



City of
Yakima
Washington

2010

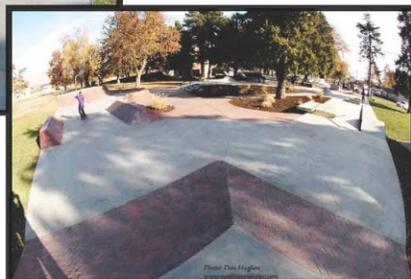
Comprehensive Annual

Financial Report



Kiwanis

Skate Park - November 3, 2008





Washington

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2010

REPORT PREPARED BY:

DEPARTMENT OF FINANCE AND BUDGET

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COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

For the year ended December 31, 2010

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*DEPARTMENT OF FINANCE & BUDGET
129 North Second Street
Yakima, Washington 98901*



September 13, 2011

Honorable Mayor and Members of the City Council
City of Yakima, Washington

We are pleased to submit to you this Comprehensive Annual Financial Report of the City of Yakima for the fiscal year ended December 31, 2010, as required by State Statute RCW 43.09.230. Responsibility for both the accuracy of the presented data and the completeness and fairness of its presentation, including all disclosures, rests with the management of the City of Yakima. We believe the data, as presented, is accurate in all material respects; that it is presented in conformity with GAAP (Generally Accepted Accounting Principles) and with statements issued by GASB (Governmental Accounting Standards Board). GAAP and GASB regulations are established in an effort to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all required disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

THE REPORTING ENTITY

This report includes all funds, agencies, and boards controlled by or dependent on the City of Yakima. In addition to General Government activities, the City exercises oversight responsibilities over the Yakima Air Terminal, which is operated under a joint operating agreement with Yakima County. However, Yakima County; Yakima Valley Regional Library; the Yakima, West Valley and Union Gap School Districts; Yakima Health District; Yakima Conference of Governments; and the Yakima Housing Authority have separate governmental or other entity characteristics and have substantial autonomy and, thus do not meet the criteria of GASB 39 that would determine them to be a component unit of the City.

ABOUT THE CITY

The City of Yakima, county seat of Yakima County, was incorporated in 1886 and is located in central Washington State. It encompasses 28.7 square miles in an area of rich volcanic soil. The City is 145 miles southeast of Seattle, 200 miles southwest of Spokane, and 180 miles northeast of Vancouver, Washington. The region is served by rail, highway and air transportation facilities, which have helped develop the City as the commercial and business center of Central Washington. With a 2010 population of 91,067 Yakima is the eighth largest city in the State of Washington.

The City of Yakima operates as a first class charter city under the Council / Manager form of government. The City Council consists of seven Council members, four of whom are elected from separate districts, and three elected at large. The Council chooses the Mayor, from within its own membership, every two years.

The City provides the full range of municipal services contemplated by charter or statute. These include public safety (police, fire, and building), public improvements (streets, traffic signals), sanitation (solid waste disposal, sanitary wastewater utility), water and irrigation utilities, transit, community development, parks and recreation, and general administrative services.

The City of Yakima lies within Yakima County in the fertile Yakima River Valley. Apples, cherries, pears, grapes, and other fruits, plus a wide variety of field crops and vegetables make the Yakima Valley one of the top agricultural producing areas of the nation. Agriculture crops stretch over 350,000 acres and produce over thirty types of fruits and vegetables. Irrigation in the valley is made possible from water from the U.S. Bureau of Reclamation's Yakima Project. With its farm production base, the Yakima area is a major food processing region.

Adding to the area's economy are over 250 manufacturing firms in the Yakima area that produced a variety of products including wood products, packaging, plastic products, produce and aircraft parts.

- *Snokist*, officially formed in the Yakima Valley in 1965, packs apples, cherries, apricots, prunes, plums and pears within the Yakima Valley and employs approximately 150 full time, and 700 seasonal employees.
- *Shields Bag and Printing*, originating in 1935, has grown from a small town printer to a leader in the flexible packaging industry. Currently, *Shields* employs over 500 people.
- *Longview Fibre Company*, a manufacturer of paperboard, has been located in the Yakima area for over twenty years and employs approximately 160 people.
- *GE Aviation* located in Yakima, a primary manufacturer of hydraulic equipment for the aerospace industry. The Yakima plant, with about 300 employees, focuses on landing gear and hydraulic systems.
- *Irwin Research and Development* located in Yakima, a primary manufacturer of polystyrene packaging machinery for the food industry. The company has operated in Yakima for over 20 years and employs more than 200 people.

Transportation

Commercial airline service is provided by Horizon Air through the Yakima Air Terminal. Greyhound Bus has regular passenger service schedules to and from Yakima, and the Burlington Northern Santa Fe Railroad supplies product services for Yakima. The air, highway and rail systems in the Yakima Valley provide critical, high quality services to our agricultural, industrial, commercial and tourism based businesses.

Hospitals

There are two major hospitals in the Yakima area. Yakima Valley Memorial Hospital inpatient services include, but are not limited to, Cardiology, Critical Care, Orthopedics, the Family Birthplace, Pediatrics Unit, Neonatal Intensive Care, Surgery, Psychiatric Health Care, Respiratory Therapy, as well as a Laboratory and a Pharmacy, and maintains a staff of approximately 2,500 employees. Yakima Regional Medical and Cardiac Center provides a full complement of medical services, including open heart surgery, a 17-bed CARF accredited inpatient rehabilitation unit, a newly renovated and expanded 21-bed emergency department, a level III trauma designation, an on campus MRI service and over 900 employees.

Cancer Care Clinic

The North Star Lodge is a 36,000 square foot outpatient Cancer Center built in 2000, and founded by Memorial Hospital. The facility offers services beyond what many major medical centers offer. The

innovative and comprehensive cancer care offered at North Star Lodge allows Central Washington cancer patients the same innovative treatments available at major cancer centers throughout the country.

Museum

When the 65,000 square foot Yakima Valley Museum was remodeled in 2002, the project added 4,500 square feet of space to the interior, and gave the front of the building a new look. Historical exhibits about the Yakima Valley, including its natural history, American Indian culture, pioneer life, early city life, and information regarding the Yakima Valley's agriculture history are available, as well as the Museum Soda Fountain, a functioning replica of a late 1930's Art Deco soda fountain.

Economic Development

The nonprofit Yakima County Development Association (New Vision), originally funded with \$1,000,000 in donations from local business and industry, has made tangible progress over the years in business expansion, industrial recruitment, development of new business ventures and infrastructure development with broad public and private sector involvement. Over the past five years New Vision has provided in-depth assistance to 17 companies that have located or expanded business facilities in Yakima County. These companies have collectively invested over \$62 million in new facilities or equipment and created over 900 new jobs.

Higher Education

There are several higher education institutions serving the Yakima area. Yakima Valley Community College (YVCC) in Yakima and Grandview is a two-year institution founded in 1928, which offers over 200 academic programs. In the fall of 2003 the Deccio Higher Education Center was opened on the YVCC campus. The center is a new approach taken by the state to provide higher education to the area and houses YVCC student services, eleven interactive television classrooms, two video conference rooms, seven computer labs, two workshop /seminar rooms, a graduate study area, and a large meeting room. Heritage University is located a few miles southeast of Yakima, and is an accredited four-year liberal arts college. Perry Technical Institute offers a nationally recognized vocational / technical program and is accredited by ACCSCT (Accrediting Commission of Career Schools and Colleges of Technology). The Pacific Northwest University of Health Sciences (PNWU) opened in 2008, trains approximately 75 new primary care physicians per year, and is the first medical university to open in the entire Pacific Northwest in 60 years.

Tourism

Yakima is a popular location for sports events, conventions and a variety of tourism activities due to its dry climate, approximately 300 days of sunshine annually, and convenient central location in the State. The Yakima area provides hunting, fishing and water skiing opportunities, and provides numerous recreation opportunities in both summer and winter. Yakima is located within an hour's drive of abundant recreational activities, such as snow skiing, hiking, mountain climbing, and rock climbing, located in numerous National Parks, including Mt. Rainier National Park.

A growing industry bringing increasing numbers of tourists to the Yakima Valley is Yakima Valley's magnificent vineyards and wineries. The area is fast becoming known as the "Gateway to Wine Country." There are over forty wineries located in the Yakima Valley, and many area wines have received significant recognition and awards.

Recreational opportunities are plentiful in Greater Yakima. There are 32 parks, for a total of 334.7 acres, located within the City for public use. In 2010, the City operated two swimming pools – one outdoor and one indoor, along with two water playground areas and two skate parks. In addition, there are two public and one private 18-hole golf courses, three nine hole courses and 24 public tennis courts. There are also six little league fields and seven softball fields – five of which have lighting. In addition to the six fields located in

City parks, the J.M. Perry Complex has fields that can be configured into either ten youth or six full size soccer fields.

Facilities within the area which provide for various conventions, sports and other tourism related activities include:

- The *Yakima Convention Center* has an impressive 41,000 square feet of meeting space available. The fully carpeted, column free, 23,400 square foot Grand Ballroom can be divided into eight separate rooms and the South Ballroom can be divided into six separate rooms, allowing many possible variations to fit specific needs.
- The *Yakima Valley Sun Dome*, a multipurpose trade and convention center with 56,000 square feet of usable space and seating for up to 8,000 people. The *Sun Dome* is utilized for meetings, concerts, trade shows and indoor sporting events, and regularly hosts many statewide, regional and high school sporting events.
- The *Yakima Baseball Stadium* is home to Yakima's own minor league baseball team, the *Bears*, whose home stadium seats 3,000 and is located, along with the *Sun Dome*, at the *State Fair Park*.
- The *Capitol Theatre*, a magnificent and historical theatre originally built in 1920, seats 1,500 and holds over 150 activities and events annually. The theatre recently expanded by adding a Production Center which was completed in late 2010. This facility includes a 500 seat black box theatre now known as the "4th Street Theatre", as well as an expanded loading / unloading area that will accommodate larger productions, and an additional basement storage area.

THE "FUTURE"

Economic Improvement

The City Council has identified Economic Development as one of the highest priorities for the City. The ongoing expansion / remodel of the Capitol Theatre is a positive influence on the local tourism industry. The Yakima Valley is also emerging as a world-class wine producing area. The City continues to seek out opportunities to create economic growth in our region.

- Yakima has been designated a Federal Renewal Community, through 2010 (one of only two communities in the Northwest). This designation carries significant tax incentives for business investment that creates new jobs.
- Yakima has participated in a Housing and Urban Development (HUD) Section 108 Loan / Grant Program for businesses located in the Target Area. The program is designated to provide financial assistance in the form of a HUD loan to help fund start up or expansion costs for businesses that create a set level of new jobs. The City of Yakima is currently authorized for up to \$7 million. Many businesses have benefitted from this program, with 3 current loans in 2010.
- Washington State recently established a Local Infrastructure Financing Tool (LIFT) program, as outlined in RCW 39.102. Yakima's application to the State Community Economic Revitalization Board (CERB) was approved, granting a project award of up to \$1 million in annual taxing authority (both property tax and sales tax) for up to 25 years. The financing will be used for public infrastructure improvements related to the redevelopment of the former Boise Cascade/Yakima Resources sawmill and plywood plant. An engineering firm has been retained to design the project.

General Government

The 2010 General Fund budget is balanced within available resources. However, the continued escalation in costs for public safety programs, mandated State and Federal costs, and other non-discretionary operating expenses makes balancing the budget a greater challenge each year. While sales tax revenues have dropped, the local economy, because of its agricultural base, did not see as severe of a drop in basic tax revenues as other municipalities during this recent recession. However, service levels were reduced in response to the stagnant revenues. Additionally, voter action to reduce taxes statewide has created additional challenges to the City's ability to continue to provide essential services. Long-term allocation of General Government Resources (General Fund, Parks and Streets) continues to be of primary budgetary focus.

Utilities / Enterprise Funds

In the area of utilities and enterprise operations, planning and improvement costs are driven primarily by unfunded State and Federal mandates and the need to upgrade aging facilities. The cost of these mandates and facility improvements are paid for through customer rates.

Legislative Changes

In recent years voter approved initiatives have primarily had negative effects on governments in Washington State. The City's management staff and policy makers recognize the challenges many of these initiatives will continue to have on our ability to balance future budgets. Additionally, the voters strong desire, as indicated in recent State and local elections, not to raise taxes (i.e. government revenues) significantly adds to the difficult challenges of balancing our budget within available resources while maintaining existing critical and core services to our community. Staff and City Council will continue to work closely with our state and federal legislative representatives to inform them of, and to promote, legislative changes necessary to help maintain the safety and security of our citizens and reduce the fiscal pressures on local government.

FORMAT OF REPORT

This report has been prepared in conformance with Generally Accepted Accounting Principles. It presents financial data at a city-wide level and incorporates increasing levels of detail as necessary to report the financial position and operating results of the City's individual funds, to demonstrate compliance with finance-related legal and contractual requirements and to assure adequate disclosure at both the individual fund level and on a City-wide basis.

This report is divided into three sections:

- *The Introductory Section* – provides general information on the City's structure and personnel as well as information useful in assessing the City's financial condition.
- *The Financial Section* – contains the basic financial statements and required supplementary information (including management's discussion and analysis), as well as the independent auditor's report. The financial section also provides information on each individual fund for which data is not reported separately in the basic financial statements.
- *The Statistical Section* – provides a broad range of trend data covering key financial indicators from the past ten fiscal years. It also contains demographic and miscellaneous data that may be useful in assessing the City's financial condition.

ACKNOWLEDGEMENTS

Independent Audit

Washington State Statute RCW 43.09.260 requires that an audit of the books of account, financial records, and transactions of all administrative departments of the City be conducted at least once every three years by the

State Auditor's Office. However, it is the practice of the State Auditor to conduct audits of cities the size of Yakima on an annual basis. Enclosed is a copy of the State Auditors' opinion related to their 2010 audit of the enclosed financial statements. The City of Yakima has received an unqualified opinion on our 2010 financial statements (refer to the Auditor's opinion in the front of the Financial Section, herein).

SUMMARY

Please refer to the 2010 Organizational Chart and the list of City Council members and Executive Management on the following pages.

Preparation of this report could not have been accomplished without the professional and dedicated services of the Finance and Information Technology Services staff. The assistance of the Examiners from the Office of the State Auditor is also gratefully acknowledged.

Further, appreciation is extended to the City Council for their encouragement, interest and support in conducting the financial operations of the City in a sound and progressive manner.

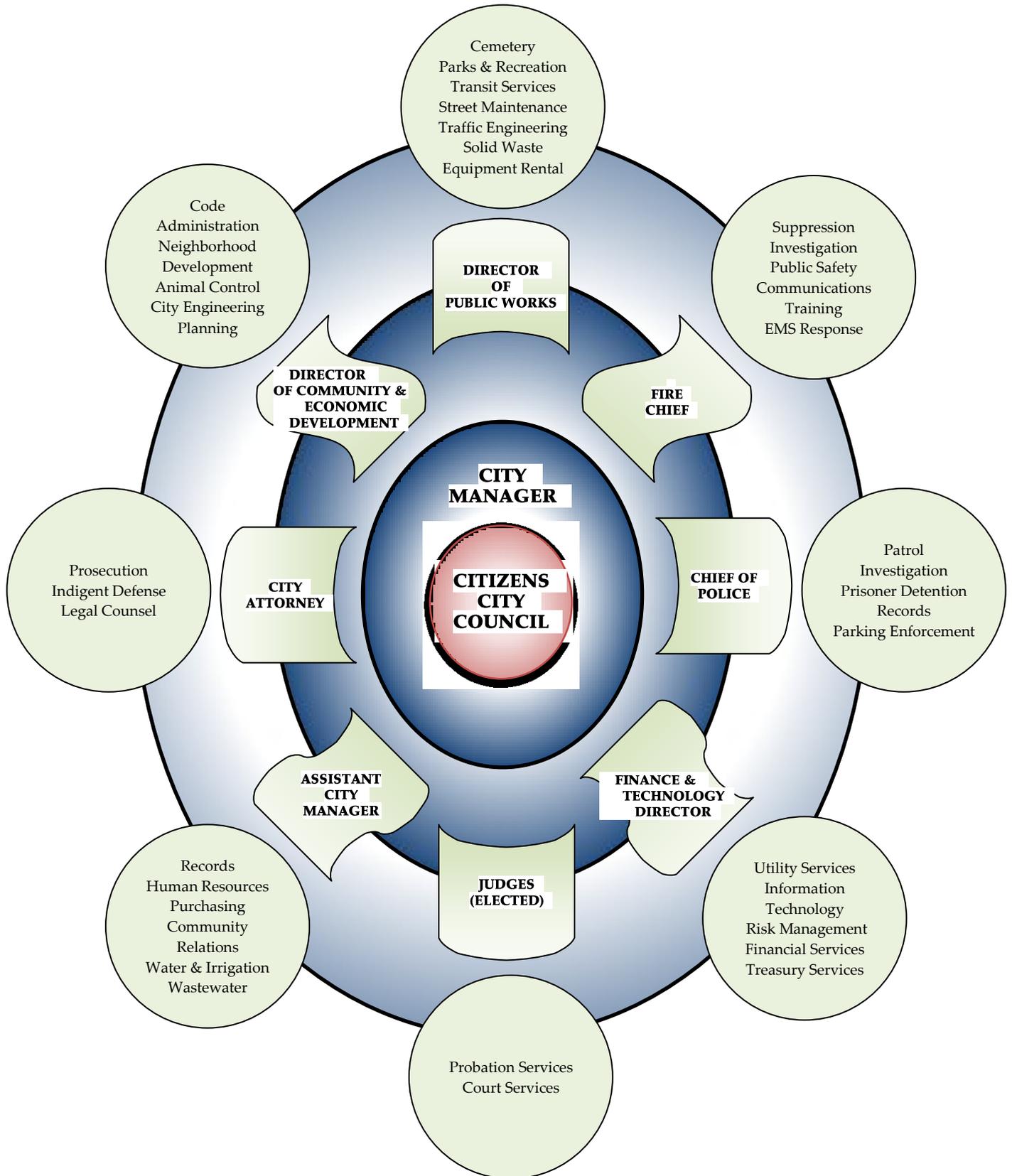
Respectfully submitted,

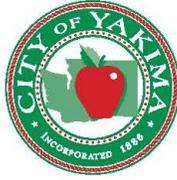
Michael Morales
Assistant City Manager

Rita M. DeBord, CPA
Finance & Technology Director

Cindy Epperson
Deputy Director of Accounting and Budget

2010 ORGANIZATIONAL CHART





CITY OF *Yakima*

PRINCIPAL OFFICIALS

CITY COUNCIL

Micah Cawley
Kathy Coffey
Maureen Adkison
Dave Edler
Rick Ensey
Dave Ettl
Bill Lover

