

City of Yuma, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008

City of Yuma
Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2008

Prepared by:

Finance Department

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About the Cover:

The sun sets behind Gateway Park on the Colorado River in Yuma. The picture frames a portion of the new hotel and conference center under construction on the Yuma Riverfront and shows the complex's proximity to Yuma Crossing State Park in the background. Completion of the complex is expected next year with additional commercial and residential development to follow.

*Photo - © 2008 City of Yuma,
Communications and Public Affairs*

CITY COUNCIL

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

City Administration

Mark S. Watson
City Administrator

Robert L. Stull
Deputy City Administrator

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

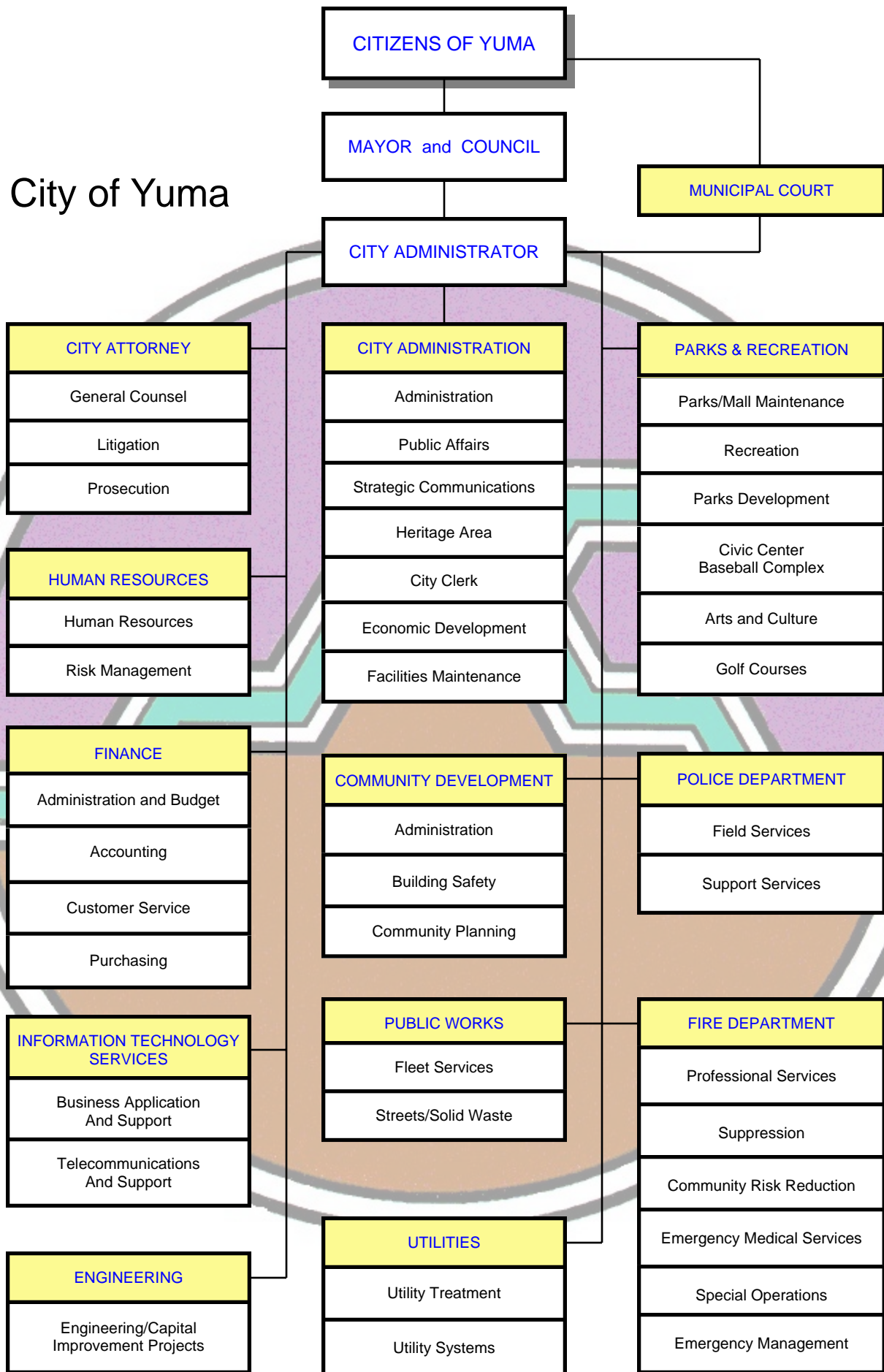
Municipal Court
Douglas S. Stanley, Judge

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, 2008

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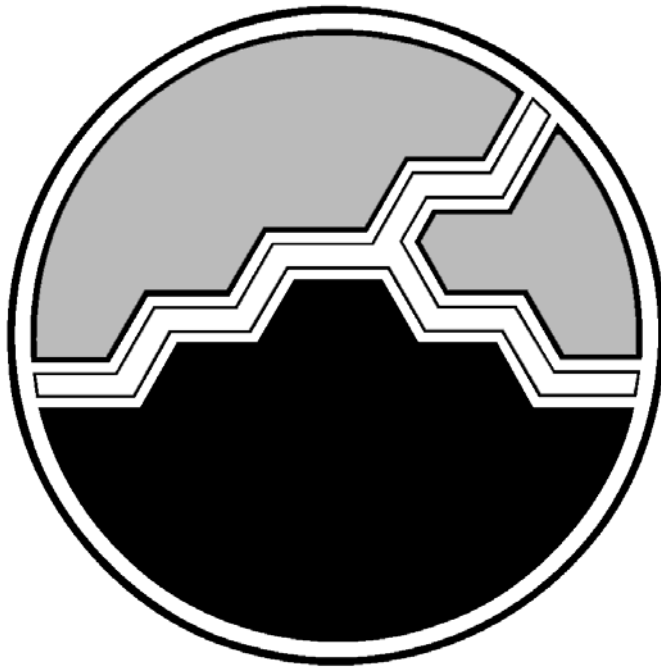
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INTRODUCTORY SECTION





City of YUMA

FINANCE DEPARTMENT
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September 4, 2008

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, 2008. 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, 2008, 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, 2008, are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE CITY OF YUMA

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

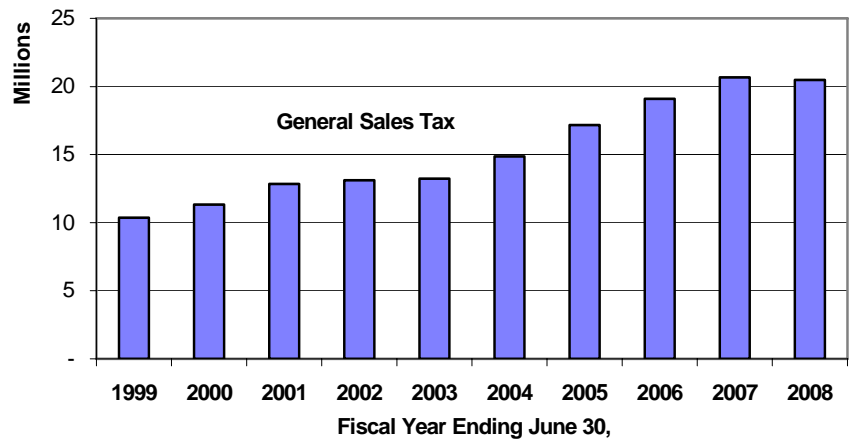
Although manufacturing currently accounts for less than 10% of countywide employment, the City’s partnership with the Greater Yuma Economic Development Council continues to attract attention to the area. Several companies have located or expanded operations in Yuma in recent years.

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 slight decline in 2008, collections continue to average better than 7% increase annually. Planning for fiscal year 2009 anticipates another 5% growth in sales tax collections.

Yuma’s basis as a regional retail and services center expanded during 2008 with the continued expansion of retail outlets adjoining the Yuma Palms Regional Shopping Center. In addition, several hundred hotel rooms were added to the area’s inventory during the year.

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 2008, work on the East Wetlands portion of the plan continued to restore natural vegetation and wildlife habitat. With continued diligence, the City is determined to continue development of historic and cultural activities so important in meeting the Council’s goals in enriching the area’s cultural attributes. Progress in providing opportunities for local residents and in attracting employers to the area to diversify the economy is dependent on continuing these plans.

Downtown redevelopment. Revitalization of the downtown area is a vital component of management of the Heritage Area. Construction continued in earnest on the new hotel and conference center which are cornerstones of the public/private partnership that is developing the river area. The new Gateway park, with its improved access to the river area with new parking, restroom facilities and picnic and play facilities, is another piece of this development plan.

East Mesa Development. Construction of the new East Mesa Water and Wastewater Treatment plants continued during 2008. 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. New municipal property corporation bonds were sold during the year to provide additional financing to increase the capacity of the water plant. 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 increased to \$214,740,647 at June 30, 2008 from \$84,840,562 last year. This increase reflects unspent proceeds from the City's November 2007 bond sale. Following market conditions, average yield on investments dropped at June 30, 2008, to 2.94%. A review of Note II-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 \$300,000 per occurrence. Primary insurance is then available for the next \$10,000,000 per occurrence with a \$10,000,000 annual aggregate loss. An excess policy follows to cover losses in excess of \$5,000,000 per occurrence with a \$5,000,000 aggregate. The City self funds for workman's compensation up to \$500,000 per occurrence per year with a \$1,000,000 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, 2007. This is the twenty-sixth 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 fluid and cursive, with the first name "Donald" being more prominent than the last name "Wicks".

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, 2007

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



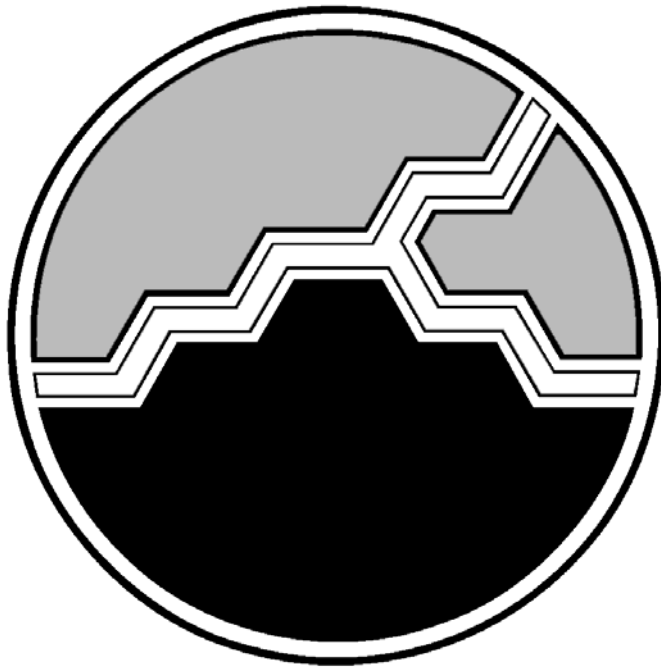
Chloe S. Cox

President

Jeffrey R. Emery

Executive Director

FINANCIAL SECTION





HEINFELD, MEECH & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

3033 N. Central Avenue, Suite 300
Phoenix, Arizona 85012
Tel (602) 277-9449
Fax (602) 277-9297

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, 2008, 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, 2008, 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 September 4, 2008, 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

September 4, 2008

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, 2008. 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 \$29.5 million for the fiscal year, \$15.9 million of which was generated by governmental activities while \$13.6 million was due to business-type activities of the City.
- The City's combined net assets total \$408.0 million at June 30, 2008. Of this amount, \$69.4 million is available (unrestricted) to finance ongoing programs, \$45.3 million in governmental programs and \$24.1 million in business activities.
- The Yuma Municipal Property Corporation issued bonds for a combined \$219.8 million during 2007. The bonds are financing continued infrastructure improvements of \$91.8 million in governmental activities and \$127.9 in business-type 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 33 of this report.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Yuma, assets exceeded liabilities by \$408.0 million at the close of the fiscal year.

Net Assets (millions)	Governmental Activities		Business-type Activities		Total	
	June 30,					
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 160.6	\$ 95.7	\$ 81.8	\$ 18.3	\$ 242.4	\$ 114.0
Capital assets	265.9	227.8	322.3	245.6	588.2	473.4
Total assets	426.5	323.5	404.1	263.9	830.6	587.4
Long-term liabilities outstanding	156.9	67.6	218.4	91.5	375.3	159.1
Other liabilities	36.9	39.0	10.4	10.8	47.3	49.8
Total liabilities	193.8	106.6	228.8	102.3	422.6	208.9
Net assets:						
Invested in capital assets, net of related debt	169.4	160.2	151.0	154.0	320.4	314.2
Restricted	18.0	13.1	0.2	-	18.2	13.1
Unrestricted	45.3	43.6	24.1	7.6	69.4	51.2
Total net assets	232.7	216.9	175.3	161.6	408.0	378.5

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 \$408.0 million, up \$29.5 million from the prior year. Governmental activities accounted for \$15.9 million of the increase while business-type activities amounted to \$13.6 million. Most of the increase would be attributable to capital asset acquisitions, particularly infrastructure, as governmental capital assets increased \$38.1 million (net of depreciation), funded in part by the excess of revenues over operating expenses as reported in the Statement of Activities on page 19. These acquisitions are reflected in the portion of net assets shown above as 'Invested in capital assets, net of related debt.' Unrestricted net assets are those assets available to finance programs in the upcoming fiscal year and would increase when the portion of taxes and other revenues exceed operating expenses but are not invested in capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Changes in Net Assets Fiscal Year Ended June 30, (millions)	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues:						
Charges for services	\$ 17.1	\$ 14.7	\$ 37.5	\$ 31.5	\$ 54.6	\$ 46.2
Operating grants and contributions	2.3	2.7	-	-	2.3	2.7
Capital grants and contributions	5.0	5.3	8.9	11.2	13.9	16.5
General revenues:						
Property taxes	8.2	7.4	-	-	8.2	7.4
Sales taxes	39.5	39.6	-	-	39.5	39.6
Franchise taxes	2.9	2.7	-	-	2.9	2.7
Intergovernmental revenues	32.8	30.5	-	-	32.8	30.5
Unrestricted grants and contributions	2.6	0.1	-	-	2.6	0.1
Unrestricted investment earnings	4.8	4.1	2.0	1.0	6.8	5.1
Gain from sale of assets	-	-	-	-	-	-
Total revenues	<u>115.2</u>	<u>107.1</u>	<u>48.4</u>	<u>43.7</u>	<u>163.6</u>	<u>150.8</u>
Expenses:						
General government	11.9	10.9	-	-	11.9	10.9
Public safety	38.5	36.1	-	-	38.5	36.1
Streets	18.9	13.4	-	-	18.9	13.4
Parks, recreation and culture	14.4	15.4	-	-	14.4	15.4
Environmental health and protection	4.6	2.1	-	-	4.6	2.1
Community design and development	5.8	6.8	-	-	5.8	6.8
Interest on long-term debt	5.3	2.9	-	-	5.3	2.9
Water	-	-	18.4	14.6	18.4	14.6
Wastewater	-	-	13.3	11.5	13.3	11.5
Golf courses	-	-	2.9	2.6	2.9	2.6
Total expenses	<u>99.4</u>	<u>87.6</u>	<u>34.6</u>	<u>28.7</u>	<u>134.0</u>	<u>116.3</u>
Transfers	<u>0.1</u>	<u>(0.3)</u>	<u>(0.1)</u>	<u>0.3</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>\$ 15.9</u>	<u>\$ 19.2</u>	<u>\$ 13.7</u>	<u>\$ 15.3</u>	<u>\$ 29.6</u>	<u>\$ 34.5</u>

For the fiscal year, net assets increased \$29.5 million, with \$15.9 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

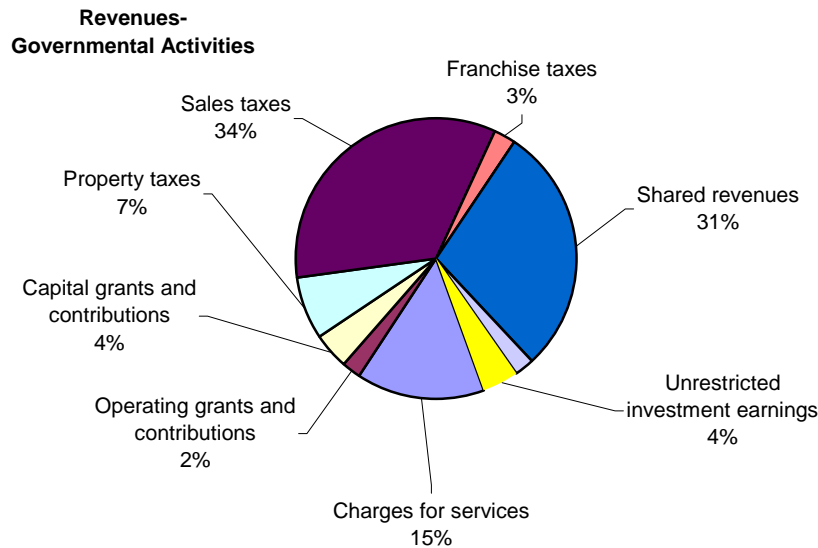
Revenues

Governmental activities revenues totaled \$115.2 million for fiscal year 2008, up from 2007, mostly in charges for services and intergovernmental revenues. Local sales taxes remain the largest revenue source for the City and are comprised of the 1% general sales tax along with a .5% road tax and a .2% public safety tax. State-shared revenues are the City's second largest revenue source. State-shared revenues include state sales tax, urban revenue sharing (income tax), auto in-lieu tax and highway user funds (gas tax). Sales taxes and state shared revenues account for 66% of governmental revenues for the year, which is comparable to 2007. Charges for services, the third segment of governmental activities revenues, count building permits and inspections, fines,

MANAGEMENT'S DISCUSSION AND ANALYSIS

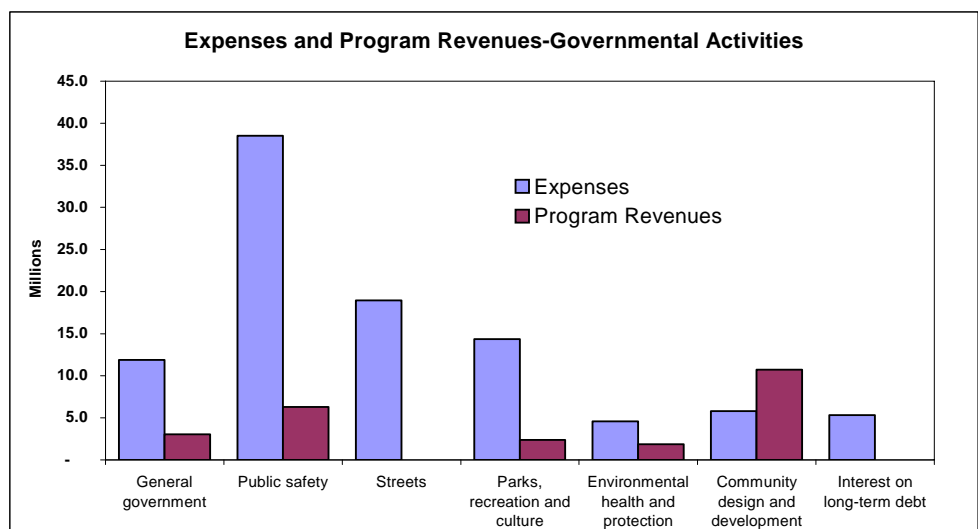
sources. The charges for services category amounts to 15% of governmental revenues. Property taxes represent 7% of governmental revenues. The large majority of property taxes are levied for general purposes with a small levy for downtown mall maintenance. No property taxes are levied for debt service. 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 declined slightly (less than .3%) from 2007 showing a slowdown in the pace of economic activity in the city.
- Intergovernmental revenues grew by \$2.2 million or 7.3%. State-shared income taxes rose 24% from 2007, as anticipated, while state-shared sales taxes declined by 3% because of the state's slowing economic output.
- Charges for services increased by \$2.4 million (16.3%) as the city recognized revenues related to developer deposits resulting from continued capital projects completions.



Expenses

Governmental expenses totaled \$99.4 million for the fiscal year. Of the expenses, 38.7% or \$38.5 million is related to public safety for police, fire and municipal court services. Parks, recreation and culture expenses amounted to \$14.4 million, or 14.4%, while streets and community design and development expenses amounted to 19.1% and 5.8% respectively. Interest on long-term debt rose to \$5.3 million, or 5.4% of governmental expenses.



Overall, governmental activities expenses rose 13.5%, or \$11.88 million, over 2007. This increase reflects growth in Public Safety expenses, in part because of full-year costs associated with positions added late in the previous

MANAGEMENT’S DISCUSSION AND ANALYSIS

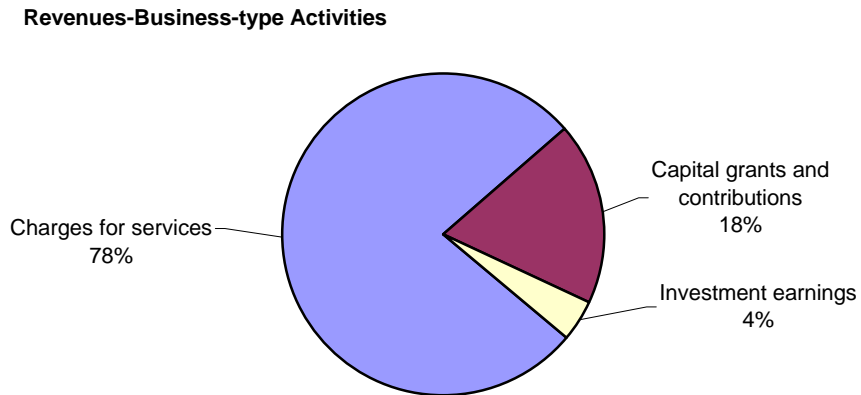
year. Streets expenses exceeded Parks as the city continues its aggressive infrastructure program. Interest on long-term debt also jumped because of the mid-year bond sale.

The chart above compares governmental activities with their respective program revenues, if any. Because the ultimate beneficiary of services of these types is often difficult to ascertain or the services apply to a broad spectrum of users (such as in fire protection), user fees are not created and general revenues provide the funding support for most of these services. Moreover, where ultimate users of the services are determinable, program revenues may generate only a portion of the funding, such as in recreation programs.

