,502,055	34,290	540,506	(49,721)	140,327	3,167,457
Cash and Cash Equivalents, July 1, 2006	15,193,781	3,527	1,262,608	623,712	812,230	17,895,858
Cash and Cash Equivalents, June 30, 2007	<u>\$ 17,695,836</u>	<u>\$ 37,817</u>	<u>\$ 1,803,114</u>	<u>\$ 573,991</u>	<u>\$ 952,557</u>	<u>\$ 21,063,315</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Operating Income/(Loss)	\$ 945,475	\$ 203,712	\$ 383,064	\$ (79,322)	\$ (134,565)	1,318,364
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation Expense	2,234,849	15,624	-	-	-	2,250,473
(Increase)/Decrease in Accounts Receivable	-	(38,055)	203	-	-	(37,852)
(Increase)/Decrease in Inventory	-	(115,612)	-	-	-	(115,612)
(Increase)/Decrease in Prepaid Items	-	9,428	-	-	-	9,428
Increase/(Decrease) in Accounts Payable	-	26,151	86,624	(23)	-	112,752
Increase/(Decrease) in Payroll Liabilities	-	(1,006)	-	-	-	(1,006)
Increase/(Decrease) in Claims Incurred but Not Reported	-	-	5,329	-	154,126	159,455
Total Adjustments	<u>2,234,849</u>	<u>(103,470)</u>	<u>92,156</u>	<u>(23)</u>	<u>154,126</u>	<u>2,377,638</u>
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 3,180,324</u>	<u>\$ 100,242</u>	<u>\$ 475,220</u>	<u>\$ (79,345)</u>	<u>\$ 19,561</u>	<u>3,696,002</u>
Noncash Transactions Affecting Financial Position:						
Purchase of Capital Assets with Financing Provided by Vendor	\$ 30,607	\$ -	\$ -	\$ -	\$ -	30,607
Total Noncash Transactions Affecting Financial Position	<u>\$ 30,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>30,607</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Equipment Replacement Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Resources (inflows):				
Charges for Services	\$ 3,314,773	\$ 3,314,773	\$ 3,229,060	\$ (85,713)
Interest	<u>700,000</u>	<u>700,000</u>	<u>863,383</u>	<u>163,383</u>
Total Revenues	<u>4,014,773</u>	<u>4,014,773</u>	<u>4,092,443</u>	<u>77,670</u>
Amounts Available for Appropriation	<u>4,014,773</u>	<u>4,014,773</u>	<u>4,092,443</u>	<u>77,670</u>
Charges to Appropriations (outflows):				
Current				
Administration	48,736	48,736	48,736	-
Capital Outlay	<u>2,108,080</u>	<u>2,108,080</u>	<u>1,700,567</u>	<u>407,513</u>
Total Expenditures	<u>2,156,816</u>	<u>2,156,816</u>	<u>1,749,303</u>	<u>407,513</u>
Total Charges to Appropriations	<u>2,156,816</u>	<u>2,156,816</u>	<u>1,749,303</u>	<u>407,513</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ 1,857,957</u>	<u>\$ 1,857,957</u>	<u>2,343,140</u>	<u>\$ 485,183</u>
Reconciliation to Change in Net Assets:				
Capital Outlay			1,700,567	
Loss on Sale of Assets			142,062	
Depreciation and Amortization			<u>(2,234,849)</u>	
Change in Net Assets			<u>\$ 1,950,920</u>	

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

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Equipment Maintenance Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Resources (inflows):				
Charges for Services	\$ 3,665,484	\$ 3,665,484	\$ 4,088,187	\$ 422,703
Miscellaneous	-	-	1,418	1,418
Total Revenues	<u>3,665,484</u>	<u>3,665,484</u>	<u>4,089,605</u>	<u>424,121</u>
Amounts Available for Appropriation	<u>3,665,484</u>	<u>3,665,484</u>	<u>4,089,605</u>	<u>424,121</u>
Charges to Appropriations (outflows):				
Current				
Administration	3,378,362	3,380,212	3,870,269	(490,057)
Capital Outlay	<u>167,900</u>	<u>166,050</u>	<u>65,952</u>	<u>100,098</u>
Total Expenditures	<u>3,546,262</u>	<u>3,546,262</u>	<u>3,936,221</u>	<u>(389,959)</u>
Total Charges to Appropriations	<u>3,546,262</u>	<u>3,546,262</u>	<u>3,936,221</u>	<u>(389,959)</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ 119,222</u>	<u>\$ 119,222</u>	<u>153,384</u>	<u>\$ 34,162</u>
Reconciliation to Change in Net Assets:				
Capital Outlay			65,952	
Depreciation and Amortization			<u>(15,624)</u>	
Change in Net Assets			<u>\$ 203,712</u>	