Mayor, At Large, Position 6
Assistant Mayor, District 4
District 1
District 2
District 3
At Large, Position 5
At Large, Position 7

CITY MANAGEMENT EXECUTIVES

Richard A. Zais, Jr.
Donald Cooper
Michael Morales
Jeff Cutter
Rita DeBord, CPA
Joan Davenport

Greg Copeland
Dave Willson
Chris Waarvick

City Manager (through June, 2011)
City Manager (as of Sept., 2011)
Assistant City Manager
City Attorney
Finance & Technology Director
Acting Director of Community and
Economic Development
Acting Police Chief
Fire Chief
Director of Public Works

129 North Second Street
Yakima, WA 98901
(509) 575-6000
www.ci.yakima.wa.us



**Washington State Auditor
Brian Sonntag**

INDEPENDENT AUDITOR'S REPORT

September 13, 2011

Council,
City of Yakima
Yakima, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Yakima, Yakima County, Washington, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the City of Yakima's 2009 financial statements and, in our report dated September 16, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

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 and the aggregate remaining fund information of the City of Yakima, Yakima County, Washington, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General and Community Development funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The financial statements include summarized prior year comparative information. Such information does not include all of the information required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2009, from which such summarized information was derived.

In accordance with *Government Auditing Standards*, we will also issue our report dated September 13, 2011, on our consideration of the City'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. That report will be issued under separate cover in the City's Single Audit Report. 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 3 through 18, pension trust fund on pages 91 through 92, and information on postemployment benefits other than pensions on page 93 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 performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining financial statements of nonmajor funds and internal service funds, capital assets and supplemental schedules on pages 95 through 179 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" and last name "Sonntag" clearly distinguishable.

BRIAN SONNTAG, CGFM
STATE AUDITOR

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Yakima's discussion and analysis offers readers of the City's financial statements a narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and in the financial statements and notes to the financial statements (which immediately follow this discussion).

FINANCIAL HIGHLIGHTS

- The total assets of the City of Yakima exceeded its liabilities at December 31, 2010, by \$281.2 million. Net assets invested in capital (net of depreciation and related debt) account for 85.2% of this amount, with a value of \$239.4 million. Of the remaining net assets, \$30.0 million may be used to meet the government's ongoing obligations to citizens and creditors, without legal restriction.
- The City's total net assets increased by \$15.2 million. Most of the increase was the result of capital grants and donations.
- As of December 31, 2010, the City of Yakima's governmental activities reported combined ending net assets of \$157.4 million, an increase of \$7.4 million in comparison with the prior year. Of that amount, \$137.5 million was invested in capital assets, \$9.3 million was legally restricted for specific projects or programs, and \$10.5 million was available for spending at the government's discretion.
- Unreserved fund balance for the General Fund was \$8.7 million dollars at December 31, 2010. This balance represents 18.0% of total General Fund expenditures and transfers out.
- The City of Yakima's total long-term debt at December 31, 2010, was \$80.4 million (about \$45.4 million in Governmental activities and \$35.0 million in business type activities), with a remaining capacity for non-voted General Obligation debt at \$57.7 million, or 68.7% of the legal limit. Total debt decreased by \$0.7 million during the current fiscal year. There was no new long-term bonded debt issued in 2010.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Yakima's basic financial statements. The basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements.

Government-Wide Financial Statements

There are two government-wide financial statements, the statement of net assets and the statement of activities, which are designed to provide readers with a broad overview of the City of Yakima's finances in a manner similar to a private sector business. Both of the government-wide financial statements distinguish functions of the City of Yakima that are principally supported by taxes and intergovernmental revenues (referred to as "governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as "business type activities"). The governmental activities of the City of Yakima include a full range of local governmental services provided to the public, such as public safety (police, municipal court, fire, and building); public improvements (streets, traffic signals); parks and recreation; community development; and general administrative services. The business type activities of the City of Yakima include sanitation (solid waste disposal, wastewater treatment, and stormwater management); potable and irrigation water systems; and transit.

The Statement of Net Assets presents information on all of the City of Yakima's assets and liabilities, with the difference between the two reported as net assets. This statement serves a purpose similar to that of the balance sheet of a private sector business. Over time, increases or decreases in net assets may serve as a

useful indicator of changes in the City's financial position. However, this is just one indicator of financial health of the City. Other indicators include the condition of the City's infrastructure systems (roads, drainage systems, bridges, etc.), changes in property tax base, and general economic conditions within the City.

The Statement of Activities (Changes in Net Assets) presents information showing how the government's net assets changed during 2010. Because it separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on taxes for funding. All changes in net assets are reported using the accrual basis of accounting which requires that revenue be reported when earned and expenses be reported when the goods and services are received, regardless of the timing of the cash flow. Items such as uncollected taxes, unpaid vendor invoices for items received in 2010, and earned but unused vacation leave will be included in the statement of activities as revenue and expense, even though the cash associated with these items may not be received or distributed in 2010.

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 Yakima, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City of Yakima can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds. Governmental Funds are used to account for most, if not all, of a government's tax supported activities. Proprietary Funds are used to account for a government's business type activities, where all or part of the costs of activities are supported by fees and charges that are paid directly by those who benefit from the activities. Fiduciary Funds are used to account for resources that are held by the government as a trustee or agent for parties outside of the government. The resources of fiduciary funds cannot be used to support the government's own programs.

Governmental Funds

The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances present separate columns of financial data for the General Fund and the Community Development Fund, which are considered to be major funds, based on criteria established by GASB Statement #34. Data from the remaining governmental funds are combined into a single, aggregated presentation. The governmental fund financial statements can be found immediately following the government-wide financial statements. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements, outside of the basic financial statements.

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

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements, it is useful to compare 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 reconciliation to the governmental activities column in the government-wide statements, in order to facilitate this comparison.

The City maintains budgetary controls over its operating funds. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Budgets for governmental funds are established in accordance with state law and are adopted on a fund level. Capital outlays are approved on an item by item basis or project basis. A budgetary comparison statement is provided for the General Fund and all special revenue funds to demonstrate compliance with the budget.

Proprietary Funds

There are two types of proprietary funds: Enterprise and Internal Service. Enterprise Funds are used to report the same functions presented as business type activities in the government-wide financial statements. The City uses enterprise funds to account for its Solid Waste (Refuse); Wastewater; Domestic Water; Irrigation; Stormwater; and Transit functions. Internal Service Funds (the second type of proprietary funds) accumulate and allocate costs internally among the City's various functions. The revenues and expenses of the internal service funds that are duplicated in other funds through allocations are eliminated in the government-wide statements, with the remaining balances included in the governmental activities column.

Proprietary fund statements follow the governmental fund statements in this report. They provide the same type of information as the government-wide financial statements, only in more detail, since both apply the accrual basis of accounting. In comparing the Proprietary Fund Statement of Net Assets to the business type column on the Government-Wide Statement of Net Assets, you will notice that the total net assets agree and, therefore, need no reconciliation. In comparing the total assets and total liabilities between the two statements, you will notice slightly different amounts. This is because the "internal balances" line on the government-wide statement combines the "due from other funds" (asset) and the "due to other funds" (liabilities) from the proprietary fund statement in a single line in the asset section of the government-wide statement.

Individual fund data for each of the nonmajor proprietary funds is provided in the form of combining statements. The proprietary fund combining statements follow the governmental fund combining statements in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Yakima's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City of Yakima has one fiduciary fund for Firefighter pensions. The basic fiduciary fund financial statements can be found following the proprietary fund financial statements, in the Basic Financial Statements section.

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 immediately following the basic financial statements in this report.

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. The City of Yakima's net assets total \$281.2 million at December 31, 2010. The following table reflects the condensed Government-Wide Statement of Net Assets with comparative totals for 2009.

NET ASSETS

	— Governmental Activities —		— Business-Type Activities —		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Current and Other Assets	\$49,153,425	\$54,394,590	\$28,674,087	\$27,065,008	\$77,827,512	\$81,459,598
Capital Assets	165,244,394	152,292,682	134,443,885	130,030,526	299,688,279	282,323,208
Total Assets	214,397,819	206,687,272	163,117,972	157,095,534	377,515,791	363,782,806
Liabilities						
Payables and Other Liabilities	11,597,096	12,721,629	4,341,118	4,014,908	15,938,214	16,736,537
Long-term Liabilities Outstanding	45,384,807	43,982,181	35,033,323	37,104,946	80,418,130	81,087,127
Total Liabilities	56,981,903	56,703,810	39,374,441	41,119,854	96,356,344	97,823,664
Net Assets						
Inv in Cap Assets, Net of Rel Debt	137,521,058	125,768,431	101,913,144	98,161,351	239,434,202	223,929,782
Restricted	9,349,620	9,287,543	2,369,728	2,365,700	11,719,348	11,653,243
Unrestricted	10,545,238	14,927,488	19,460,659	15,448,629	30,005,897	30,376,117
Total Net Assets	\$157,415,916	\$149,983,462	\$123,743,531	\$115,975,680	\$281,159,447	\$265,959,142

The City of Yakima's total assets stand at \$377.5 million as of December 31, 2010. Of this amount, \$299.7 million is accounted for by capital assets, which includes some infrastructure and construction in progress. Out of \$165.2 million in capital assets reported in Governmental activities at December 31, 2010, \$77.9 million (47.1%) is accounted for by infrastructure acquisitions (including the right-of-way land associated with these projects and land under the road).

Of the remaining City assets, approximately \$56.9 million was accounted for in cash, cash equivalents, and investments, \$15.3 million in accounts receivable, \$4.9 million in notes receivable, and \$0.7 million spread among miscellaneous assets.

At December 31, 2010, the City had outstanding liabilities of \$96.4 million, with \$80.5 million in long-term liabilities. Of the long-term liabilities, \$5.4 million was due within a year, with the remainder due over an extended period of time. Refer to the notes to the financial statements (Note 7) for a more in depth discussion of long-term debt.

"Payables and Other Liabilities" for total Governmental and Business type activities total \$15.9 million, and include \$10.3 million in accounts payable, \$5.3 million in accrued liabilities and \$0.3 million in liabilities payable from restricted assets.

The largest portion of the City's net assets (85.2%) reflects its investment in capital, less any outstanding related debt used to acquire those assets. The City's capital assets, which are used to provide services to citizens, are investments in capital and are not available for future spending. Although the City's investment in 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 liquidate these liabilities.

Approximately 4.2% of the City's net assets are subject to external restrictions on how they may be used (restricted by the Revised Code of the State of Washington or by contractual agreements with parties outside of the primary government). The remaining balance of \$30.0 million (unrestricted net assets) represents the amount that may be used to meet the City's ongoing obligations.

At December 31, 2010, the City of Yakima reports positive balances in all three categories of net assets, for the government as a whole, as well as for governmental activities and business type activities.

The Statement of Activities (Changes in Net Assets)

The City of Yakima's total net assets is increased by \$15.2 million in 2010. Net assets for governmental activities increased by \$7.4 million while business type activities increased by \$7.8 million.

Total revenues for the City of Yakima were \$125.8 million in 2010. Governmental activities provided \$79.9 million (63.5%), while business type activities added \$45.9 million (36.5%).

Expenses for the year totaled \$109.7 million, with governmental activities accounting for \$75.5 million or 68.8% and business type activities accounting for \$34.2 million or 31.2%. Key elements in changes in net assets are shown in the following table.

CHANGES IN NET ASSETS

	— Governmental Activities —		— Business-Type Activities —		— Total —	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for Services	\$7,808,718	\$6,923,789	\$34,002,188	\$32,976,726	\$41,810,906	\$39,900,515
Operating Grants and Cont's	7,981,365	6,455,741	2,409,765	2,020,408	10,391,130	8,476,149
Capital Grants and Cont's	15,490,414	5,090,266	4,992,877	1,659,026	20,483,291	6,749,292
General Revenues						
Property Tax	14,534,753	14,261,201	0	0	14,534,753	14,261,201
Sales Tax	17,920,306	17,810,213	4,485,313	4,489,747	22,405,619	22,299,960
Other Taxes	12,241,209	12,710,131	0	0	12,241,209	12,710,131
State Entitlements	3,589,122	3,738,559	0	0	3,589,122	3,738,559
Other	338,922	626,352	21,320	116,404	360,242	742,756
Total Revenues	79,904,809	67,616,252	45,911,463	41,262,311	125,816,272	108,878,563
Expenses						
General Government	8,512,171	8,656,161	0	0	8,512,171	8,656,161
Security of Persons and Property	40,087,908	40,008,664	0	0	40,087,908	40,008,664
Physical Environment	828,164	1,189,908	0	0	828,164	1,189,908
Transportation	11,603,969	11,108,811	0	0	11,603,969	11,108,811
Economic Environment	5,669,859	4,821,392	0	0	5,669,859	4,821,392
Mental & Physical Health	87,223	86,217	0	0	87,223	86,217
Cultural & Recreational Env	7,471,397	7,020,665	0	0	7,471,397	7,020,665
Interest on Long-Term Debt	1,216,777	1,004,163	0	0	1,216,777	1,004,163
Transit	0	0	8,364,910	7,928,658	8,364,910	7,928,658
Refuse	0	0	4,362,112	4,217,711	4,362,112	4,217,711
Wastewater	0	0	12,813,119	12,297,172	12,813,119	12,297,172
Water	0	0	5,654,159	5,748,350	5,654,159	5,748,350
Irrigation	0	0	1,810,985	1,732,812	1,810,985	1,732,812
Stormwater	0	0	1,239,620	1,028,178	1,239,620	1,028,178
Total Expenses	75,477,468	73,895,981	34,244,905	32,952,881	109,722,373	106,848,862
Increases in Net Assets Before						
Non-operating Sources (Uses)	4,427,341	(6,279,729)	11,666,558	8,309,430	16,093,899	2,029,701
Gain/loss on Sale of Capital Assets	(922,304)	(2,217,530)	(6,034)	(17,282)	(928,338)	(2,234,812)
Transfers	3,927,408	4,188,083	(3,892,673)	(4,201,083)	34,735	(13,000)
Change in Net Assets	7,432,445	(4,309,176)	7,767,851	4,091,065	15,200,296	(218,111)
Net Assets - Beginning	149,983,462	154,292,637	115,975,677	111,884,612	265,959,139	266,177,249
Net Assets - Ending	\$157,415,907	\$149,983,461	\$123,743,528	\$115,975,677	\$281,159,435	\$265,959,138

Governmental Activities

Within governmental activities, tax revenue accounted for 55.9% of total revenue sources, with grants and contributions accounting for 29.4%. The remaining 14.7% of revenue was provided by charges for services, interest income, and miscellaneous revenues. (Note: the revenue indicators in the following charts do not include one-time only financing sources, such as proceeds from new debt or the sale of assets.)

Governmental activities increased net assets by \$7.4 million or 5.0%. Significant fluctuations in revenue are as follows:

- Operating Grants & Contributions increased \$1.5 million from 2009 to 2010. The City was successful in obtaining American Recovery and Reinvestment Act (ARRA) grants for neighborhood stability, policing and energy conservation programs.
- Capital Grants & Contributions increased by \$10.4 million – more than triple the prior year. A major railroad grade separation project that is building a new underpass moved from the planning stages into construction in 2010, accounting for about \$6.0 million of this increase. Infrastructure obtained by annexation amounted to about \$2.1 million as a capital contribution. A grant for downtown revitalization added \$1.0 million. Other capital grants and developer donations make up the balance of the increase.