Business-type activities

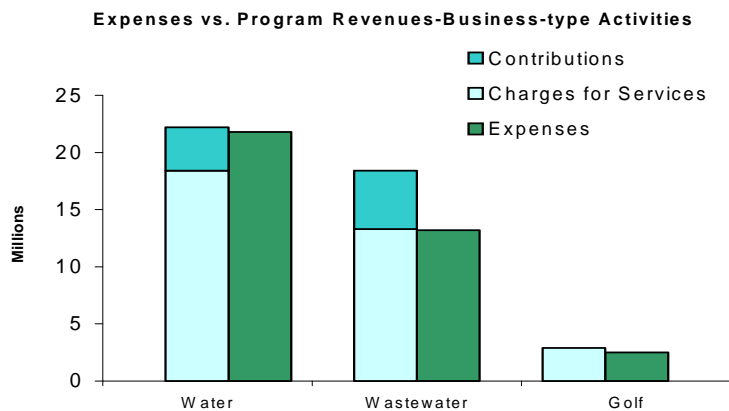
Revenues

General revenues do not support the City’s business-type activities; thus, the largest source of revenues comes from charges for services. Of the \$37.5 million in charges for services, 93% comes from the City’s two utility operations, water and wastewater. The remaining charges are from the City’s two golf courses, Desert Hills and Arroyo Dunes. The \$8.9 million in contributions are payments for capacity charges and development fees as well as constructed additions to the City’s water and wastewater infrastructure by subdivision and other developers. Finally, investment earnings make up 4% of revenues for the City’s business activities.



Expenses

Water and wastewater services account for 92% of the City’s business-type activities with golf courses making up the remaining 8%. Water expenses amounted to \$18.4 million while wastewater expenses totaled \$13.2 million. Desert Hills Golf Course and Arroyo Dunes Golf Course recorded expenses of \$2.6 million and \$.3 million, respectively, for a total of \$2.9 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, 2008, is \$95.9 million. This represents a \$61.4 million increase in fund balances, the majority of which is unspent proceeds from the bond sale. A review of some of the more significant funds follows.

General Fund

The fund balance of the General Fund declined by \$1.3 million for the fiscal year. Revenues increased by \$2.7 million, mostly from an increase in state-shared intergovernmental revenues (state-shared income taxes posted a \$2.4 million increase or 24.2%). Sales taxes, the city's largest source of General Fund revenues, declined slightly to \$20.4 million showing the same moderation of activity as experienced by the rest of the country. Expenditures rose 8% to \$60.1 million. General government expenditures showed the largest increase as information technology expenditures rose with implementation of new technologies, including document imaging.

Highway User Revenue Fund (HURF)

This fund, which accounts for the expenditure of state-shared gasoline taxes, showed a decline in fund balance of \$1.5 million for the year. The City's portion of those taxes grew by less than 1% for the fiscal year to remain at \$8.1 million; however, escalating materials costs helped to cause overall expenditures to rise by 21% to \$9.6 million.

City Road Tax Fund

This fund accounts for the one-half cent sales tax for use on the City's roadways in conjunction with HURF. In the same manner as general sales tax in the General Fund, sales taxes declined slightly in 2008 to \$10.2 million. Transfers to the Capital Projects Fund for streets projects remained high in 2008, in this case \$10.4 million, as the City maintains or expands its network of streets.

Grants Fund

The City continues to receive much needed assistance from both the state and federal levels. During 2008, revenues reached \$4.8 including grants from Homeland Security and from the State of Arizona for aiding with military installation protection and retention.

Community Redevelopment Fund

The City continued to utilize, in part, its Community Development Block Grant funding and its U.S. Department of Justice Weed and Seed Grant Program funding to operate the Martin Luther King Community Center in the Carver revitalization area. The Community Development Block Grant revenues declined 32% to \$0.9 million causing related decreases in local grant spending, particularly neighborhood restoration expenditures.

Debt Service

Debt Service Fund expenditures increased by \$7.1 million as the result of initial principal and interest payments on the new municipal property corporation bonds sold in 2008. Fund balance reflects amounts set aside for debt service reserves in accordance with the development agreement for the Yuma Palms regional center.

Capital Projects Fund

The Capital Projects Fund's fund balance jumped to \$67 million this year showing the unspent proceeds of the 2008 bond sale. Capital expenditures increased some 25% over 2007 to \$48.5 million primarily in streets and public safety.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary funds. The City's enterprise funds posted an overall increase in net assets of \$13.2 million for the fiscal year ended June 30, 2008. 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 \$3.2 million or 17.8% for the year ending June 30, 2008. This is due both to the final rate increase of a multi-year series and to a 1% growth in the customer account base to 26,189. Operating expenses rose by 8% and the fund produced operating income of \$7.5 million. Revenues from rate increases will continue 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 26.1% over fiscal 2007. Operating expenses rose \$.9 million with income from operations of improving to \$1.9 million. Like the Water Fund, these rate increases along with capacity charge increases have been approved through 2011 to finance costs of construction of the wastewater plant and related infrastructure.

Golf Courses

Operating losses continued for both of the city's golf courses for the year ended June 30, 2008. Revenues for Desert Hills declined slightly from 2007 to \$2.2 million while Arroyo Dunes posted a 2.3% increase to \$.2 million. Operating expenses at Desert Hills increased 9.4% causing the fund to post a \$.4 million operating loss. Arroyo Dunes experienced a 1% decrease in operating expenses, allowing it to realize operating income of \$1,166. The city will continue to operate the courses and implement strategies to improve their financial outlook.

GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2008, can be found starting on page 55. A summary of that schedule follows:

	Budget		Actual	Variance with Final
	Original	Final		
Revenues and Transfers In				
Taxes	\$ 33,242,493	\$ 33,242,493	\$ 31,641,579	\$ (1,600,914)
Intergovernmental	25,266,887	25,216,887	24,354,033	(862,854)
Other	7,981,261	8,031,261	7,706,321	(324,940)
Transfers In	220,100	220,100	490,200	270,100
Total	66,710,741	66,710,741	64,192,133	(2,518,608)
Expenditures and Transfers Out				
Expenditures	64,592,271	64,592,271	60,053,973	4,538,298
Transfers Out	6,815,213	6,815,213	5,455,484	1,359,729
Total	71,407,484	71,407,484	65,509,457	5,898,027
Change in Fund Balance	\$ (4,696,743)	\$ (4,696,743)	\$ (1,317,324)	\$ 3,379,419

General Fund tax revenues didn't meet expectations because of a slight decline in city sales tax collections. Also, state-shared sales taxes declined from 2007, some \$.8 million under budgeted expectations. Combined with a significant reduction in building permits (like the national issue, building permits declined by 32%), General Fund revenues failed to meet expectations although total revenues exceeded 2007 by some \$2.6 million.

Expenditures for the fund came in at \$4.5 million under budget with the largest contributions coming from Public Safety at \$2.1 million and General Government adding \$1.7 million, primarily because of incomplete projects in

MANAGEMENT'S DISCUSSION AND ANALYSIS

Information Technology and another year of avoiding expenditure of contingency funds. 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 only Parks and Recreation exceeding its annual appropriation.

CAPITAL ASSETS

At June 30, 2008, the City of Yuma's investment in capital assets in both governmental and business-type activities amounted to \$588.1 million, net of depreciation. This includes land, buildings, equipment, and infrastructure (roadways and bridges). Capital assets for governmental activities increased by 16% while business-type capital assets increased 31%. These changes included the following:

- Land purchases for governmental activities amounted to \$16.9 million for rights-of-way for the 24th Street, 32nd Street and Avenue 3E projects and an East Mesa park
- Construction continued on the new East Mesa water treatment plant.
- The Araby Road project was near completion.
- The City's newest Fire Station #6 was completed.
- Infrastructure additions are for street lights and traffic signal installations.

Change in Capital Assets

(In Millions)

	Governmental Activities			Business-type Activities			Total
	July 1, 2007	Net Additions/ Deletions	June 30, 2008	July 1, 2007	Net Additions/ Deletions	June 30, 2008	
Land	\$ 31.5	\$ 16.9	\$ 48.4	\$ 2.1	\$ 7.8	\$ 9.9	\$ 58.3
Buildings	66.6	0.2	66.8	8.0	-	8.0	74.8
Improvements	34.1	3.4	37.5	143.0	5.6	148.6	186.1
Infrastructure	153.5	2.5	156.0	-	-	-	156.0
Equipment	42.0	4.0	46.0	4.4	0.1	4.5	50.5
Construction in Progress	35.3	21.2	56.5	166.2	69.7	235.9	292.4
Accumulated Depreciation	(135.2)	(10.1)	(145.3)	(78.1)	(6.6)	(84.7)	(230.0)
Total	\$ 227.8	\$ 38.1	\$ 265.9	\$ 245.6	\$ 76.6	\$ 322.2	\$ 588.1

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

DEBT ADMINISTRATION

During the year ended June 30, 2008, the Yuma Municipal Property Corporation issued \$219.8 million in Series B, Series D and Utility Revenue Bonds, \$91.8 million pertaining to governmental activities and \$127.9 million pertaining to business-type activities. At June 30, 2008, after scheduled debt payments, governmental activity debt increased to \$156.9 million while business activity debt increased to \$218.4 million. The additional long-term debt will provide financing for a variety of infrastructure needs, including roadways construction, public safety facilities, and utility system improvements and water plant completion.

The state limits the amount a municipality may issue in general obligation debt to 20% of the City's secondary assessed valuation for combined water, wastewater, artificial light, parks, open space preserves, playgrounds and recreational facilities. Debt related to other projects is limited to 6% of the valuation. The current debt limitation for the former type is \$114 million, well above the outstanding general obligation debt of \$6.4 million. No debt is outstanding for the other type of issuance. Because all the general obligation debt is related to the water system, and because water revenues are used to pay the debt service requirements of the issues, no secondary property taxes are assessed by the City for debt service.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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. Moody's Investor Services rates the bonds at "A3" while Standard and Poor's rates the Series B, and Series D and the Utility Series at "AAA-", "A+" and "A", respectively. With the exception of the improvement district bonds, all City bond issues are insured, and while the city enjoys higher ratings, the guarantors can no longer provide "AAA" rating as a result of recent ratings reviews of the insurance companies.

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

	Governmental		Business-type		Total	
	activities	activities	activities	activities	activities	activities
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$ -	\$ -	\$ 6.4	\$ 7.4	\$ 6.4	\$ 7.4
Yuma Municipal Property Corporation Bonds	144.1	54.9	127.9	-	272.0	54.9
Net Unamortized Premium/Issuance Costs	1.2	(.1)	3.7	(.2)	4.9	(.3)
Improvement District	8.8	9.8	-	-	8.8	9.8
Contracts Payable	-	.1	80.4	84.2	80.4	84.3
Compensated Absences	2.8	2.7	-	-	2.8	2.7
Total Long-Term Debt	\$ 156.9	\$ 67.5	\$ 218.4	\$ 91.4	\$ 375.3	\$ 158.9

ECONOMIC FACTORS

Yuma County continues to be one of the fastest growing areas in the nation and the City of Yuma represents 46% of the county's population. Since 2000, the City has grown by 31% to an estimated 93,212 at July 1, 2007, 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.

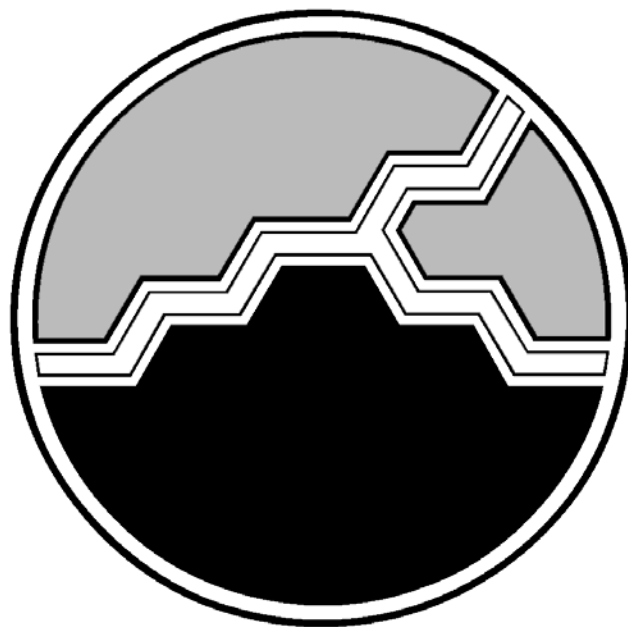
Property taxes are limited constitutionally in Arizona, so other local revenues make up the most significant reflectors of the condition of the economy. Sales tax, the City's primary source of general revenues, posted a 1% decrease this year, missing its historic growth rate of 7%, and the first decline in year-to-year sales tax since 1985. This still compares more than favorably to the large metropolitan areas of the state. For fiscal year 2008, revenues were projected using a 5% 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, 2008

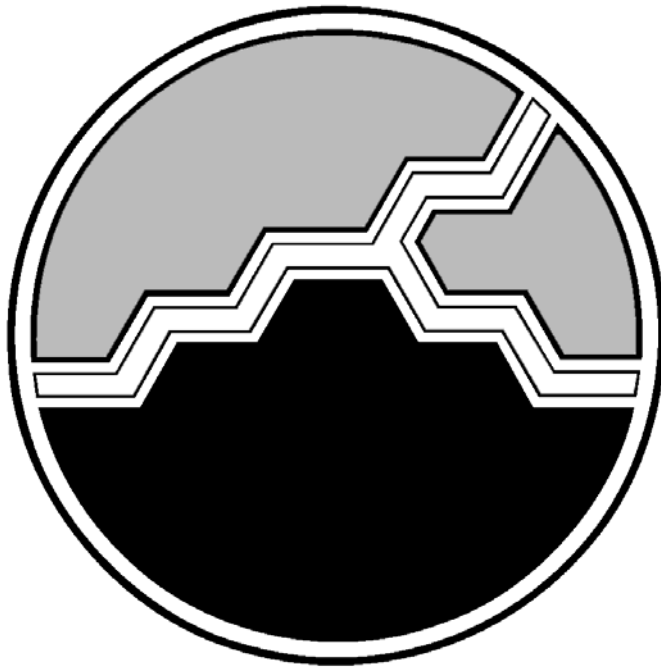
<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and Investments	\$ 140,806,967	\$ 74,022,268	\$ 214,829,235
Receivables, Net	20,020,350	6,530,171	26,550,521
Internal Balances	(1,024,979)	1,024,979	-
Inventory, at cost	757,991	233,936	991,927
Prepaid Items	97,988	8,462	106,450
Capital Assets:			
Non-depreciable	104,961,290	245,886,107	350,847,397
Depreciable, Net	<u>160,892,431</u>	<u>76,372,801</u>	<u>237,265,232</u>
Total Assets	<u>426,512,038</u>	<u>404,078,724</u>	<u>830,590,762</u>
<u>Liabilities</u>			
Accounts Payable	4,117,741	4,756,548	8,874,289
Accrued Liabilities	4,912,516	853,638	5,766,154
Accrued Interest Payable	3,485,940	4,626,286	8,112,226
Unearned Revenue	24,374,561	203,471	24,578,032
Long-Term Liabilities:			
Due within one year	8,230,000	9,911,051	18,141,051
Due in more than one year	<u>148,682,247</u>	<u>208,466,028</u>	<u>357,148,275</u>
Total Liabilities	<u>193,803,005</u>	<u>228,817,022</u>	<u>422,620,027</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	169,402,640	151,032,271	320,434,911
Restricted for:			
Debt Service	529,182	150,152	679,334
Streets	4,948,965	-	4,948,965
Capital Projects	10,833,313	-	10,833,313
Parks and Recreation	1,641,401	-	1,641,401
Unrestricted	<u>45,353,532</u>	<u>24,079,279</u>	<u>69,432,811</u>
Total Net Assets	<u>\$ 232,709,033</u>	<u>\$ 175,261,702</u>	<u>\$ 407,970,735</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, 2008

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities:							
General Government	\$ 11,875,382	\$ 2,852,670	\$ 211,500	\$ -	\$ (8,811,212)	\$ -	\$ (8,811,212)
Public Safety	38,510,605	2,617,001	720,973	2,957,461	(32,215,170)	-	(32,215,170)
Streets	18,942,929	-	-	-	(18,942,929)	-	(18,942,929)
Parks, Recreation and Culture	14,353,065	1,253,772	10,336	1,128,958	(11,959,999)	-	(11,959,999)
Environmental Health and Protection	4,603,821	1,820,668	45,090	-	(2,738,063)	-	(2,738,063)
Community Design and Development	5,806,885	8,503,408	1,306,315	914,000	4,916,838	-	4,916,838
Interest on Long-Term Debt	<u>5,331,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,331,135)</u>	<u>-</u>	<u>(5,331,135)</u>
Total Governmental Activities	<u>99,423,822</u>	<u>17,047,519</u>	<u>2,294,214</u>	<u>5,000,419</u>	<u>(75,081,670)</u>	<u>-</u>	<u>(75,081,670)</u>
Business-type Activities:							
Water	18,388,648	21,772,810	-	3,781,448	-	7,165,610	7,165,610
Wastewater	13,269,964	13,190,859	-	5,092,914	-	5,013,809	5,013,809
Golf Courses	<u>2,889,040</u>	<u>2,509,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(379,149)</u>	<u>(379,149)</u>
Total Business-type Activities	<u>34,547,652</u>	<u>37,473,560</u>	<u>-</u>	<u>8,874,362</u>	<u>-</u>	<u>11,800,270</u>	<u>11,800,270</u>
Total	<u>\$ 133,971,474</u>	<u>\$ 54,521,079</u>	<u>\$ 2,294,214</u>	<u>\$ 13,874,781</u>	<u>(75,081,670)</u>	<u>11,800,270</u>	<u>(63,281,400)</u>
General Revenues:							
Property taxes					8,249,526	-	8,249,526
Sales taxes					39,477,918	-	39,477,918
Franchise taxes					2,893,077	-	2,893,077
Intergovernmental, unrestricted Grants and contributions					32,788,420	-	32,788,420
not restricted to specific programs					2,599,855	-	2,599,855
Unrestricted investment earnings					4,842,220	1,915,931	6,758,151
Total general revenues					<u>90,851,016</u>	<u>1,915,931</u>	<u>92,766,947</u>
Transfers					95,970	(95,970)	-
Total general revenues and transfers					<u>90,946,986</u>	<u>1,819,961</u>	<u>92,766,947</u>
Change in net assets					15,865,316	13,620,231	29,485,547
Net assets-beginning					<u>216,843,717</u>	<u>161,641,471</u>	<u>378,485,188</u>
Net assets-ending					<u>\$ 232,709,033</u>	<u>\$ 175,261,702</u>	<u>\$ 407,970,735</u>

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



FUND FINANCIAL STATEMENTS

City of Yuma, Arizona
 Balance Sheet
 Governmental Funds
 June 30, 2008

<u>Assets</u>	Major Special Revenue Funds			
	General	Highway Users Revenue	City Road Tax	Grants
Cash and Investments	\$ 18,508,888	\$ 2,589,583	\$ 1,975,693	\$ 251,844
Cash with Fiscal Agents	-	-	-	-
Receivables, Net of Allowances for Uncollectibles:				
Accounts Receivable	609,005	123	-	-
Intergovernmental	2,873,898	652,193	794,218	805,406
Special Assessments	20,169	-	-	-
Delinquent Property Taxes	252,962	-	-	-
Accrued Interest	154,382	17,012	21,958	987
Due from Other Funds	917,680	-	-	-
Inventory, at cost	183,029	-	-	-
Prepaid Items	94,028	488	-	-
Total Assets and Other Debits	\$ 23,614,041	\$ 3,259,399	\$ 2,791,869	\$ 1,058,237
<u>Liabilities and Fund Balances</u>				
Accounts Payable	\$ 761,371	\$ 255,773	\$ 17,300	\$ 9,610
Accrued Payroll, Taxes and Benefits Payable	3,570,191	342,494	28,477	8,500
Long-Term Debt - Current Portion	-	-	-	-
Due to Other Funds	-	-	576	328,424
Accrued Interest Payable	-	-	-	-
Deposits	111,604	-	-	-
Deferred Revenues	286,067	-	494,871	711,703
Total Liabilities	4,729,233	598,267	541,224	1,058,237
Fund Balance:				
Reserved for:				
Inventory	183,029	-	-	-
Prepaid Items	94,028	488	-	-
Debt Service	-	-	-	-
Unreserved:				
Designated for Uncompleted Projects	1,440,760	-	-	-
Designated for Debt Service	817,874	-	-	-
Designated for Subsequent Years' Expenditures	1,674,336	-	-	-
Designated for Future Community Improvements, reported in:				
General Fund	183,986	-	-	-
Special Revenue Funds	-	-	-	-
Undesignated, reported in:				
General Fund	14,490,795	-	-	-
Special Revenue Funds	-	2,660,644	2,250,645	-
Total Fund Balances	18,884,808	2,661,132	2,250,645	-
Total Liabilities and Fund Balances	\$ 23,614,041	\$ 3,259,399	\$ 2,791,869	\$ 1,058,237

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

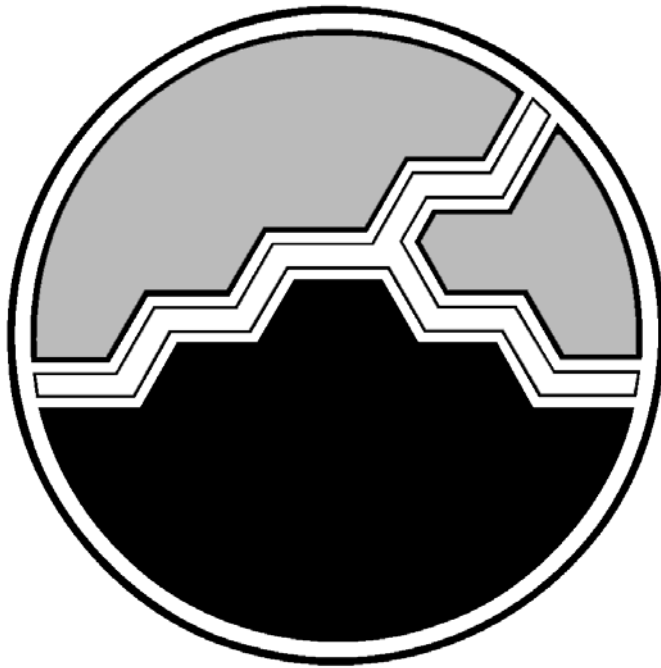
<u>Community Redevelopment</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 14,000	\$ 625,299	\$ 80,218,252	\$ 3,695,170	\$ 107,878,729
-	10,554,425	-	-	10,554,425
1,250,131	81,948	208,662	280,926	2,430,795
190,729	-	2,211,500	323,094	7,851,038
-	8,820,000	-	-	8,840,169
-	-	-	-	252,962
-	3,690	152,051	39,249	389,329
-	-	333,945	-	1,251,625
-	-	-	11,139	194,168
-	-	-	2,425	96,941
<u>\$ 1,454,860</u>	<u>\$ 20,085,362</u>	<u>\$ 83,124,410</u>	<u>\$ 4,352,003</u>	<u>\$ 139,740,181</u>
\$ 100,627	\$ 240	\$ 2,367,709	\$ 187,130	\$ 3,699,760
24,834	-	-	134,838	4,109,334
-	7,250,000	-	-	7,250,000
88,172	-	-	68,763	485,935
-	3,485,940	-	-	3,485,940
-	-	18,878	-	130,482
1,241,227	8,820,000	13,006,094	67,561	24,627,523
<u>1,454,860</u>	<u>19,556,180</u>	<u>15,392,681</u>	<u>458,292</u>	<u>43,788,974</u>
-	-	-	11,139	194,168
-	-	-	2,425	96,941
-	529,182	-	-	529,182
-	-	67,731,729	-	69,172,489
-	-	-	-	817,874
-	-	-	-	1,674,336
-	-	-	-	183,986
-	-	-	50,000	50,000
-	-	-	-	14,490,795
-	-	-	3,830,147	8,741,436
<u>-</u>	<u>529,182</u>	<u>67,731,729</u>	<u>3,893,711</u>	<u>95,951,207</u>
<u>\$ 1,454,860</u>	<u>\$ 20,085,362</u>	<u>\$ 83,124,410</u>	<u>\$ 4,352,003</u>	<u>\$ 139,740,181</u>