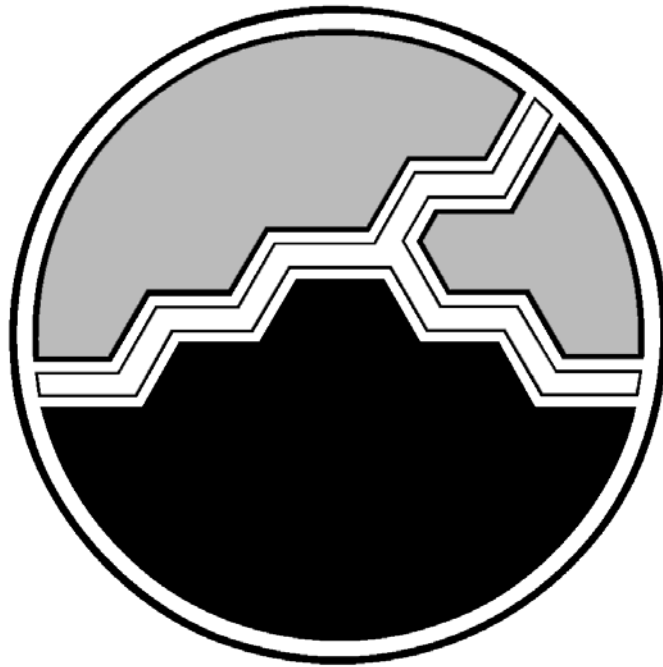
NOTE: This exhibit is prepared on the modified accrual basis to correspond with the City's budget practices. It is not intended to present the operations in accordance with generally accepted accounting principles.

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Insurance Reserve Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Resources (inflows):				
Charges for Services	\$ 1,650,093	\$ 1,650,093	\$ 1,650,092	\$ (1)
Property Damage Restitution	10,000	10,000	6,335	(3,665)
Miscellaneous	-	-	124,388	124,388
Interest	<u>15,000</u>	<u>15,000</u>	<u>75,320</u>	<u>60,320</u>
Total Revenues	<u>1,675,093</u>	<u>1,675,093</u>	<u>1,856,135</u>	<u>181,042</u>
Amounts Available for Appropriation	<u>1,675,093</u>	<u>1,675,093</u>	<u>1,856,135</u>	<u>181,042</u>
Charges to Appropriations (outflows):				
Current				
Premiums to Insurance Carriers	732,364	732,364	726,284	6,080
Claims Incurred	174,000	174,000	113,332	60,668
Administration	<u>474,000</u>	<u>474,000</u>	<u>558,135</u>	<u>(84,135)</u>
Total Expenditures	<u>1,380,364</u>	<u>1,380,364</u>	<u>1,397,751</u>	<u>(17,387)</u>
Total Charges to Appropriations	<u>1,380,364</u>	<u>1,380,364</u>	<u>1,397,751</u>	<u>(17,387)</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ 294,729</u>	<u>\$ 294,729</u>	<u>\$ 458,384</u>	<u>\$ 163,655</u>
Reconciliation to Change in Net Assets:				
Change in Net Assets			<u>\$ 458,384</u>	

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

STATISTICAL SECTION



STATISTICAL SECTION

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

Contents	Page
Financial Trends	98
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	106
These schedules contain information to help the reader assess the City's most significant local revenue source - sales tax.	
Debt Capacity	108
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.	
Demographic and Economic Information	114
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	116
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

City of Yuma, Arizona

**Net Assets by Component
Last Six Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Governmental activities						
Invested in capital assets, net of related debt	\$ 69,300	\$ 81,689	\$ 95,005	\$ 111,268	\$ 130,176	\$ 160,214
Restricted	1,484	-	-	330	24,820	12,991
Unrestricted	44,208	50,234	55,748	57,707	42,605	43,638
Total governmental activities net assets	<u>\$ 114,993</u>	<u>\$ 131,922</u>	<u>\$ 150,752</u>	<u>\$ 169,305</u>	<u>\$ 197,601</u>	<u>\$ 216,844</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 80,224	\$ 85,380	\$ 86,266	\$ 105,944	\$ 119,734	\$ 154,054
Restricted	-	-	-	-	-	-
Unrestricted	23,251	22,511	31,537	27,122	26,569	7,587
Total business-type activities net assets	<u>\$ 103,475</u>	<u>\$ 107,891</u>	<u>\$ 117,803</u>	<u>\$ 133,067</u>	<u>\$ 146,303</u>	<u>\$ 161,641</u>
Primary government						
Invested in capital assets, net of related debt	\$ 149,524	\$ 167,069	\$ 181,271	\$ 217,212	\$ 249,910	\$ 314,268
Restricted	1,484	-	-	330	24,820	12,991
Unrestricted	67,460	72,744	87,284	84,829	69,174	51,225
Total primary government net assets	<u>\$ 218,468</u>	<u>\$ 239,813</u>	<u>\$ 268,555</u>	<u>\$ 302,372</u>	<u>\$ 343,904</u>	<u>\$ 378,485</u>