All other revenue categories were relatively flat as would be expected in the sluggish economy.

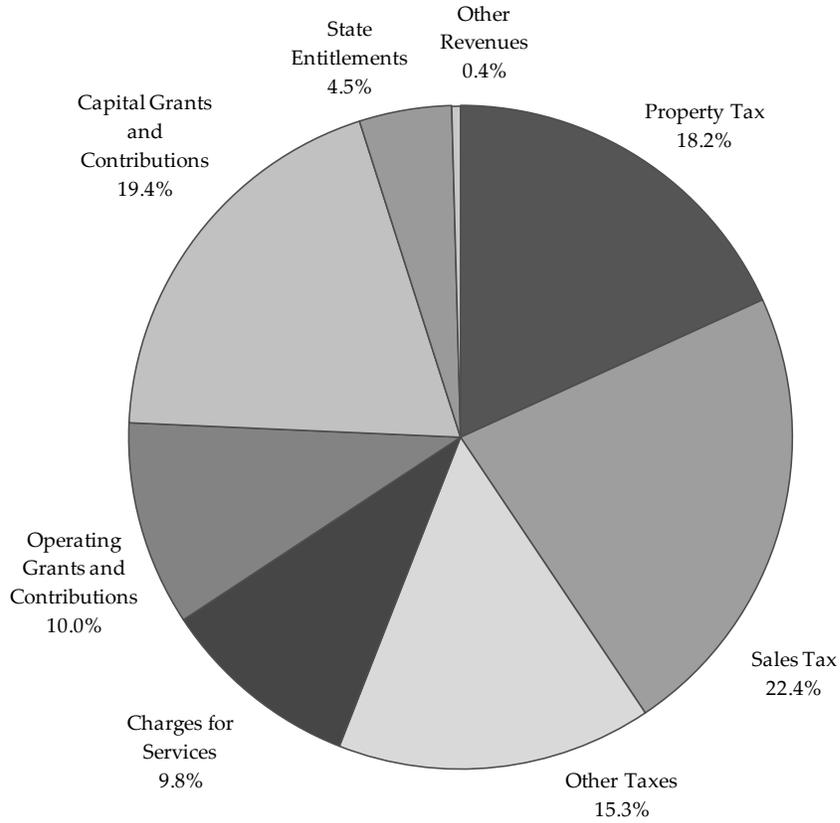
The largest program expenses consist of Security of Persons and Property (public safety), Transportation, and General Government, respectively. These programs accounted for 79.8% of total governmental expenses.

For the most part, changes in expenses were the result of the implementation of cost containment measures in response to the revenue reductions caused by the national recession. The major exceptions to this rule are generally tied to the increase in grants noted above. Additional explanations follow:

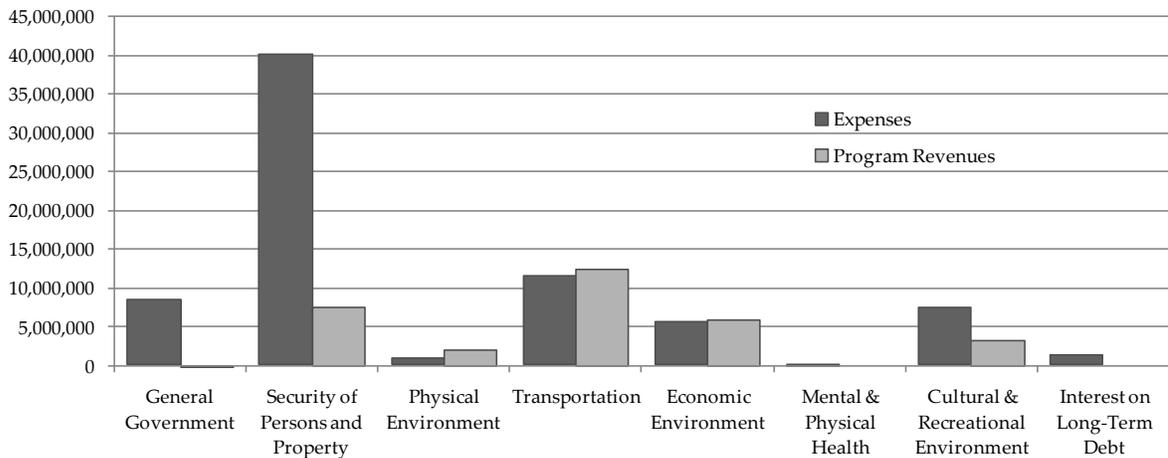
- Security of Persons and Property demonstrated an increase of \$0.1 million or 0.2% primarily because of increased depreciation on grant funded equipment. This category remains City Council's highest budget priority, and therefore, experienced the fewest cutbacks.
- Economic Environment increased by about \$0.8 million, primarily because of the ARRA grants.
- Cultural and Recreational Environment increased by \$0.5 million primarily due to a major replacement of minor equipment for the convention center, such as tables, chairs, room dividers, etc.

Following are graphs which illustrate revenue by source and expenditures by program for governmental funds in 2010.

REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES



EXPENSES AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES



Business Type Activities

Of the \$45.9 million in business type revenues, 74.1% was provided by charges for services, with the remaining amount provided by grants, contributions, transit sales tax and interest income. Overall, business type revenues demonstrated an increase of \$4.6 million or 11.3% over 2009.

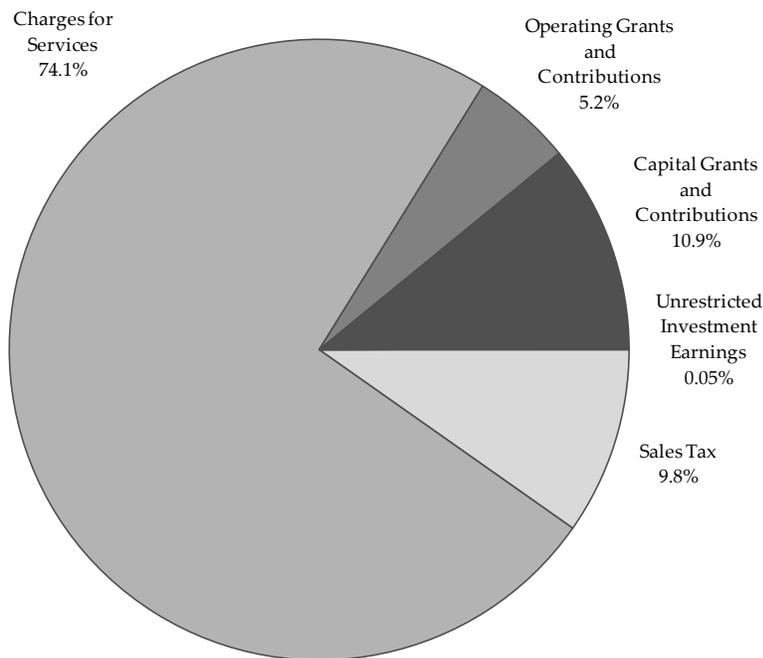
Business type revenues experienced the following fluctuations:

- Charges for Services increased by \$1.0 million or 3.0%. The Water, Irrigation, and Refuse utilities had rate increases for 2010 of 5.5%, 3.0%, and 3.0% respectively. 2008 was the first year of implementation of a federally mandated Stormwater / surface water program. A rate increase of 14% (from \$35 to \$40 per ERU) was approved for 2010 as this program continued to be developed.
- Transit received an ARRA grant of \$2.0 to purchase new buses. When added to an increase in Wastewater development contributions of about \$1.3 million, the category of Capital Grants and Contributions increased by \$3.3 million or 201.0%.

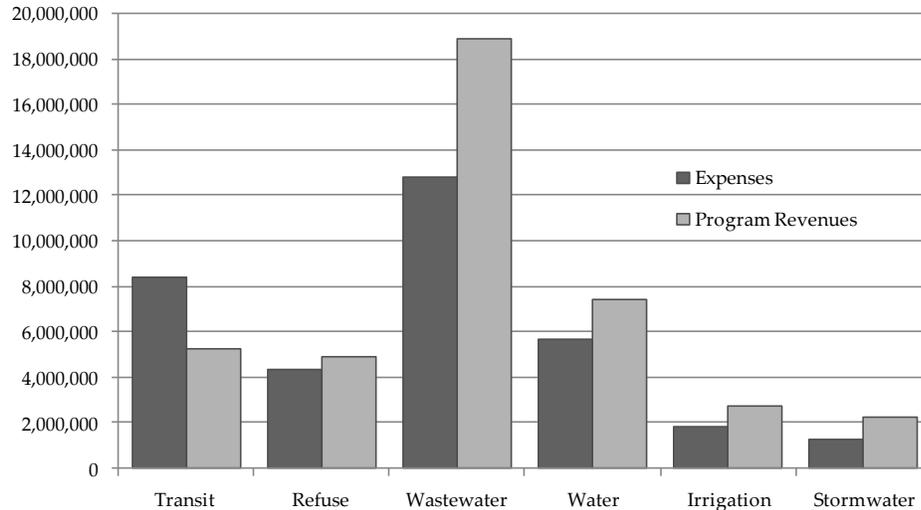
Of the \$34.2 million in business type expenses, 37.4% are associated with the Wastewater program and 24.4% with Transit, domestic water programs represent about 16.5%, Refuse 12.7%, Irrigation 5.3% and Stormwater 3.6%. Generally, changes in expenses are in line with rate increases and additional depreciation on donated assets.

The following charts depict the expenses and program revenues, with a breakdown of revenues by source for the business type activities.

REVENUES BY SOURCE – BUSINESS TYPE ACTIVITIES



EXPENSES AND PROGRAM REVENUES – BUSINESS TYPE ACTIVITIES



Charges for services represent the majority 74.1% of revenue in these funds. The only fund that does not rely heavily on charges for service is the Transit fund, which is subsidized by a voter approved local option sales tax of 0.3% and a federal operating grant.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Yakima uses fund accounting to ensure and demonstrate compliance with finance related legal and regulatory requirements. Following is a financial analysis of the City's governmental and proprietary funds.

Governmental Funds Analysis

The General Fund and the Community Development Fund (which administers the City's Community Development Block Grants) are the City's major funds (as defined in GASB #34) in 2010. Together these funds account for 54.1% of total governmental fund assets and 39.9% of total governmental fund balances.

The focus of the City of Yakima's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of December 31, 2010, the City's governmental funds reported combined fund balances of \$22.6 million. Of this total amount, about \$20.7 million (91.7%) is unreserved and available for spending within these funds. Reserved fund balance of \$1.9 million is not available for new spending because it was previously committed to: pay debt service (\$0.7 million); generate income to pay for the perpetual care of the municipal cemetery (\$0.6 million); liquidate contracts and purchase orders of the prior period (\$0.5 million) and for a variety of other restricted purposes (\$0.1 million).

The General Fund is the chief operating fund of the City of Yakima. At the end of the 2010 fiscal year, unreserved fund balance of the General Fund was \$8.3 million, while total fund balance is about \$8.7 million. Unreserved fund balance is about 18.0% of total general fund expenditures (which represents about a 2.2 month reserve). Total assets in the General Fund amounted to \$14.9 million, accounting for 39.7% of total governmental fund assets.

The fund balance of the City of Yakima's General Fund is decreased by \$0.2 million during the current fiscal year. In response to the national recession that limited revenues in 2009, City Management implemented cost containment measures that reduced General Fund program expenses for 2010, so that the fund balance was virtually balanced.

The General Fund accounts for 57.2% of all governmental fund revenue and 49.9% of all expenditures.

The Community Development fund has a decrease of (\$93,424) in fund balance. This fund balance fluctuates slightly from year to year depending on the timing of the receipt and spending of program income.

Other governmental funds ended with a net decrease in fund balances of (\$4,647,110). While most funds had modest changes in fund balance, much of this decrease (about \$4.3 million) can be attributed to the substantial completion of the Capitol Theatre Expansion using proceeds of a General Obligation bond issued in 2009.

Enterprise Funds Analysis

Transit, Wastewater, Domestic (potable) Water, and Irrigation Water are considered major funds in the City's 2010 (GASB 34) Financial Statements while Refuse and Stormwater are nonmajor funds.

As of December 31, 2010, the City's enterprise funds (internal service fund balances are treated entirely as governmental activities) reported combined net assets of \$123.7 million, with \$61.4 million or approximately 49.6% being contributed by the Wastewater fund. Of the \$123.7 million, about \$101.9 million (82.4%) of net assets is accounted for by investment in capital assets, net of related debt, \$2.4 million is restricted for debt service and \$19.5 million is unrestricted. The Notes to the Financial Statements (Note 9) present segment information that is grouped according to revenue bond requirements for these business type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund Changes in Budget

The following table shows the 2010 General Fund Adopted (original) Budget, the amended (final) Budget, Actual revenue and expenditure amounts, and the variance of Actuals compared to the Final budget.

CHANGE IN GENERAL FUND BALANCE

	---- Budgeted Amounts ----		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes and Special Assessments	\$37,737,000	\$37,737,000	\$37,801,077	\$64,077
Licenses and Permits	689,000	689,000	768,469	79,469
Intergovernmental Revenues	2,946,408	2,967,279	2,813,157	(154,122)
Charges for Services	4,914,680	4,914,680	4,917,224	2,544
Fines and Forfeits	1,736,900	1,736,900	1,658,467	(78,433)
Interest	435,000	435,000	403,183	(31,817)
Other Revenues	59,450	76,294	(64,261)	(140,555)
Total Revenues	\$48,518,438	\$48,556,153	\$48,297,316	(\$258,837)
Expenditures				
Current				
General Government	\$11,881,694	\$12,010,235	\$11,253,487	\$756,748
Security of Persons and Property	33,290,796	33,321,920	32,576,171	745,749
Physical Environment	1,318,886	1,323,886	1,250,939	72,947
Economic Environment	826,484	834,849	784,452	50,397
Mental & Physical Health	88,021	88,021	87,223	798
Cultural & Recreational Environment	8,167	8,167	8,167	0
Capital Outlay				
General Government	15,001	15,001	61,052	(46,051)
Security of Persons and Property	0	164,610	0	164,610
Debt Service				
Principal Retirement	37,374	37,374	43,770	(6,396)
Interest	11,944	11,944	13,624	(1,680)
Total Expenditures	\$47,478,367	\$47,816,007	\$46,078,885	\$1,737,122
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<u>\$1,040,071</u>	<u>\$740,146</u>	<u>\$2,218,431</u>	<u>\$1,478,285</u>
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	\$0	\$0	\$51,000	\$51,000
Transfers In	40,000	40,000	40,000	0
Transfers (Out)	(2,402,275)	(2,402,275)	(2,412,206)	(9,931)
Intergovernmental Agreements	(39,095)	(39,095)	(39,095)	0
Comp. for Loss of Gen. Capital Assets	1,000	1,000	0	(1,000)
Total Other Financing Sources (Uses)	(\$2,400,370)	(\$2,400,370)	(\$2,360,301)	\$40,069
Net Change in Fund Balances	(\$1,360,299)	(\$1,660,224)	(\$141,870)	\$1,518,354
Fund Balances - January 1	\$4,328,549	\$4,328,549	\$8,842,208	\$4,513,659
Change in Reserve for Inventory	0	0	9,929	9,929
Fund Balances - December 31	\$2,968,250	\$2,668,325	\$8,710,267	\$6,041,942

During the year, the 2010 General Fund budget was increased from \$47.5 million to \$47.8 million, or by about \$0.3 million. The increases in appropriations are summarized as follows:

- \$304,925 in outstanding encumbrances / commitments which were rebudgeted from the prior year.
- \$32,715 for miscellaneous items such as donations for public safety education supplies and overtime for Fire Department.

Most of these budget adjustments were to be funded from the General Fund reserves and / or corresponding reductions in other expenditures.

General Fund Budget to Actual

Total General Fund revenues were budgeted at about \$48.5 million. Actual revenue of \$48.3 million resulted in a negative variance of \$0.3 million, a loss of 0.5% under the amended budget. The recession put downward pressure on sales taxes, new construction / development fees, and interest earnings starting in 2009. The 2010 budget was developed assuming these revenues would stay depressed, and actual results closely matched the estimates. The two areas where revenues were below the budget were intergovernmental revenues under budget by \$154,000 because the city dropped out of a state-shared revenue funding formula, and other revenues under budget by \$140,000 because of a retroactive tax refund requested by a utility.

General Fund expenditures, including other financing uses, totaled \$48.5 million compared to the final budget of \$50.2 million – resulting in a positive variance of \$1.7 million or 3.4%. Most of this variance is in the category of General Government, and is the result primarily of a mid-year cost containment plan that held position vacancies, and required a 5 day furlough on non-emergency personnel. The primary driver of the cost containment measures in Security of Persons and Property was a significant reduction in jail costs which was the result of a cooperative effort among the Police, Prosecution, Indigent Defense and Municipal Court divisions to reduce prisoner days.