City of Yuma, Arizona
 Reconciliation of the Balance Sheet-Governmental Funds to the Statement of Net Assets
 June 30, 2008

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

Total Fund Balances per the Balance Sheet-Governmental Funds:	\$ 95,951,207
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	254,282,020
Property tax revenue deferred to later years recognized in year levied in governmental activities.	252,962
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(2,829,801)
MPC bonds payable	(136,850,000)
Improvement District #67	(5,150,000)
Improvement District #68	(3,670,000)
Net unamortized deferred charges or premiums are not recorded in the governmental funds	(1,162,446)
Net assets of internal service funds that are used by management to charge the cost of equipment replacement and employee-related insurance to individual funds are included in governmental activities in the statement of net assets.	<u>31,885,091</u>
Net assets of governmental activities	<u>\$ 232,709,033</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, 2008

	Major Special Revenue Funds			
	General	Highway User Revenue	City Road Tax	Grants
Revenues:				
Taxes	\$ 31,641,579	\$ -	\$ 10,238,080	\$ -
Licenses and Permits	2,067,503	-	-	-
Intergovernmental	24,354,033	8,144,889	-	4,839,739
Charges for Services	3,136,143	-	-	-
Fines and Forfeitures	1,143,006	-	-	-
Special Assessments	-	-	-	-
Use of Money and Property	1,227,999	144,642	182,761	3,627
Contributions and Donations	-	-	-	23,078
Miscellaneous	131,670	94,132	197,729	-
Total Revenues	<u>63,701,933</u>	<u>8,383,663</u>	<u>10,618,570</u>	<u>4,866,444</u>
Expenditures:				
Current:				
General Government	9,722,680	-	-	-
Public Safety	35,619,458	1,523,920	-	688,116
Streets	-	7,826,536	1,086,020	-
Parks, Recreation and Culture	8,551,587	-	-	16,133
Environmental Health and Protection	791,102	24,573	-	204,853
Community Design and Development	4,035,568	-	-	-
Capital Outlay	1,333,578	228,969	82,187	250,768
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Agent Fees	-	-	-	-
Total Expenditures	<u>60,053,973</u>	<u>9,603,998</u>	<u>1,168,207</u>	<u>1,159,870</u>
Revenues Over/(Under) Expenditures	3,647,960	(1,220,335)	9,450,363	3,706,574
Other Financing Sources/(Uses):				
Issuance of Long-Term Debt	-	-	-	-
Transfers In	490,200	276	41,492	-
Transfers Out	(5,455,484)	(361,871)	(10,408,813)	(3,706,574)
Total Other Financing Sources/(Uses)	<u>(4,965,284)</u>	<u>(361,595)</u>	<u>(10,367,321)</u>	<u>(3,706,574)</u>
Net Change in Fund Balances	(1,317,324)	(1,581,930)	(916,958)	-
Fund Balances - Beginning	<u>20,202,132</u>	<u>4,243,062</u>	<u>3,167,603</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 18,884,808</u>	<u>\$ 2,661,132</u>	<u>\$ 2,250,645</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>
\$ -	\$ -	\$ -	\$ 8,623,591	\$ 50,503,250
-	-	-	-	2,067,503
1,264,069	-	211,500	423,058	39,237,288
-	-	6,657,214	1,806,041	11,599,398
-	-	-	-	1,143,006
-	914,000	-	-	914,000
25,192	408,893	2,409,812	955,100	5,358,026
-	-	-	42,246	65,324
117,614	-	54,586	37,132	632,863
<u>1,406,875</u>	<u>1,322,893</u>	<u>9,333,112</u>	<u>11,887,168</u>	<u>111,520,658</u>
-	-	-	-	9,722,680
-	-	-	42,284	37,873,778
-	-	-	-	8,912,556
-	-	-	2,978,979	11,546,699
-	-	-	3,736,238	4,756,766
1,338,645	-	-	352,090	5,726,303
4,752	-	48,580,712	667,858	51,148,824
117,000	8,195,000	-	-	8,312,000
2,223	5,385,149	497,691	-	5,885,063
<u>1,462,620</u>	<u>13,580,149</u>	<u>49,078,403</u>	<u>7,777,449</u>	<u>143,884,669</u>
(55,745)	(12,257,256)	(39,745,291)	4,109,719	(32,364,011)
-	-	93,685,707	-	93,685,707
177,978	12,284,530	13,093,429	3,596,674	29,684,579
(122,233)	-	(228,254)	(9,305,380)	(29,588,609)
<u>55,745</u>	<u>12,284,530</u>	<u>106,550,882</u>	<u>(5,708,706)</u>	<u>93,781,677</u>
-	27,274	66,805,591	(1,598,987)	61,417,666
-	501,908	926,138	5,492,698	34,533,541
<u>\$ -</u>	<u>\$ 529,182</u>	<u>\$ 67,731,729</u>	<u>\$ 3,893,711</u>	<u>\$ 95,951,207</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, 2008

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

Net change in fund balances-governmental funds	\$ 61,417,666
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	63,566
Governmental funds report capital outlays as expenditures. In the statement of activities, however, the cost of those assets is allocated over their useful lives as depreciation	
Depreciation recorded in statement of activities	(10,201,352)
Capital outlay expenditures reported as additions to assets:	
Capital outlay expenditures-governmental funds	51,148,824
Infrastructure maintenance expenditures recorded as capital outlay but not capitalized as asset additions	(7,011,144)
Governmental funds report debt principal service payments as expenditures. The reduction in liability is recorded on the statement of net assets in the government-wide statements	8,312,000
Increase in compensated absences expense not recorded in governmental funds	(90,177)
Long-term debt proceeds are recorded as other financing sources in governmental funds	(93,685,707)
Investment earnings of the internal service funds are general revenues on the statement of activities	955,384
Interest payments accrued in government-wide statements are not recorded in governmental activities until paid	553,928
Net revenues of internal service funds in excess of expenses reduce governmental activities expenses on the statement of activities	1,802,473
Contributions of infrastructure assets are not recorded as revenues in the governmental funds	<u>2,599,855</u>
Change in net assets of governmental activities	<u>\$ 15,865,316</u>

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

City of Yuma, Arizona
Statement of Net Assets
Proprietary Funds
June 30, 2008

Assets	Business-Type Activities-Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
Current Assets:					
Cash and Investments	\$ 43,419,998	\$ 5,733,501	\$ 410,930	\$ 49,564,429	\$ 22,373,813
Receivables, Net of Allowance for Uncollectibles:					
Accounts Receivable	3,936,230	1,858,515	4,467	5,799,212	130,974
Intergovernmental	137,112	256,127	458	393,697	16
Accrued Interest	258,746	76,698	1,818	337,262	125,067
Inventory, at cost	144,542	-	89,394	233,936	563,823
Prepaid Expenses	-	304	8,158	8,462	1,047
Total Unrestricted Current Assets	47,896,628	7,925,145	515,225	56,336,998	23,194,740
Restricted Assets:					
Cash and Investments:					
Cash with Fiscal Agents	6,198,858	1,851,607	-	8,050,465	-
Current Debt Service	1,326,052	-	-	1,326,052	-
Advancement for Future Expansion	6,201,414	8,493,590	-	14,695,004	-
Customer Deposits	386,318	-	-	386,318	-
Total Restricted Current Assets	14,112,642	10,345,197	-	24,457,839	-
Total Current Assets	62,009,270	18,270,342	515,225	80,794,837	23,194,740
Noncurrent Assets:					
Capital Assets:					
Land	1,449,641	8,535,656	-	9,985,297	219,610
Buildings	2,911,198	1,931,133	3,102,865	7,945,196	19,251
Improvements Other than Buildings	83,635,960	61,996,107	3,015,667	148,647,734	189,631
Equipment	2,543,756	1,709,442	278,899	4,532,097	26,879,034
Construction In Progress	142,778,139	93,122,671	-	235,900,810	-
Less Accumulated Depreciation	(50,006,384)	(31,132,437)	(3,613,405)	(84,752,226)	(15,735,825)
Total Capital Assets	183,312,310	136,162,572	2,784,026	322,258,908	11,571,701
Total Noncurrent Assets	183,312,310	136,162,572	2,784,026	322,258,908	11,571,701
Total Assets	245,321,580	154,432,914	3,299,251	403,053,745	34,766,441
Liabilities					
Current Liabilities Payable from Current Assets:					
Accounts Payable	592,012	246,554	35,760	874,326	287,499
Accrued Payroll and Related Taxes	402,654	311,586	139,398	853,638	136,850
Current Portion-Long-Term Contracts-Principal	40,294	183,324	-	223,618	-
Current Portion-Bonds Payable	4,015,450	1,112,050	-	5,127,500	-
Estimated Claims and Judgements	-	-	-	-	666,332
Due to Other Funds	-	-	-	-	765,690
Accrued Interest Payable	2,411,997	762,773	-	3,174,770	-
Unearned Revenue	-	-	52,170	52,170	-
Total Current Liabilities Payable from Current Assets	7,462,407	2,616,287	227,328	10,306,022	1,856,371
Current Liabilities Payable from Restricted Assets:					
Accounts Payable	2,542,594	953,310	-	3,495,904	-
Deposits	386,318	-	-	386,318	-
Unearned Revenue	17,210	134,091	-	151,301	-
Current Portion-Long-Term Contracts-Principal	1,851,150	1,831,283	-	3,682,433	-
Current Portion-Long-Term Contracts-Interest	757,586	576,891	-	1,334,477	-
Current Portion-Bonds Payable	877,500	-	-	877,500	-
Accrued Interest Payable	117,039	-	-	117,039	-
Total Current Liabilities Payable from Restricted Assets	6,549,397	3,495,575	-	10,044,972	-
Total Current Liabilities	14,011,804	6,111,862	227,328	20,350,994	1,856,371
Noncurrent Liabilities:					
Long-Term Contracts Payable	40,152,702	36,320,760	-	76,473,462	-
Bonds Payable	100,029,300	28,310,700	-	128,340,000	-
Unamortized Premium/Issuance Costs	2,782,337	870,229	-	3,652,566	-
Total Noncurrent Liabilities	142,964,339	65,501,689	-	208,466,028	-
Total Liabilities	156,976,143	71,613,551	227,328	228,817,022	1,856,371
Net Assets					
Invested in capital assets, net of related debt	72,586,084	75,662,161	2,784,026	151,032,271	11,571,701
Restricted:					
Debt Service	115,617	34,535	-	150,152	-
Unrestricted	15,643,736	7,122,667	287,897	23,054,300	21,338,369
Total Net Assets	\$ 88,345,437	\$ 82,819,363	\$ 3,071,923	174,236,723	\$ 32,910,070
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				1,024,979	
Net assets of business-type activities				\$ 175,261,702	

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, 2008

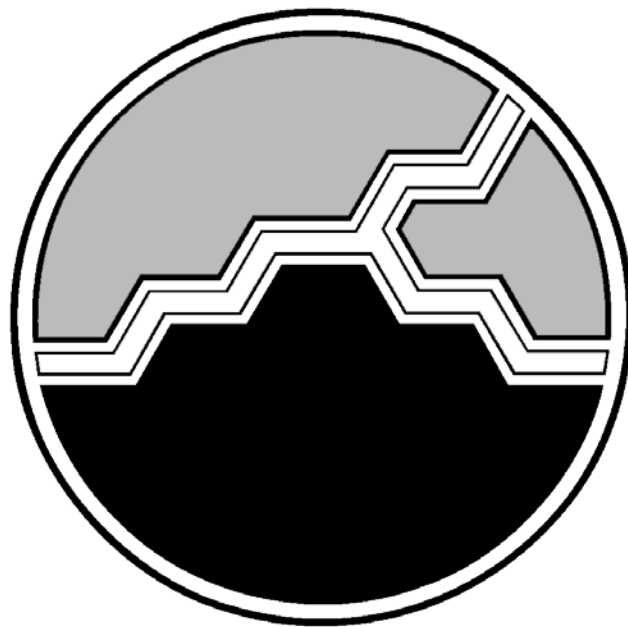
	Business-Type Activities-Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
Operating Revenues:					
Metered Water Sales	\$ 21,026,556	\$ -	\$ -	\$ 21,026,556	\$ -
Commercial Raw Water	239,470	-	-	239,470	-
Wastewater Charges	-	13,126,094	-	13,126,094	-
Meters, Connections and Services	347,964	26,766	-	374,730	-
Green Fees and Concessions	-	-	2,140,135	2,140,135	-
Equipment Rental	-	-	368,089	368,089	3,206,097
Miscellaneous Charges	-	-	-	-	6,992,420
Total Operating Revenues	<u>21,613,990</u>	<u>13,152,860</u>	<u>2,508,224</u>	<u>37,275,074</u>	<u>10,198,517</u>
Operating Expenses:					
Operations and Maintenance	10,224,802	8,673,701	2,686,262	21,584,765	6,048,164
Depreciation	3,798,142	2,565,743	264,475	6,628,360	2,329,628
Total Operating Expenses	<u>14,022,944</u>	<u>11,239,444</u>	<u>2,950,737</u>	<u>28,213,125</u>	<u>8,377,792</u>
Operating Income/(Loss)	<u>7,591,046</u>	<u>1,913,416</u>	<u>(442,513)</u>	<u>9,061,949</u>	<u>1,820,725</u>
Non-Operating Revenues/(Expenses):					
Interest	1,450,939	454,181	10,811	1,915,931	955,384
Gain/(Loss) on Disposal of Assets	(2,416)	(50,047)	-	(52,463)	322,963
Interest and Fiscal Agent Fees	(4,524,125)	(2,099,153)	-	(6,623,278)	-
Miscellaneous Revenues	158,820	37,999	1,667	198,486	-
Total Non-Operating Revenues/(Expenses)	<u>(2,916,782)</u>	<u>(1,657,020)</u>	<u>12,478</u>	<u>(4,561,324)</u>	<u>1,278,347</u>
Income/(Loss) before Contributions and Transfers	4,674,264	256,396	(430,035)	4,500,625	3,099,072
Capital Contributions	3,781,448	5,092,914	-	8,874,362	-
Transfers In	-	-	230,725	230,725	-
Transfers Out	<u>(62,521)</u>	<u>(33,449)</u>	<u>(230,725)</u>	<u>(326,695)</u>	<u>-</u>
Change in Net Assets	8,393,191	5,315,861	(430,035)	13,279,017	3,099,072
Net Assets - Beginning	<u>79,952,246</u>	<u>77,503,502</u>	<u>3,501,958</u>		<u>29,810,998</u>
Net Assets - Ending	<u>\$ 88,345,437</u>	<u>\$ 82,819,363</u>	<u>\$ 3,071,923</u>		<u>\$ 32,910,070</u>
Adjustment for consolidation of internal service fund activities related to enterprise funds				<u>341,214</u>	
Change in net assets of business-type activities				<u>\$ 13,620,231</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, 2008

	Business-Type Activities-Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Other Funds	Totals	Internal Service Funds
Cash Flow from Operating Activities:					
Cash Received from Customers	\$ 21,090,074	\$ 13,518,222	\$ 2,505,633	\$ 37,113,929	\$ 10,209,266
Cash Paid to Employees	(3,774,845)	(2,732,775)	(1,184,147)	(7,691,767)	(1,260,671)
Cash Paid to Suppliers	(6,503,455)	(5,886,644)	(1,470,803)	(13,860,902)	89,685
Cash Paid for Operating Expenses	-	-	-	-	(4,875,428)
Other Operating Activity Revenue	158,820	37,999	1,665	198,484	-
Net Cash Provided by Operating Activities	10,970,594	4,936,802	(147,652)	15,759,744	4,162,851
Cash Flows from Noncapital Financing Activities:					
Cash Received from Other Funds	-	-	230,725	230,725	(282,995)
Cash Paid to Other Funds	(62,521)	(33,449)	(230,725)	(326,695)	-
Net Cash Provided by/(Used for) Noncapital Financing Activities	(62,521)	(33,449)	-	(95,970)	(282,995)
Cash Flow from Capital and Related Financing Activities:					
Contributions of Capital	2,767,405	3,192,737	-	5,960,142	-
Acquisition and Construction of Assets	(60,711,137)	(23,322,253)	-	(84,033,390)	(3,943,034)
Proceeds from Sale of Capital Assets	-	-	-	-	383,216
Issuance of Debt - 2007 Revenue Bonds	98,502,250	29,422,750	-	127,925,000	-
Premiums - 2007 Revenue Bonds	3,546,375	1,059,307	-	4,605,682	-
Principal Payments on Bonds	(1,048,410)	-	-	(1,048,410)	-
WIFA - Contracted Loan	(1,891,157)	(1,950,040)	-	(3,841,197)	-
Interest and Fiscal Agent Fee Payments	(2,726,940)	(1,615,490)	-	(4,342,430)	-
Net Cash Provided by/(Used for) Capital and Related Financing Activities	38,438,386	6,787,011	-	45,225,397	(3,559,818)
Cash Flows from Investing Activities:					
Receipt of Interest	1,290,121	419,687	12,133	1,721,941	990,459
Net Cash Provided by Investing Activities	1,290,121	419,687	12,133	1,721,941	990,459
Net Increase/(Decrease) in Cash and Cash Equivalents	50,636,580	12,110,051	(135,519)	62,611,112	1,310,497
Cash and Cash Equivalents, July 1	6,896,060	3,968,647	546,449	11,411,156	21,063,315
Cash and Cash Equivalents, June 30	\$ 57,532,640	\$ 16,078,698	\$ 410,930	\$ 74,022,268	\$ 22,373,813
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:					
Operating Income/(Loss)	\$ 7,591,046	\$ 1,913,416	\$ (442,513)	\$ 9,061,949	\$ 1,820,725
Adjustments to Reconcile Operating Income/(Loss)					
Depreciation and Amortization Expense	3,798,142	2,565,743	264,475	6,628,360	2,329,628
(Increase)/Decrease in Accounts Receivable	(566,429)	263,608	(942)	(303,763)	62,129
(Increase)/Decrease in Inventories	(58,932)	-	5,742	(53,190)	27,781
(Increase) in Deposits	(1,800)	-	-	(1,800)	-
(Increase)/Decrease in Prepaid Items	1,994	3,828	1,754	7,576	(1,047)
Increase/(Decrease) in Accounts Payable	(78,909)	41,706	16,728	(20,475)	98,519
Increase in Accrued Payroll and Related Taxes	21,672	8,748	7,083	37,503	11,505
Increase in Unearned Revenue	-	7,190	-	7,190	-
(Decrease) in Claims Incurred but Not Reported	-	-	-	-	(186,388)
Increase/(Decrease) in Customer Deposits	104,990	94,564	(1,646)	197,908	-
Other Operating Activity Revenue	158,820	37,999	1,667	198,486	-
Total Adjustments	3,379,548	3,023,386	294,861	6,697,795	2,342,126
Net Cash Provided by Operating Activities	\$ 10,970,594	\$ 4,936,802	\$ (147,652)	\$ 15,759,744	\$ 4,162,851
Noncash Transactions Affecting Financial Position					
Purchase of Assets with Vendor Provided Financing	\$ 2,702,149	\$ 967,902	\$ -	\$ 3,670,051	\$ -
Contributions of Capital Assets	1,014,043	1,900,177	-	2,914,220	-
Total Noncash Transactions Affecting Financial Position	\$ 3,716,192	\$ 2,868,079	\$ -	\$ 6,584,271	\$ -

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, 2008

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, 2008

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, the Economic Development grant and the Weed and Seed Grant.

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

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

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

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

PROPRIETARY FUNDS

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

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

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

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

C. Measurement focus and basis of accounting

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

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

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

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

D. Budget Information

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

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

2) Budgetary Reporting and Budgetary Basis of Accounting:

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

E. Assets, Liabilities and Fund Equity Disclosures

1) Transactions between Funds:

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

average method. Expenditures are recorded at the time inventories are used in the governmental funds; therefore, the reserve for inventory is equal to the inventory level needed to maintain adequate operating supplies and indicates that a portion of fund balance is not available for future expenditures.

4) Grants Revenue:

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

5) Unbilled Accounts Receivable:

The City records as receivables and as revenues the amount of water sales, sewer service charges and commercial refuse collection charges accrued but unbilled at fiscal year end. At June 30, 2008, the estimated amounts of unbilled revenues for the Water and Wastewater Enterprise Funds and the Solid Waste Special Revenue Fund are \$2,492,943, \$1,020,156, and \$168,079, respectively.

6) Capital Assets:

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

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

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

7) Contributions:

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

8) Long-term obligations:

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

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

9) Reserves and Designated Fund Balances:

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

F. Revenues, Expenditures, Expenses and Other Disclosures

1) Property Tax Revenue Recognition:

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

2) Compensated Absences:

The City's administrative regulations provide permanent City employees with general and major illness leave in varying amounts based on years of service. In addition, employees may accrue hours worked on holidays for absences or payment in the future. General leave vests with the employee as it is earned. At fiscal year end, the Governmental Funds include an accrual of general and holiday leave pay and related benefits that would normally be liquidated with expendable available financial resources. All governmental funds (excepting the Capital Projects, Debt Service, Local Transportation Assistance and Two Percent Tax Funds), to varying degrees, liquidate these benefits. General and holiday leave with related benefits in excess of this accumulation, \$2,286,356 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 \$225,624, \$183,310, \$80,737 and \$7,145 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, 2008, the amount accumulated in sick pay and related benefits is \$7,674,006, including \$166,515 attributable to Internal Service Funds and \$947,391 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, \$543,445, 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 \$15,237 and Water, Wastewater, and Desert Hills and Arroyo Dunes Golf Course Enterprise Funds of \$48,250, \$35,552, \$11,786 and \$911 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, 2008

II. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

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

Deposits

At June 30, 2008, the City's deposits had a carrying value of \$124,588 and a bank balance of \$379,141. 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, 2008, there are no deposits exposed to custodial credit risk. The petty cash and change fund balances totaled \$25,560.