City of Yuma, Arizona

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Expenses						
Governmental activities:						
General government	\$ 3,478	\$ 6,950	\$ 7,059	\$ 7,117	\$ 9,124	\$ 10,919
Public Safety	23,567	25,455	26,988	30,707	33,057	36,067
Streets	9,098	7,944	8,654	9,061	12,326	13,384
Parks, Recreation and Culture	8,526	8,862	9,475	9,841	12,173	15,400
Environmental Health and Protection	3,251	2,936	2,994	3,608	3,410	2,098
Community Design and Development	5,246	6,369	5,551	5,438	6,529	6,791
Interest on Long-Term Debt	3,227	2,878	2,972	3,042	2,899	2,948
Total governmental activities expenses	<u>56,393</u>	<u>61,393</u>	<u>63,692</u>	<u>68,815</u>	<u>79,519</u>	<u>87,606</u>
Business-type activities:						
Water	9,836	10,326	10,884	11,456	13,010	14,562
Wastewater	6,484	7,024	7,341	8,750	10,403	11,538
Golf Courses	2,490	2,524	2,493	2,514	2,641	2,676
Total business-type activities expenses	<u>18,810</u>	<u>19,874</u>	<u>20,719</u>	<u>22,720</u>	<u>26,053</u>	<u>28,777</u>
Total primary government expenses	<u>\$ 75,204</u>	<u>\$ 81,267</u>	<u>\$ 84,411</u>	<u>\$ 91,536</u>	<u>\$ 105,572</u>	<u>\$ 116,383</u>
Program Revenues						
Governmental activities:						
Charges for Services	\$ 6,095	\$ 7,094	\$ 9,153	\$ 14,391	\$ 14,204	\$ 14,715
Operating Grants and Contributions	2,795	3,684	3,290	3,568	2,840	2,661
Capital Grants and Contributions	1,650	1,398	3,703	1,747	5,679	5,341
Total governmental activities program revenues	<u>10,539</u>	<u>12,175</u>	<u>16,145</u>	<u>19,705</u>	<u>22,723</u>	<u>22,718</u>
Business-type activities:						
Charges for Services	17,208	18,863	21,109	23,512	27,462	31,487
Operating Grants and Contributions	-	-	-	-	-	-
Capital Grants and Contributions	6,260	5,439	8,923	11,657	11,025	11,249
Total business-type activities program revenues	<u>23,468</u>	<u>24,302</u>	<u>30,032</u>	<u>35,169</u>	<u>38,487</u>	<u>42,736</u>
Total primary government program revenues	<u>\$ 34,008</u>	<u>\$ 36,477</u>	<u>\$ 46,177</u>	<u>\$ 54,874</u>	<u>\$ 61,210</u>	<u>\$ 65,454</u>
Net (expense)/revenue						
Governmental activities	\$ (45,854)	\$ (49,218)	\$ (47,547)	\$ (49,110)	\$ (56,795)	\$ (64,889)
Business-type activities	4,658	4,428	9,313	12,449	12,434	13,959
Total primary government net expense	<u>\$ (41,196)</u>	<u>\$ (44,790)</u>	<u>\$ (38,234)</u>	<u>\$ (36,661)</u>	<u>\$ (44,361)</u>	<u>\$ (50,929)</u>

Continued on next page

City of Yuma, Arizona

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes	\$ 5,338	\$ 5,678	\$ 5,953	\$ 6,076	\$ 6,832	\$ 7,430
Sales taxes	25,039	25,484	28,529	32,795	36,557	39,616
Franchise taxes	1,836	1,719	1,936	2,105	3,116	2,678
Shared revenues	23,258	24,225	24,021	25,462	28,226	30,558
Grants and contributions not restricted to specific programs	-	7,577	5,198	1,673	7,826	115
Unrestricted investment earnings	2,227	877	292	1,370	2,190	4,097
Gain from sale of fixed assets	-	-	920	307	348	-
Transfers	382	587	(473)	(2,124)	(4)	(363)
Total governmental activities	58,079	66,148	66,377	67,663	85,091	84,132
Business-type activities:						
Investment earnings	999	575	125	691	798	1,016
Special Item - Litigation	(1,220)	-	-	-	-	-
Transfers	(382)	(587)	473	2,124	4	363
Total business-type activities	(603)	(12)	599	2,815	802	1,379
Total primary government	\$ 57,476	\$ 66,136	\$ 66,976	\$ 70,478	\$ 85,894	\$ 85,511
Change in Net Assets						
Governmental activities	\$ 12,225	\$ 16,930	\$ 18,830	\$ 18,553	\$ 28,296	\$ 19,243
Business-type activities	4,055	4,416	9,912	15,264	13,236	15,338
Total primary government	\$ 16,280	\$ 21,346	\$ 28,742	\$ 33,816	\$ 41,532	\$ 34,582

Concluded

City of Yuma, Arizona

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

Fiscal Year	Property Tax	General Sales Tax	City Road Sales Tax	Public Safety Sales Tax	Civic Center Excise Tax	Two Percent Tax	Utility Franchise	Public Enterprise In-Lieu	Mall District Levy	Total
1998	\$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
1999	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
2000	4,730,665	11,342,233	5,574,996	2,306,895	5,674	2,363,269	1,796,281	242,000	50,671	28,412,684
2001	5,243,984	12,836,934	6,417,376	2,566,078	-	2,490,071	2,135,544	242,000	62,912	31,994,899
2002	5,193,075	13,116,950	6,448,954	2,578,704	-	2,652,152	1,835,810	242,000	64,172	32,131,817
2003	5,525,546	13,237,042	6,617,396	2,646,059	-	2,741,989	1,719,272	242,000	83,184	32,812,488
2004	5,857,825	14,849,984	7,423,730	2,968,482	-	3,044,645	1,935,952	242,000	88,411	36,411,029
2005	6,084,442	17,165,647	8,581,364	3,431,379	-	3,374,350	2,105,116	242,000	93,863	41,078,161
2006	6,699,038	19,087,873	9,542,314	3,815,628	-	3,866,902	3,116,225	244,610	101,821	46,474,411
2007	7,278,233	20,672,520	10,334,503	4,132,396	-	4,232,008	2,678,454	244,610	113,345	49,686,069