The General Fund budget is typically built assuming positive variances in both revenue and expenditures. Revenue is conservatively estimated, while expenditure estimates utilize highest probable costs. Historically, actual amounts have been close to “break even”, with actual revenues slightly exceeding expenditures. In 2010 revenues did not exceed the conservative estimates, so that mid-year adjustments were required in order to minimize the use of reserves. This resulted in a net decrease in fund balance of about \$0.1 million (about .3% of the total General Fund budget).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Yakima’s total investment in capital assets, including construction in progress, for its governmental and business type activities as of December 31, 2010, amounts to almost \$299.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, infrastructure, and construction in progress on buildings and systems.

Major capital asset events during the 2010 fiscal year included the following:

- A variety of projects for street expansion / repair were ongoing during the year. \$5.2 million was added to infrastructure in 2010, both by acquisition by annexation and project completion. The 2011 budget includes over \$14.0 million in planned projects, funded primarily by state and federal grants and loans, matched by fuel tax and real estate excise tax. The major project in 2010 and continuing into 2011 is a railroad grade separation project.
- In the area of Cultural & Recreational Environment, major capital investments include the Capitol Theatre expansion, funded by a Limited Tax General Obligation bond issued in 2009. About \$4.4 million was spent on Capitol Theatre expansion in 2010.
- Vehicles, street equipment, and trucks were added to the fleet as either additional equipment or replacements during the year, at a cost of \$1.4 million.

- In the area of Public Safety, the Fire Department replaced a ladder truck and remodeled a station, at a cost of \$1.5 million. The Police Department obtained grants to begin implementation of a regional integrated public safety computer system, spending about \$0.5 million in 2010. Another \$0.5 million to continue this project is budgeted in 2011.
- Wastewater capital improvements include: Over \$2.0 million was spent on final SCADA tip out / Dystor / Daft Retrofit projects for 2010. The 2011 budget includes over \$13 million for facility improvements, including: industrial waste anaerobic processor – \$4.0 million, power distribution upgrade – \$1.5 million, biogas and biosolids enhancements – \$6.5 million. These projects will be funded by the issuance of revenue bonds later in 2011 and intergovernmental loans. A large debt issue will be paid off in 2011, freeing up over \$0.5 million annually for debt service. A rate study is being prepared which will include the additional debt service requirements. In addition to the plant improvements, about \$4.8 million is budgeted for interceptor and trunk line extensions and an allocation for an automated meter reading system (shared with the Water utility), funded by capital reserves and current capital transfers from the operating fund.
- The Domestic Water Treatment plant capital program spent about \$0.4 million in 2010. The 2011 budget includes \$1.5 million for a new well project at Gardner Park (partly funded by a state Public Works Trust Fund Loan); \$2.0 million for automated meter reading; and \$0.2 million for water main replacement and designs for lagoons (all funded by capital reserves and current capital transfers from the operating fund).
- In 2003, the City Council approved the rebuild of the irrigation delivery system, which was estimated to cost approximately \$14 million and be completed over an eight-year period. Three out of four phases have been completed. About \$2.5 million was spent on system rebuild projects in 2010. The 2011 budget includes about \$2 million for project continuation, funded by a revenue bond or other capital borrowing which would be repaid using current capital rates.

CAPITAL ASSETS (NET OF DEPRECIATION)

	— Governmental Activities —		— Business-Type Activities —		— Total —	
	2010	2009	2010	2009	2010	2009
Capital Assets						
Land	\$14,119,276	\$12,858,062	\$2,163,373	\$2,163,373	\$16,282,649	\$15,021,435
Building	31,481,171	31,541,005	37,877,088	39,769,182	69,358,259	71,310,187
Impr Other Than Building	6,443,378	6,990,394	65,145,812	61,106,382	71,589,190	68,096,776
Machinery and Equipment	13,146,449	12,149,183	19,092,034	13,304,029	32,238,483	25,453,212
Infrastructure	73,289,266	68,109,569	0	0	73,289,266	68,109,569
Intangibles	0	0	115,659	115,659	115,659	115,659
Construction in Progress	26,764,854	20,644,469	10,049,919	13,571,901	36,814,773	34,216,370
Total Capital Assets	\$165,244,394	\$152,292,682	\$134,443,885	\$130,030,526	\$299,688,279	\$282,323,208

Additional information on the City of Yakima’s capital assets can be found in Note 4 of this report.

Long-Term Debt

On December 31, 2010, the City of Yakima had total bonded debt outstanding of almost \$49.3 million. Of this amount, \$24.9 million is classified as governmental activity and backed by the full faith and credit of the City. The remaining \$24.4 million represents bonds secured solely by specific revenue sources (i.e. revenue bonds).

The City of Yakima’s total bonded debt had a net decrease of \$3.8 million during 2010.

The City participates in a loan program administered by the State’s Department of Community Development, which is included as Intergovernmental loans in the long-term debt schedules. Infrastructure improvements, such as street, bridge, water, or sewage projects, are eligible to compete for loan awards. This type of funding is

preferred because the interest rates for new loans range from 0.5% to 1.5% based on the percentage of local match available for the project. (i.e. the higher the match, the lower the interest rate). In 2010, the City borrowed \$2.4 million for Water, Wastewater, and Railroad Grade Separation projects utilizing this State program.

The City's remaining capacity for non-voted debt on December 31, 2010, was approximately \$57.7 million in comparison to the total legal limit of \$84.0 million. The City has a general guideline of retaining 50% of its non-voted capacity for emergencies. The City of Yakima was upgraded in 2008 to an "A+" rating from Standard & Poor's for general obligation debt. A summary of the City's bonded debt follows. Additional information on the City's long-term debt can be found in Note 7.

OUTSTANDING DEBT

	— Governmental Activities —		— Business-Type Activities —		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$24,880,686	\$26,978,811	\$0	\$0	\$24,880,686	\$26,978,811
Revenue Bonds	0	0	24,375,000	26,080,000	24,375,000	26,080,000
Intergovernmental Loans	2,774,138	1,500,908	10,399,880	10,756,643	13,174,018	12,257,551
Special Assessment Debt	819,461	256,500	0	0	819,461	256,500
Unfunded Pension/OPEB Liabil	10,285,595	8,835,001	0	0	10,285,595	8,835,001
Compensated Absences	6,320,190	6,156,097	0	0	6,320,190	6,156,097
Other Debt	304,737	254,864	258,452	268,315	563,189	523,179
Total Outstanding Debt	\$45,384,807	\$43,982,181	\$35,033,332	\$37,104,958	\$80,418,139	\$81,087,139

ECONOMIC FACTORS

There are a number of factors that have a fiscal impact on various revenues of the City, including voter approved initiatives over the last few years, as well as changes in State and Federal regulations. Following is a list of significant factors, which have an impact on the City's revenues. The City is committed to the continued application of sound fiscal management practices to ensure balanced budgets are maintained and critical core services are provided to our citizens.

- In 2001 state voters approved Initiative 747, which capped property tax levy growth each year at a maximum of 1%, plus any additions for annexations and new construction. This initiative represents a severe restriction on local government revenue growth, which makes budget balancing more difficult because actual inflation rates have grown at an average of 3 times the 1% limitation.
- The Downtown area is in transition from a retail center to a central business district. The City is actively participating in several projects to upgrade the downtown as follows:
 - The City has been awarded State and Federal grants of about \$9.6 million for infrastructure and pedestrian improvements in the downtown core; construction began in mid 2006. Phase IV was substantially completed in 2010.
 - The City owned Capitol Theatre, located in the center of the downtown area, is nearing the end of a major upgrade / expansion project. In 2007, the state legislature approved a sales tax credit for performing arts centers of .025%, which started flowing to the Yakima Regional Public Facilities District in the spring of 2008. A phased capital plan has been developed which includes the LTGO debt of about \$7.0 million issued by the City in 2009 and serviced by the tax credit.
- The unemployment rate (11% as of March, 2011) in the County continues to be higher than the state and national average. The County's predominant industry is agriculture and food related. This industry has a history of high unemployment rates, seasonal employment, and low median income (Yakima is about 73% of the state average). However, the agriculture based local economy has not been as negatively affected in this severe national recession as many other cities around the state and

country. Historically, the City's unemployment rate has run 3 - 3.5% above the national, but that gap has shrunk during the recent recession above. All employment categories, with the exception of "Leisure and Hospitality" experienced a slight increase from March of 2010.

- Efforts to diversify our economic base include expansion of the current community college to offer four-year degree programs through major state institutions, including Washington State University and University of Washington. Additionally, a new medical school has finished construction in the urban area, and began instruction in late 2008.
- The City is continuing to annex property within the Urban Growth Boundary that is being hooked up to sewer services, although the City is experiencing a slowdown in this activity as most of the sewer properties are within the City limits.
- During the process of issuing bonds in 2008, Standard and Poor's (S & P) reviewed the credit rating for the Wastewater/Water utility and General Obligation bonds, and both received an upgrade. The credit rating of the Wastewater/Water utility went up two steps—from single A (A) to double A minus (AA-) with a stable outlook. The analyst's press release indicates that this upgrade is primarily due to the combination of:
 - Strong fiscal management and financial performance, including net revenues sufficient to cover debt service by more than three times during the last five years; and
 - Governing body's policy of setting multi-year rate increases based on long-term capital and operational needs
- In 2009 Standard and Poor's also increased the City's General Obligation credit rating one notch from A to A+ with a stable outlook. S & P's rationale and perceived credit strengths for the City included:
 - Long-standing economic role as a service and manufacturing center for a surrounding agricultural region;
 - Track record of very strong available General Fund balances; and
 - Good financial policies and practices, including a minimum General Fund balance threshold and the use of a financial forecasting model.
- According to S & P, the City's perceived credit weaknesses were:
 - Merely adequate median household effective buying income (EBI) and historically high unemployment rates, and
 - Limited revenue flexibility under state law.
- The next major economic development initiative that the City is embarking on is a competitive state redevelopment / tax increment program called Local Infrastructure Financing Tool (LIFT), as set forth in RCW 39.102. The redevelopment area consists of 556 acres adjacent to Interstate 82, formerly used as a sawmill and plywood plant. The City received an award of up to \$1 million per year for 25 years from the state to support required infrastructure improvements to service the new mixed use proposed development. 2009 was designated as the "base year", and the City will receive the state's increase of both sales and property taxes as they are realized. The project is currently in a planning stage.

The 2011 budget is balanced for all funds, within guidelines established by city management, to accomplish municipal service levels and priorities set by City Council. The City of Yakima has established a consistent track record of living within our means. Over the past three years, as the economy has faltered and tax revenues have declined, the City has made reductions in General Government programs, services and staff levels in order to maintain a balance between revenues and expenditures. From 2009 through 2010, the City has reduced spending by over \$5.6 million and eliminated 30 full time positions in the General Government (i.e. tax-supported) budget. Most City employees' salaries have been frozen several times in recent years and

furloughs were implemented in 2010 for about 225 employees. For the 2011 budget, the major revenues were estimated assuming the continued flattening of the economy. To date, we have seen some improvement in sales taxes although other areas such as interest earnings are below budget. Overall budget results are performing as expected.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Yakima's finances for all those with an interest in the government's finances. This report, along with the City's published budget documents are posted on the City's website at www.ci.yakima.wa.us. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: City of Yakima – Finance Director, 129 North Second Street, Yakima, WA 98901.

BASIC FINANCIAL STATEMENTS

The basic financial statements and note disclosures comprise the minimum acceptable fair presentation in conformity with Generally Accepted Accounting Principles (GAAP). Basic financial statements are designed to be “liftable” from the Financial Section of the Comprehensive Annual Financial Report (CAFR) for widespread distribution to users requiring less detailed information than is contained in the full CAFR. Basic Financial Statements include:

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Assets – City governmental and business type assets and liabilities, with the difference reported as net assets.

Statement of Activities – City governmental and business type revenues and expenses, with the difference reported as change in net assets.

FUND FINANCIAL STATEMENTS

Balance Sheet, Governmental Funds – Balance sheets for major funds and aggregated amounts for all other governmental funds.

Reconciliation of the Balance Sheet to the Government-Wide Statement of Net Assets

Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds – Information for each major fund and aggregated information for all other governmental funds.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Statement of Revenues, Expenditures, & Changes in Fund Balance, Budget & Actual, General / Community Development Funds – Budget information, along with actual results for each major fund which has a legally adopted budget.

Statement of Net Assets, Proprietary Funds – Information on all assets and liabilities, with the difference reported as change in net assets for each of the enterprise funds, as well as a separate column of information for the internal service funds.

Statement of Revenues, Expenses, and Changes in Fund Net Assets, Proprietary Funds – Information for each of the enterprise funds, as well as a separate column for aggregate information for internal service funds.

Statement of Cash Flows, Proprietary Funds – Information on the sources and uses of cash for each of the enterprise funds and aggregate information for internal service funds.

Statement of Net Assets, Fiduciary Funds – Information on the pension trust, fund assets and liabilities, with the difference reported as net assets.

Statement of Changes in Fund Net Assets, Fiduciary Funds – Information on additions to and deductions from the pension trust, with the difference reported as change in net assets.

NOTES TO FINANCIAL STATEMENTS

Disclosure and further detail information to assist the reader in a better understanding of the financial statements and the data presented within them.

REQUIRED SUPPLEMENTARY INFORMATION

Police and Fire Pension – Schedule of Employer Contributions

STATEMENT OF NET ASSETS

December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 1

	Governmental	Business Type	Total	
	Activities	Activities	2010	2009
Assets				
Cash and Cash Equivalents	\$18,392,076	\$5,647,665	\$24,039,741	\$32,334,049
Investments at Amortized Cost	13,323,916	17,005,167	30,329,083	28,804,428
Receivables (Net)	8,651,517	2,887,104	11,538,621	10,088,793
Due from Other Government Units	3,362,671	386,969	3,749,640	1,821,339
Notes Receivable	4,856,785	0	4,856,785	4,892,537
Inventories	353,770	213,245	567,015	788,837
Unamortized Debt Issue Cost	0	164,209	164,209	179,785
Restricted Assets:				
Cash and Cash Equivalents	202,070	2,369,728	2,571,798	2,539,210
Fiscal Agent	10,620	0	10,620	10,620
Capital Assets (Net of Accumulated Depreciation)				
Land	14,119,276	2,163,373	16,282,649	15,021,435
Buildings	31,481,171	37,877,088	69,358,259	71,310,187
Improvements Other Than Buildings	6,443,378	65,145,812	71,589,190	68,096,776
Machinery & Equipment	13,146,449	19,092,034	32,238,483	25,453,212
Construction in Process	26,764,854	10,049,919	36,814,773	34,216,370
Intangibles	0	115,659	115,659	115,659
Infrastructure	73,289,266	0	73,289,266	68,109,569
Total Capital Assets	165,244,394	134,443,885	299,688,279	282,323,208
Total Assets	\$214,397,819	\$163,117,972	\$377,515,791	\$363,782,806
Liabilities				
Accounts Payable and Other Current Liabilities	\$8,000,195	\$2,309,116	\$10,309,311	\$10,991,439
Accrued Liabilities	3,229,831	2,032,002	5,261,833	5,495,949
Due to Other Government Units	77,065	0	77,065	75,639
Liabilities Payable from Restricted Assets	290,005	0	290,005	173,510
Noncurrent Liabilities				
Special Assessment Debt w/Gov't Commitment	819,461	0	819,461	256,500
Due Within One Year	2,565,793	2,806,304	5,372,097	5,454,625
Due in More than One Year	41,999,553	32,227,019	74,226,572	75,376,002
Total Liabilities	56,981,903	39,374,441	96,356,344	97,823,664
Net Assets				
Invested in Capital Assets, Net of Related Debt	137,521,058	101,913,144	239,434,202	223,929,782
Restricted				
Debt Service	655,506	2,369,728	3,025,234	3,008,919
Capital Projects	1,705,766	0	1,705,766	2,241,478
Other Purposes	1,308,110	0	1,308,110	1,211,422
Notes Receivable	5,680,238	0	5,680,238	5,191,424
Unrestricted	10,545,238	19,460,659	30,005,897	30,376,117
Total Net Assets	\$157,415,916	\$123,743,531	\$281,159,447	\$265,959,142