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, 2008 were as follows:

Investment Type	Fair Value	Investment Maturities in Years			
		< 1 Year	1-2 Years	2-3 Years	3-5 Years
Commercial Paper	\$ 48,630,690.00	\$ 48,630,690.00	\$ -	\$ -	\$ -
US Agencies:					
Federal Farm Credit Bank	2,000,000	-	-	2,000,000	-
Federal Home Loan Bank	35,684,714	14,237,527	9,998,750	10,457,188	991,249
Federal Home Loan Mtg. Corp.	23,359,206	9,430,993	3,972,888	3,969,110	5,986,215
Federal National Mtg. Assoc.	13,706,594	5,705,344	3,014,688	4,986,562	-
Money Market Funds	62,822,049	62,822,049	-	-	-
State Investment Pool	28,537,394	28,537,394	-	-	-
Total Value	<u>\$ 214,740,647</u>	<u>\$ 169,363,997</u>	<u>\$ 16,986,326</u>	<u>\$ 21,412,860</u>	<u>\$ 6,977,464</u>

Credit Risk

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

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

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, 2008, all investments, with the exception of the State Investment Pool, are rated AAA by Standard and Poor's and Aaa by Moody's. The State Investment Pool is not rated.

Concentration of Credit Risk

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

	Maximum %	Actual %
U. S. Treasuries and securities having principal and interest guaranteed by the U.S. Government	100%	0%
U. S. Government agencies, instrumentalities and government sponsored enterprises	No more than 80%	35%
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%	23%
Maximum per issuer.....	10% of total C. P	16%
Repurchase Agreements.....	100%	0%
Money Market Funds.....	100%	29%
State Investment Pool	100%	13%

The maximum per issuer policy was temporarily exceeded at June 30, 2008 for one commercial paper issuer.

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 14.8% of the portfolio, and there are no holdings with a stated maturity beyond five years. The portfolio at June 30, 2008 had a weighted average maturity of 231 days. The policy does not set a maximum for this measurement.

Custodial Credit Risk

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

B. Property Tax

The City's property tax is levied by the Yuma County Treasurer on or before the third Monday in August based upon the previous January 1 full cash value as determined by the Yuma County Assessor. Under Arizona law two assessed valuations are used. One is for primary taxes (used to fund operating expenditures) and the other is for secondary taxes (used to meet general obligation debt service requirements). The primary tax levy is limited to a two percent increase over the previous year with adjustments for growth and annexation. Secondary

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

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 2006-07 (Tax Year 2006) and fiscal year 2007-08 (Tax Year 2007), follow:

	<u>Tax Year 2006</u>	<u>Tax Year 2007</u>
Primary Assessed Valuation	\$ 421,397,393	\$ 481,651,142
Primary Tax Rate	1.7373	1.6744
Primary Tax Levy	\$ 7,320,954	\$ 8,064,476
Secondary Assessed Valuation	\$ 468,531,273	\$ 572,280,942
Secondary Tax Rate/Levy	None	None
Current Tax Collections	\$ 7,125,281	\$ 7,890,159
Delinquent Tax Collections	\$ 152,952	\$ 136,702
Delinquent Taxes Outstanding as of June 30	\$ 139,203	\$ 252,962

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	\$ 609,005	\$ 2,873,898	\$ 20,169	\$ 252,962	\$ 154,382	\$ 3,910,416
Highway User Revenue	123	652,193	-	-	17,012	669,328
City Road Tax	-	794,218	-	-	21,958	816,176
Grants	-	805,406	-	-	987	806,393
Community Redevelopment	1,250,131	190,729	-	-	-	1,440,860
Debt Service	81,948	-	8,820,000	-	3,690	8,905,638
Capital Projects	208,662	2,211,500	-	-	152,051	2,572,213
Water	3,936,230	137,112	-	-	258,746	4,332,088
Wastewater	1,858,515	256,127	-	-	76,698	2,191,340
Other Funds-Governmental	280,926	323,094	-	-	39,249	643,269
Other Funds-Enterprise	4,467	458	-	-	1,818	6,743
Internal Service	130,974	16	-	-	125,067	256,057
Total	<u>\$ 8,360,981</u>	<u>\$ 8,244,751</u>	<u>\$ 8,840,169</u>	<u>\$ 252,962</u>	<u>\$ 851,658</u>	<u>\$ 26,550,521</u>

	<u>Allowance Amount</u>	
	<u>2008</u>	<u>2007</u>
Special Revenue Funds -		
Solid Waste	\$ 5,358	\$ 5,272
Enterprise Funds:		
Water	105,786	92,566
Wastewater	43,318	35,246

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

D. Due from Other Governments (Intergovernmental Receivables)

Amounts due from other government units at June 30, 2008, are as follows:

	Agencies				
	Federal	State	County	Local	Total
Governmental Funds					
Major Funds					
General	\$ 136	\$ 2,443,326	\$ 350,406	\$ 80,030	\$ 2,873,898
Highway User Revenue	-	646,374	5,819	-	652,193
City Road Tax	-	794,218	-	-	794,218
Grants	686,813	118,593	-	-	805,406
Community Redevelopment	190,729	-	-	-	190,729
Capital Projects	-	2,211,500	-	-	2,211,500
Non-major Funds					
Public Safety Tax	-	317,579	-	-	317,579
Solid Waste	-	35	-	-	35
Mall Maintenance	-	-	5,480	-	5,480
Enterprise Funds:					
Major Funds					
Water	-	137,112	-	-	137,112
Wastewater	183,170	36,957	-	36,000	256,127
Non-major Funds					
Desert Hills Golf Course	-	458	-	-	458
Internal Service Funds					
Equipment Maintenance	-	16	-	-	16
Total	\$ 1,060,848	\$ 6,706,168	\$ 361,705	\$ 116,030	\$ 8,244,751

E. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2008, follows:

	Balance June 30, 2007	Increases	Decreases	Balance June 30, 2008
Capital Assets Not Being Depreciated:				
Land	\$ 31,459,103	\$ 16,973,711	\$ -	\$ 48,432,814
Construction in Progress	35,325,195	21,203,280	-	56,528,475
Total Capital Assets Not Being Depreciated	66,784,298	38,176,991	-	104,961,289
Other Capital Assets:				
Buildings	66,596,185	227,267	-	66,823,452
Improvements	34,080,008	3,380,432	-	37,460,440
Infrastructure	153,529,949	2,497,951	-	156,027,900
Equipment	42,055,431	6,450,164	2,555,201	45,950,394
Total Other Capital Assets	296,261,573	12,555,814	2,555,201	306,262,186
Less Accumulated Depreciation for:				
Buildings	17,415,020	2,192,754	-	19,607,774
Improvements	13,726,831	2,878,021	-	16,604,852
Infrastructure	78,357,541	3,726,675	-	82,084,216
Equipment	25,761,971	3,733,530	2,422,588	27,072,913
Total Accumulated Depreciation	135,261,363	12,530,980	2,422,588	145,369,755
Other Capital Assets, Net	161,000,210	24,834	132,613	160,892,431
Total Capital Assets, Governmental Activities	\$ 227,784,507	\$ 38,201,825	\$ 132,613	\$ 265,853,721

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

Government activities capital assets net of accumulated depreciation at June 30, 2008, include:

General Capital Assets, Net	\$ 254,282,020
Internal Service Fund Capital Assets, Net	<u>11,571,701</u>
Total	<u>\$ 265,853,721</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,528,385
Public Safety	1,952,410
Parks, Recreation, and Culture	2,765,046
Environmental Health and Protection	31,146
Community Design and Development	105,639
Streets	3,818,726
Assets held by Internal Service Funds are charged based on usage of assets	<u>2,329,628</u>
Total	<u>\$ 12,530,980</u>

Business-type activities:

	Balance June 30, 2007	Increases	Decreases	Balance June 30, 2008
Capital Assets Not Being Depreciated:				
Land	\$ 2,118,093	\$ 7,867,204	\$ -	\$ 9,985,297
Construction in Progress	<u>166,225,437</u>	<u>72,299,442</u>	<u>2,624,069</u>	<u>235,900,810</u>
Total Capital Assets Not Being Depreciated	<u>168,343,530</u>	<u>80,166,646</u>	<u>2,624,069</u>	<u>245,886,107</u>
Other Capital Assets:				
Buildings	7,945,196	-	-	7,945,196
Improvements	143,014,068	5,633,666	-	148,647,734
Equipment	<u>4,429,109</u>	<u>130,354</u>	<u>27,366</u>	<u>4,532,097</u>
Total Other Capital Assets	<u>155,388,373</u>	<u>5,764,020</u>	<u>27,366</u>	<u>161,125,027</u>
Less Accumulated Depreciation for:				
Buildings	4,407,854	198,825	-	4,606,679
Improvements	71,036,510	6,081,088	-	77,117,598
Equipment	<u>2,705,193</u>	<u>348,447</u>	<u>25,691</u>	<u>3,027,949</u>
Total Accumulated Depreciation	<u>78,149,557</u>	<u>6,628,360</u>	<u>25,691</u>	<u>84,752,226</u>
Other Capital Assets, Net	<u>77,238,816</u>	<u>(864,340)</u>	<u>1,675</u>	<u>76,372,801</u>
Total Capital Assets, Business-type activities	<u>\$ 245,582,346</u>	<u>\$ 79,302,306</u>	<u>\$ 2,625,744</u>	<u>\$ 322,258,908</u>

Depreciation was charged to programs as follows:

Water	\$ 3,798,142
Wastewater	2,565,743
Golf courses	<u>264,475</u>
Total	<u>\$ 6,628,360</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).

F. Retirement Plans

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2008

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

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

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

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

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

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

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

Cost-sharing plans - For the year ended June 30, 2008, active ASRS members and the City were required by statute to contribute at the actuarially determined rate of 9.6 percent (9.1 percent retirement and 0.50 percent long-term disability) of the members' annual covered payroll. The City's contributions to ASRS for the years ended June 30, 2008, 2007, and 2006 were \$2,619,640, \$2,403,198, and \$1,748,357, respectively, which were equal to the required contributions for the year. In addition, active EORP members and the City were required by statute to contribute 7 percent and 20.21 percent, respectively, of the members' annual covered payroll. The City's contributions to EORP for the years ended June 30, 2008, 2007 and 2006 were \$44,206, \$40,782, and \$43,463, respectively, which were equal to the required contributions for the year.

Agent plans - For the year ended June 30, 2008 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 14.97 percent for police and 21.62 percent for fire.

Schedule of Funding Progress – Funding progress of the two agent plans as of June 30, 2007, the most recent valuation, appears below. Multiyear trend information for the plans immediately follows the Notes to the Financial Statements in the section for Required Supplementary Information.

	Actual Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Payroll
POLICE	38,668,154	51,924,584	13,256,430	74.5%	9,149,431	144.9%
FIRE	26,853,367	43,029,776	16,176,409	62.4%	5,634,967	287.1%

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

Annual Pension Cost - The City's pension cost for the two agent plans for the year ended June 30, 2007 (the date of the most recent actuarial report) follows:

	<u>Police</u>	<u>Fire</u>
Contribution Rates	14.97%	21.62%
Annual Pension Cost	\$1,134,675	\$1,120,319
Contributions Made	\$1,134,675	\$1,120,319
Actuarial Valuation Date	June 30, 2007	June 30, 2007
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Investment Rate of Return	8.50%	8.50%
Projected Salary Increases	5.5% - 7.0%	5.5% - 7.0%
Inflation projection	5.50%	5.50%
Cost-of-Living Adjustments	None	None
Amortization Method	Level Percentage Open	Level Percentage Open
Remaining Amortization Period	20 years	20 years
Asset Valuation Method	Smoothed market	Smoothed market

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

		<u>Annual Pension Cost</u>	<u>Percent Contributed</u>	<u>Net Pension Obligation</u>
POLICE	2005	\$ 547,043	100.0%	-
	2006	828,088	100.0%	-
	2007	1,134,675	100.0%	-
FIRE	2005	804,531	100.0%	-
	2006	825,129	100.0%	-
	2007	1,120,319	100.0%	-

G. Long-Term Liabilities

The following changes occurred in long-term liabilities during the fiscal year ended June 30, 2008:

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2008</u>	<u>Due Within One Year</u>
Governmental activities:					
Yuma Municipal Property Corporation	\$ 55,035,000	\$ 91,885,000	\$ 2,820,000	\$ 144,100,000	\$ 7,250,000
Improvement District #67	5,890,000	-	740,000	5,150,000	770,000
Improvement District #68	3,875,000	-	205,000	3,670,000	210,000
Unamortized Discount/Issuance Costs	(86,185)	(497,692)	(35,658)	(548,219)	-
Unamortized Premium	-	1,800,707	90,042	1,710,665	-
Contracts Payable	117,000	-	117,000	-	-
Compensated Absences	2,739,624	256,399	166,222	2,829,801	-
Total Governmental Activity					
Long-Term Liabilities	<u>\$ 67,570,439</u>	<u>\$ 93,444,414</u>	<u>\$ 4,102,606</u>	<u>\$ 156,912,247</u>	<u>\$ 8,230,000</u>
Business-type activities:					
General Obligation Bonds	\$ 7,535,000	\$ -	\$ 1,115,000	\$ 6,420,000	\$ 1,170,000
Yuma Municipal Property Corporation	-	127,925,000	-	127,925,000	4,835,000
Unamortized Discount/Issuance Costs	(161,149)	(695,444)	(87,705)	(768,888)	-
Unamortized Premium	-	4,605,681	184,227	4,421,454	-
Contracts Payable	84,154,117	-	3,774,604	80,379,513	3,906,051
Total Business-type Activity					
Long-Term Liabilities	<u>\$ 91,527,968</u>	<u>\$ 131,835,237</u>	<u>\$ 4,986,126</u>	<u>\$ 218,377,079</u>	<u>\$ 9,911,051</u>

On the Statement of Net Assets, the current portion of governmental activity long-term liabilities of \$8,230,000 excludes the current portion of compensated absences of \$1,935,089 that is recorded within accrued liabilities.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2008

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

Contracts Payable

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

Bonded Debt - Excluding Refunded Debt

New Debt Issue – On November 20, 2007, the Yuma Municipal Property Corporation issued three bond series. A Series B Addition of \$30,785,000 was issued for construction of a swimming pool, purchase of park land and construction of public safety facilities. A new Series D issue of \$61,100,000 will fund the construction or improvement of roadways in the city while a new Utility Series of \$127,925,000 will finance the continuing expansion and improvement of the city's water and wastewater systems. Each series will also reimburse ongoing expenditures temporarily funded by operational monies expended in accordance with reimbursement resolutions authorized by City Council. The Series B, Series D and Utility Series bonds have an average life of 11, 11 and 14 years and were sold at true interest costs of 4.34%, 4.41% and 4.52%, respectively.

The following is a description of bonded indebtedness at June 30, 2008. In each instance, all bonds have been issued. For each issue, a number of covenants and restrictions are included in the bond indentures. The City is in compliance with these covenants and restrictions.

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

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

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

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

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

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.

As previously noted, the Municipal Property Corporation issued the 2007 Utility Series. The water and wastewater system's net revenues were pledged as collateral for this issue as additional parity obligations.

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

For the year ended June 30, 2008, the pledged revenues described above amounted to \$74,056,847 for governmental activities and \$42,828,931 for business-type activities. The bonded debt collateralized by such revenues is presented below. Total future pledged revenues are not determinable for comparison to total collateralized debt; however, for the year ended June 30, 2008, debt service for governmental activities totaled \$12,241,867 and for business-type activities \$16,630,564, or 29% and 39% of pledged revenues, respectively.

Summary of Bonded Debt

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding</u>	<u>Net Unamortized Premium / (Issue Costs)</u>
General Obligation Bonds:						
1997 Refunding	4.90%	12/1/1997	2012	8,085,000	6,420,000	(109,881)
				22,455,000	6,420,000	(109,881)
Yuma Municipal Property Corporation Bonds:						
2001 Issue	4.94%	3/21/2001	2025	34,150,000	31,370,000	-
2003 - Series A Refunding	4.21%	2/18/2003	2015	14,640,000	10,565,000	-
2003 - Series B Refunding	3.67%	2/18/2003	2015	2,905,000	2,065,000	-
2003 - Series C Refunding	2.97%	2/18/2003	2010	1,445,000	655,000	-
2003 - Series B Addition	4.18%	2/18/2003	2022	9,000,000	7,560,000	(75,412)
2007 - Series B Addition	4.50%	11/20/2007	2027	30,785,000	30,785,000	(182,836)
2007 - Series D	4.50%	11/20/2007	2027	61,100,000	61,100,000	1,420,694
2007 - Series Utilities	4.40%	11/20/2007	2032	127,925,000	127,925,000	3,762,447
Total MPC Bonds				281,950,000	272,025,000	4,924,893
Total Bonds Authorized and Issued				\$ 304,405,000	\$ 278,445,000	\$ 4,815,012

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, 2008 follows:

	<u>Water, Etc. (20%)</u>	<u>All Other (6%)</u>
Secondary Assessed Valuation	\$572,280,942	
Legal Limit	\$ 114,456,188	\$ 34,336,857
Outstanding G.O. Debt	6,420,000	-
Available Debt Margin	\$ 108,036,188	\$ 34,336,857

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

Annual Debt Service Requirements to Maturity

BONDS AND IMPROVEMENT DISTRICTS									
July 1	1997 Refunding Bonds			Improvement District No. 67 Bonds					
	Principal	Interest	Total	Principal	Interest	Total			
2008	1,170,000	312,105	1,482,105	770,000	176,305	946,305			
2009	1,210,000	257,115	1,467,115	805,000	147,168	952,168			
2010	1,275,000	196,615	1,471,615	840,000	116,736	956,736			
2011	1,345,000	134,140	1,479,140	875,000	85,008	960,008			
2012	1,420,000	69,580	1,489,580	910,000	51,985	961,985			
2013	-	-	-	950,000	17,575	967,575			
	<u>\$ 6,420,000</u>	<u>\$ 969,555</u>	<u>\$ 7,389,555</u>	<u>\$ 5,150,000</u>	<u>\$ 594,777</u>	<u>\$ 5,744,777</u>			
	MPC Bonds 2001 Series			MPC Bonds 2003 Series			Improvement District No. 68 Bonds		
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>\$ 31,370,000</u>	<u>\$ 17,452,700</u>	<u>\$ 48,822,700</u>	<u>\$ 7,560,000</u>	<u>\$ 2,857,867</u>	<u>\$ 10,417,867</u>	<u>\$ 3,670,000</u>	<u>\$ 1,317,880</u>	<u>\$ 4,987,880</u>
	MPC Bonds 2003 Refunding 1995A			MPC Bonds 2003 Refunding 1995B			MPC Bonds 2003 Refunding 1995C		
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>\$ 10,565,000</u>	<u>\$ 2,167,133</u>	<u>\$ 12,732,133</u>	<u>\$ 2,065,000</u>	<u>\$ 380,113</u>	<u>\$ 2,445,113</u>	<u>\$ 655,000</u>	<u>\$ 42,539</u>	<u>\$ 697,539</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

July 1	MPC Bonds 2007 Series B			MPC Bonds 2007 Series D			MPC Bonds 2007 Series Utility		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2008	1,450,000	826,123	2,276,123	2,880,000	1,744,749	4,624,749	4,835,000	3,763,523	8,598,523
2009	1,025,000	1,273,220	2,298,220	2,030,000	2,719,725	4,749,725	2,960,000	5,925,138	8,885,138
2010	1,075,000	1,221,970	2,296,970	2,125,000	2,638,525	4,763,525	3,105,000	5,806,738	8,911,738
2011	1,125,000	1,168,220	2,293,220	2,230,000	2,553,525	4,783,525	3,260,000	5,682,538	8,942,538
2012	1,175,000	1,111,970	2,286,970	2,330,000	2,442,025	4,772,025	3,425,000	5,519,538	8,944,538
2013	1,230,000	1,064,970	2,294,970	2,435,000	2,348,825	4,783,825	3,585,000	5,382,538	8,967,538
2014	1,280,000	1,015,770	2,295,770	2,540,000	2,251,425	4,791,425	3,750,000	5,239,138	8,989,138
2015	1,335,000	964,570	2,299,570	2,655,000	2,149,825	4,804,825	3,920,000	5,089,138	9,009,138
2016	1,390,000	911,170	2,301,170	2,760,000	2,043,625	4,803,625	4,095,000	4,893,138	8,988,138
2017	1,445,000	855,570	2,300,570	2,870,000	1,905,625	4,775,625	4,270,000	4,688,388	8,958,388
2018	1,505,000	797,770	2,302,770	2,985,000	1,762,125	4,747,125	4,440,000	4,453,538	8,893,538
2019	1,565,000	737,570	2,302,570	3,110,000	1,612,875	4,722,875	4,620,000	4,231,538	8,851,538
2020	1,630,000	674,970	2,304,970	3,240,000	1,457,375	4,697,375	4,810,000	4,000,538	8,810,538
2021	1,700,000	606,510	2,306,510	3,375,000	1,323,725	4,698,725	5,015,000	3,802,125	8,817,125
2022	1,770,000	534,260	2,304,260	3,520,000	1,154,975	4,674,975	5,225,000	3,551,375	8,776,375
2023	1,850,000	458,150	2,308,150	3,670,000	978,975	4,648,975	5,450,000	3,290,125	8,740,125
2024	1,930,000	365,650	2,295,650	3,825,000	795,475	4,620,475	5,685,000	3,017,625	8,702,625
2025	2,010,000	281,212	2,291,212	3,995,000	604,225	4,599,225	5,930,000	2,733,375	8,663,375
2026	2,100,000	193,275	2,293,275	4,170,000	404,475	4,574,475	6,190,000	2,436,875	8,626,875
2027	2,195,000	98,775	2,293,775	4,355,000	195,975	4,550,975	6,460,000	2,127,375	8,587,375
2028	-	-	-	-	-	-	6,745,000	1,844,750	8,589,750
2029	-	-	-	-	-	-	7,050,000	1,507,500	8,557,500
2030	-	-	-	-	-	-	7,365,000	1,155,000	8,520,000
2031	-	-	-	-	-	-	7,695,000	786,750	8,481,750
2032	-	-	-	-	-	-	8,040,000	402,000	8,442,000
	<u>\$ 30,785,000</u>	<u>\$ 15,161,695</u>	<u>\$ 45,946,695</u>	<u>\$ 61,100,000</u>	<u>\$ 33,088,074</u>	<u>\$ 94,188,074</u>	<u>\$ 127,925,000</u>	<u>\$ 91,330,304</u>	<u>\$ 219,255,304</u>