City of Yuma, Arizona

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 414	\$ 427	\$ 507	\$ 490	\$ 539	\$ 489	\$ 101	\$ 296	\$ 614	\$ 309
Unreserved	4,499	6,264	7,806	11,073	13,012	15,087	17,436	19,704	21,125	19,893
Total General Fund	<u>\$ 4,913</u>	<u>\$ 6,691</u>	<u>\$ 8,312</u>	<u>\$ 11,563</u>	<u>\$ 13,551</u>	<u>\$ 15,576</u>	<u>\$ 17,537</u>	<u>\$ 20,000</u>	<u>\$ 21,739</u>	<u>\$ 20,202</u>
All other governmental funds										
Reserved	\$ 1,563	\$ 2,008	\$ 89	\$ 3,173	\$ 1,567	\$ 85	\$ 63	\$ 339	\$ 535	\$ 513
Unreserved, reported in:										
Special revenue funds	10,752	12,454	14,404	10,704	9,424	10,495	13,407	17,036	19,908	12,892
Capital projects funds	6,812	2,888	1,143	25,450	3,355	5,967	6,920	1,104	5,976	926
Total all other governmental funds	<u>\$ 19,128</u>	<u>\$ 17,349</u>	<u>\$ 15,636</u>	<u>\$ 39,327</u>	<u>\$ 14,346</u>	<u>\$ 16,548</u>	<u>\$ 20,391</u>	<u>\$ 18,479</u>	<u>\$ 26,418</u>	<u>\$ 14,331</u>

City of Yuma, Arizona

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

Fiscal Year

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Taxes	\$ 24,711	\$ 25,667	\$ 28,413	\$ 31,995	\$ 32,132	\$ 32,812	\$ 36,411	\$ 41,078	\$ 46,474	\$ 49,686
Licenses and permits	682	948	1,250	1,464	1,439	2,063	3,016	3,416	3,836	2,845
Intergovernmental	19,636	23,330	24,683	24,587	27,699	29,298	31,041	30,729	36,044	37,915
Charges for services	1,529	1,672	2,111	2,411	2,876	2,983	3,905	7,937	7,737	8,804
Fines and forfeitures	486	511	448	588	671	801	726	806	863	1,039
Special Assessments	224	12	13	6	-	-	-	-	649	679
Use of money and property	2,291	1,634	1,923	2,630	2,494	1,429	1,154	1,971	2,809	4,374
Contributions and donations	38	63	77	50	26	28	33	84	80	78
Miscellaneous	802	199	281	298	259	336	480	1,152	548	624
Total revenues	<u>50,398</u>	<u>54,036</u>	<u>59,198</u>	<u>64,030</u>	<u>67,594</u>	<u>69,750</u>	<u>76,766</u>	<u>87,173</u>	<u>99,041</u>	<u>106,045</u>
Expenditures										
General government	\$ 3,201	\$ 3,432	\$ 3,834	\$ 3,498	\$ 4,001	\$ 4,732	\$ 5,409	\$ 5,033	\$ 7,185	\$ 7,641
Public Safety	17,159	17,695	19,423	20,733	22,660	24,364	25,752	29,296	31,863	35,014
Streets	3,526	3,421	4,157	4,163	4,393	4,884	4,767	4,899	5,626	7,155
Parks, Recreation and Culture	5,557	5,799	6,541	6,704	7,428	7,765	7,828	8,534	9,727	11,022
Environmental Health and Protection	2,933	2,314	2,401	2,823	3,175	3,000	3,062	3,014	3,365	3,551
Community Design and Development	2,598	4,242	4,827	4,811	5,331	6,338	5,429	5,344	6,422	6,698
Capital Outlay	26,764	19,102	12,774	23,092	37,311	19,198	19,656	21,151	22,688	41,450
Debt Service										
Principal	2,625	2,534	3,786	3,897	4,346	5,248	3,825	3,447	4,209	3,837
Interest and fiscal agent fees	1,930	1,965	1,914	2,151	3,227	2,872	2,962	3,032	2,890	2,939
Total expenditures	<u>66,295</u>	<u>60,504</u>	<u>59,655</u>	<u>71,872</u>	<u>91,872</u>	<u>78,402</u>	<u>78,689</u>	<u>83,750</u>	<u>93,975</u>	<u>119,306</u>
Excess of revenues over (under) expenditures	\$ (15,898)	\$ (6,468)	\$ (457)	\$ (7,841)	\$ (24,277)	\$ (8,651)	\$ (1,922)	\$ 3,423	\$ 5,066	\$ (13,261)
Other financing sources (uses)										
Proceeds from long-term debt	\$ -	\$ 6,020	\$ -	\$ 34,209	\$ 909	\$ 31,490	\$ 7,280	\$ -	\$ 3,875	\$ -
Sale of real property	-	-	-	281	455	(19,199)	920	307	742	-
Capital Lease Additions	-	-	-	-	-	-	-	-	-	-
Transfers in	13,785	11,781	17,511	23,490	21,423	21,117	21,609	20,219	25,016	38,410
Transfers out	(13,778)	(11,333)	(17,145)	(23,198)	(21,501)	(20,530)	(22,082)	(23,398)	(25,021)	(38,773)
Total other financing sources (uses)	<u>7</u>	<u>6,468</u>	<u>365</u>	<u>34,783</u>	<u>1,285</u>	<u>12,878</u>	<u>7,727</u>	<u>(2,872)</u>	<u>4,612</u>	<u>(363)</u>
Net change in fund balances	<u>\$ (15,891)</u>	<u>\$ (1)</u>	<u>\$ (91)</u>	<u>\$ 26,941</u>	<u>\$ (22,993)</u>	<u>\$ 4,226</u>	<u>\$ 5,805</u>	<u>\$ 551</u>	<u>\$ 9,678</u>	<u>\$ 13,624</u>
Debt service as a percentage of noncapital expenditures	11.5%	10.9%	12.2%	12.4%	13.9%	13.7%	11.5%	10.4%	10.0%	8.7%