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 1

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants & Cont's	Capital Grants & Cont's	Gov't Activities	Business Type Activities	Total	
							2010	2009
Governmental Activities								
General Government	\$8,512,171	\$3,749	\$0	\$0	(\$8,508,422)	\$0	(\$8,508,422)	(\$8,643,643)
Sec of Persons & Property	40,087,908	2,182,650	4,711,155	678,786	(32,515,317)	0	(32,515,317)	(32,882,361)
Physical Environment	828,164	1,544,311	0	455,325	1,171,472	0	1,171,472	(526,905)
Transportation	11,603,969	259,009	0	12,249,799	904,839	0	904,839	(6,662,837)
Economic Environment	5,669,859	1,719,358	3,151,755	965,802	167,056	0	167,056	(1,099,976)
Mental & Physical Health	87,223	0	0	0	(87,223)	0	(87,223)	(86,217)
Cultural & Recreational Env	7,471,397	2,099,641	118,455	1,140,702	(4,112,599)	0	(4,112,599)	(4,520,083)
Interest on Long-Term Debt	1,216,777	0	0	0	(1,216,777)	0	(1,216,777)	(1,004,163)
Total Governmental Activities	75,477,468	7,808,718	7,981,365	15,490,414	(44,196,971)	0	(44,196,971)	(55,426,185)
Business Type Activities								
Transit	8,364,910	934,833	1,886,709	2,428,488	0	(3,114,880)	(3,114,880)	(4,763,099)
Refuse	4,362,112	4,880,696	0	0	0	518,584	518,584	461,729
Wastewater	12,813,119	16,441,799	371,596	2,062,204	0	6,062,480	6,062,480	4,447,078
Water	5,654,159	7,058,159	10,986	347,420	0	1,762,406	1,762,406	1,846,811
Irrigation	1,810,985	2,710,887	0	0	0	899,902	899,902	913,580
Stormwater	1,239,620	1,975,814	140,474	154,765	0	1,031,433	1,031,433	797,180
Total Business Type Activities	34,244,905	34,002,188	2,409,765	4,992,877	0	7,159,925	7,159,925	3,703,279
Total	\$109,722,373	\$41,810,906	\$10,391,130	\$20,483,291	(44,196,971)	7,159,925	(37,037,046)	(51,722,906)
General Revenues								
Taxes								
Property Taxes					14,534,753	0	14,534,753	14,261,201
Sales and Use Taxes					17,920,306	4,485,313	22,405,619	22,299,960
Franchise and Utility Taxes					9,959,504	0	9,959,504	10,292,854
Excise Taxes					2,280,725	0	2,280,725	2,412,122
Penalties and Interest					980	0	980	5,155
State Entitlements					3,589,122	0	3,589,122	3,738,559
Unrestricted Investment Earnings					403,183	21,320	424,503	656,308
Miscellaneous					(64,261)	0	(64,261)	86,448
Gain/Loss on Sale of Capital Assets					(922,304)	(6,034)	(928,338)	(2,234,812)
Transfers					3,927,408	(3,892,673)	34,735	(13,000)
Total General Revenues, Transfers, Special Item, and Extraordinary Item					51,629,416	607,926	52,237,342	51,504,795
Change in Net Assets								
Net Assets - Beginning					7,432,445	7,767,851	15,200,296	(218,111)
Net Assets - Ending					149,983,462	115,975,677	265,959,139	266,177,249
					\$157,415,907	\$123,743,528	\$281,159,435	\$265,959,138

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 2

	#000	#124	Other	Total	
	General Fund	Community Development	Governmental Funds	Governmental Funds 2010	2009
Assets					
Cash & Equity in Pooled Investments	\$990,765	\$226,301	\$13,014,603	\$14,231,669	\$21,876,520
Deposits w/ Fiscal Agent/Trustee	202,070	0	0	202,070	173,510
Receivables					
Taxes	4,745,805	0	250,704	4,996,509	4,611,448
Accounts	1,550,315	532	344,474	1,895,321	1,761,921
Special Assessments	0	0	37,583	37,583	13,971
LID Assessments - Delinquent	0	0	23,657	23,657	24,669
LID Assessments - Deferred	0	0	799,796	799,796	274,218
Notes/Contracts	0	4,851,529	5,256	4,856,785	4,892,537
Interest/Penalties	90,976	0	0	90,976	100,694
Due from Other Funds	25,485	0	0	25,485	136,212
Due from Other Government Units	148,322	321,359	2,768,554	3,238,235	1,668,308
Inventories	66,928	0	0	66,928	56,999
Investments, at Amortized Cost	7,101,198	0	3,076	7,104,274	7,157,118
Total Assets	\$14,921,864	\$5,399,721	\$17,247,703	\$37,569,288	\$42,748,125
Liabilities & Fund Balances					
Liabilities					
Warrants/Accounts Payable	\$626,141	\$179,406	\$1,318,013	\$2,123,560	\$2,904,809
Wages/Benefits Payable	3,594,074	66,039	854,148	4,514,261	4,520,623
Contracts Payable	0	18,868	103,981	122,849	114,240
Due to Other Funds	0	0	25,485	25,485	136,212
Due to Other Government Units	69,040	0	8,025	77,065	75,639
Deposits Payable	149,047	0	386,119	535,166	555,949
Deferred Revenue	1,571,225	4,851,529	904,707	7,327,461	6,841,233
Custodial Accounts	202,070	0	87,935	290,005	173,510
Total Liabilities	6,211,597	5,115,842	3,688,413	15,015,852	15,322,215

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 2 of 2

	#000 General Fund	#124 Community Development	Other Governmental Funds	Total Governmental Funds	
				2010	2009
Fund Balances					
Reserved					
Inventory	66,928	0	0	66,928	56,999
Encumbrances	378,640	0	158,145	536,785	1,491,576
Continuing Appropriations	0	0	0	0	517,880
Debt Service	0	0	655,506	655,506	643,219
Endowment	0	0	592,099	592,099	578,511
Parking and Business Improvement	0	0	29,441	29,441	11,053
Unreserved					
General Fund	8,264,699	0	0	8,264,699	8,485,984
Special Revenue Funds	0	283,879	5,413,280	5,697,159	6,968,244
Capital Projects Funds	0	0	6,710,819	6,710,819	8,672,444
Total Fund Balances	<u>8,710,267</u>	<u>283,879</u>	<u>13,559,290</u>	<u>\$22,553,436</u>	<u>\$27,425,910</u>
Total Liabilities and Fund Balances	<u>\$14,921,864</u>	<u>\$5,399,721</u>	<u>\$17,247,703</u>		

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	156,467,981	143,501,016
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	7,327,461	6,841,233
Internal service funds are used by management to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in government activities in the statement of net assets.	16,583,521	16,340,115
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(45,384,807)	(43,982,181)
Accrued interest payable on General Obligation Debt	(131,677)	(142,631)
Net assets of governmental activities	<u>\$157,415,915</u>	<u>\$149,983,462</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 2

	#000	#124	Other	Total	
	General Fund	Community Development	Governmental Funds	Governmental Funds 2010	2009
Revenues					
Taxes and Special Assessments	\$37,801,077	\$0	\$10,472,541	\$48,273,618	\$48,256,304
Licenses and Permits	768,469	0	0	768,469	711,834
Intergovernmental Revenues	2,813,157	3,129,867	17,851,773	23,794,797	15,061,730
Charges for Services	4,917,224	850,086	1,457,771	7,225,081	6,418,701
Fines and Forfeits	1,658,467	0	34,310	1,692,777	1,631,593
Interest	403,183	30,293	97,239	530,715	753,172
Other Revenues	(64,261)	1,100	2,219,017	2,155,856	1,834,372
Total Revenues	48,297,316	4,011,346	32,132,651	84,441,313	74,667,706
Expenditures					
Current					
General Government	11,253,487	0	340,208	11,593,695	11,626,375
Security of Persons and Property	32,576,171	0	5,166,272	37,742,443	37,906,916
Physical Environment	1,250,939	0	245,460	1,496,399	1,652,817
Transportation	0	0	5,713,383	5,713,383	5,395,000
Economic Environment	784,452	3,697,053	1,176,968	5,658,473	4,778,389
Mental & Physical Health	87,223	0	0	87,223	86,217
Cultural & Recreational Environment	8,167	0	6,571,609	6,579,776	6,061,995
Capital Outlay					
General Government	61,052	0	793,518	854,570	507,653
Security of Persons and Property	0	0	1,944,940	1,944,940	1,054,601
Physical Environment	0	0	229,746	229,746	851,145
Transportation	0	401,717	9,253,183	9,654,900	4,396,229
Economic Environment	0	6,000	985,499	991,499	218,874
Cultural & Recreational Environment	0	0	5,635,982	5,635,982	3,613,463
Debt Service					
Principal Retirement	43,770	0	2,872,122	2,915,892	2,632,860
Interest	13,624	0	1,214,107	1,227,731	978,956
Total Expenditures	46,078,885	4,104,770	42,142,997	92,326,652	81,761,490
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	\$2,218,431	(\$93,424)	(\$10,010,346)	(\$7,885,339)	(\$7,093,784)

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2010

With comparative totals for December 31, 2009

Page 2 of 2

	#000	#124	Other	Total	
	General	Community	Governmental	Governmental Funds	
	Fund	Development	Funds	2010	2009
Other Financing Sources (Uses)					
Proceeds from Capital Lease Financing	\$51,000	\$0	\$98,288	\$149,288	\$0
Proceeds from L.T. Debt - G.O. Bonds	0	0	0	0	7,003,898
Proceeds from Intergovernmental Loans	0	0	1,690,451	1,690,451	600,000
Other Note Proceeds	0	0	864,092	864,092	0
Transfers In	40,000	0	5,258,714	5,298,714	6,139,059
Transfers (Out)	(2,412,206)	0	(2,536,449)	(4,948,655)	(5,425,735)
Intergovernmental Agreements	(39,095)	0	(58,427)	(97,522)	(39,095)
Sale of Capital Assets	0	0	0	0	10,125
Comp. for Loss of Gen. Capital Assets	0	0	46,567	46,567	81,575
Total Other Financing Sources (Uses)	(2,360,301)	0	5,363,236	3,002,935	8,369,827
Net Change in Fund Balances	(141,870)	(93,424)	(4,647,110)	(4,882,404)	1,276,043
Fund Balances - January 1	8,842,208	377,303	18,206,400	27,425,911	26,156,511
Change in Reserve for Inventory	9,929	0	0	9,929	(6,643)
Fund Balances - December 31	\$8,710,267	\$283,879	\$13,559,290	\$22,553,436	\$27,425,911

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 1

	<u>2010</u>	<u>2009</u>
Net change in fund balances as shown on Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance:	(\$4,882,404)	\$1,276,043
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	11,092,748	2,659,664
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and physical inventory adjustments) is to increase net assets.	1,874,212	(1,947,677)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	486,228	194,806
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.	212,061	(5,002,138)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds (compensated absences, OPEB, inventory).	(1,593,804)	(1,691,632)
Internal service funds are used by management to charge the costs of services to individual funds. The net revenue (expenses) of certain internal service funds is reported with governmental activities.	243,406	201,758
Change in net assets, as reflected on the Statement of Activities	<u>\$7,432,447</u>	<u>(\$4,309,176)</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND
BALANCES – BUDGET & ACTUAL – GENERAL FUND**

For the Year Ended December 31, 2010

Page 1 of 1

	— Budgeted Amounts —		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and Special Assessments	\$37,737,000	\$37,737,000	\$37,801,077	\$64,077
Licenses and Permits	689,000	689,000	768,469	79,469
Intergovernmental Revenues	2,946,408	2,967,279	2,813,157	(154,122)
Charges for Services	4,914,680	4,914,680	4,917,224	2,544
Fines and Forfeits	1,736,900	1,736,900	1,658,467	(78,433)
Interest	435,000	435,000	403,183	(31,817)
Other Revenues	59,450	76,294	(64,261)	(140,555)
Total Revenues	48,518,438	48,556,153	48,297,316	(258,837)
Expenditures				
Current				
General Government	11,881,694	12,010,235	11,253,487	756,748
Security of Persons and Property	33,290,796	33,321,920	32,576,171	745,749
Physical Environment	1,318,886	1,323,886	1,250,939	72,947
Economic Environment	826,484	834,849	784,452	50,397
Mental & Physical Health	88,021	88,021	87,223	798
Cultural & Recreational Environment	8,167	8,167	8,167	0
Capital Outlay				
General Government	15,001	15,001	61,052	(46,051)
Security of Persons and Property	0	164,610	0	164,610
Debt Service				
Principal Retirement	37,374	37,374	43,770	(6,396)
Interest	11,944	11,944	13,624	(1,680)
Total Expenditures	47,478,367	47,816,007	46,078,885	1,737,122
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	\$1,040,071	\$740,146	\$2,218,431	\$1,478,285
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	\$0	\$0	\$51,000	\$51,000
Transfers In	40,000	40,000	40,000	0
Transfers (Out)	(2,402,275)	(2,402,275)	(2,412,206)	(9,931)
Intergovernmental Agreements	(39,095)	(39,095)	(39,095)	0
Comp. for Loss of Gen. Capital Assets	1,000	1,000	0	(1,000)
Total Other Financing Sources (Uses)	(2,400,370)	(2,400,370)	(2,360,301)	40,069
Net Change in Fund Balances	(1,360,299)	(1,660,224)	(141,870)	1,518,354
Fund Balances - January 1				
Change in Reserve for Inventory	0	0	9,929	9,929
Fund Balances - December 31	\$2,968,250	\$2,668,325	\$8,710,267	\$6,041,942

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND
BALANCES – BUDGET & ACTUAL – COMMUNITY DEVELOPMENT FUND**

For the Year Ended December 31, 2010

Page 1 of 1

	— Budgeted Amounts —		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental Revenues	\$2,835,296	\$5,043,432	\$3,129,867	(\$1,913,565)
Charges for Services	476,000	476,000	850,086	374,086
Interest	28,150	28,150	30,293	2,143
Other Revenues	1,500	1,500	1,100	(400)
Total Revenues	3,340,946	5,549,082	4,011,346	(1,537,736)
Expenditures				
Current				
Economic Environment	3,497,430	5,205,566	3,697,053	1,508,513
Capital outlay				
Transportation	0	500,000	401,717	98,283
Economic Environment	0	0	6,000	(6,000)
Total Expenditures	3,497,430	5,705,566	4,104,770	1,600,796
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$156,484)	(\$156,484)	(\$93,424)	\$63,060
Net Change in Fund Balances	(\$156,484)	(\$156,484)	(\$93,424)	\$63,060
Fund Balances - January 1	550,848	550,848	377,303	(173,545)
Fund Balances - December 31	\$394,364	\$394,364	\$283,879	(\$110,485)

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

PROPRIETARY FUNDS

Proprietary Funds present information for each of the enterprise funds as well as a separate column for aggregate information for internal service funds. Please refer to the Basic Financial Statements, found at the beginning of this section.

Transit Funds (462 and 364) – Created on September 26, 1966, pursuant to the result of a special election on September 20, 1966, ratifying Ordinance 821, which proposed that the City of Yakima lease, operate and subsidize a City transit system. On October 1, 1970, the City assumed full management of the City transit system. The system is subsidized by a .3% sales tax which became effective in November 1980 by the vote of the citizens ratifying Ordinance 2469.

Wastewater and Water Funds (973 and 974) – Accounts for the provision of water and wastewater services to the residents of the City and other outside utility agreements. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, financing and related debt service, billing and collection.

Irrigation Utility Fund (975) – Established in 1998 to replace the Special Revenue Fund titled Irrigation. This fund is responsible for the operation, maintenance and reconstruction of the existing irrigation system.

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 4

	Business-Type Activities - Enterprise Funds		
	#462 & #364 Transit	#973 Wastewater	#974 Water
Assets			
Current Assets			
Cash & Equity in Pooled Investments	\$647,619	\$1,980,138	\$1,563,141
Deposits w/ Fiscal Agent/Trustee	0	0	0
Receivables:			
Accounts/Taxes (Net)	800,916	1,503,384	68,928
Interest/Penalties	0	0	0
Other Receivables	0	3,000	0
Due from Other Government Units	357,729	0	0
Inventories	0	0	213,245
Investments, at Amortized Cost	1,500,000	9,005,167	4,500,000
Total Current Assets	3,306,264	12,491,689	6,345,314
Noncurrent Assets			
Restricted Assets			
Cash	0	1,972,583	361,709
Land	1,307,989	583,270	173,614
Buildings	7,363,248	66,428,118	8,548,449
Other Improvements	171,664	46,491,764	41,343,959
Machinery & Equipment	10,992,966	15,888,613	2,841,858
Accumulated Depreciation	(8,455,178)	(60,587,519)	(22,811,715)
Construction in Progress	723,739	4,749,142	1,846,543
Intangibles	0	0	221,830
Unamortized Debt Issue Costs	0	111,125	15,484
Total Noncurrent Assets	12,104,428	75,637,096	32,541,731
Total Assets	\$15,410,692	\$88,128,785	\$38,887,045

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 2 of 4

Business-Type Activities - Enterprise Funds				Governmental Activities
#975	Other	Total		Internal
Irrigation	Enterprise	2010	2009	Service
	Funds			Funds
\$508,791	\$947,976	\$5,647,665	\$5,208,649	\$4,160,407
0	0	0	0	10,620
228,470	282,406	2,884,104	2,552,853	807,675
0	0	0	8,972	0
0	0	3,000	7,500	0
0	29,240	386,969	27,801	124,436
0	0	213,245	207,500	286,842
1,000,000	1,000,000	17,005,167	16,506,248	6,219,642
1,737,261	2,259,622	26,140,150	24,519,523	11,609,622
35,436	0	2,369,728	2,365,700	0
98,500	0	2,163,373	2,163,373	0
418,531	0	82,758,346	82,769,342	37,397
15,827,986	739,610	104,574,983	98,484,321	127,096
73,816	22,839	29,820,092	23,026,774	21,673,387
(3,254,126)	(36,125)	(95,144,663)	(90,207,017)	(13,061,468)
2,705,517	24,980	10,049,921	13,571,900	0
0	0	221,830	221,830	0
37,600	0	164,209	179,785	0
15,943,260	751,304	136,977,819	132,576,008	8,776,412
\$17,680,521	\$3,010,926	\$163,117,969	\$157,095,531	\$20,386,034