CONTRACTS PAYABLE

July 1	WIFA Loan #920069-03			WIFA Loan #910043-03			WIFA Loan #920088-04		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2008	440,173	277,327	717,500	2,014,606	1,269,284	3,283,890	1,451,270	1,236,006	2,687,276
2009	454,747	262,753	717,500	2,081,310	1,202,580	3,283,890	1,505,711	1,180,533	2,686,244
2010	469,804	247,696	717,500	2,150,222	1,133,668	3,283,890	1,562,205	1,122,979	2,685,184
2011	485,359	232,141	717,500	2,221,416	1,062,474	3,283,890	1,620,819	1,063,265	2,684,084
2012	501,429	216,071	717,500	2,294,967	988,923	3,283,890	1,681,632	1,001,311	2,682,943
2013	518,032	199,468	717,500	2,370,953	912,937	3,283,890	1,744,727	937,033	2,681,760
2014	535,184	182,316	717,500	2,449,455	834,435	3,283,890	1,810,189	870,342	2,680,532
2015	552,904	164,596	717,500	2,530,557	753,333	3,283,890	1,878,108	801,150	2,679,258
2016	571,210	146,290	717,500	2,614,343	669,547	3,283,890	1,948,574	729,361	2,677,936
2017	590,123	127,377	717,500	2,700,904	582,986	3,283,890	2,021,685	654,879	2,676,564
2018	609,662	107,838	717,500	2,790,331	493,559	3,283,890	2,097,539	577,603	2,675,141
2019	629,848	87,652	717,500	2,882,719	401,171	3,283,890	2,176,238	497,427	2,673,665
2020	650,702	66,798	717,500	2,978,166	305,724	3,283,890	2,257,891	414,242	2,672,133
2021	672,247	45,253	717,500	3,076,773	207,117	3,283,890	2,342,607	327,937	2,670,544
2022	694,505	22,995	717,500	3,178,645	105,245	3,283,890	2,430,501	238,393	2,668,895
2023	-	-	-	-	-	-	2,521,694	145,490	2,667,184
2024	-	-	-	-	-	-	2,616,825	49,092	2,665,916
	<u>\$ 8,375,929</u>	<u>\$ 2,386,572</u>	<u>\$ 10,762,501</u>	<u>\$ 38,335,366</u>	<u>\$ 10,922,983</u>	<u>\$ 49,258,349</u>	<u>\$ 33,668,216</u>	<u>\$ 11,847,041</u>	<u>\$ 45,515,257</u>

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

H. Interfund Transfers

<i>Transfers Out</i>			<i>Transfers In</i>		
			Governmental funds - major funds:		
General Fund	Road Tax	10,056	General Fund -	Capital Projects	50,000
	Solid Waste	1,939,535		Two Percent Tax	440,200
	Mall Maintenance	157,139	Road Tax	General Fund	10,056
	Debt Service	2,901,201		Capital Projects	31,436
	Capital Projects	447,553			
			HURF	Capital Projects	276
			Community Redev	Capital Projects	177,978
			Debt Service	General Fund	2,901,201
HURF	Debt Service	101,681		HURF	101,681
	Capital Projects	260,190		Road Tax	4,656,227
				Public Safety Tax	4,277,692
Road Tax	Capital Projects	5,752,586		Solid Waste	21,034
	Debt Service	4,656,227		Desert Hills G.C.	230,725
Grants	Capital Projects	3,706,574		Wastewater	33,449
				Water	62,521
Community Redevelopment	Capital Projects	122,233	Capital Projects	General Fund	447,553
				HURF	260,190
Capital Projects	General Fund	50,000		Road Tax	5,721,150
	HURF	276		Community Redevelopment	122,233
	Community Redev	177,978		Grants	3,706,574
				LTAF	385,927
				Public Safety Tax	1,347,160
				Two Percent Tax	1,079,169
				Recreation Complex	23,473
			Nonmajor funds:		
LTAF	Capital Projects	385,927	Solid Waste	General Fund	1,939,535
Public Safety Tax	Debt Service	4,277,692			
	Capital Projects	1,347,160	Recreation Complex	Two Percent Tax	1,500,000
Solid Waste	Debt Service	21,034	Mall Maintenance	General Fund	157,139
Recreation Complex	Capital Projects	23,473			
Two Percent Tax	Recreation Complex	1,500,000			
	General Fund	440,200			
	Capital Projects	1,079,169			
	Desert Hill G.C.	230,725			
	Total Governmental Activities	29,588,609		Total Governmental Activities	29,684,579
			Enterprise funds:		
Desert Hills G.C.	Debt Service	230,725	Desert Hills G.C.	Two Percent Tax	230,725
Water	Debt Service	62,521			
Wastewater	Debt Service	33,449			
	Total Enterprise Funds	326,695		Total Enterprise Funds	230,725
	<i>Total Transfers Out</i>	29,915,304		<i>Total Transfers In</i>	29,915,304

The majority of the transfers listed above are for capital projects expenditures or for debt service requirements and are recognizable by the fund to which the transfer is made. This includes Enterprise Fund transfers to debt service as the majority of the related bond debt service is governmental in nature and is recorded in the Debt Service Fund rather than within the Enterprise Funds. As for the remaining transfers, they include operating subsidies from the General Fund to Solid Waste Fund (\$1,939,535) and Mall Maintenance (\$157,139); and from the Two Percent Tax Fund to the General Fund (\$440,200 per a riverfront development agreement), to the Recreation Complex Fund (\$1,500,000) and Desert Hills Golf Course (\$230,725).

Interfund activity is eliminated within the governmental activities column of the Statement of Activities. Only transfers between governmental and business-type activities appear on that statement. The net transfers of \$95,970 are for debt service.

City of Yuma, Arizona
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

I. Interfund Receivables and Payables

Interfund balances at June 30, 2008, 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:			
City Road Tax Fund	\$ -	\$ 576	\$ 576
Community Redevelopment Fund	83,227	4,945	88,172
Grants Fund	-	328,424	328,424
Nonmajor Governmental Funds:			
Solid Waste Fund	68,763	-	68,763
Internal Service Funds:			
Equipment Maintenance	495,603	-	495,603
Workers Compensation	270,087	-	270,087
Total Receivable	<u>\$ 917,680</u>	<u>\$ 333,945</u>	<u>\$ 1,251,625</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, \$1,024,979, 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 - \$69,172,489 is the uncompleted portion of capital projects for which Council has authorized the funding from current year available resources. Expenditures for these projects are rebudgeted in the subsequent fiscal year since unexpended appropriations lapse at year-end. *Subsequent Years' Expenditures* - \$1,674,336 includes sales tax rebates of \$733,867, riverfront redevelopment of \$440,200, 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, \$183,986 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, 2008

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
2007-08	\$ 34,660	\$ 22,527	\$ 26,840	\$ 30,347	\$ 818,060	\$ 4,433	\$ 186,508	\$ 635,985
2006-07	29,331	118,661	113,332	34,660	663,933	761,715	607,588	818,060
2005-06	34,036	205,735	210,440	29,331	464,508	892,640	693,215	663,933

L. Construction Commitments

The City has active construction projects as of June 30, 2008. At year-end the government's commitments with contractors for specific projects are as follows:

	Construction Commitments	Original Contract	Spent to Date	Remaining Commitment
Public Safety		3,733,184	3,196,288	536,896
Parks & Recreation		1,583,594	1,292,563	291,031
Environmental Health		778,834	711,148	67,686
Streets		29,427,428	16,616,306	12,811,122
Water System		36,367,228	32,862,165	3,505,063
Wastewater		17,291,723	14,381,687	2,910,036
		<u>\$ 89,181,991</u>	<u>\$ 69,060,157</u>	<u>\$ 20,121,834</u>

IV. CONTINGENT LIABILITIES

A. Pending Litigation

The City is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations. It is the opinion of the City management, based on the advice of the City Attorney, that such matters will not have a material adverse effect on the City's financial position at June 30, 2008.

B. Compliance

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

	<u>Actual Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funding Liability (Excess)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Liability as Percentage of Payroll</u>
<i>POLICE</i>						
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%
2007	38,668,154	51,924,584	13,256,430	74.5%	9,149,431	144.9%
<i>FIRE</i>						
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%
2007	26,853,367	43,029,776	16,176,409	62.4%	5,634,967	287.1%

City of Yuma, Arizona
 Budgetary Comparison Schedule
 General Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	\$ 20,724,306	\$ 20,724,306	\$ 20,202,132	\$ (522,174)
Resources (inflows):				
Taxes:				
Property Tax - Primary	8,064,476	8,064,476	7,890,159	(174,317)
Property Tax - Delinquent	100,000	100,000	136,702	36,702
City Sales Tax	22,161,017	22,161,017	20,479,641	(1,681,376)
Public Enterprise In-Lieu	242,000	242,000	242,000	-
Franchise Tax	2,675,000	2,675,000	2,893,077	218,077
Total Taxes	33,242,493	33,242,493	31,641,579	(1,600,914)
Licenses:				
Business Licenses	300,000	300,000	332,122	32,122
Liquor Licenses	37,200	37,200	34,700	(2,500)
Building Permits	3,189,000	3,189,000	1,691,451	(1,497,549)
Alcohol Permits	8,500	8,500	9,230	730
Total Licenses	3,534,700	3,534,700	2,067,503	(1,467,197)
Intergovernmental:				
Sales Tax - State	9,041,117	9,041,117	8,183,395	(857,722)
State Revenue Sharing	12,503,023	12,503,023	12,518,215	15,192
Auto Lieu Tax	3,560,000	3,560,000	3,518,863	(41,137)
Other Governmental Charges	162,747	112,747	133,560	20,813
Total Intergovernmental	25,266,887	25,216,887	24,354,033	(862,854)
Charges for Services:				
Building Inspection Fees	883,500	883,500	709,598	(173,902)
Recreation Fees	465,300	465,300	546,680	81,380
Police Services	732,000	732,000	764,397	32,397
Other Charges	376,988	376,988	1,115,468	738,480
Total Charges for Services	2,457,788	2,457,788	3,136,143	678,355
Fines and Forfeitures:				
City Court Fines	852,000	852,000	1,143,006	291,006
Total Fines and Forfeitures	852,000	852,000	1,143,006	291,006
Use of Money and Property:				
Interest	787,500	787,500	1,021,862	234,362
Rental Receipts	141,200	141,200	206,137	64,937
Total Use of Money and Property	928,700	928,700	1,227,999	299,299
Miscellaneous				
Sales of Surplus Property	13,073	13,073	28,772	15,699
Other	195,000	245,000	102,898	(142,102)
Total Miscellaneous	208,073	258,073	131,670	(126,403)
Total Revenues	66,490,641	66,490,641	63,701,933	(2,788,708)
Transfers In	220,100	220,100	490,200	270,100
Amounts Available for Appropriation	87,435,047	87,435,047	84,394,265	(3,040,782)

Continued on next page

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 General Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Charges to Appropriations (outflows):				
General Government:				
Mayor and Council	388,285	388,285	344,049	44,236
Elections	150,100	150,100	148,946	1,154
City Administrator	1,337,015	1,337,015	1,323,985	13,030
Strategic Communications	845,054	845,054	805,055	39,999
Economic Development	142,455	142,455	129,839	12,616
General Government	3,245,554	2,701,473	1,787,961	913,512
City Clerk	320,361	320,361	274,958	45,403
Community Investment Trust	-	-	6,294	(6,294)
City Attorney	1,365,999	1,365,999	1,327,854	38,145
City Prosecutor	254,084	254,084	242,639	11,445
Finance-Administration	314,565	314,565	316,733	(2,168)
Accounting	770,761	770,761	712,545	58,216
Customer Services	463,869	463,869	435,554	28,315
Information Technology Services	3,354,517	3,656,067	3,376,303	279,764
Purchasing	634,797	634,797	585,737	49,060
Human Resources	966,179	966,179	714,631	251,548
Facilities Maintenance	937,590	937,590	924,479	13,111
Intragovernmental Charges	<u>(3,435,922)</u>	<u>(3,435,922)</u>	<u>(3,435,922)</u>	-
Total General Government Expenditures	<u>12,055,263</u>	<u>11,812,732</u>	<u>10,021,640</u>	<u>1,791,092</u>
Less Capital Outlay	1,155,616	984,769	298,960	685,809
General Government Operating Expenditures	<u>10,899,647</u>	<u>10,827,963</u>	<u>9,722,680</u>	<u>1,105,283</u>
Public Safety:				
Police Administration - Field Operations	18,831,302	18,815,594	17,840,504	975,090
Police Reserve Unit	5,750	5,750	665	5,085
Police Support Services	2,875,090	2,929,858	2,560,587	369,271
Police Communication Center	2,319,046	2,355,195	2,006,448	348,747
Fire Administration	566,133	564,533	553,960	10,573
Fire Training	587,126	587,126	526,808	60,318
Fire Suppression	9,561,880	9,564,870	9,364,186	200,684
Community Risk Reduction	914,461	950,165	898,136	52,029
Fire Special Operations	147,124	161,624	118,788	42,836
Fire Emergency Medical Services	161,163	235,163	228,369	6,794
Fire Emergency Management	103,346	133,346	159,213	(25,867)
Municipal Court	<u>1,754,721</u>	<u>1,761,449</u>	<u>1,655,997</u>	<u>105,452</u>
Total Public Safety Expenditures	<u>37,827,142</u>	<u>38,064,673</u>	<u>35,913,661</u>	<u>2,151,012</u>
Less Capital Outlay	496,945	661,053	294,203	366,850
Public Safety Operating Expenditures	<u>37,330,197</u>	<u>37,403,620</u>	<u>35,619,458</u>	<u>1,784,162</u>

Continued on next page

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 General Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Parks, Recreation and Culture:				
Parks and Recreation Administration	757,589	757,589	710,250	47,339
Parks Maintenance	5,501,802	5,501,802	5,771,376	(269,574)
Parks Development	385,333	385,333	365,081	20,252
Recreation Administration	722,620	722,320	693,417	28,903
Senior Adult Activities	207,308	207,608	174,672	32,936
Adult Activities	268,112	268,112	278,629	(10,517)
Youth Activities	325,513	325,513	237,618	87,895
Aquatics	769,801	769,801	783,779	(13,978)
Yuma Readiness Center	200,122	200,122	151,557	48,565
Yuma Art Center	915,707	915,707	1,024,506	(108,799)
Intragovernmental Charges	<u>(913,828)</u>	<u>(913,828)</u>	<u>(913,828)</u>	<u>-</u>
Total Parks, Recreation and Culture	9,140,079	9,140,079	9,277,057	(136,978)
Less Capital Outlay	<u>586,595</u>	<u>588,595</u>	<u>725,470</u>	<u>(136,875)</u>
Parks, Recreation and Culture				
Operating Expenditures	<u>8,553,484</u>	<u>8,551,484</u>	<u>8,551,587</u>	<u>(103)</u>
Environmental Health and Protection:				
Environmental Management	1,117,762	1,122,762	929,532	193,230
Intragovernmental Charges	<u>(138,430)</u>	<u>(138,430)</u>	<u>(138,430)</u>	<u>-</u>
Total Environmental Health and Protection	<u>979,332</u>	<u>984,332</u>	<u>791,102</u>	<u>193,230</u>
Less Capital Outlay	25,000	30,000	-	30,000
Environmental Health and Protection				
Operating Expenditures	<u>954,332</u>	<u>954,332</u>	<u>791,102</u>	<u>163,230</u>
Community Design and Development:				
Community Development Administration	382,374	379,174	370,723	8,451
Development Engineering	446,370	446,370	357,285	89,085
Planning and Neighborhood Services	3,240,497	3,243,697	2,847,084	396,613
Heritage Area Development	<u>521,214</u>	<u>521,214</u>	<u>475,421</u>	<u>45,793</u>
Total Community Design and Development	4,590,455	4,590,455	4,050,513	539,942
Less Capital Outlay	<u>3,960</u>	<u>17,260</u>	<u>14,945</u>	<u>2,315</u>
Community Design and Development				
Operating Expenditures	<u>4,586,495</u>	<u>4,573,195</u>	<u>4,035,568</u>	<u>537,627</u>
Total Operating Expenditures	62,324,155	62,310,594	58,720,395	3,590,199
Capital Outlay	<u>2,268,116</u>	<u>2,281,677</u>	<u>1,333,578</u>	<u>948,099</u>
Total Expenditures	64,592,271	64,592,271	60,053,973	4,538,298
Transfers Out	<u>6,815,213</u>	<u>6,815,213</u>	<u>5,455,484</u>	<u>1,359,729</u>
Total Charges to Appropriations	<u>71,407,484</u>	<u>71,407,484</u>	<u>65,509,457</u>	<u>5,898,027</u>
Budgetary Fund Balance, June 30	<u>\$ 16,027,563</u>	<u>\$ 16,027,563</u>	<u>\$ 18,884,808</u>	<u>\$ 2,857,245</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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Budgetary Fund Balance, July 1	\$ 5,206,283	\$ 5,206,283	\$ 4,243,062	\$ (963,221)
Resources (inflows):				
Intergovernmental				
State Gasoline Tax	8,372,364	8,372,364	8,144,889	(227,475)
Use of Money and Property				
Interest	150,000	150,000	144,642	(5,358)
Miscellaneous				
Engineering Oversight Fees	50,000	50,000	81,313	31,313
Other	30,000	30,000	12,819	(17,181)
Total Revenues	8,602,364	8,602,364	8,383,663	(218,701)
Transfers In	-	-	276	276
Amounts Available for Appropriation	13,808,647	13,808,647	12,627,001	(1,181,646)
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Traffic Signals, Signs, and Striping	1,521,553	1,663,799	1,523,920	139,879
Streets				
Engineering	1,188,996	1,188,996	1,660,231	(471,235)
Street Maintenance	3,226,701	3,226,701	3,294,901	(68,200)
Street Lighting	609,003	609,003	775,253	(166,250)
Street Sweeping	620,606	620,606	627,259	(6,653)
Storm Drain Maintenance	969,502	969,502	993,037	(23,535)
Curbs, Gutters, and Sidewalks	478,148	478,148	475,855	2,293
Environmental Health				
Lot Cleaning	139,936	139,936	24,573	115,363
Capital Outlay	303,650	161,404	228,969	(67,565)
Total Expenditures	9,058,095	9,058,095	9,603,998	(545,903)
Transfers Out	3,830,528	3,830,528	361,871	3,468,657
Total Charges to Appropriations	12,888,623	12,888,623	9,965,869	2,922,754
Budgetary Fund Balance, June 30	\$ 920,024	\$ 920,024	\$ 2,661,132	\$ 1,741,108

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 City Road Tax Fund
 For the Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	\$ 6,985,321	\$ 6,985,321	\$ 3,167,603	\$ (3,817,718)
Resources (inflows):				
Taxes				
Special Road Sales Tax	11,078,620	11,078,620	10,238,080	(840,540)
Use of Money and Property				
Interest	245,000	245,000	182,761	(62,239)
Miscellaneous				
Other	100,000	100,000	197,729	97,729
Total Revenues	11,423,620	11,423,620	10,618,570	(805,050)
Transfers In	-	-	41,492	41,492
Amounts Available for Appropriation	18,408,941	18,408,941	13,827,665	(4,581,276)
Charges to Appropriations (outflows):				
Current:				
Streets				
Street Maintenance	258,693	592,166	550,232	41,934
Retention Basin Maintenance	895,827	562,354	535,788	26,566
Capital Outlay	-	73,500	82,187	(8,687)
Total Expenditures	1,154,520	1,228,020	1,168,207	59,813
Transfers Out	15,149,700	15,149,700	10,408,813	4,740,887
Total Charges to Appropriations	16,304,220	16,377,720	11,577,020	4,800,700
Budgetary Fund Balance, June 30	\$ 2,104,721	\$ 2,031,221	\$ 2,250,645	\$ 219,424

See accompanying notes to this schedule

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Grants Fund
 For the Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		\$
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	2,966,211	2,966,211	2,626,483	(339,728)
State Government	173,450	173,450	2,213,256	2,039,806
Budget Authority Reserve	21,356,478	21,356,478	-	(21,356,478)
Use of Money and Property				
Interest	-	-	3,627	3,627
Contributions/Donations	144,360	144,360	23,078	(121,282)
Total Revenues	24,640,499	24,640,499	4,866,444	(19,774,055)
Amounts Available for Appropriation	24,640,499	24,640,499	4,866,444	(19,774,055)
Charges to Appropriations (outflows):				
Current:				
General Government	250,000	250,000	-	250,000
Public Safety	3,149,800	3,048,304	688,116	2,360,188
Parks, Recreation and Culture	26,500	26,500	16,133	10,367
Environmental Health and Protection	859,199	859,199	204,853	654,346
Community Design & Development	6,000	6,000	-	6,000
Capital Outlay	1,817,000	1,918,496	250,768	1,667,728
Total Expenditures	6,108,499	6,108,499	1,159,870	4,948,629
Transfers Out	18,532,000	18,532,000	3,706,574	14,825,426
Total Charges to Appropriations	24,640,499	24,640,499	4,866,444	19,774,055
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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental				
Federal Government	2,035,496	2,035,496	1,097,282	(938,214)
State Government	353,000	353,000	166,787	(186,213)
Use of Money and Property				
Rental Receipts	-	-	25,192	25,192
Miscellaneous				
Loan Repayments	-	-	26,918	26,918
Other	275,781	275,781	90,696	(185,085)
Total Revenues	<u>2,664,277</u>	<u>2,664,277</u>	<u>1,406,875</u>	<u>(1,257,402)</u>
Transfers In	<u>-</u>	<u>-</u>	<u>177,978</u>	<u>177,978</u>
Amounts Available for Appropriation	<u>2,664,277</u>	<u>2,664,277</u>	<u>1,584,853</u>	<u>(1,079,424)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development	2,360,394	2,360,394	1,338,645	1,021,749
Capital Outlay	3,660	3,660	4,752	(1,092)
Debt Service				
Principal	117,000	117,000	117,000	-
Interest and Fiscal Agent Fees	2,223	2,223	2,223	-
Total Expenditures	<u>2,483,277</u>	<u>2,483,277</u>	<u>1,462,620</u>	<u>1,020,657</u>
Transfers Out	<u>181,000</u>	<u>181,000</u>	<u>122,233</u>	<u>58,767</u>
Total Charges to Appropriations	<u>2,664,277</u>	<u>2,664,277</u>	<u>1,584,853</u>	<u>1,079,424</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, 2008

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 three funds. Higher utility and fuel costs combined with a change in allocation of capital project labor costs caused the Highway User Revenue Fund to exceed budgeted expenditures. Unbudgeted interest and fiscal agent fees related to the new issuances of Series B and Series D bonds caused expenditures within the Debt Service Fund to exceed appropriations by \$6,912,606 because unbudgeted debt service payments were made in the year of issue. Expenditures exceeded appropriations by \$663,466 in the Equipment Maintenance Internal Service Fund also because of rising fuel costs.