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

<u>Fiscal Year</u>	<u>Sales Tax</u>	<u>Revenue Sharing</u>	<u>Auto In-Lieu</u>	<u>Highway Users</u>	<u>Local Transportation Assistance</u>	<u>Grants and Others*</u>	<u>Total</u>
1998	\$ 4,506,916	\$ 5,171,767	\$ 1,595,995	\$ 5,768,654	\$ 439,556	\$ 2,152,620	\$ 19,635,508
1999	5,002,193	6,212,451	2,030,291	6,038,703	424,669	3,621,672	23,329,979
2000	5,515,532	6,958,385	2,075,329	6,715,766	418,463	2,999,869	24,683,344
2001	5,779,653	7,303,100	2,235,482	6,157,241	425,571	2,686,448	24,587,495
2002	5,973,339	8,084,914	2,345,195	6,414,401	440,004	4,440,943	27,698,796
2003	6,062,278	8,250,011	2,746,086	6,732,659	434,212	5,072,923	29,298,169
2004	6,535,654	7,002,250	2,852,832	7,198,891	431,754	7,019,763	31,041,144
2005	7,196,762	7,141,392	3,067,961	7,627,177	428,520	5,230,199	30,692,011
2006	8,292,930	8,133,573	3,391,236	7,980,673	427,528	7,818,092	36,044,032
2007	8,437,831	10,079,129	3,476,885	8,137,895	425,850	7,357,643	37,915,233

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

City of Yuma, Arizona

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

Fiscal Year	Federal						State of Arizona						Total
	Justice	Interior	Housing/Urban Development (CDBG)	Economic Development Administration	Other HUD	Other	Parks	Commerce	Transportation	Other	Local Government		
1998	\$ 855,001	\$ 119,355	\$ 794,492	\$ 35,766	\$ -	\$ -	\$ 36,000	\$ 3,935	\$ -	\$ 257,318	\$ 50,753	\$ 2,152,620	
1999	869,432	109,421	1,372,433	9,234	-	38,543	-	286,709	600,000	275,869	60,031	3,621,672	
2000	948,716	172,030	1,215,765	-	82,536	89,525	169,567	20,339	40,000	46,535	214,856	2,999,869	
2001	970,255	158,271	706,783	-	199,998	156,327	393,823	10,054	-	90,937	-	2,686,448	
2002	1,010,764	405,198	640,280	-	229,712	507,488	753,502	264,684	240,890	366,161	22,264	4,440,943	
2003	1,309,351	1,398,560	991,044	-	169,579	413,527	96,498	441,101	-	233,831	19,432	5,072,923	
2004	3,462,972	575,124	1,349,178	-	405,814	896,311	87,359	-	31,059	151,489	60,457	7,019,763	
2005	1,233,650	465,209	594,924	-	80,301	2,485,908	79,123	-	-	291,084	-	5,230,199	
2006	925,898	1,404,369	1,044,705	-	251,898	3,264,509	120,555	13,000	376,323	388,547	28,288	7,818,092	
2007	524,591	417,782	1,334,775	-	-	4,090,532	432,498	130,213	233,689	59,422	134,141	7,357,643	

City of Yuma, Arizona

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

	Fiscal Years									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Mining	\$ -	\$ 11	\$ 22	\$ 25	\$ -	3	\$ -	1	\$ 3	25
Construction	93,893	92,185	95,975	107,204	123,550	132,387	166,117	228,801	235,643	254,740
Manufacturing	18,254	20,277	27,488	40,897	26,315	23,128	28,969	53,176	60,054	57,632
Transportation, Communications, and Utilities	89,747	91,475	99,943	158,945	142,496	126,623	121,936	145,454	173,224	186,420
Wholesale Trade	21,807	24,136	28,966	25,543	26,615	27,587	23,625	29,635	35,498	34,732
Retail Trade	552,444	591,642	651,145	701,473	730,255	760,867	823,785	925,936	1,024,886	1,088,053
Restaurants and Bars	81,253	84,401	88,227	93,828	99,965	103,690	110,633	123,683	143,594	157,866
Fire Insurance and Real Estate	61,830	66,316	76,017	88,464	42,494	42,376	69,235	97,875	117,161	143,725
Hotels and Other Lodging	22,150	21,966	23,844	26,911	25,328	26,789	30,785	34,930	37,333	39,360
Services	29,026	31,993	34,203	33,342	78,342	79,392	66,721	44,921	48,639	58,050
Arts, Entertainment, Government and All Others Not Specified	<u>11,177</u>	<u>7,919</u>	<u>5,000</u>	<u>6,919</u>	<u>1,216</u>	<u>717</u>	<u>43,029</u>	<u>31,963</u>	<u>32,542</u>	<u>46,423</u>
	<u>\$ 981,580</u>	<u>\$ 1,032,320</u>	<u>\$ 1,130,831</u>	<u>\$ 1,283,552</u>	<u>\$ 1,296,576</u>	<u>\$ 1,323,559</u>	<u>\$ 1,484,835</u>	<u>\$ 1,716,376</u>	<u>\$ 1,908,577</u>	<u>\$ 2,067,025</u>
City direct sales tax rate	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%