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

STATEMENT OF NET ASSETS PROPRIETARY FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 3 of 4

	Business-Type Activities - Enterprise Funds		
	#462 & #364 Transit	#973 Wastewater	#974 Water
Liabilities			
Current Liabilities			
Warrants/Accounts Payable	\$93,351	\$297,957	\$87,965
Wages/Benefits Payable	345,052	464,380	211,293
Compensated Absences Payable	355,976	610,983	194,978
Claims and Judgments Payable	0	0	0
Accrued Payables	0	157,764	20,445
Deposits Payable	6,100	189,323	74,241
Current Portion Long-term Debt	0	771,455	269,849
Restricted Payables			
Current Portion LT Debt	0	1,436,688	213,312
Total Current Liabilities	800,479	3,928,550	1,072,083
Noncurrent Liabilities:			
Bonds Payable	0	16,760,000	1,385,001
Unamortized Bond Discount/Premium	0	364,043	60,938
Deferred Amount On Debt Refunding	0	(39,029)	(39,703)
Loans Payable - Long Term	0	5,683,590	3,695,221
Total Noncurrent Liabilities	0	22,768,604	5,101,457
Total Liabilities	800,479	26,697,154	6,173,540
Net Assets			
Invested in Capital Assets, Net of Related Debt (as restated)	12,104,428	51,115,002	26,574,959
Restricted for Debt Service	0	1,972,583	361,709
Unrestricted	2,505,785	8,344,046	5,776,837
Total Net Assets	\$14,610,213	\$61,431,631	\$32,713,505

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 4 of 4

Business-Type Activities - Enterprise Funds				Governmental Activities
#975	Other	Total		Internal
Irrigation	Enterprise	2010	2009	Service
	Funds			Funds
\$460,765	\$98,259	\$1,038,297	\$974,175	\$510,996
59,773	190,321	1,270,819	1,197,417	316,212
60,868	224,557	1,447,362	1,377,553	278,734
0	0	0	0	2,696,571
68,418	0	246,627	257,424	0
0	68,349	338,013	208,339	0
0	0	1,041,304	1,064,843	0
115,000	0	1,765,000	1,705,000	0
<u>764,824</u>	<u>581,486</u>	<u>7,147,422</u>	<u>6,784,751</u>	<u>3,802,513</u>
4,465,000	0	22,610,001	24,375,000	0
(108,042)	0	316,939	360,495	0
0	0	(78,732)	(127,215)	0
0	0	9,378,811	9,726,823	0
<u>4,356,958</u>	<u>0</u>	<u>32,227,019</u>	<u>34,335,103</u>	<u>0</u>
5,121,782	581,486	39,374,441	41,119,854	3,802,513
11,367,448	751,304	101,913,141	98,161,348	8,776,412
35,436	0	2,369,728	2,365,700	0
1,155,855	1,678,136	19,460,659	15,448,629	7,807,109
<u>\$12,558,739</u>	<u>\$2,429,440</u>	<u>\$123,743,528</u>	<u>\$115,975,677</u>	<u>\$16,583,521</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET ASSETS – PROPRIETARY FUNDS

For the Year Ended December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 2

	Business-Type Activities - Enterprise Funds		
	#462 & #364 Transit	#973 Wastewater	#974 Water
Operating Revenues			
Charges for Services	\$934,833	\$16,422,039	\$6,991,486
Charges for Insurance	0	0	0
Employer Contributions	0	0	0
Employee Contributions	0	0	0
Other Operating Revenues	0	19,760	66,673
Total Operating Revenues	934,833	16,441,799	7,058,159
Operating Expenses			
Operations and Maintenance	6,437,679	6,903,965	2,109,466
Administration/Overhead	864,177	1,468,340	1,790,044
Taxes	0	2,862,802	1,489,170
Depreciation/Amortization	1,063,054	3,026,976	1,143,352
Other Benefits	0	0	0
Total Operating Expenses	8,364,910	14,262,083	6,532,032
Operating Income (Loss)	(7,430,077)	2,179,716	526,127
Non-Operating Revenues (Expenses)			
Operating Grants and Subsidies	6,372,022	0	0
Interest Revenue	7,515	5,613	3,664
Other Non-Operating Revenues	44,232	371,596	10,986
Interest Expenses	0	(697,078)	(96,480)
Amortization of Bond Payment Discount	0	(9,969)	(2,870)
Gain (Loss) on Capital Assets Disposition	(21,057)	17,128	(2,105)
Non-Operating Revenue Net of Expenses	6,402,712	(312,710)	(86,805)
Income (Loss) Before Contributions and Transfers	(1,027,365)	1,867,006	439,322
Capital Contributions	2,384,256	2,062,204	347,420
Transfers In	0	232,939	0
Transfers (Out)	0	(42,516)	(171,997)
Change in Net Assets	1,356,891	4,119,633	614,745
Total Net Assets - January 1	13,253,322	57,311,998	32,098,760
Total Net Assets - December 31	\$14,610,213	\$61,431,631	\$32,713,505

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET ASSETS – PROPRIETARY FUNDS

For the Year Ended December 31, 2010

With comparative totals for December 31, 2009

Page 2 of 2

Business-Type Activities - Enterprise Funds				Governmental Activities
#975	Other	Total		Internal
Irrigation	Enterprise	2010	2009	Service
	Funds			Funds
\$2,707,544	\$6,853,007	\$33,908,909	\$32,953,808	\$6,128,723
0	0	0	0	2,620,092
0	0	0	0	9,628,571
0	0	0	0	1,631,456
3,343	3,503	93,279	22,918	1,135
<u>2,710,887</u>	<u>6,856,510</u>	<u>34,002,188</u>	<u>32,976,726</u>	<u>20,009,977</u>
1,110,741	5,275,810	21,837,661	20,853,524	6,945,274
217,678	673,172	5,013,411	5,106,355	2,716,006
50,757	81,025	4,483,754	4,317,145	0
217,616	15,840	5,466,838	5,049,990	1,401,377
0	0	0	0	9,932,305
<u>1,596,792</u>	<u>6,045,847</u>	<u>36,801,664</u>	<u>35,327,014</u>	<u>20,994,962</u>
<u>1,114,095</u>	<u>810,663</u>	<u>(2,799,476)</u>	<u>(2,350,288)</u>	<u>(984,985)</u>
0	140,474	6,512,496	6,474,678	0
4,528	0	21,320	100,232	267,756
0	0	426,814	51,649	952,175
(206,528)	0	(1,000,086)	(1,080,122)	0
(7,665)	0	(20,504)	(20,504)	0
0	0	(6,034)	(17,282)	(12,900)
<u>(209,665)</u>	<u>140,474</u>	<u>5,934,006</u>	<u>5,508,651</u>	<u>1,207,031</u>
904,430	951,137	3,134,530	3,158,363	222,046
0	154,765	4,948,645	1,659,026	21,360
0	0	232,939	417,939	0
<u>(93,750)</u>	<u>(240,000)</u>	<u>(548,263)</u>	<u>(1,144,263)</u>	<u>0</u>
<u>810,680</u>	<u>865,902</u>	<u>7,767,851</u>	<u>4,091,065</u>	<u>243,406</u>
<u>11,748,059</u>	<u>1,563,538</u>	<u>115,975,677</u>	<u>111,884,612</u>	<u>16,340,115</u>
<u>\$12,558,739</u>	<u>\$2,429,440</u>	<u>\$123,743,528</u>	<u>\$115,975,677</u>	<u>\$16,583,521</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 4

	Business-Type Activities - Enterprise Funds		
	#462 & #364 Transit	#973 Wastewater	#974 Water
Cash Flows from Operating Activities			
Cash Received from Customers	\$934,833	\$16,361,146	\$6,820,172
Contributions Received - Employer and Employee			
Cash Paid to Suppliers for Goods and Services	(3,648,324)	(4,359,388)	(2,138,007)
Cash Paid for Salaries and Benefits	(3,610,751)	(4,644,005)	(2,270,396)
Other Operating Revenues Collected	0	19,760	66,673
Cash Paid to Claimants and Beneficiaries			
Cash Paid in Lieu of Taxes	0	(2,156,011)	(977,223)
Net Cash Provided by Operating Activities	(6,324,242)	5,221,502	1,501,219
Cash Flows from Noncapital Financing Activities			
Sales Tax Received	4,487,856	0	0
Operating Grants Received	1,940,038	0	0
Net Cash Provided by Noncapital Financing Activities	6,427,894	0	0
Cash Flows from Capital Financing Activities			
Proceeds from Public Works Trust/SIED Loan/Revenue Bonds	0	115,350	564,300
Cash Received for Debt Service from Other Governments	0	365,895	0
Cash Received from Disposal of Capital Assets	12,492	17,128	0
Cash Contributions in Aid of Construction	44,232	844,344	238,400
Principal Paid on Revenue Bonds	0	(1,383,749)	(206,250)
Principal Paid on Public Works Trust/SIED Loan	0	(776,921)	(274,281)
Capital Expenditures Paid	(2,201,087)	(3,123,278)	(812,170)
Interest and Other Debt Service Paid	0	(706,092)	(97,107)
Capital Grants Received	2,001,000	0	0
Other Non-Operating Capital Revenue	0	5,701	0
Transfer In	0	232,939	0
Transfer Out	0	(42,516)	(171,997)
Net Cash Used for Capital Financing Activities	(143,363)	(4,451,199)	(759,105)

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended December 31, 2010

With comparative totals for December 31, 2009

Page 2 of 4

Business-Type Activities - Enterprise Funds				Governmental Activities
#975	Other	Total		Internal
Irrigation	Enterprise	2010	2009	Service
	Funds			Funds
\$2,685,816	\$6,921,811	\$33,723,778	\$33,223,551	\$6,287,190
(709,427)	(3,630,490)	(14,485,636)	(15,346,402)	13,697,659
(651,395)	(1,906,354)	(13,082,901)	(12,502,537)	(7,152,996)
3,343	0	89,776	22,918	(2,259,888)
				0
				(10,374,920)
0	(444,115)	(3,577,349)	(3,474,759)	0
1,328,337	940,852	2,667,668	1,922,771	197,045
0	111,234	4,599,090	6,524,082	0
0	0	1,940,038	0	898,188
0	111,234	6,539,128	6,524,082	898,188
0	0	679,650	1,130,740	0
0	0	365,895	18,790	0
0	0	29,620	3,527	22,696
0	0	1,126,976	1,127,752	0
(115,000)	0	(1,704,999)	(1,644,999)	0
0	0	(1,051,202)	(980,994)	0
(2,143,314)	(141,709)	(8,421,558)	(8,855,541)	(1,395,578)
(207,684)	0	(1,010,883)	(1,090,348)	0
0	0	2,001,000	551,191	0
0	0	5,701	16,687	0
0	0	232,939	417,939	0
(93,750)	(240,000)	(548,263)	(1,144,263)	0
(2,559,748)	(381,709)	(8,295,124)	(10,449,519)	(1,372,882)

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended December 31, 2010

With comparative totals for December 31, 2009

Page 3 of 4

	Business-Type Activities - Enterprise Funds		
	#462 & #364 Transit	#973 Wastewater	#974 Water
Cash Flows from Investing Activities			
Proceeds from Sale of Investment Securities	0	0	0
Interest Received on Investments	7,515	5,613	3,664
Purchase of Investment Securities	0	(498,919)	(500,000)
Net Cash Provided by Investing Activities	7,515	(493,306)	(496,336)
Net Increase (Decrease) in Cash and Cash Equivalents	(32,196)	276,997	245,778
Cash and Cash Equivalents at Beginning of Year	679,816	3,675,724	1,679,072
Cash and Cash Equivalents at End of Year	\$647,620	\$3,952,721	\$1,924,850
Cash at the End of the Year			
Operating Fund Cash	\$647,619	\$1,980,138	\$1,563,141
Revenue Bond Reserve Account Cash	0	1,867,834	347,486
Revenue Bond Redemption Account Cash	0	104,749	14,223
Total Cash at the End of the Year	\$647,619	\$3,952,721	\$1,924,850
Reconciliation of Net Operating Income (Loss) to Net Cash			
Provided (Used) by Operating Activities			
Net Operating Income (Loss)	(\$7,430,077)	\$2,179,716	\$526,127
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	1,063,054	3,026,976	1,143,352
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	0	(147,092)	(230,232)
Increase (Decrease) in Allowance for Uncollectibles	0	86,199	58,918
(Increase) Decrease in Inventory	0	0	(5,745)
Increase (Decrease) in Warrants/Accounts Payable	14,955	20,202	2,365
Increase (Decrease) in Wages/Benefits Payable	15,594	32,694	1,824
Increase (Decrease) in Compensated Absences Payable	12,232	22,807	4,610
Increase (Decrease) in Claims and Judgments Payable	0	0	0
Total Adjustments	1,105,835	3,041,786	975,092
Net Cash Provided by Operating Activities	(\$6,324,242)	\$5,221,502	\$1,501,219
Schedule of Noncash Capital and Related Financing Activities			
Capital Assets Acquired by Noncash Contributions	\$0	\$1,217,870	\$109,020

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended December 31, 2010

With comparative totals for December 31, 2009

Page 4 of 4

Business-Type Activities - Enterprise Funds				Governmental Activities
#975	Other	Total		Internal
Irrigation	Enterprise	2010	2009	Service
	Funds			Funds
1,000,000	0	1,000,000	6,000,996	3,641,062
13,500	0	30,292	100,232	267,756
0	(500,000)	(1,498,919)	(10,500,000)	(4,719,642)
1,013,500	(500,000)	(468,627)	(4,398,772)	(810,824)
(217,911)	170,377	443,045	(6,401,438)	(1,088,473)
762,138	777,599	7,574,349	13,975,787	5,248,880
<u>\$544,227</u>	<u>\$947,976</u>	<u>\$8,017,394</u>	<u>\$7,574,349</u>	<u>\$4,160,407</u>
\$508,791	\$947,976	\$5,647,665	\$5,208,649	\$4,160,407
0	0	2,215,320	2,211,720	0
35,436	0	154,408	153,980	0
<u>\$544,227</u>	<u>\$947,976</u>	<u>\$8,017,393</u>	<u>\$7,574,349</u>	<u>\$4,160,407</u>
\$1,114,095	\$810,663	(\$2,799,476)	(\$2,350,288)	(\$984,985)
217,616	15,840	5,466,838	5,049,990	1,401,377
(23,384)	65,301	(335,407)	272,897	(25,128)
1,656	0	146,773	(3,154)	0
0	0	(5,745)	(6,361)	237,496
470	13,482	51,474	(1,159,032)	(119,398)
6,832	16,458	73,402	71,779	108,140
11,052	19,108	69,809	46,940	22,158
0	0	0	0	(442,615)
214,242	130,189	5,467,144	4,273,059	1,182,030
<u>\$1,328,337</u>	<u>\$940,852</u>	<u>\$2,667,668</u>	<u>\$1,922,771</u>	<u>\$197,045</u>
\$0	\$154,765	\$1,481,655	\$164,255	\$21,360

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

STATEMENT OF NET ASSETS
FIDUCIARY FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 1

	— Firemen's Relief and Pension —	
	<u>2010</u>	<u>2009</u>
Assets		
Cash & Equity in Pooled Investments	\$777,662	\$746,911
Liabilities		
Warrants/Accounts Payable	3,313	988
Net Assets		
Held in Trust for Pension Benefits and Other Purposes	<u>\$774,349</u>	<u>\$745,923</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

STATEMENT OF CHANGES IN FUND NET ASSETS
FIDUCIARY FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 1

	— Firemen's Relief and Pension —	
	<u>2010</u>	<u>2009</u>
Additions		
Employer Contributions	\$1,573,935	\$1,482,075
Interest Revenue	2,000	3,000
Total Additions	<u>1,575,935</u>	<u>1,485,075</u>
Deductions		
Administration/Overhead	40,808	71,911
Pension Benefits	721,576	771,018
Other Benefits	785,125	724,854
Total Deductions	<u>1,547,509</u>	<u>1,567,783</u>
Change in Net Assets	<u>28,426</u>	<u>(82,708)</u>
Total Net Assets, January 1	<u>745,923</u>	<u>828,631</u>
Total Net Assets, December 31	<u><u>\$774,349</u></u>	<u><u>\$745,923</u></u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Year ended December 31, 2010

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NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Yakima, Washington, conform to Generally Accepted Accounting Principles (GAAP) as applicable to governmental units. The City has adopted the pronouncements of the Governmental Accounting Standards Board (GASB) which is the accepted standard setting body for establishing governmental accounting and financial reporting principles nationally. The following is a summary of the more significant policies. The policies should be reviewed as an integral part of the financial statements and are presented to assist the reader in interpreting the financial statements and other data in this report.

REPORTING ENTITY

The City of Yakima was incorporated in 1886 and operates under a Council/Manager form of government with a full-time City Manager. The City of Yakima provides a full range of municipal services, which include: police, fire, engineering, parks, cemetery, street, and administrative services. Included in the City's Enterprise Fund financial reports are: water, irrigation, sanitary wastewater, solid waste, stormwater and transit. The Yakima Air Terminal is operated under a joint venture agreement with Yakima County (see Note 10).