**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, 2008

<u>Assets</u>	Special Revenue			
	Local Transportation Assistance	Public Safety Tax	Solid Waste	Recreation Complex
Cash and Investments	\$ 35,934	\$ 404,597	\$ 7	\$ 1,614,364
Receivables (Net of Allowances for Uncollectibles):				
Accounts Receivable	-	-	275,121	5,259
Intergovernmental	-	317,579	35	-
Accrued Interest	1,886	19,811	-	10,089
Inventory, at cost	-	-	-	11,139
Prepaid Items	-	-	-	2,425
Total Assets	\$ 37,820	\$ 741,987	\$ 275,163	\$ 1,643,276
<u>Liabilities</u>				
Liabilities:				
Accounts Payable	\$ 144	\$ 9,038	\$ 141,145	\$ 30,738
Accrued Payroll and Related Taxes	-	-	65,255	63,292
Due to Other Funds	-	-	68,763	-
Unearned Revenue	-	-	-	67,561
Total Liabilities	144	9,038	275,163	161,591
<u>Fund Balances</u>				
Reserved for:				
Inventory	-	-	-	11,139
Prepaid Items	-	-	-	2,425
Unreserved:				
Designated For				
Future Community Improvements	-	-	-	-
Undesignated	37,676	732,949	-	1,468,121
Total Fund Balance	37,676	732,949	-	1,481,685
Total Liabilities and Fund Balance	\$ 37,820	\$ 741,987	\$ 275,163	\$ 1,643,276

<u>Special Revenue</u>		Total
<u>Two Percent Tax</u>	<u>Yuma Mall Maintenance</u>	<u>Nonmajor Governmental Funds</u>
\$ 1,636,710	\$ 3,558	\$ 3,695,170
-	546	280,926
-	5,480	323,094
7,463	-	39,249
-	-	11,139
-	-	2,425
<u>\$ 1,644,173</u>	<u>\$ 9,584</u>	<u>\$ 4,352,003</u>

\$ 2,772	\$ 3,293	\$ 187,130
-	6,291	134,838
-	-	68,763
-	-	67,561
<u>2,772</u>	<u>9,584</u>	<u>458,292</u>

-	-	11,139
-	-	2,425
50,000	-	50,000
<u>1,591,401</u>	<u>-</u>	<u>3,830,147</u>
<u>1,641,401</u>	<u>-</u>	<u>3,893,711</u>
<u>\$ 1,644,173</u>	<u>\$ 9,584</u>	<u>\$ 4,352,003</u>

City of Yuma, Arizona
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

	Special Revenue			
	Local Transportation Assistance	Public Safety Tax	Solid Waste	Recreation Complex
Revenues:				
Taxes	\$ -	\$ 4,093,839	\$ -	\$ -
Intergovernmental	423,058	-	-	-
Charges for Services	-	-	1,806,041	-
Use of Money and Property	12,240	126,653	-	776,718
Contributions/Donations	42,246	-	-	-
Miscellaneous	-	-	14,627	10,040
Total Revenues	477,544	4,220,492	1,820,668	786,758
Expenditures:				
Current:				
Public Safety	-	42,284	-	-
Parks, Recreation and Culture	-	-	-	2,047,071
Environmental Health and Protection	-	-	3,736,238	-
Community Design and Development	90,333	-	-	-
Capital Outlay	-	578,351	30,076	46,718
Total Expenditures	90,333	620,635	3,766,314	2,093,789
Revenues Over/(Under) Expenditures	387,211	3,599,857	(1,945,646)	(1,307,031)
Other Financing Sources/(Uses):				
Transfers In	-	-	1,939,535	1,500,000
Transfers Out	(385,927)	(5,624,852)	(21,034)	(23,473)
Total Other Financing Sources/(Uses)	(385,927)	(5,624,852)	1,918,501	1,476,527
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	1,284	(2,024,995)	(27,145)	169,496
Fund Balances, July 1	36,392	2,757,944	27,145	1,312,189
Fund Balances, June 30	\$ 37,676	\$ 732,949	\$ -	\$ 1,481,685

<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>
\$ 4,424,358	\$ 105,394	\$ 8,623,591
-	-	423,058
-	-	1,806,041
39,489	-	955,100
-	-	42,246
528	11,937	37,132
<u>4,464,375</u>	<u>117,331</u>	<u>11,887,168</u>
-	-	42,284
931,908	-	2,978,979
-	-	3,736,238
-	261,757	352,090
-	12,713	667,858
<u>931,908</u>	<u>274,470</u>	<u>7,777,449</u>
3,532,467	(157,139)	4,109,719
-	157,139	3,596,674
<u>(3,250,094)</u>	<u>-</u>	<u>(9,305,380)</u>
<u>(3,250,094)</u>	<u>157,139</u>	<u>(5,708,706)</u>
282,373	-	(1,598,987)
<u>1,359,028</u>	<u>-</u>	<u>5,492,698</u>
<u>\$ 1,641,401</u>	<u>\$ -</u>	<u>\$ 3,893,711</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 501,908	\$ 501,908	\$ 501,908	\$ -
Resources (inflows):				
Special Assessments:				
Principal Payments	710,000	710,000	914,000	204,000
Use of Money and Property:				
Interest	231,065	231,065	408,893	177,828
Total Revenues	941,065	941,065	1,322,893	381,828
Transfers In	5,723,303	5,723,303	12,284,530	6,561,227
Amounts Available for Appropriation	7,166,276	7,166,276	14,109,331	6,943,055
Charges to Appropriations (outflows):				
Debt Service:				
Bond Principal	3,865,000	3,865,000	8,195,000	(4,330,000)
Bond Interest	2,802,543	2,802,543	5,373,414	(2,570,871)
Fiscal Agent Fees	-	-	11,735	(11,735)
Total Expenditures	6,667,543	6,667,543	13,580,149	(6,912,606)
Total Charges to Appropriations	6,667,543	6,667,543	13,580,149	(6,912,606)
Budgetary Fund Balance, June 30	\$ 498,733	\$ 498,733	\$ 529,182	\$ 30,449

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Capital Projects Fund
 For the Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 926,140	\$ 926,140	\$ 926,138	\$ (2)
Resources (inflows):				
Intergovernmental				
Arizona Department of Transportation	-	-	211,500	211,500
Charges for Services				
Developer Charges	7,365,160	7,365,160	6,657,214	(707,946)
Use of Money and Property				
Rents	469,500	469,500	543,336	73,836
Interest	135,000	135,000	1,866,476	1,731,476
Miscellaneous	17,489,000	17,489,000	54,586	(17,434,414)
Total Revenues	25,458,660	25,458,660	9,333,112	(16,125,548)
Issuance of Long-Term Debt	76,237,500	76,237,500	93,685,707	17,448,207
Transfers In	50,520,300	50,520,300	13,093,429	(37,426,871)
Amounts Available for Appropriation	153,142,600	153,142,600	117,038,386	(36,104,214)
Charges to Appropriations (outflows):				
Capital Outlay:				
General Government	23,806,000	15,361,346	1,543,626	13,817,720
Public Safety	12,517,000	15,717,000	8,090,265	7,626,735
Streets	91,660,000	91,400,300	32,419,069	58,981,231
Parks, Recreation and Culture	17,075,800	22,070,654	6,212,370	15,858,284
Environmental Health and Safety	6,766,500	6,762,000	315,382	6,446,618
Debt Service:				
Fiscal Agent Fees	-	-	497,691	(497,691)
Total Expenditures	151,825,300	151,311,300	49,078,403	102,232,897
Transfers Out	(382,307)	(382,307)	228,254	(610,561)
Total Charges to Appropriations	151,442,993	150,928,993	49,306,657	101,622,336
Budgetary Fund Balance, June 30	\$ 1,699,607	\$ 2,213,607	\$ 67,731,729	\$ 65,518,122

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Local Transportation Assistance Special Revenue Fund
 For the Year Ended June 30, 2008

	<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	\$ 36,392	\$ 16,392
Resources (inflows):				
Intergovernmental				
State Lottery Distribution	423,057	423,057	423,058	1
Use of Money and Property				
Interest	8,000	8,000	12,240	4,240
Contributions/Donations	<u>42,306</u>	<u>42,306</u>	<u>42,246</u>	<u>(60)</u>
Total Revenues	<u>473,363</u>	<u>473,363</u>	<u>477,544</u>	<u>4,181</u>
Amounts Available for Appropriation	<u>493,363</u>	<u>493,363</u>	<u>513,936</u>	<u>20,573</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development				
Outside Agencies - Cultural Activities	<u>90,973</u>	<u>90,973</u>	<u>90,333</u>	<u>640</u>
Total Expenditures	<u>90,973</u>	<u>90,973</u>	<u>90,333</u>	<u>640</u>
Transfers Out	<u>382,390</u>	<u>382,390</u>	<u>385,927</u>	<u>(3,537)</u>
Total Charges to Appropriations	<u>473,363</u>	<u>473,363</u>	<u>476,260</u>	<u>(2,897)</u>
Budgetary Fund Balance, June 30	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 37,676</u>	<u>\$ 17,676</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Public Safety Tax Special Revenue Fund
 For the Year Ended June 30, 2008

	<u>Budget</u>		Actual <u>Amounts</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 6,841,240	\$ 6,841,240	\$ 2,757,944	\$ (4,083,296)
Resources (inflows):				
Taxes				
Public Safety Sales Tax	4,429,938	4,429,938	4,093,839	(336,099)
Use of Money and Property				
Interest	<u>100,000</u>	<u>100,000</u>	<u>126,653</u>	<u>26,653</u>
Total Revenues	<u>4,529,938</u>	<u>4,529,938</u>	<u>4,220,492</u>	<u>(309,446)</u>
Amounts Available for Appropriation	<u>11,371,178</u>	<u>11,371,178</u>	<u>6,978,436</u>	<u>(4,392,742)</u>
Charges to Appropriations (outflows):				
Current:				
Public Safety				
Police Support Services	-	-	35,847	(35,847)
Fire Support Services	-	45,000	6,437	38,563
Capital Outlay	<u>945,000</u>	<u>956,491</u>	<u>578,351</u>	<u>378,140</u>
Total Expenditures	<u>945,000</u>	<u>1,001,491</u>	<u>620,635</u>	<u>380,856</u>
Transfers Out	<u>9,961,074</u>	<u>9,961,074</u>	<u>5,624,852</u>	<u>4,336,222</u>
Total Charges to Appropriations	<u>10,906,074</u>	<u>10,962,565</u>	<u>6,245,487</u>	<u>4,717,078</u>
Budgetary Fund Balance, June 30	<u>\$ 465,104</u>	<u>\$ 408,613</u>	<u>\$ 732,949</u>	<u>\$ 324,336</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Solid Waste Special Revenue Fund
 For the Year Ended June 30, 2008

	<u>Budget</u>		<u>Actual</u> Amounts	Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ 27,145	\$ 27,145
Resources (inflows):				
Charges for Service				
Collection Fees	1,932,200	1,932,200	1,806,041	(126,159)
Miscellaneous				
Other	<u>5,000</u>	<u>5,000</u>	<u>14,627</u>	<u>9,627</u>
Total Revenues	<u>1,937,200</u>	<u>1,937,200</u>	<u>1,820,668</u>	<u>(116,532)</u>
Transfers In	<u>1,959,277</u>	<u>1,959,277</u>	<u>1,939,535</u>	<u>(19,742)</u>
Amounts Available for Appropriation	<u>3,896,477</u>	<u>3,896,477</u>	<u>3,787,348</u>	<u>(109,129)</u>
Charges to Appropriations (outflows):				
Current:				
Environmental Health and Protection				
Residential Services	3,396,514	3,396,514	3,309,141	87,373
Uncontained Waste	404,331	404,331	385,383	18,948
Recycling	49,611	49,611	41,714	7,897
Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>30,076</u>	<u>(5,076)</u>
Total Expenditures	<u>3,875,456</u>	<u>3,875,456</u>	<u>3,766,314</u>	<u>109,142</u>
Transfers Out	<u>21,021</u>	<u>21,021</u>	<u>21,034</u>	<u>(13)</u>
Total Charges to Appropriations	<u>3,896,477</u>	<u>3,896,477</u>	<u>3,787,348</u>	<u>109,129</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Recreation Complex Special Revenue Fund
 For the Year Ended June 30, 2008

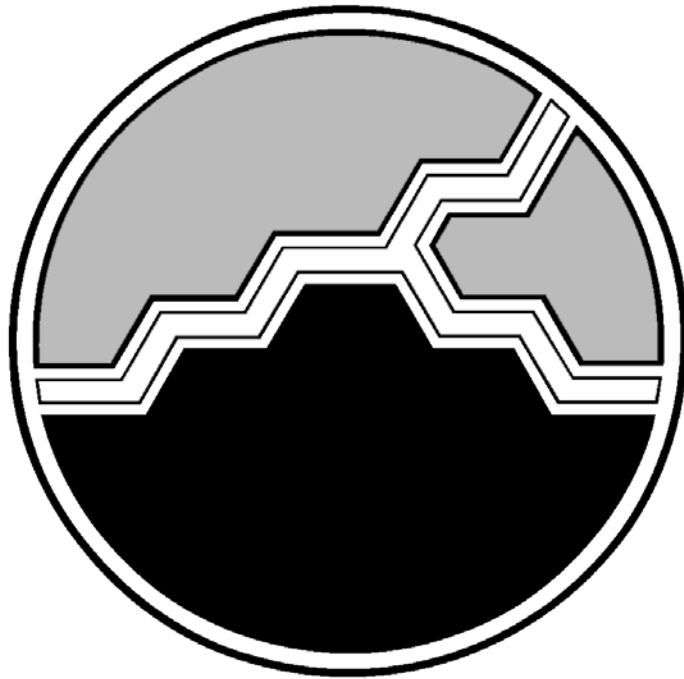
	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,306,419	\$ 1,306,419	\$ 1,312,189	\$ 5,770
Resources (inflows):				
Use of Money and Property				
Rents and Concessions	616,198	616,198	696,524	80,326
Interest	93,500	93,500	80,194	(13,306)
Miscellaneous				
Other	10,080	10,080	10,040	(40)
Total Revenues	<u>719,778</u>	<u>719,778</u>	<u>786,758</u>	<u>66,980</u>
Transfers In	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Amounts Available for Appropriation	<u>3,526,197</u>	<u>3,526,197</u>	<u>3,598,947</u>	<u>72,750</u>
Charges to Appropriations (outflows):				
Current:				
Parks, Recreation and Culture				
Civic and Convention Center	1,336,670	1,336,670	1,324,071	12,599
Baseball Complex	682,495	682,495	723,000	(40,505)
Capital Outlay	<u>90,395</u>	<u>90,395</u>	<u>46,718</u>	<u>43,677</u>
Total Expenditures	<u>2,109,560</u>	<u>2,109,560</u>	<u>2,093,789</u>	<u>15,771</u>
Transfers Out	<u>750,000</u>	<u>750,000</u>	<u>23,473</u>	<u>726,527</u>
Total Charges to Appropriations	<u>2,859,560</u>	<u>2,859,560</u>	<u>2,117,262</u>	<u>742,298</u>
Budgetary Fund Balance, June 30	<u>\$ 666,637</u>	<u>\$ 666,637</u>	<u>\$ 1,481,685</u>	<u>\$ 815,048</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Two Percent Tax Special Revenue Fund
 For the Year Ended June 30, 2008

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,075,461	\$ 1,075,461	\$ 1,359,028	\$ 283,567
Resources (inflows):				
Taxes				
Two Percent Tax	4,486,328	4,486,328	4,424,358	(61,970)
Use of Money and Property				
Interest	74,000	74,000	39,489	(34,511)
Miscellaneous				
Other	-	-	528	528
Total Revenues	<u>4,560,328</u>	<u>4,560,328</u>	<u>4,464,375</u>	<u>(95,953)</u>
Amounts Available for Appropriation	<u>5,635,789</u>	<u>5,635,789</u>	<u>5,823,403</u>	<u>187,614</u>
Charges to Appropriations (outflows):				
Current:				
Parks, Recreation and Culture				
Administration	31,908	31,908	31,908	-
Outside Agencies	925,000	925,000	900,000	25,000
Total Expenditures	<u>956,908</u>	<u>956,908</u>	<u>931,908</u>	<u>25,000</u>
Transfers Out	<u>4,010,863</u>	<u>4,010,863</u>	<u>3,250,094</u>	<u>760,769</u>
Total Charges to Appropriations	<u>4,967,771</u>	<u>4,967,771</u>	<u>4,182,002</u>	<u>785,769</u>
Budgetary Fund Balance, June 30	<u>\$ 668,018</u>	<u>\$ 668,018</u>	<u>\$ 1,641,401</u>	<u>\$ 973,383</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Yuma Mall Maintenance Special Revenue Fund
 For the Year Ended June 30, 2008

	<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	100,000	100,000	105,394	5,394
Miscellaneous				
Other	<u>15,000</u>	<u>15,000</u>	<u>11,937</u>	<u>(3,063)</u>
Total Revenues	<u>115,000</u>	<u>115,000</u>	<u>117,331</u>	<u>2,331</u>
Transfers In	<u>179,710</u>	<u>179,710</u>	<u>157,139</u>	<u>(22,571)</u>
Amounts Available for Appropriation	<u>294,710</u>	<u>294,710</u>	<u>274,470</u>	<u>(20,240)</u>
Charges to Appropriations (outflows):				
Current:				
Community Design and Development				
Mall Maintenance	276,710	276,710	261,757	14,953
Capital Outlay	<u>18,000</u>	<u>18,000</u>	<u>12,713</u>	<u>5,287</u>
Total Expenditures	<u>294,710</u>	<u>294,710</u>	<u>274,470</u>	<u>20,240</u>
Total Charges to Appropriations	<u>294,710</u>	<u>294,710</u>	<u>274,470</u>	<u>20,240</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, 2008

	Enterprise Funds		Total Nonmajor Proprietary Funds
	Desert Hills Golf Course	Arroyo Dunes Golf Course	
Operating Revenues:			
Green Fees	\$ 1,054,531	\$ 261,890	\$ 1,316,421
Cart and Club Rental	354,281	13,808	368,089
Pro Shop Sales	279,627	1,457	281,084
Restaurant Sales	542,630	-	542,630
Total Operating Revenues	<u>2,231,069</u>	<u>277,155</u>	<u>2,508,224</u>
Operating Expenses:			
Operations and Maintenance	2,438,742	247,520	2,686,262
Depreciation and Amortization	236,006	28,469	264,475
Total Operating Expenses	<u>2,674,748</u>	<u>275,989</u>	<u>2,950,737</u>
Operating Income/(Loss)	<u>(443,679)</u>	<u>1,166</u>	<u>(442,513)</u>
Non-Operating Revenues/(Expenses):			
Interest	3,221	7,590	10,811
Miscellaneous Revenues	1,483	184	1,667
Net Non-Operating Revenues	<u>4,704</u>	<u>7,774</u>	<u>12,478</u>
Income/(Loss) before Contributions and Transfers	(438,975)	8,940	(430,035)
Transfers In	230,725	-	230,725
Transfers Out	<u>(230,725)</u>	<u>-</u>	<u>(230,725)</u>
Change in Net Assets	(438,975)	8,940	(430,035)
Net Assets-beginning	<u>3,149,574</u>	<u>352,384</u>	<u>3,501,958</u>
Net Assets-ending	<u>\$ 2,710,599</u>	<u>\$ 361,324</u>	<u>\$ 3,071,923</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2008

	Enterprise Funds		Total Nonmajor Proprietary Funds
	Desert Hills Golf Course	Arroyo Dunes Golf Course	
Cash Flow from Operating Activities:			
Cash Received from Customers	\$ 2,228,478	\$ 277,155	\$ 2,505,633
Cash Paid to Employees	(1,061,755)	(122,392)	(1,184,147)
Cash Paid to Suppliers	(1,342,589)	(128,214)	(1,470,803)
Other Operating Activity Revenue	1,482	183	1,665
Net Cash Provided by Operating Activities	(174,384)	26,732	(147,652)
Cash Flows from Noncapital Financing Activities:			
Cash Received from Other Funds	230,725	-	230,725
Cash Paid to Other Funds	(230,725)	-	(230,725)
Net Cash Provided (Used for) Noncapital Financing Activities	-	-	-
Cash Flows from Investing Activities:			
Receipt of Interest	4,448	7,685	12,133
Net Cash Provided by Investing Activities	4,448	7,685	12,133
Net Increase/(Decrease) in Cash and Cash Equivalents	(169,936)	34,417	(135,519)
Cash and Cash Equivalents, July 1	371,391	175,058	546,449
Cash and Cash Equivalents, June 30	\$ 201,455	\$ 209,475	\$ 410,930
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating (Loss)	\$ (443,679)	\$ 1,166	\$ (442,513)
Adjustments to Reconcile Operating Income/(Loss)			
Depreciation and Amortization Expense	236,006	28,469	264,475
(Increase)Decrease in Accounts Receivables	(942)	-	(942)
(Increase)/Decrease in Inventories	5,533	209	5,742
(Increase)Decrease in Prepaid Items	1,754	-	1,754
Increase/(Decrease) in Accounts Payable	19,437	(2,709)	16,728
Increase(decrease) in Accrued Wages and Taxes Payable	7,670	(587)	7,083
Increase(decrease) in Unearned Revenue	(1,646)	-	(1,646)
Other Operating Activity Revenue	1,483	184	1,667
Total Adjustments	269,295	25,566	294,861
Net Cash Provided by Operating Activities	\$ (174,384)	\$ 26,732	\$ (147,652)