Source: Arizona Department of Revenue

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

City of Yuma, Arizona

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

<u>Fiscal Year</u>	<u>City Sales Tax Rate</u>	<u>City Hospitality Sales Tax Rate</u>	<u>Yuma County</u>	<u>Arizona State</u>
1998	1.70%	2.00%	1.50%	5.00%
1999	1.70%	2.00%	1.50%	5.00%
2000	1.70%	2.00%	1.50%	5.00%
2001	1.70%	2.00%	1.50%	5.00%
2002	1.70%	2.00%	1.50%	5.60%
2003	1.70%	2.00%	1.50%	5.60%
2004	1.70%	2.00%	1.50%	5.60%
2005	1.70%	2.00%	1.60%	5.60%
2006	1.70%	2.00%	1.60%	5.60%
2007	1.70%	2.00%	1.10%	5.60%

Source: Arizona Department of Revenue

City of Yuma, Arizona

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

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Municipal Property Corporation Bonds	Special Assessment Bonds	Long-term Contracts Payable	Utility Bonds	General Obligation Bonds	Long-term Contracts Payable			
2002	\$ -	\$ 62,315,000	\$ -	\$ 573,334	\$ -	\$ 12,210,000	\$ -	\$ 75,098,334	2.26%	\$ 450
2003	-	66,240,000	-	3,320,000	-	11,385,000	10,408,191	91,353,191	2.80%	535
2004	-	63,440,000	7,280,000	2,515,000	-	10,505,000	33,790,746	117,530,746	3.30%	667
2005	-	60,420,000	7,280,000	1,723,000	-	9,575,000	61,072,113	140,070,113	3.67%	773
2006	-	57,765,000	10,475,000	924,000	-	8,585,000	74,110,111	151,859,111	NA	810
2007	-	55,035,000	9,765,000	117,000	-	7,535,000	84,154,117	156,606,117	NA	NA

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

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

City of Yuma, Arizona

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>General Bonded Debt</u>	<u>Ratio of General Bonded Debt to Assessed Value</u>	<u>General Bonded Debt per Capita</u>
1998	68,160	\$ 218,762,985	\$ -	\$ -	\$ -
1999	69,055	232,397,991	-	-	-
2000	71,000	245,008,969	-	-	-
2001	77,515	256,612,102	-	-	-
2002	81,380	278,555,470	-	-	-
2003	80,300	305,708,909	-	-	-
2004	83,330	322,623,524	-	-	-
2005	86,070	329,526,546	-	-	-
2006	88,775	367,376,807	-	-	-
2007	92,160	468,531,273	-	-	-

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Source: Yuma County Assessor

City of Yuma, Arizona

**Computation of Direct and Overlapping Debt
June 30, 2007**

Jurisdiction	Debt Outstanding	Allocable to City of Yuma	
		Percent	Amount
City of Yuma	\$ -	100.00%	\$ -
Yuma County	39,760,000	48.39%	19,239,169
Yuma County Library District	10,050,000	48.39%	4,863,019
Yuma County Community College District	77,665,000	48.39%	37,580,736
Yuma Union High School District No. 70	34,310,000	54.04%	18,541,124
Yuma School District No. 1	25,500,000	56.13%	14,314,304
Yuma School District No. 13	16,140,000	64.49%	<u>10,408,730</u>
Total Overlapping Debt			<u>\$ 104,947,082</u>

Source: Yuma County Treasurer and Finance Department
 Note: School district valuation applicable percentage estimated

City of Yuma, Arizona

**Legal Debt Margin Information
June 30, 2007
(amounts expressed in thousands)**

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit										
Water, Sewer, Lights, Parks (20%)	\$ 42,753	\$ 46,480	\$ 49,002	\$ 51,322	\$ 56,049	\$ 61,142	\$ 64,525	\$ 65,905	\$ 73,475	\$ 93,706
All Others (6%)	13,126	13,944	14,701	15,397	16,815	18,343	19,357	19,772	22,043	28,112
Total net debt applicable to limit										
Water, Sewer, Lights, Parks (20%)	14,200	14,385	13,715	12,995	12,210	11,385	10,505	9,575	8,585	7,535
All Others (6%)	-	-	-	-	-	-	-	-	-	-
Legal debt margin										
Water, Sewer, Lights, Parks (20%)	\$ 29,368	\$ 32,765	\$ 36,007	\$ 39,112	\$ 44,664	\$ 50,637	\$ 54,950	\$ 57,320	\$ 67,890	\$ 86,171
All Others (6%)	13,126	13,944	14,701	15,397	16,815	18,343	19,357	19,772	22,043	28,112
Total net debt applicable to the limit as a percentage of debt limit										
Water, Sewer, Lights, Parks (20%)	33.21%	30.95%	27.99%	25.32%	21.78%	18.62%	16.28%	14.53%	11.68%	8.04%
All Others (6%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2007

<u>General Obligation Bonds</u>			
	Water, Sewer, Lights, Parks (20%)	All Others (6%)	
2006 Tax Year Secondary Assessed Valuation	\$ 468,531	\$ 93,706	\$ 28,112
Outstanding General Obligation Debt:			
Project 1992	-	-	
Project 1997	7,535	-	
Total General Obligation Debt	<u>7,535</u>	<u>-</u>	
	<u>\$ 86,171</u>	<u>\$ 28,112</u>	