The City's financial statements include all funds, agencies and boards which are financially accountable to the City. Financial accountability is manifest when the primary government appoints the majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board. An organization is fiscally dependent if it is unable to determine its budget without another government having the substantive authority to approve or modify the budget, to levy taxes or set rates or charges without substantive approval by another government, or to issue bonded debt without substantive approval by another government. Applying these criteria, the primary government consists solely of the legal entity of the City.

Related Organization – The City's officials are also responsible for appointing the members of the boards of another organization, but the City's accountability for this organization does not extend beyond making the appointments.

Yakima Housing Authority – The Yakima Housing Authority was created by Resolution No. D-1575, in 1971, and, under certain conditions, can be dissolved by the City. Yet, it is an independent entity with distinct governmental character and organization. The City of Yakima created the Housing Authority per Washington State Revised Code Chapter 35.82 which provides that liabilities incurred by the Housing Authority will be satisfied from its assets, and that no person shall have any right of action against the City on account of its debts, obligations, and liabilities, except for a Contingent Loan Agreement dated October 1, 1998, for a single bond issue of \$2.6 million.

Yakima Regional Public Facilities District – Although a separate legal entity, the City has elected to account for the operations of the Public Facilities District, as a blended component unit, in two Nonmajor Special

Revenue Funds. The cities of Yakima, Selah and Union Gap originally formed a Public Facilities District (PFD) for the purpose of expanding the Yakima Convention Center and in 2008 added expansion of the Capitol Theatre. The City appoints a majority of the board members and must approve the annual budget. The financial agreement stipulates that all revenue derived by the PFD (primarily two separate state sales tax credits) be transferred to the City and the City will use these funds for the applicable project debt service and operations, and reimbursement of administrative costs of the PFD.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements consist of the statement of net assets and the statement of activities. These statements report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City's policy is to allocate indirect costs to individual functions, if they are non-tax supported.

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; 2) fines and forfeitures; and 3) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Under this measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All governmental fund financial statements are reported 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Certain charges for service, sales based taxes, and interest associated within the current period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the

portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Grants are considered measurable and available to the extent that expenditures have been made. Other intergovernmental revenues are considered measurable and available when earned. Other revenues such as state shared revenue, licenses, fines and fees are not considered susceptible to accrual since they are not generally measurable until received. Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City of Yakima reports the following major governmental funds:

- The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Community Development Fund** accounts for the Office of Neighborhood Development, which is the focus of the City's effort to improve economic opportunities and housing conditions in Yakima. Federal Housing and Urban Development grants are the major revenue source for this program.

The City reports the following enterprise funds as major funds:

- The **Transit Fund** accounts for the operation of the City Transit System, funded primarily by 0.3% sales tax, federal grants and fares.
- The **Water and Wastewater Funds** account for the provision of water and wastewater services to the residents of the City and other outside utility agreements.
- The **Irrigation Utility Fund** is responsible for the operation, maintenance and reconstruction of the existing irrigation system.

Additionally, the government reports the following fund types:

- **Internal Service Funds** account for fleet management services, liability insurance, employee benefit reserves, and public works administration services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.
- **Pension Trust Funds** are used to account for the operations of trust established for employee retirement benefits. They are accounted for in essentially the same manner as proprietary funds because of the need for determining the periodic income of the trust.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Boards. Governments also have the option of the following subsequent private sector guidance for their business type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds' principal ongoing operations. The principal operating revenues of the water, wastewater, refuse, stormwater and irrigation enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

ASSETS, LIABILITIES AND EQUITIES

Cash and Investments

Cash and investments are managed under the guidance of the City's Investment Policy modified by Resolution No. R-2009-50 of the City Council. The policy was based on the Model Investment Policy prepared by the Association of Public Treasurers of the United States and Canada and applies to all financial assets of the City of Yakima.

Investments are made using the "prudent person" standard with primary objectives being safety of principal, liquidity enabling the City to meet all operating requirements and a return on investment objective of attaining a market rate of return through budgetary and economic cycles.

- Investments of City funds except those of the Firemen's Relief and Pension Fund are limited to:
 - Investment deposits, including certificates of deposit with qualified public depositories as defined in Chapter 39.58 Revised Code of Washington.
 - Certificates, notes or bonds of the United States, or other obligations of the United States, or its agencies, or of any corporation wholly owned by the government of the United States (such as the Government National Mortgage Association).
 - Obligations of government sponsored corporations which are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System. (These include but are not limited to Federal Home Loan Bank notes and bonds, Federal Farm Credit Bank consolidated notes and bonds, Federal National Mortgage Association notes, debentures, and guaranteed certificates of participation).
 - Bankers Acceptances and Commercial Paper purchased on the secondary market.
 - Washington State Local Government Investment Pool.
 - General obligation bonds of any state or local government in the United States and revenue bonds from jurisdictions in Washington state having a long-term credit rating of no less than A3 as rated by Moody's or A- by Standard and Poor's.
- Repurchase and reverse repurchase agreements are excluded as eligible investments.
- Resources of the Firemen's Relief and Pension Fund may be invested in high quality corporate bonds in addition to instruments listed above.
- The City purchases investments from SEC registered security broker- dealers and banks having offices within Washington State.

The City's Treasury Services Officer, under the direction of the Director of Finance and Budget, invests or deposits all temporary cash. These investments and time deposits do not result in reductions to the cash balances of the various funds and are considered to be cash equivalents to the funds under the definition promulgated in GASB Statement #31, which states that investments purchased within thirty days of maturity are considered to be cash equivalents. These amounts are reported on the Combined Balance Sheet as part of "Cash and Cash Equivalents."

Receivables

Taxes receivable consists of property and other taxes including related interest and penalties (See Note 4 – Receivables). Accrued interest receivable consists of amounts earned on investments, notes, and contracts as of year-end.

Special assessments are recorded when levied. Special assessments receivable consists of current and delinquent assessments. Deferred assessments consist of unbilled special assessments that are liens against the property benefited. Customer accounts receivable consists of amounts due from private individuals or organizations for goods and services. Notes and contracts receivable consists of amounts owed on open account from private individuals or organizations for goods and services rendered. The major component of the notes receivable category is in the Community Development fund and represents a revolving home ownership assistance program.

Amounts Due To and From Other Funds; Interfund Loans and Advances Receivable

These accounts include all interfund receivables and payables. A separate schedule of interfund loans receivable and payable is furnished in Note 4 – Interfund Receivables. Long-term interfund loans are separately identified as “Advances” – at December 31, 2010, there were no interfund advances.

Amounts Due To and From Other Governmental Units

These accounts include amounts due to or from other governments for grants, entitlements, temporary loans, taxes and charges for services, except amounts billed for utility usage which is included in customer receivables.

Inventories

Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. The reserve for inventory is equal to the ending amount of inventory to indicate that a portion of the fund balance is not available for future expenditure.

Inventories in the General Fund, Enterprise Funds and Internal Service Funds are valued at cost on a moving average method.

Restricted Assets and Liabilities

These accounts contain resources for debt service reserve/redemption in the enterprise funds. The current portion of related liabilities is shown as Payables from Restricted Assets. Specific debt service reserve requirements are described in Note 7.

Capital Assets (See Note 4 – Capital Assets)

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business type columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Infrastructure assets are long lived assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure include roads, bridges, drainage systems, water and wastewater systems, and lighting systems.

When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of the capital assets of business type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

Buildings	25 - 40 Years
Improvements Other than Buildings	7 - 50 Years
Utility Plant	33 - 50 Years
Equipment	2 - 25 Years
Intangibles (Organization Costs and Goodwill)	75 - 100 Years
Infrastructure	15 - 50 Years

Custodial Accounts

These accounts reflect the liability for net monetary assets being held by the City in its trustee or agency capacity.

Accrued Liabilities

Other accrued liabilities include primarily interest payable on long-term debt, Public Works Trust Loans and small miscellaneous payables not classified in other categories in Enterprise Funds.

Deferred Revenues

This account includes amounts recognized as receivables but not as revenue in governmental funds because the revenue recognition criteria have not been met. (See Note 1 – Measurement Focus)

Noncurrent Liabilities

Noncurrent liabilities include long-term debt, compensated absences and the cumulative unfinanced liability related to post employment benefits. For additional information on long-term debt see Note 7.

Long-Term Obligations – In the government-wide financial statements, and proprietary fund types in the fund financial statements, 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 issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related 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 bond proceeds, net of premiums, discounts and issuance costs are reported as “other financing sources”.

Compensated Absences – Contracts with employees call for the accumulation of vacation and sick leave. At termination of employment, employees may receive cash payment for all accumulated vacation up to a certain number of hours and a percentage of sick leave, depending on employee group. The payment is based on current wage at termination.

The amounts of unpaid vacation and sick leave accumulated by City employees are accrued as expenses when incurred in proprietary funds, which use the accrual basis of accounting. In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. The City uses the last-in, first-out method of recognizing the hours used of compensated absences. Employees are charged for the last day of vacation or sick leave earned when the leave is used. Thus, unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued. Therefore, the entire unpaid liability for the governmental funds is a reconciling item between the fund and government-wide presentations.

Fund Equity

Fund equity is recognized as fund balance in governmental fund types and as net assets in proprietary fund types. Certain fund equity may be reserved for a specific future use or to denote unavailability for current operations. Designations of fund balance represent tentative management plans that are subject to change. Unless otherwise noted, fund balances and retained earnings (deficits) are unreserved and undesignated.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET
 The governmental fund balance sheet includes reconciliation between *fund balance – total government funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$45,384,807 difference are as follows:

Bonds Payable	\$24,880,686
Intergovernmental Loans	2,774,138
Contractual Agreements - Yakima County	172,271
Special Assessments - Note	819,461
Lease Purchase Agreements	132,466
Unfinanced Pension/OPEB Liability	10,285,595
Compensated Absences	<u>6,320,190</u>
 <i>Note Adjustments to reduce fund balance - Total Governmental funds to arrive at net assets - governmental activities</i>	 <u><u>\$45,384,807</u></u>

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENTS
 The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$11,092,748 difference are as follows:

Capital Outlay	\$19,311,637
Depreciation Expense	<u>(8,218,889)</u>
<i>Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities</i>	<u><u>\$11,092,748</u></u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and physical inventory adjustments) is to increase net assets.” The details of this \$1,874,212 difference are as follows:

In the statement of activities, only gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in the fund balance by the cost of the capital assets sold.	(968,871)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>2,843,083</u>
<i>Net adjustment to increase/(decrease) net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities</i>	<u><u>\$1,874,212</u></u>

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.” The details of this \$212,061 difference are as follows:

Debt Issued	
Intergovernmental Loan	(\$1,690,451)
Special Assessment Notes	(864,093)
Lease Purchase Agreements	(149,288)
Principal Repayments	
General Obligation Debt	2,098,125
Intergovernmental Loans	417,221
Contractual Agreement - Yakima County	72,535
Special Assessment Notes	301,132
Lease Purchase Agreements	<u>26,880</u>
<i>Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities</i>	<u><u>\$212,061</u></u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this (\$1,593,804) difference are as follows:

Compensated Absences	(\$164,093)
Change in Unfunded Pension Liability	59,869
Change in Other Post Employment Benefit Liability	(1,510,463)
Change in Reserve for Inventory	9,929
Accrued Interest Payable	<u>10,954</u>

Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities (\$1,593,804)

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETS AND BUDGETARY ACCOUNTING

Scope of Budget

The City Council annually approves the City’s operating budget. The operating budget is designed to allocate annually available resources among the City’s services and programs and to provide for associated financing decisions.

Annual appropriated budgets are adopted on the modified accrual basis of accounting. For governmental funds, there are no differences between budgetary basis and generally accepted accounting principles. Budgetary accounts are integrated in fund ledgers for all budgeted funds, but the financial statements include budgetary comparisons for the General Fund and Special Revenue Funds only. Budgets for debt service and capital projects are adopted at the level of the individual debt issue or project and for fiscal periods that correspond to the lines of debt issues or projects. Budgetary comparisons for proprietary funds, although not legally required, may be requested from the Department of Finance and Budget.

Annual appropriated budgets are adopted at the fund level. Subsidiary revenue and expenditure ledgers are used to compare the budgeted amounts with actual revenues and expenditures. As a management control device, the subsidiary ledgers monitor expenditures for individual functions and activities by object class.

Appropriations for general and special revenue funds lapse at year end.

Procedures for Adopting the Original Budget

The City’s budget procedures are mandated by Washington State Law. The steps in the budget process are as follows:

1. Prior to November 1, the City Manager submits a proposed budget to the City Council. This budget is based on priorities established by the Council and estimates provided by City departments during the preceding months and balanced with revenue estimates.
2. The Council conducts public hearings on the proposed budget in November to obtain taxpayer comments.
3. During mid-December, the budget is legally enacted through passage of an ordinance.

Amending the Budget

The City Manager is authorized to transfer budgeted appropriations between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of permanently authorized employee positions, salary ranges, or other conditions of employment must be approved by the City Council.

When the City Council determines that it is in the best interest of the City to increase or decrease the appropriation for a particular fund, it may do so by an ordinance approved by a one more than simple majority of those council members present after holding two public hearings.

The budget amounts shown in the financial statements represent the original adopted budget and all supplemental appropriations. City-wide, supplemental appropriations totaled \$12.3 million. The principal amendments were to reappropriate 2010 outstanding encumbrances in the amount of \$4.7 million and nonlapsing appropriations for various projects in capital funds (Arterial Street, Capital Theatre Construction, Public Works Trust Construction, REET 2 Capital Fund, and Wastewater Facilities) in the amount of \$6.5 million.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. The City reappropriates outstanding encumbrances in the subsequent year.

FUND EQUITY

Deficit Fund Equities

Temporary deficits of the Local Improvement Construction Fund arise because long-term financing has not been issued. During the construction phase, the Local Improvement District issues warrants, which accrue interest and are held as an investment internally, shown on the balance sheet as Warrants Payable, result in a deficit fund balance. When the LID is completed, bonds or notes are issued and the Warrants Outstanding are redeemed, eliminating the deficit.

Designated Fund Balances

This category is used to set aside governmental fund balances when city management has plans or tentative commitments to expend resources for certain purposes in future periods. Further legal action will be required to authorize the actual expenditures. Special Revenue Funds have a designated fund balance of \$381,765 for the Capitol Theatre Reserve Fund for modifications to the Capitol Theatre. The Capital Project Funds have a designated fund balance of \$895,506 for replacement of equipment and other capital improvements.

Reserved Fund Balance in Permanent Funds

The reserve of \$592,099 in the Cemetery Trust Fund represents a portion of the amounts paid for cemetery plots. Provisions of these sales require \$120 of the sales price be held in trust and that the income on the investment of these amounts be used to maintain the plots. The Reserve for Endowments represents an endowment for cemetery beautification. The provisions of the endowment stipulate that income from the endowment be used only for grounds improvements.

Fiduciary Fund Net Assets

The Firemen's Relief and Pension Fund has Net Assets held in Trust for Pension Benefits and other purposes of \$774,349 which represents the accumulated contributions made by the government through property taxes (see Note 4) plus interest earnings and state fire insurance premium tax proceeds.

NOTE 4 – DETAILED NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

In its 2005 Notes to the Financial Statements, the City of Yakima implemented GASB Statement No. 40, Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3, issued in March 2003. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2004. This statement addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. The City holds no such investments as of the Statement of Net Assets date.

As required by state law, all deposits and investments of the City’s funds are direct or indirect obligations of the U.S. Government, high quality Municipal Bonds, Bankers’ Acceptances, high quality Commercial Paper or deposits with Washington State banks and savings and loan institutions or the Washington State Local Government Investment Pool. Investments of trust funds are not subject to the preceding limitations.

Deposits

The City of Yakima maintains deposit relationships with several Washington State commercial banks and savings and loan institutions.

The Public Deposit Protection Commission of the State of Washington (PDPC) covers all deposits not covered by the Federal Depository Insurance Corporation (FDIC). The PDPC is a statutory authority established under RCW 39.58. It constitutes a multiple financial institution collateral pool that insures public deposits. In such a pool, a group of financial institutions holding public funds pledge collateral to a common pool. The PDPC provides protection by maintaining strict standards as to the amount of public deposits financial institutions can accept, and by monitoring the financial condition of all public depositories and optimizing collateralization requirements. The City’s agent in the name of the City holds all deposits.

The City of Yakima had the following bank balances on hand on December 31, 2010:

Banks and Savings and Loan Institution	\$9,176,239
Petty Cash and Other Imprest Funds	14,955
Local Government Investment Pool (LGIP)	<u>18,562,076</u>
<i>Total</i>	<u><u>\$27,753,270</u></u>

Custodial Credit Risk: Deposits – The custodial credit risk for deposits is the risk that, in the event of a depository financial institution failure, the City’s deposits with banks and savings and loan associations may not be recovered. Because of the PDPC, the City’s deposits are not subject to this risk.