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Water Enterprise Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Inside City	\$ 16,284,000	\$ 16,284,000	\$ 18,391,463	\$ 2,107,463
Outside City	2,458,500	2,458,500	2,635,093	176,593
Commercial Raw Water	270,000	270,000	239,470	(30,530)
Meters, Connections and Services	448,709	448,709	347,964	(100,745)
Capital Contributions:				
System Development	495,000	495,000	150,819	(344,181)
Capacity Rights	3,500,000	3,500,000	2,616,586	(883,414)
Issuance of Long-Term Debt	89,922,100	89,922,100	102,048,625	12,126,525
Interest	424,000	424,000	1,450,939	1,026,939
Miscellaneous	50,000	50,000	158,820	108,820
Total Revenues	<u>113,852,309</u>	<u>113,852,309</u>	<u>128,039,779</u>	<u>14,187,470</u>
Amounts Available for Appropriation	<u>113,852,309</u>	<u>113,852,309</u>	<u>128,039,779</u>	<u>14,187,470</u>
Charges to Appropriations (outflows):				
Current:				
Administration	2,503,648	2,503,648	2,281,645	222,003
Treatment	5,742,669	5,941,169	4,879,759	1,061,410
Water Transmission	1,564,975	1,564,975	1,581,469	(16,494)
Customer Services	1,263,833	1,263,833	1,222,715	41,118
Water Transfer	95,749	95,749	42,973	52,776
Laboratory	292,066	292,066	216,241	75,825
Capital Outlay:				
Capital Outlay	320,133	121,633	71,813	49,820
Capital Projects	100,870,995	101,384,995	56,875,417	44,509,578
Debt Service:				
Principal Retirement	3,061,444	3,061,444	6,784,394	(3,722,950)
Interest and Fiscal Agent Fees	2,004,779	2,004,779	5,095,987	(3,091,208)
Total Expenditures	<u>117,720,291</u>	<u>118,234,291</u>	<u>79,052,413</u>	<u>39,181,878</u>
Transfers Out	<u>62,482</u>	<u>62,482</u>	<u>62,521</u>	<u>(39)</u>
Total Charges to Appropriations	<u>117,782,773</u>	<u>118,296,773</u>	<u>79,114,934</u>	<u>39,181,839</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (3,930,464)</u>	<u>\$ (4,444,464)</u>	<u>48,924,845</u>	<u>\$ 53,369,309</u>
Reconciliation to Change in Net Assets:				
Capital Outlay			71,813	
Capital Projects			56,875,417	
Principal Retirement			6,784,394	
Issuance of Long-Term Debt			(102,048,624)	
Capital Contributions for Developer Additions to System			1,014,043	
Debt Issuance Costs Deferred			511,598	
Amortization of Debt Issuance Costs			141,855	
Amortization of Bond Premium			(81,592)	
Loss on Disposal of Assets			(2,416)	
Depreciation and Amortization			<u>(3,798,142)</u>	
Change in Net Assets			<u>\$ 8,393,191</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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Resources (inflows):				
Inside City	\$ 9,500,000	\$ 9,500,000	\$ 9,599,507	\$ 99,507
Outside City	650,000	650,000	802,173	152,173
Contractual/Industrial Services	1,420,000	1,420,000	2,724,414	1,304,414
Meters, Connections and Services	52,000	52,000	26,766	(25,234)
Capital Contributions:				
Capacity Rights	5,500,000	5,500,000	2,996,722	(2,503,278)
Wastewater Interceptor	750,000	750,000	192,734	(557,266)
Wastewater Trunk Line Charges	2,000	2,000	3,281	1,281
Issuance of Long-Term Debt	25,978,000	25,978,000	30,482,057	4,504,057
Interest	373,000	373,000	454,181	81,181
Miscellaneous	550,000	550,000	37,999	(512,001)
Total Revenues	<u>44,775,000</u>	<u>44,775,000</u>	<u>47,319,834</u>	<u>2,544,834</u>
Amounts Available for Appropriation	<u>44,775,000</u>	<u>44,775,000</u>	<u>47,319,834</u>	<u>2,544,834</u>
Charges to Appropriations (outflows):				
Current:				
Administration	1,440,951	1,440,951	1,529,503	(88,552)
Treatment	5,634,485	5,694,485	5,722,478	(27,993)
Pretreatment	405,517	405,517	371,273	34,244
Collection	798,610	798,610	832,730	(34,120)
Laboratory	283,750	283,750	217,717	66,033
Capital Outlay:				
Capital Outlay	199,300	139,300	58,542	80,758
Capital Projects	33,062,500	33,062,500	23,437,391	9,625,109
Debt Service:				
Principal Retirement	2,014,605	2,014,605	3,126,657	(1,112,052)
Interest and Fiscal Agent Fees	1,269,285	1,269,285	2,288,230	(1,018,945)
Total Expenditures	<u>45,109,003</u>	<u>45,109,003</u>	<u>37,584,521</u>	<u>7,524,482</u>
Transfers Out	24,112	24,112	33,449	(9,337)
Total Charges to Appropriations	<u>45,133,115</u>	<u>45,133,115</u>	<u>37,617,970</u>	<u>7,515,145</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (358,115)</u>	<u>\$ (358,115)</u>	<u>9,701,864</u>	<u>\$ 10,059,979</u>
Reconciliation to Change in Net Assets:				
Capital Outlay			58,542	
Capital Projects			23,437,391	
Principal Retirement			3,126,657	
Issuance of Long-Term Debt			(30,482,057)	
Amortization of Debt Issuance Costs			189,077	
Capital Contributions for Subdivider Additions to System			1,900,177	
Loss on Disposal of Assets			(50,047)	
Depreciation and Amortization			(2,565,743)	
Change in Net Assets			<u>\$ 5,315,861</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, 2008

	<u>Budget</u>		<u>Actual</u> Amounts	Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Resources (inflows):				
Green Fees	\$ 1,150,929	\$ 1,150,929	\$ 1,054,531	\$ (96,398)
Cart and Club Rental	361,001	361,001	354,281	(6,720)
Pro Shop Sales	320,652	320,652	279,627	(41,025)
Restaurant Sales	546,616	546,616	542,630	(3,986)
Interest	3,500	3,500	3,221	(279)
Miscellaneous	-	-	1,483	1,483
Total Revenues	<u>2,382,698</u>	<u>2,382,698</u>	<u>2,235,773</u>	<u>(146,925)</u>
Transfers In	<u>230,763</u>	<u>230,763</u>	<u>230,725</u>	<u>(38)</u>
Amounts Available for Appropriation	<u>2,613,461</u>	<u>2,613,461</u>	<u>2,466,498</u>	<u>(146,963)</u>
Charges to Appropriations (outflows):				
Current:				
Maintenance	1,209,560	1,209,560	1,197,949	11,611
Concession	666,126	666,126	615,665	50,461
Restaurant	660,344	660,344	625,128	35,216
Capital Outlay	9,000	9,000	-	9,000
Total Expenditures	<u>2,545,030</u>	<u>2,545,030</u>	<u>2,438,742</u>	<u>106,288</u>
Transfers Out	<u>230,763</u>	<u>230,763</u>	<u>230,725</u>	<u>38</u>
Total Charges to Appropriations	<u>2,775,793</u>	<u>2,775,793</u>	<u>2,669,467</u>	<u>106,326</u>
Excess/(Deficiency) of Resources Over Charges to Appropriations	<u>\$ (162,332)</u>	<u>\$ (162,332)</u>	<u>(202,969)</u>	<u>\$ (40,637)</u>
Reconciliation to Change in Net Assets:				
Depreciation and Amortization			<u>(236,006)</u>	
Change in Net Assets			<u>\$ (438,975)</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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Resources (inflows):				
Green Fees	\$ 257,814	\$ 257,814	\$ 261,890	\$ 4,076
Cart and Club Rental	14,174	14,174	13,808	(366)
Pro Shop Sales	1,564	1,564	1,457	(107)
Interest	3,500	3,500	7,590	4,090
Miscellaneous	-	-	184	184
Total Revenues	<u>277,052</u>	<u>277,052</u>	<u>284,929</u>	<u>7,877</u>
Amounts Available for Appropriation	<u>277,052</u>	<u>277,052</u>	<u>284,929</u>	<u>7,877</u>
Charges to Appropriations (outflows):				
Current:				
Maintenance	231,001	231,001	206,106	24,895
Concession	<u>49,593</u>	<u>49,593</u>	<u>41,414</u>	<u>8,179</u>
Total Expenditures	<u>280,594</u>	<u>280,594</u>	<u>247,520</u>	<u>33,074</u>
Total Charges to Appropriations	<u>280,594</u>	<u>280,594</u>	<u>247,520</u>	<u>33,074</u>
Excess/(Deficiency) of Resources				
Over Charges to Appropriations	<u>\$ (3,542)</u>	<u>\$ (3,542)</u>	<u>37,409</u>	<u>\$ 40,951</u>
Reconciliation to Change in Net Assets:				
Depreciation and Amortization			<u>(28,469)</u>	
Change in Net Assets			<u>\$ 8,940</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.

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, 2008

<u>Assets</u>	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Current Assets:						
Cash and Investments	\$ 18,269,593	\$ 61,947	\$ 2,453,735	\$ 533,818	\$ 1,054,720	\$ 22,373,813
Accounts Receivable	-	54,789	42,562	-	33,623	130,974
Intergovernmental Receivable	-	16	-	-	-	16
Accrued Interest	105,821	-	12,057	3,295	3,894	125,067
Inventory, at cost	-	563,823	-	-	-	563,823
Prepaid Items	-	1,047	-	-	-	1,047
Total Current Assets	<u>18,375,414</u>	<u>681,622</u>	<u>2,508,354</u>	<u>537,113</u>	<u>1,092,237</u>	<u>23,194,740</u>
Noncurrent Assets:						
Capital Assets:						
Land	-	219,610	-	-	-	219,610
Buildings	-	19,251	-	-	-	19,251
Improvements Other than Buildings	-	189,631	-	-	-	189,631
Equipment	26,675,542	203,492	-	-	-	26,879,034
Less Accumulated Depreciation	(15,653,600)	(82,225)	-	-	-	(15,735,825)
Total Noncurrent Assets	<u>11,021,942</u>	<u>549,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,571,701</u>
Total Assets	<u>29,397,356</u>	<u>1,231,381</u>	<u>2,508,354</u>	<u>537,113</u>	<u>1,092,237</u>	<u>34,766,441</u>
 <u>Liabilities</u>						
Liabilities:						
Accounts Payable	10,486	172,851	96,585	191	7,386	287,499
Accrued Payroll, Taxes and Benefits Payable	-	136,850	-	-	-	136,850
Estimated Claims and Judgements	-	-	30,347	-	635,985	666,332
Due to Other Funds	-	495,603	-	-	270,087	765,690
Total Liabilities	<u>10,486</u>	<u>805,304</u>	<u>126,932</u>	<u>191</u>	<u>913,458</u>	<u>1,856,371</u>
 <u>Net Assets</u>						
Invested in capital assets, net of related debt	11,021,942	549,759	-	-	-	11,571,701
Unrestricted	<u>18,364,928</u>	<u>(123,682)</u>	<u>2,381,422</u>	<u>536,922</u>	<u>178,779</u>	<u>21,338,369</u>
Total Net Assets	<u>\$ 29,386,870</u>	<u>\$ 426,077</u>	<u>\$ 2,381,422</u>	<u>\$ 536,922</u>	<u>\$ 178,779</u>	<u>\$ 32,910,070</u>

City of Yuma, Arizona
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2008

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Operating Revenues:						
Charges For Services	\$ -	\$ 4,288,666	\$ 1,781,987	\$ -	\$ -	\$ 6,070,653
Contributions						
City	-	-	-	-	840,103	840,103
Property Damage Restitution	-	-	5,328	-	-	5,328
Equipment Rental	3,206,097	-	-	-	-	3,206,097
Miscellaneous	-	-	32,806	2,610	40,920	76,336
Total Operating Revenues	<u>3,206,097</u>	<u>4,288,666</u>	<u>1,820,121</u>	<u>2,610</u>	<u>881,023</u>	<u>10,198,517</u>
Operating Expenses:						
Claims Incurred	-	-	26,840	-	186,508	213,348
Premiums to Insurance Carriers	-	-	527,180	62,040	111,782	701,002
Administration	51,380	4,380,936	659,798	8,700	33,000	5,133,814
Depreciation	2,311,019	18,609	-	-	-	2,329,628
Total Operating Expenses	<u>2,362,399</u>	<u>4,399,545</u>	<u>1,213,818</u>	<u>70,740</u>	<u>331,290</u>	<u>8,377,792</u>
Operating Income/(Loss)	<u>843,698</u>	<u>(110,879)</u>	<u>606,303</u>	<u>(68,130)</u>	<u>549,733</u>	<u>1,820,725</u>
Non-Operating Revenue/(Expenses):						
Interest	799,072	-	89,958	26,440	39,914	955,384
Gain on the Sale of Assets	322,963	-	-	-	-	322,963
Total Non-Operating Revenues	<u>1,122,035</u>	<u>-</u>	<u>89,958</u>	<u>26,440</u>	<u>39,914</u>	<u>1,278,347</u>
Change in Net Assets	1,965,733	(110,879)	696,261	(41,690)	589,647	3,099,072
Net Assets, Beginning	<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>
Net Assets, Ending	<u>\$ 29,386,870</u>	<u>\$ 426,077</u>	<u>\$ 2,381,422</u>	<u>\$ 536,922</u>	<u>\$ 178,779</u>	<u>\$ 32,910,070</u>

City of Yuma, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2008

	Equipment Replacement	Equipment Maintenance	Insurance Reserve	Employee Benefits Trust	Workers Compensation	Totals
Cash Flows from Operating Activities:						
Cash Received from Customers	\$ 3,154,717	\$ 4,384,386	1,820,152	\$ 2,610	\$ 847,401	\$ 10,209,266
Cash Paid to Employees	-	(1,260,671)	-	-	-	(1,260,671)
Cash Paid to Suppliers	-	160,417	-	(70,732)	-	89,685
Cash Paid For Operating Expenses	-	(3,109,808)	(1,259,641)	-	(505,979)	(4,875,428)
Net Cash Flows Provided by/(Used for) Operating Activities	3,154,717	174,324	560,510	(68,122)	341,422	4,162,851
Cash Flows from Noncapital Financing Activities:						
Cash Received from Other Funds	-	-	-	-	(282,995)	(282,995)
Net Cash Flows Provided by/(Used for) Noncapital Financing Activities	-	-	-	-	(282,995)	(282,995)
Cash Flows from Capital and Related Financing Activities:						
Proceeds from Sale of Capital Assets	383,216	-	-	-	-	383,216
Payments for Capital Acquisitions	(3,792,840)	(150,194)	-	-	-	(3,943,034)
Net Cash Flows Used for Capital and Related Financing Activities	(3,409,624)	(150,194)	-	-	-	(3,559,818)
Cash Flows from Investing Activities						
Receipt of Interest	828,664	-	90,110	27,949	43,736	990,459
Net Cash Flows Provided by Investing Activities	828,664	-	90,110	27,949	43,736	990,459
Net Increase/(Decrease) in Cash and Cash Equivalents	573,757	24,130	650,620	(40,173)	102,163	1,310,497
Cash and Cash Equivalents, July 1, 2007	17,695,836	37,817	1,803,114	573,991	952,557	21,063,315
Cash and Cash Equivalents, June 30, 2008	<u>\$ 18,269,593</u>	<u>\$ 61,947</u>	<u>\$ 2,453,735</u>	<u>\$ 533,818</u>	<u>\$ 1,054,720</u>	<u>\$ 22,373,813</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Operating Income/(Loss)	\$ 843,698	\$ (110,879)	\$ 606,303	\$ (68,130)	\$ 549,733	\$ 1,820,725
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation Expense	2,311,019	18,609	-	-	-	2,329,628
(Increase)/Decrease in Accounts Receivable	-	95,720	31	-	(33,622)	62,129
(Increase)/Decrease in Inventory	-	27,781	-	-	-	27,781
(Increase)/Decrease in Prepaid Items	-	(1,047)	-	-	-	(1,047)
Increase/(Decrease) in Accounts Payable	-	132,635	(41,510)	8	7,386	98,519
Increase/(Decrease) in Payroll Liabilities	-	11,505	-	-	-	11,505
Increase/(Decrease) in Claims Incurred but Not Reported	-	-	(4,313)	-	(182,075)	(186,388)
Total Adjustments	2,311,019	285,203	(45,793)	8	(208,311)	2,342,126
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 3,154,717</u>	<u>\$ 174,324</u>	<u>\$ 560,510</u>	<u>\$ (68,122)</u>	<u>\$ 341,422</u>	<u>\$ 4,162,851</u>

City of Yuma, Arizona
 Budgetary Comparison Schedule
 Equipment Replacement Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Resources (inflows):				
Charges for Services	\$ 3,185,997	\$ 3,185,997	\$ 3,206,097	\$ 20,100
Interest	<u>750,000</u>	<u>750,000</u>	<u>799,072</u>	<u>49,072</u>
Total Revenues	<u>3,935,997</u>	<u>3,935,997</u>	<u>4,005,169</u>	<u>69,172</u>
Amounts Available for Appropriation	<u>3,935,997</u>	<u>3,935,997</u>	<u>4,005,169</u>	<u>69,172</u>
Charges to Appropriations (outflows):				
Current				
Administration	51,380	51,380	51,380	-
Capital Outlay	<u>5,831,614</u>	<u>5,836,011</u>	<u>3,772,719</u>	<u>2,063,292</u>
Total Expenditures	<u>5,882,994</u>	<u>5,887,391</u>	<u>3,824,099</u>	<u>2,063,292</u>
Total Charges to Appropriations	<u>5,882,994</u>	<u>5,887,391</u>	<u>3,824,099</u>	<u>2,063,292</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ (1,946,997)</u>	<u>\$ (1,951,394)</u>	<u>181,070</u>	<u>\$ 2,132,464</u>
Reconciliation to Change in Net Assets:				
Capital Outlay			3,772,719	
Loss on Sale of Assets			322,963	
Depreciation and Amortization			<u>(2,311,019)</u>	
Change in Net Assets			<u>\$ 1,965,733</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, 2008

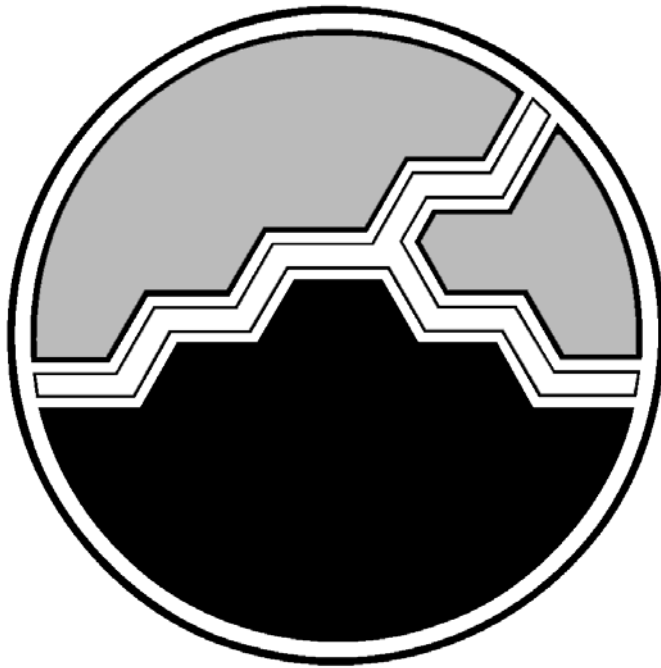
	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	(Negative)
Resources (inflows):				
Charges for Services	\$ 3,694,734	\$ 3,694,734	\$ 4,286,777	\$ 592,043
Miscellaneous	-	-	1,889	1,889
Total Revenues	<u>3,694,734</u>	<u>3,694,734</u>	<u>4,288,666</u>	<u>593,932</u>
Amounts Available for Appropriation	<u>3,694,734</u>	<u>3,694,734</u>	<u>4,288,666</u>	<u>593,932</u>
Charges to Appropriations (outflows):				
Current				
Administration	3,728,164	3,728,164	4,380,936	(652,772)
Capital Outlay	<u>139,500</u>	<u>139,500</u>	<u>150,194</u>	<u>(10,694)</u>
Capital Outlay				
Total Expenditures	<u>3,867,664</u>	<u>3,867,664</u>	<u>4,531,130</u>	<u>(663,466)</u>
Total Charges to Appropriations	<u>3,867,664</u>	<u>3,867,664</u>	<u>4,531,130</u>	<u>(663,466)</u>
Excess of Resources Over				
Charges to Appropriations	<u>\$ (172,930)</u>	<u>\$ (172,930)</u>	<u>(242,464)</u>	<u>\$ (69,534)</u>
Reconciliation to Change in Net Assets:				
Capital Outlay			150,194	
Depreciation and Amortization			<u>(18,609)</u>	
Change in Net Assets			<u>\$ (110,879)</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.