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

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

City of Yuma, Arizona

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

Series 2001, and 2003 Refunding 1995 Covenants

	<u>2003 Ref 1995A</u>	<u>2003 Ref 1995B</u>	<u>2003 Ref 1995C</u>	
2006-07 Pledged Taxes	\$ 57,554,165	\$ 53,421,769	\$ 57,653,777	
2007-08 Debt related to pledge:				<u>Total</u>
2003 Ref 1995 Series A	\$ 1,572,703	\$ -	\$ -	\$ 1,572,703
2003 Ref 1995 Series B	-	305,985	-	305,985
2003 Ref 1995 Series C	-	-	230,763	230,763
2001 Series	-	2,536,625	-	2,536,625
2003 Series	-	694,920	-	694,920
Total Debt	<u>\$ 1,572,703</u>	<u>\$ 3,537,530</u>	<u>\$ 230,763</u>	<u>\$ 4,646,076</u>
Coverage	36.6	15.1	249.8	
Required Coverage	4.0	3.0	3.5	
 <i>Collective Coverage</i>				
2006-07 Pledged Taxes	\$ 57,554,165	\$ 53,421,769	\$ 57,653,777	
Total 2007-08 Debt	<u>\$ 4,646,076</u>	<u>\$ 4,646,076</u>	<u>\$ 4,646,076</u>	
Coverage	12.4	11.5	12.4	
Required Coverage	4.0	3.0	3.5	

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

City of Yuma, Arizona

Pledged Tax Collections

	Fiscal Year								
	1999	2000	2001	2002	2003	2004	2005	2006	2007
Local Taxes									
Sales Tax (1%)	\$ 10,354,676	\$ 11,342,233	\$ 12,836,934	\$ 13,116,950	\$ 13,237,042	\$ 14,849,984	\$ 17,165,647	\$ 19,087,873	\$ 20,672,520
Franchise Fee	1,266,830	2,038,281	2,377,544	2,077,810	1,961,272	2,177,952	2,347,116	3,360,835	2,923,064
Intergovernmental Revenues:									
State Revenue Sharing	6,212,451	6,958,385	7,303,100	8,084,914	8,250,011	7,002,250	7,141,392	8,133,573	10,079,129
State Sales Tax	5,002,193	5,515,532	5,779,653	5,973,339	6,062,278	6,535,654	7,196,762	8,292,930	8,437,831
Auto In-Lieu Tax	2,030,291	2,075,329	2,235,482	2,345,195	2,746,086	2,852,832	3,067,961	3,391,236	3,476,885
Emergency Services and Other	18,079	21,856	19,675	22,264	19,432	36,132	36,573	28,288	112,747
Licenses:									
Business Licenses	286,644	273,704	262,991	210,565	297,643	291,080	300,290	300,596	315,968
Liquor Licenses	32,395	26,560	27,990	27,185	27,765	32,115	32,965	36,600	38,880
Fees for Services:									
Building Permits and Inspection Fees	912,959	1,318,636	1,543,648	1,550,072	2,343,219	3,608,965	4,096,137	4,508,571	3,465,837
Recreation Fees	286,838	305,014	332,466	341,523	355,658	381,442	431,931	453,273	485,647
Police Services and Other Public Safety Fees	253,442	423,643	495,782	482,394	705,976	544,869	647,381	774,246	1,335,542
Use of Money and Property:									
Investment Income	174,856	278,612	457,415	461,606	243,955	70,322	318,886	556,095	1,038,848
Fines, Forfeitures and Penalties:									
City Court Fines	511,115	447,813	587,620	670,837	801,121	725,948	805,772	863,316	1,038,871
<i>Total Series B Pledged Taxes</i>	<u>27,342,769</u>	<u>31,025,598</u>	<u>34,260,300</u>	<u>35,364,654</u>	<u>37,051,458</u>	<u>39,109,545</u>	<u>43,588,813</u>	<u>49,787,432</u>	<u>53,421,769</u>
Additional Series A Pledged Taxes									
City Public Safety Taxes (.2%)	2,105,780	2,306,895	2,566,078	2,578,704	2,646,059	2,968,482	3,431,379	3,815,628	4,132,396
<i>Total Series A Pledged Taxes</i>	<u>29,448,549</u>	<u>33,332,493</u>	<u>36,826,378</u>	<u>37,943,358</u>	<u>39,697,517</u>	<u>42,078,027</u>	<u>47,020,192</u>	<u>53,603,060</u>	<u>57,554,165</u>
Additional Series C Pledged Taxes									
City Special Taxes (2%)	2,313,453	2,363,269	2,490,071	2,652,152	2,741,989	3,044,645	3,374,350	3,866,902	4,232,008
<i>Total Series C Pledged Taxes</i>	<u>\$ 29,656,222</u>	<u>\$ 33,388,867</u>	<u>\$ 36,750,371</u>	<u>\$ 38,016,806</u>	<u>\$ 39,793,447</u>	<u>\$ 42,154,190</u>	<u>\$ 46,963,163</u>	<u>\$ 53,654,334</u>	<u>\$ 57,653,777</u>
<i>Gross Excise Tax Pledged Revenues</i>	<u>\$ 31,762,002</u>	<u>\$ 35,695,762</u>	<u>\$ 39,316,449</u>	<u>\$ 40,595,510</u>	<u>\$ 42,439,506</u>	<u>\$ 45,122,672</u>	<u>\$ 50,394,542</u>	<u>\$ 57,469,962</u>	<u>\$ 61,786,173</u>

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

City of Yuma, Arizona

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

Year	Population	Personal Income (thousands)	Per Capita Personal Income (thousands)	Unemployment Rate	Building Permits			
					Commercial		Residential	
					No.	Value	No.	Value
1997	143,896	\$2,296,444	16	27.30%	247	\$ 40,281,141	373	\$ 20,370,303
1998	149,065	2,527,667	17	29.00%	247	17,236,498	431	37,795,329
1999	155,665	2,618,403	17	30.10%	241	25,249,505	633	26,625,914
2000	160,026	2,653,830	17	16.50%	186	24,818,824	466	49,925,047
2001	163,477	2,976,395	18	16.50%	343	42,381,125	568	60,363,660
2002	166,715	3,324,309	20	16.90%	313	29,383,982	576	66,248,737
2003	170,604	3,268,426	19	17.00%	999	141,020,407	685	98,696,100
2004	176,083	3,563,282	20	15.60%	1,300	146,866,298	942	153,018,563
2005	181,277	3,814,418	21	16.00%	1,022	97,832,497	1,655	202,887,750
2006	187,555	NA	NA	14.70%	1,057	229,391,979	1,568	148,285,471

Note: Unemployment rate and population presented represents the Yuma Metropolitan Statistical Area and it reflects revised inputs, reestimation, and new statewide controls through 2006.

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

City of Yuma, Arizona

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

Employer	2004			2006		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Marine Corp Air Station	6,043	1	9.67%	6,043	1	9.23%
U. S. Army Yuma Proving Ground	1,176	5	1.88%	2,758	2	4.21%
Yuma Regional Medical Center	1,500	2	2.40%	1,844	3	2.82%
Yuma School District #1	1,200	4	1.92%	1,700	4	2.60%
Grower Company	1,500	2	2.40%	1,400	5	2.14%
Yuma County	1,100	6	1.76%	1,300	6	1.99%
Salyer American Fresh	1,000	7	1.60%	1,000	7	1.53%
City of Yuma	864	9	1.38%	985	8	1.50%
Yuma Union High School District	690	10	1.10%	921	9	1.41%
Dole	1,000	7	1.60%	850	10	1.30%
Total			25.71%			28.72%

Source: Greater Yuma Economic Development Corporation
 Note: Figures presented represent the Yuma Metropolitan Statistical Area.
 Data from nine years prior as required for this table is not available.

City of Yuma, Arizona

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

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government	108	148	170	179	182	188	195	195	208	226
Public Safety										
Police	183	182	193	206	212	228	229	237	252	267
Fire	86	104	109	113	113	103	105	105	110	122
Streets										
Engineering	53	24	22	21	22	22	25	30	32	37
Maintenance	37	43	47	47	48	48	48	50	52	51
Solid Waste	17	10	11	13	13	13	13	15	15	16
Parks and recreation	92	98	112	121	124	125	129	128	136	141
Water	45	44	48	49	48	54	55	59	64	73
Wastewater	33	34	35	35	36	37	41	45	48	52
Total	654	687	747	785	798	818	840	864	917	985

City of Yuma, Arizona

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police										
Calls for service*	63,299	67,809	85,929	77,667	81,691	84,738	87,770	86,802	88,013	NA
Case reports*	15,692	13,559	13,264	13,041	14,057	15,075	15,804	16,644	17,019	NA
Fire										
Number of calls answered*	5,662	6,536	6,806	7,581	8,443	8,774	9,205	10,032	10,094	NA
Inspections*	980	1,296	950	1,659	1,747	1,121	1,182	1,774	1,850	NA
Streets										
Streets slurry sealed (miles)	NA	NA	22	22	22	23	19	24	19	9
Solid Waste										
Refuse collected (tons)**	50,000	50,000	26,000	26,000	29,358	33,993	27,781	33,003	33,965	34,938
Parks and recreation										
Ramada rentals	NA	2,486	3,934	4,586	4,482	5,308	5,519	3,285	3,122	3,247
Water										
Connections	19,000	19,357	25,851	22,727	22,129	22,723	23,490	24,734	25,726	26,169
Daily treatment capacity (million gallons)	30.0	41.0	41.0	41.0	41.0	41.0	45.0	45.0	48.0	48.0
Annual quantity processed (billion gallons)	6.9	7.6	7.9	7.9	8.0	9.3	9.3	9.1	9.3	9.5
Wastewater										
Daily processing capacity (million gallons)	8.0	12.0	12.0	12.0	12.2	12.2	12.3	15.6	15.6	15.6

Source: Various city departments.

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

*Numbers presented are for calendar year.

**Commercial collections ended in 1999

City of Yuma, Arizona

**Capital Asset Statistics by Function
Last Ten Fiscal Years**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Function										
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	72	101	109	118	127	123	123	127	134	143
Fire stations	4	5	5	5	5	5	5	6	6	6
Streets										
Streets (miles)	300	300	300	300	300	300	300	361	361	361
Streetlights	3,550	3,550	4,200	4,200	4,250	4,250	4,500	5,042	5,298	5,303
Traffic Signals	21	22	24	26	29	32	32	36	38	40
Solid Waste										
Collection trucks	8	8	10	10	10	10	10	10	12	13
Parks and recreation										
Parks acreage	135	308	443	553	553	553	553	553	578	592
Parks	22	23	25	25	25	25	25	25	25	27
Swimming pools	3	3	3	3	3	3	3	3	3	3
Tennis courts	1	1	1	1	1	1	1	1	1	1
Community centers	6	6	7	7	7	7	7	9	9	9
Water										
Water mains (miles)	350	350	380	380	416	427	437	448	470	493
Fire hydrants	1,900	2,000	2,100	2,200	2,300	2,400	2,600	2,850	3,000	3,150
Wastewater										
Sanitary sewers (miles)	249	249	249	249	255	261	266	275	290	310

Sources: Various city departments.

Note: No capital asset indicators are available for the general government function.