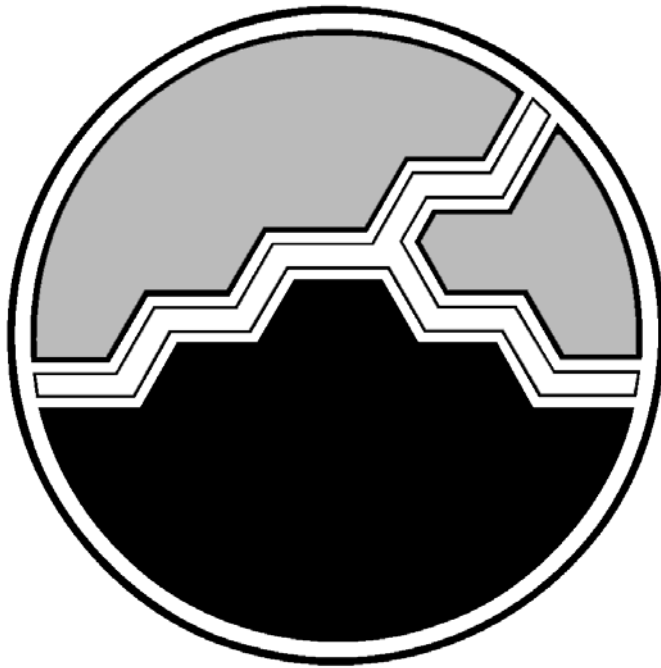
City of Yuma, Arizona
 Budgetary Comparison Schedule
 Insurance Reserve Internal Service Fund
 (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Resources (inflows):				
Charges for Services	\$ 2,072,574	\$ 2,072,574	\$ 1,781,987	\$ (290,587)
Property Damage Restitution	5,000	5,000	5,328	328
Miscellaneous	-	-	32,806	32,806
Interest	50,000	50,000	89,958	39,958
Total Revenues	2,127,574	2,127,574	1,910,079	(217,495)
Amounts Available for Appropriation	2,127,574	2,127,574	1,910,079	(217,495)
Charges to Appropriations (outflows):				
Current				
Premiums to Insurance Carriers	835,266	835,266	527,180	308,086
Claims Incurred	174,000	174,000	26,840	147,160
Administration	611,000	611,000	659,798	(48,798)
Total Expenditures	1,620,266	1,620,266	1,213,818	406,448
Total Charges to Appropriations	1,620,266	1,620,266	1,213,818	406,448
Excess of Resources Over				
Charges to Appropriations	\$ 507,308	\$ 507,308	\$ 696,261	\$ 188,953
Reconciliation to Change in Net Assets:				
Change in Net Assets			\$ 696,261	

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 Seven Fiscal Years
(amounts expressed in thousands)**

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

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

City of Yuma, Arizona

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

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

Continued on next page

City of Yuma, Arizona
Changes in Net Assets
Last Seven Fiscal Years
(amounts expressed in thousands)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Net (expense)/revenue							
Governmental activities	\$ (45,854)	\$ (49,218)	\$ (47,547)	\$ (49,110)	\$ (56,795)	\$ (64,889)	\$ (75,082)
Business-type activities	4,658	4,428	9,313	12,449	12,434	13,959	11,800
Total primary government net expense	<u>\$ (41,196)</u>	<u>\$ (44,790)</u>	<u>\$ (38,234)</u>	<u>\$ (36,661)</u>	<u>\$ (44,361)</u>	<u>\$ (50,929)</u>	<u>\$ (63,281)</u>

General Revenues and Other Changes in Net Assets

Governmental activities:							
Property taxes	\$ 5,338	\$ 5,678	\$ 5,953	\$ 6,076	\$ 6,832	\$ 7,430	\$ 8,250
Sales taxes	25,039	25,484	28,529	32,795	36,557	39,616	39,478
Franchise taxes	1,836	1,719	1,936	2,105	3,116	2,678	2,893
Shared revenues	23,258	24,225	24,021	25,462	28,226	30,558	32,788
Grants and contributions not restricted to specific programs	-	7,577	5,198	1,673	7,826	115	2,600
Unrestricted investment earnings	2,227	877	292	1,370	2,190	4,097	4,842
Gain from sale of fixed assets	-	-	920	307	348	-	-
Transfers	382	587	(473)	(2,124)	(4)	(363)	(96)
Total governmental activities	<u>58,079</u>	<u>66,148</u>	<u>66,377</u>	<u>67,663</u>	<u>85,091</u>	<u>84,132</u>	<u>90,755</u>
Business-type activities:							
Investment earnings	999	575	125	691	798	1,016	1,916
Special Item - Litigation	(1,220)	-	-	-	-	-	-
Transfers	(382)	(587)	473	2,124	4	363	96
Total business-type activities	<u>(603)</u>	<u>(12)</u>	<u>599</u>	<u>2,815</u>	<u>802</u>	<u>1,379</u>	<u>2,012</u>
Total primary government	<u>\$ 57,476</u>	<u>\$ 66,136</u>	<u>\$ 66,976</u>	<u>\$ 70,478</u>	<u>\$ 85,894</u>	<u>\$ 85,511</u>	<u>\$ 92,767</u>

Change in Net Assets

Governmental activities	\$ 12,225	\$ 16,930	\$ 18,830	\$ 18,553	\$ 28,296	\$ 19,243	\$ 15,865
Business-type activities	4,055	4,416	9,912	15,264	13,236	15,338	13,620
Total primary government	<u>\$ 16,280</u>	<u>\$ 21,346</u>	<u>\$ 28,742</u>	<u>\$ 33,816</u>	<u>\$ 41,532</u>	<u>\$ 34,582</u>	<u>\$ 29,486</u>

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
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
2008	8,026,861	20,479,641	10,238,080	4,093,839	-	4,424,358	2,893,077	242,000	105,394	50,503,250

City of Yuma, Arizona

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 427	\$ 507	\$ 490	\$ 539	\$ 489	\$ 101	\$ 296	\$ 614	\$ 309	\$ 277
Unreserved	<u>6,264</u>	<u>7,806</u>	<u>11,073</u>	<u>13,012</u>	<u>15,087</u>	<u>17,436</u>	<u>19,704</u>	<u>21,125</u>	<u>19,893</u>	<u>18,608</u>
Total General Fund	<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>	<u>\$ 18,885</u>
All other										
governmental funds										
Reserved	\$ 2,008	\$ 89	\$ 3,173	\$ 1,567	\$ 85	\$ 63	\$ 339	\$ 535	\$ 513	\$ 543
Unreserved, reported in:										
Special revenue funds	12,454	14,404	10,704	9,424	10,495	13,407	17,036	19,908	12,892	8,791
Capital projects funds	<u>2,888</u>	<u>1,143</u>	<u>25,450</u>	<u>3,355</u>	<u>5,967</u>	<u>6,920</u>	<u>1,104</u>	<u>5,976</u>	<u>926</u>	<u>67,732</u>
Total all other										
governmental funds	<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>	<u>77,066</u>

City of Yuma, Arizona

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

Fiscal Year

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	\$25,667	\$28,413	\$31,995	\$32,132	\$32,812	\$36,411	\$41,078	\$46,474	\$49,686	\$50,503
Licenses and permits	948	1,250	1,464	1,439	2,063	3,016	3,416	3,836	2,845	2,068
Intergovernmental	23,330	24,683	24,587	27,699	29,298	31,041	30,729	36,044	37,915	39,237
Charges for services	1,672	2,111	2,411	2,876	2,983	3,905	7,937	7,737	8,804	11,599
Fines and forfeitures	511	448	588	671	801	726	806	863	1,039	1,143
Special Assessments	12	13	6	-	-	-	-	649	679	914
Use of money and property	1,634	1,923	2,630	2,494	1,429	1,154	1,971	2,809	4,374	5,358
Contributions and donations	63	77	50	26	28	33	84	80	78	65
Miscellaneous	199	281	298	259	336	480	1,152	548	624	633
Total revenues	<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>	<u>111,521</u>
Expenditures										
General government	\$3,432	\$3,834	\$3,498	\$4,001	\$4,732	\$5,409	\$5,033	\$7,185	\$7,641	\$9,723
Public Safety	17,695	19,423	20,733	22,660	24,364	25,752	29,296	31,863	35,014	37,874
Streets	3,421	4,157	4,163	4,393	4,884	4,767	4,899	5,626	7,155	8,913
Parks, Recreation and Culture	5,799	6,541	6,704	7,428	7,765	7,828	8,534	9,727	11,022	11,547
Environmental Health and Protection	2,314	2,401	2,823	3,175	3,000	3,062	3,014	3,365	3,551	4,757
Community Design and Development	4,242	4,827	4,811	5,331	6,338	5,429	5,344	6,422	6,698	5,726
Capital Outlay	19,102	12,774	23,092	37,311	19,198	19,656	21,151	22,688	41,450	51,149
Debt Service										
Principal	2,534	3,786	3,897	4,346	5,248	3,825	3,447	4,209	3,837	8,312
Interest and fiscal agent fees	1,965	1,914	2,151	3,227	2,872	2,962	3,032	2,890	2,939	5,885
Total expenditures	<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>	<u>143,885</u>
Excess of revenues over (under) expenditures	\$ (6,468)	\$ (457)	\$ (7,841)	\$ (24,277)	\$ (8,651)	\$ (1,922)	\$ 3,423	\$ 5,066	\$ (13,261)	\$ (32,364)
Other financing sources (uses)										
Proceeds from long-term debt	\$ 6,020	\$ -	\$ 34,209	\$ 909	\$ 31,490	\$ 7,280	\$ -	\$ 3,875	\$ -	\$ 93,686
Sale of real property	-	-	281	455	(19,199)	920	307	742	-	-
Transfers in	11,781	17,511	23,490	21,423	21,117	21,609	20,219	25,016	38,410	29,685
Transfers out	(11,333)	(17,145)	(23,198)	(21,501)	(20,530)	(22,082)	(23,398)	(25,021)	(38,773)	(29,589)
Total other financing sources (uses)	<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>	<u>93,782</u>
Net change in fund balances	<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>	<u>\$ 61,418</u>
Debt service as a percentage of noncapital expenditures	10.9%	12.2%	12.4%	13.9%	13.7%	11.5%	10.4%	10.0%	8.7%	15.3%

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

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<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>
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
2008	8,183,395	12,518,215	3,518,863	8,144,889	423,058	6,448,868	39,237,288

*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		
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	
2008	1,001,408	621,480	899,272	-	-	1,335,165	505,838	1,844,645	214,649	26,411	-	6,448,868	

City of Yuma, Arizona

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

	Fiscal Years									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Mining	\$ 11	\$ 22	\$ 25	\$ -	\$ 3	\$ -	\$ 1	\$ 3	\$ 25	\$ 155
Construction	92,185	95,975	107,204	123,550	132,387	166,117	228,801	235,643	254,740	249,315
Manufacturing	20,277	27,488	40,897	26,315	23,128	28,969	53,176	60,054	57,632	59,931
Transportation, Communications, and Utilities	91,475	99,943	158,945	142,496	126,623	121,936	145,454	173,224	186,420	207,693
Wholesale Trade	24,136	28,966	25,543	26,615	27,587	23,625	29,635	35,498	34,732	22,480
Retail Trade	591,642	651,145	701,473	730,255	760,867	823,785	925,936	1,024,886	1,088,053	1,089,001
Restaurants and Bars	84,401	88,227	93,828	99,965	103,690	110,633	123,683	143,594	157,866	162,560
Fire Insurance and Real Estate	66,316	76,017	88,464	42,494	42,376	69,235	97,875	117,161	143,725	132,593
Hotels and Other Lodging	21,966	23,844	26,911	25,328	26,789	30,785	34,930	37,333	39,360	33,642
Services	31,993	34,203	33,342	78,342	79,392	66,721	44,921	48,639	58,050	52,012
Arts, Entertainment, Government and All Others Not Specified	<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>38,503</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>	<u>\$ 2,047,885</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>
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%
2008	1.70%	2.00%	1.10%	5.60%

Source: Arizona Department of Revenue

City of Yuma, Arizona

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

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Municipal Property Corporation Bonds	Special Assessment Bonds	Long-term Contracts Payable	Municipal Property Corporation Bonds	General Obligation Bonds	Long-term Contracts Payable			
2002	\$ -	\$ 62,315,000	\$ -	\$ 573,334	\$ -	\$12,210,000	\$ -	\$ 75,098,334	2.26%	\$ 450
2003	-	66,240,000	-	3,320,000	-	11,385,000	10,408,191	91,353,191	2.80%	548
2004	-	63,440,000	7,280,000	2,515,000	-	10,505,000	33,790,746	117,530,746	3.30%	705
2005	-	60,420,000	7,280,000	1,723,000	-	9,575,000	61,072,113	140,070,113	3.67%	840
2006	-	57,765,000	10,475,000	924,000	-	8,585,000	74,110,111	151,859,111	3.73%	911
2007	-	55,035,000	9,765,000	117,000	-	7,535,000	84,154,117	156,606,117	NA	939
2008	-	144,100,000	8,820,000	-	127,925,000	6,420,000	80,379,511	367,644,511	NA	NA

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

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

City of Yuma, Arizona

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

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<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>General Bonded Debt</u>	<u>Ratio of General Bonded Debt to Assessed Value</u>	<u>General Bonded Debt per Capita</u>
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	-	-	-
2008	93,212	572,280,942	-	-	-

Source: Yuma County Assessor
Arizona Department of Economic Security

City of Yuma, Arizona

**Computation of Direct and Overlapping Debt
June 30, 2008**

Jurisdiction	Debt Outstanding	Allocable to City of Yuma	
		Percent	Amount
City of Yuma	\$ -	100.00%	\$ -
Yuma County	20,670,000	48.39%	10,001,852
Yuma County Library District	50,935,000	48.39%	24,646,556
Yuma County Community College District	75,805,000	48.39%	36,680,714
Yuma Union High School District No. 70	57,340,000	54.04%	30,986,536
Yuma School District No. 1	23,400,000	56.13%	13,135,479
Yuma School District No. 13	17,585,000	64.49%	<u>11,340,615</u>
Total Overlapping Debt			<u>\$ 126,791,752</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, 2008
(amounts expressed in thousands)**

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit										
Water, Sewer, Lights, Parks (20%)	\$ 46,480	\$ 49,002	\$ 51,322	\$ 56,049	\$ 61,142	\$ 64,525	\$ 65,905	\$ 73,475	\$ 572,281	\$ 114,456
All Others (6%)	13,944	14,701	15,397	16,815	18,343	19,357	19,772	22,043	114,456	34,337
Total net debt applicable to limit										
Water, Sewer, Lights, Parks (20%)	14,385	13,715	12,995	12,210	11,385	10,505	9,575	8,585	7,535	6,420
All Others (6%)	-	-	-	-	-	-	-	-	-	-
Legal debt margin										
Water, Sewer, Lights, Parks (20%)	\$ 32,765	\$ 36,007	\$ 39,112	\$ 44,664	\$ 50,637	\$ 54,950	\$ 57,320	\$ 67,890	\$ -	\$ 108,036
All Others (6%)	13,944	14,701	15,397	16,815	18,343	19,357	19,772	22,043	108,036	34,337
Total net debt applicable to the limit as a percentage of debt limit										
Water, Sewer, Lights, Parks (20%)	30.95%	27.99%	25.32%	21.78%	18.62%	16.28%	14.53%	11.68%	1.32%	5.61%
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 2008

				<u>General Obligation Bonds</u>		
				Water, Sewer, Lights, Parks (20%)	All Others (6%)	
2007 Tax Year Secondary Assessed Valuation				\$ 572,281	\$ 114,456	\$ 34,337
Outstanding General Obligation Debt:						
Project 1997				6,420	-	
Total General Obligation Debt				6,420	-	
				<u>\$ 108,036</u>	<u>\$ 34,337</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 and Coverage

	<u>Series 2001, 2007, and 2003 Refunding 1995 Covenants</u>				Total	<u>2007 Series Utilities</u>
	<u>2003 Ref 1995A</u>	<u>2003 Ref 1995B</u>	<u>2003 Ref 1995C</u>	<u>2007 D</u>		
2007-08 Pledged Taxes	\$ 59,394,409	\$ 55,300,570	\$ 59,724,928	\$ 65,538,650		\$ -
2007-08 Net Revenue	-	-	-	-		23,930,428
Total Taxes/Net Revenue	<u>59,394,409</u>	<u>55,300,570</u>	<u>59,724,928</u>	<u>65,538,650</u>		<u>23,930,428</u>
2008-09 Debt related to pledge:						
2003 Ref 1995 Series A	\$ 1,572,953	\$ -	\$ -	\$ -	\$ 1,572,953	\$ -
2003 Ref 1995 Series B	-	304,085	-	-	304,085	-
2003 Ref 1995 Series C	-	-	234,463	-	234,463	-
2001 Series	-	2,534,125	-	-	2,534,125	-
2003 Series	-	693,370	-	-	693,370	-
2007 Series B	-	2,298,220	-	-	2,298,220	-
2007 Series D	-	-	-	4,749,725	4,749,725	-
WIFA Loans (Parity Obligations)	-	-	-	-	-	6,687,634
2007 Series Utilities	-	-	-	-	-	\$ 8,885,138
Total Debt	<u>\$ 1,572,953</u>	<u>\$ 5,829,800</u>	<u>\$ 234,463</u>	<u>\$ 4,749,725</u>	<u>\$ 12,386,941</u>	<u>\$ 15,572,772</u>
Coverage	37.8	9.5	254.7	13.8		1.5
Required Coverage	4.0	3.0	3.5	1.5		1.2
<i>Collective Coverage</i>						
Total 2007-08 Taxes/Net Revenue	<u>\$ 59,394,409</u>	<u>\$ 55,300,570</u>	<u>\$ 59,724,928</u>	<u>\$ 65,538,650</u>		<u>\$ 23,930,428</u>
Total 2008-09 Debt	<u>\$ 12,386,941</u>	<u>\$ 12,386,941</u>	<u>\$ 12,386,941</u>	<u>\$ 12,386,941</u>		<u>\$ 15,572,772</u>
Coverage	4.8	4.5	4.8	5.3		1.5
Required Coverage	4.0	3.0	3.5	3.0		1.0

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

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

City of Yuma, Arizona

Pledged Tax Collections

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
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	\$ 20,479,641
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	3,135,077
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	12,518,215
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	8,183,395
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	3,518,863
Emergency Services and Other	18,079	21,856	19,675	22,264	19,432	36,132	36,573	28,288	112,747	133,560
Licenses:										
Business Licenses	286,644	273,704	262,991	210,565	297,643	291,080	300,290	300,596	315,968	332,122
Liquor Licenses	32,395	26,560	27,990	27,185	27,765	32,115	32,965	36,600	38,880	34,700
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	2,401,049
Recreation Fees	286,838	305,014	332,466	341,523	355,658	381,442	431,931	453,273	485,647	546,680
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	1,852,400
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	1,021,862
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	1,143,006
<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>	<u>55,300,570</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	4,093,839
<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>	<u>59,394,409</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	4,424,358
<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>	<u>59,724,928</u>
Additional Series D Pledged Taxes										
City Road Tax (.5%)	5,088,979	5,574,996	6,417,376	6,448,956	6,617,396	7,423,730	8,581,364	9,542,314	10,334,503	10,238,080
<i>Total Series D Pledged Taxes</i>	<u>\$ 32,431,748</u>	<u>\$ 36,600,594</u>	<u>\$ 40,677,676</u>	<u>\$ 41,813,610</u>	<u>\$ 43,668,854</u>	<u>\$ 46,533,275</u>	<u>\$ 52,170,177</u>	<u>\$ 59,329,746</u>	<u>\$ 63,756,272</u>	<u>\$ 65,538,650</u>
<i>Gross Excise Tax Pledged Revenues</i>	<u>\$ 36,850,981</u>	<u>\$ 41,270,758</u>	<u>\$ 45,733,825</u>	<u>\$ 47,044,466</u>	<u>\$ 49,056,902</u>	<u>\$ 52,546,402</u>	<u>\$ 58,975,906</u>	<u>\$ 67,012,276</u>	<u>\$ 72,120,676</u>	<u>\$ 74,056,847</u>

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

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

City of Yuma, Arizona

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

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Building Permits			
					Commercial		Residential	
					No.	Value	No.	Value
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	4,074,587	22	14.70%	1,057	229,391,979	1,568	148,285,471
2007	190,557	NA	NA	13.90%	1,141	105,194,398	801	61,578,063

Note: Unemployment rate and population presented represents the Yuma Metropolitan Statistical Area and it reflects revised inputs, reestimation, and new statewide controls through 2006. Data for 2007 is not available.

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

City of Yuma, Arizona

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

Employer	2004			2007		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Marine Corp Air Station	6,043	1	9.67%	6,156	1	9.05%
U. S. Army Yuma Proving Ground	1,176	5	1.88%	3,000	2	4.41%
Yuma Regional Medical Center	1,500	2	2.40%	1,995	3	2.93%
Yuma School District #1	1,200	4	1.92%	1,700	4	2.50%
Yuma County	1,100	6	1.76%	1,416	5	2.08%
Grower Company	1,500	2	2.40%	1,200	6	1.76%
Salyer American Fresh	1,000	7	1.60%	1,000	7	1.47%
City of Yuma	864	9	1.38%	998	8	1.47%
Yuma Union High School District	690	10	1.10%	925	9	1.36%
Dole	1,000	7	1.60%	879	10	1.29%
Total			25.71%			28.34%

Source: Greater Yuma Economic Development Corporation

Note: Figures presented represent the Yuma Metropolitan Statistical Area.

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

Current year represents calendar year 2007 which is the most recent data available.

City of Yuma, Arizona

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

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government	148	170	179	182	188	195	195	208	226	228
Public Safety										
Police	182	193	206	212	228	229	237	252	267	269
Fire	104	109	113	113	103	105	105	110	122	122
Streets										
Engineering	24	22	21	22	22	25	30	32	37	44
Maintenance	43	47	47	48	48	48	50	52	51	47
Solid Waste	10	11	13	13	13	13	15	15	16	16
Parks and recreation	98	112	121	124	125	129	128	136	141	145
Water	44	48	49	48	54	55	59	64	73	75
Wastewater	34	35	35	36	37	41	45	48	52	52
Total	687	747	785	798	818	840	864	917	985	998

City of Yuma, Arizona

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Calls for service*	67,809	85,929	77,667	81,691	84,738	87,770	86,802	88,013	87,797	NA
Case reports*	13,559	13,264	13,041	14,057	15,075	15,804	16,644	17,019	15,281	NA
Fire										
Number of calls answered*	6,536	6,806	7,581	8,443	8,774	9,205	10,032	10,094	10,862	NA
Inspections*	1,296	950	1,659	1,747	1,121	1,182	1,774	1,850	2,030	NA
Streets										
Streets slurry sealed (miles)	NA	22	22	22	23	19	24	19	9	22
Solid Waste										
Refuse collected (tons)**	50,000	26,000	26,000	29,358	33,993	27,781	33,003	33,965	34,938	34,919
Parks and recreation										
Ramada rentals	2,486	3,934	4,586	4,482	5,308	5,519	3,285	3,122	3,247	3,160
Water										
Connections	19,357	25,851	22,727	22,129	22,723	23,490	24,734	25,726	26,169	28,277
Daily treatment capacity (million gallons)	41.0	41.0	41.0	41.0	41.0	45.0	45.0	48.0	48.0	48.0
Annual quantity processed (billion gallons)	7.6	7.9	7.9	8.0	9	9.3	9	9.3	10	10
Wastewater										
Daily processing capacity (million gallons)	12.0	12.0	12.0	12.2	12.2	12.3	15.6	15.6	15.6	15.6

Source: Various city departments.

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

*Numbers presented are for calendar year.

**Commercial collections ended in 1999

City of Yuma, Arizona

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Function										
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	101	109	118	127	123	123	127	134	143	150
Fire stations	5	5	5	5	5	5	6	6	6	6
Streets										
Streets (miles)	300	300	300	300	300	300	361	361	361	361
Streetlights	3,550	4,200	4,200	4,250	4,250	4,500	5,042	5,298	5,303	5,375
Traffic Signals	22	24	26	29	32	32	36	38	40	42
Solid Waste										
Collection trucks	8	10	10	10	10	10	10	12	13	13
Parks and Recreation										
Parks acreage	308	443	553	553	553	553	553	578	592	607
Parks/Athletic Fields	23	25	25	25	25	25	25	25	27	32
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	7	7	7	7	7	9	9	9	9
Water										
Water mains (miles)	350	380	380	416	427	437	448	470	493	501
Fire hydrants	2,000	2,100	2,200	2,300	2,400	2,600	2,850	3,000	3,150	3,267
Wastewater										
Sanitary sewers (miles)	249	249	249	255	261	266	275	290	310	320

Sources: Various city departments.

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