The LGIP is an unrated 2a7 like pool, as defined by GASB 31. Accordingly, participants’ balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 90 days. Per GASB 40 guidelines, the balances are also not subject to custodial credit risk. The credit risk of the LGIP is limited as most investments are either obligations of the US government, government sponsored enterprises, or insured demand deposit accounts and certificates of deposit. Investments or deposits held by the LGIP are all classified as category 1 risk level investments. They are either insured or held by a third-party custody provider in the LGIP’s name.

Foreign Currency Risk: Deposits – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The City of Yakima does not participate in making deposits or investments that are exposed to this type of risk.

Investments

As of December 31, 2010, the City of Yakima had the following investments:

INVESTMENT PORTFOLIO

Investment Types	Carrying Value	Fair Value	Weighted Average Final Maturity
Federal Agency Coupon Securities	\$8,655	\$8,600	4,990
Federal Agency Callable Securities	29,503,928	29,268,953	1,229
Local Assessment Notes	816,500	816,500	n/a
Total Portfolio	\$30,329,083	\$30,094,053	

Note – Investments are reported at Carrying Value on the Statement of Net Assets as the difference between Carrying Value and Fair Value is considered immaterial.

Interest Rate Risk

In accordance with its adopted investment policy, the City manages its exposure to declines in fair value due to rising interest rates by limiting the weighted average maturity of its cash and security portfolio as a whole to not more than 2.5 years, and has a five-year maximum investment limitation. When cash and the LGIP are included in the weighted average days to final maturity calculation of 1,229, the average drops to under two years. Additionally, the City does not use derivatives, pass through obligations or other extremely interest rate sensitive instruments in its portfolio. Weighted average maturity on callable securities is calculated using the final maturity date rather than the call date for conservatism.

INVESTMENT MANAGEMENT

Investment Types	Carrying Value	Fair Value	Less Than 1 Year	1 - 2 Years	2 - 5 Years
Federal Agency Coupon Securities	\$8,655	\$8,600	n/a	n/a	n/a
Federal Agency Callable Securities	29,503,928	29,268,953	\$1,045,000	\$1,000,000	\$27,458,928
Local Assessment Notes ⁽¹⁾	816,500	816,500	n/a	n/a	n/a
Total Portfolio	\$30,329,083	\$30,094,053	\$1,045,000	\$1,000,000	\$27,458,928

(1) Represents 10-year LID Notes the City is holding. All other investments in this category are under five-year final maturity. Callable securities are stated at their final maturity.

Credit Risk

State law, under RCW sections 35.39 and 39.59, limits investments that a Washington class 1 City may hold to: (1) Direct and Indirect obligations of the US Government, (2) high quality Municipal Bonds of Washington State or Cities and Towns within the State, (3) high quality General Obligation bonds of another State or City, by Washington Administrative Code permission, not in the RCW's, (4) Bankers Acceptances and high quality Commercial Paper as long as they hold one of the 2 highest Credit ratings issued by at least two nationally recognized rating agencies, and the (4) State Treasurer's LGIP. The LGIP is a 2a7 like pool, and investments in the pool are reported at the share price of 100% of dollars invested. The City's own adopted Investment Policy adheres to the RCW's and also allows for investment in high quality Commercial Paper, Banker's Acceptances and the LGIP (see Deposit Note for information on the LGIP).

Custodial Credit Risk

The City's investment Policy does not include Repurchase, Reverse – Repurchase agreements or securities lending as allowable investment activity; therefore no custodial credit risk exists. All investments are held in the City's name by a third party custodian through a Trust Agreement, and are considered Category 1 investments, with the exception of the LGIP and LID Notes (see Deposit note for custodial risk details).

PROPERTY TAXES

The County Treasurer acts as an agent to collect property taxes levied within the county for all taxing authorities. Collections are distributed after the end of each month, on the tenth day of the following month.

PROPERTY TAX CALENDAR

January 1	Taxes are levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property is established for next year's levy at 100% of market value.
October 31	Second installment is due.

During the year, property tax revenues are recognized when cash is collected. At year-end, property tax revenues are recognized for collections in the hands of the County Treasurer at December 31st. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectable.

The City is permitted by law to levy up to \$3.60 per \$1,000 of assessed valuation for general government services, less a maximum levy of \$.50/\$1,000 for the Library District, beginning in 2007. This amount may be reduced for either of the following reasons:

- The Washington State Constitution limits total regular property tax levies to one-percent of assessed valuation or \$10 per \$1,000 of value. If the tax levies of all districts exceed this amount, each is proportionately reduced until the total is at or below the one percent limit.
- Washington State law, RCW 84.55.010, limits the total dollar amount of regular property taxes that may be levied annually to 101% of the highest levy in the three previous years (excluding new construction, annexations and state assessed property).

Special levies approved by the voters are not subject to the above limitations.

For 2010, the City's regular tax levy was 2.9348 per \$1,000 on a total assessed valuation of \$5.4 billion, for a total regular levy of \$15,816,280. Included in the City's regular levy is an authorization to levy for the Firemen's Relief and Pension Fund (see Note 5). This levy is subject to the same limitations as the levy for general government services. The Firemen's Relief and Pension portion of the regular tax levy for 2010 was \$.2788 per \$1,000, or \$1,502,765. Additionally, special levies for General Obligation Bond obligations totaled \$297,000.

RECEIVABLES

Receivables as of year-end for the City's individual major funds, nonmajor, internal service and agency funds in the aggregate, including applicable allowance for uncollectible accounts, are shown in the following chart.

ACCOUNTS RECEIVABLE

	Taxes	Accounts	Special Assm'ts	Due from Other Gov'ts	Interest & Penalties	Other	Total
General Fund	\$4,745,805	\$1,550,315	\$0	\$148,322	\$90,976	\$0	\$6,535,418
Com & Econ Dev	0	4,852,061	0	321,359	0	0	5,173,420
Non-Major Gov't	250,704	349,730	861,036	2,768,554	0	0	4,230,024
Transit	800,916	0	0	357,729	0	0	1,158,645
Refuse	0	219,576	0	0	0	0	219,576
Wastewater	0	1,503,384	0	0	0	3,000	1,506,384
Water	0	68,928	0	0	0	0	68,928
Irrigation	0	228,470	0	0	0	0	228,470
Stormwater	0	62,830	0	29,240	0	0	92,070
Internal Service Funds	0	807,675	0	124,436	0	0	932,111
Total	<u>\$5,797,425</u>	<u>\$9,642,969</u>	<u>\$861,036</u>	<u>\$3,749,640</u>	<u>\$90,976</u>	<u>\$3,000</u>	<u>\$20,145,046</u>

Revenues of the Water, Wastewater, Refuse and Irrigation funds are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period of approximately 1% of billed revenue are as follows:

Refuse	\$49,355
Wastewater	151,444
Water	70,559
Irrigation	27,159
Stormwater	19,933
Total	<u>\$318,450</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned, of which the City has none in 2010. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

DEFERRED REVENUES

	Unavailable
General Fund	
Court Receivables	\$1,419,353
WA State Office Public Defense	150,000
Miscellaneous	1,872
Community Economic Development - Homeownership Programs	4,851,529
Special Revenue Funds	
Parks & Recreation - Pool & Field Rentals	3,689
Streets - Sidewalk Repairs	3,950
Community Relations - Equipment Reimbursement	1,600
Arterial Street - Debt Service Assessment	5,256
Cemetery - Lot Sales	37,865
Public Safety Communications - Site Lease	3,179
Parking & Business Impr - Assessment Levied on Businesses	35,728
Front St Bus Impr - Assessment Levied on Businesses in	1,855
Debt Service Funds	
LID Fund - Special Assessments Not Yet Due	799,796
Capital Project Funds	
Central Business Downtown - Parking Permits	918
Parks & Recreation Capital - Private Contributions	10,871
Total deferred/unearned revenue for Governmental Funds	<u>\$7,327,461</u>

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Classification of Interfund Transactions

Interfund transactions are classified as follows:

1. Transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services, are similarly treated when they involve other funds of the City.
2. Transfers to support the operations of other funds are recorded as "Transfers" and classified with "Other Financing Sources or Uses."
3. Contributions to the capital of enterprise or internal service funds (transfers between those funds and the general capital assets account group), transfer to establish or reduce working capital in other funds, and transfers of remaining balances when funds are closed are classified as transfers and reported as nonoperating revenues.
4. Loans between funds are classified as interfund loans receivable and payable or as advances to and from other funds on the combined balance sheet depending on the time period for which the loan was made. Interfund loans do not affect total fund equity, but advances to other funds are offset by a reservation of fund equity. As of December 31, 2010, there were no advances to / from any funds.

Interfund Loans and Receivables

The following table depicts the temporary cash overdrafts in individual funds as of December 31, 2010 – caused by timing of cash flow related to grant reimbursements.

INTERFUND LOANS

	Due From Other Funds	Due To Other Funds
General Fund	\$25,485	\$0
Special Revenue Funds		
Trolley	0	401
Recovery Grants Program	0	25,084
	\$25,485	\$25,485

Interfund Transfers

Interfund transfers represent subsidies and contributions provided to other funds with no corresponding debt or promise to repay. General Fund transfers are primarily used to: 1) allocate the portion of utility taxes that are designated to support Parks and Recreation and Law and Justice Capital programs; 2) support the Public Safety dispatch operation with a portion of the telephone tax; and 3) contribute to the Contingency Fund. The Internal Service transfer in represents capital contributions from other funds to purchase new vehicle additions to the rolling stock fleet. Other transfers generally represent debt service and capital project funding.

The following table depicts interfund operating transfer activity during 2010.

OPERATING TRANSFERS

Transfer out	Transfer In			Total
	General Fund	Non Major Gov't	Wastewater	
General Fund	\$0	\$2,412,206	\$0	\$2,412,206
Non-Major Governmental	40,000	2,498,459	0	2,538,459
Wastewater	0	42,516	0	42,516
Water Operating Fund	0	139,058	32,939	171,997
Irrigation	0	93,750	0	93,750
Stormwater	0	40,000	200,000	240,000
Internal Services	0	34,735	0	34,735
Total	\$40,000	\$5,260,724	\$232,939	\$5,533,663

CAPITAL ASSETS

CAPITAL ASSET ACTIVITY

	Balance 1/1/10	Additions	Adjustments	Deletions	Balance 12/31/10
Governmental Activities					
Capital Assets - Not Depreciated					
Land	\$12,858,062	\$1,261,214	\$0	\$0	\$14,119,276
Construction in Progress	20,644,469	16,826,232	(9,773,440)	(932,407)	26,764,854
Total Capital Assets - Not Depreciated	33,502,531	18,087,446	(9,773,440)	(932,407)	40,884,130
Capital Assets - Depreciated					
Buildings & Structures	47,679,455	451,366	615,373	(6,030)	48,740,164
Other Improvements	12,093,636	0	63,954	(46,056)	12,111,534
Equipment & Machinery	10,128,675	1,530,440	0	(219,511)	11,439,604
Infrastructure	204,515,738	1,936,185	9,094,113	0	215,546,036
Capitalized Leases	681,928	149,288	0	0	831,216
Total Capital Assets - Depreciated	275,099,432	4,067,279	9,773,440	(271,597)	288,668,554
Less Accumulated Depreciation					
Buildings & Structures	(16,155,421)	(1,123,575)	0	4,884	(17,274,112)
Other Improvements	(5,208,764)	(610,977)	0	37,079	(5,782,662)
Equipment & Machinery	(6,715,192)	(599,799)	0	193,170	(7,121,821)
Infrastructure	(136,406,169)	(5,850,601)	0	0	(142,256,770)
Capitalized Leases	(615,401)	(33,937)	0	0	(649,338)
Total Accumulated Depreciation	(165,100,947)	(8,218,889)	0	235,133	(173,084,703)
Total Capital Assets - Depreciated Net	109,998,485	(4,151,610)	9,773,440	(36,464)	115,583,851
Gov't Activities Capital Assets - Net	143,501,016	13,935,836	0	(968,871)	156,467,981
Internal Service Funds - Governmental Activities					
Capital Assets - Depreciated					
Buildings	37,397	0	0	0	37,397
Other Improvements	112,131	14,965	0	0	127,096
Machinery	20,517,112	1,408,418	0	(252,143)	21,673,387
Total Capital Assets - Depreciated	20,666,640	1,423,383	0	(252,143)	21,837,880
Less Accumulated Depreciation					
Buildings	(20,426)	(1,852)	0	0	(22,278)
Other Improvements	(6,609)	(5,981)	0	0	(12,590)
Machinery	(11,847,939)	(1,393,544)	0	214,884	(13,026,599)
Total Accumulated Depreciation	(11,874,974)	(1,401,377)	0	214,884	(13,061,467)
Total Capital Assets - Depreciated Net	8,791,666	22,006	0	(37,259)	8,776,413
Total Capital Assets - Gov't Activities	\$152,292,682	\$13,957,842	\$0	(\$1,006,130)	\$165,244,394

	Balance 1/1/10	Additions	Adjustments	Deletions	Balance 12/31/10
Business Type Activities					
Capital Assets - Not Depreciated					
Land	\$2,163,373	\$0	\$0	\$0	\$2,163,373
Construction in Progress	13,571,901	5,842,913	(9,310,285)	(54,610)	10,049,919
Total Capital Assets - Not Depreciated	15,735,274	5,842,913	(9,310,285)	(54,610)	12,213,292
Capital Assets - Depreciated					
Buildings & Structures	82,769,341	0	58,823	(69,817)	82,758,347
Other Improvements	98,484,321	1,985,432	4,105,231	0	104,574,984
Equipment & Machinery	23,026,773	2,142,117	5,146,231	(495,030)	29,820,091
Intangibles	221,830	0	0	0	221,830
Total Capital Assets - Depreciated	204,502,265	4,127,549	9,310,285	(564,847)	217,375,252
Less Accumulated Depreciation					
Buildings & Structures	(42,999,705)	(1,951,371)	0	69,817	(44,881,259)
Other Improvements	(37,378,392)	(2,050,780)	0	0	(39,429,172)
Equipment & Machinery	(9,722,745)	(1,464,688)	0	459,376	(10,728,057)
Intangibles	(106,171)	0	0	0	(106,171)
Total Accumulated Depreciation	(90,207,013)	(5,466,839)	0	529,193	(95,144,659)
Total Capital Assets - Depreciated Net	114,295,252	(1,339,290)	9,310,285	(35,654)	122,230,593
Total Capital Assets - Business Activities	<u>\$130,030,526</u>	<u>\$4,503,623</u>	<u>\$0</u>	<u>(\$90,264)</u>	<u>\$134,443,885</u>

NOTE - The 2010 adjustment column represents construction works in progress that were completed and classified into the appropriate capital asset category.

Depreciation expense was charged to functions/programs as follows:

General Government	\$201,297
Security of Persons and Property	894,712
Physical Environment	10,322
Transportation	5,910,182
Economic Environment	89,931
Cultural & Recreational Environment	1,112,445
Capital Assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	1,401,377
Total Depreciation - Governmental Activities	<u>\$9,620,266</u>
Transit	\$1,063,054
Wastewater	3,026,976
Water	1,143,352
Irrigation	217,616
Stormwater	15,840
Total Depreciation - Business-Type Activities	<u>\$5,466,838</u>

COMMITMENTS

Construction Commitments

The City has active construction projects as of December 31, 2010. The major street project is the construction of a railroad underpass on Lincoln Avenue. Other projects include improvements to the Wastewater facility and collection system and the rebuilding of the Irrigation system.

CURRENT CONSTRUCTION PROJECTS

Project	Contract Amount	Spent to Date	Remaining Commitment
Street Construction	\$18,621,474	\$10,865,523	\$7,755,951
Wastewater Treatment Plant and Mains	4,488,597	4,212,443	276,154
Irrigation System Design & Rebuild	4,049,605	2,685,831	1,363,774
Total	<u>\$27,159,676</u>	<u>\$17,763,797</u>	<u>\$9,395,879</u>

Street construction is being financed by gas tax; federal, state or local grants; and low interest state agency loans. Wastewater improvements are being financed by State Public Works Trust Fund loans and wastewater utility revenues / capital reserves. Irrigation improvements are funded by irrigation capital rates / reserves.

NOTE 5 – PENSION PLANS

Substantially all City full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost sharing multiple employer public employee defined benefit and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov, or by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98504-8380

The following disclosures are made pursuant to GASB Statement 27, *Accounting for Pensions by State and Local Government Employers*, and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) PLANS 1, 2 & 3

Plan Description

PERS is a cost sharing multiple employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not participating in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS participants who joined the system by September 30, 1977, are Plan 1 members. Those who joined on or after October 1, 1977, and by either February 28, 2002 for state and higher education employees, or August 31, 2002, for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS participants joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002, for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within ninety days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within ninety days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement at any age after thirty years of service, or at the age of 60 with 5 years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service. (AFC is based on the monthly average of the 24 consecutive highest paid service credit months.) The retirements benefit may not exceed 60 percent of AFC. The monthly benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost of living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, which is increased 3 percent annually. Plan 1 members may also elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost-of living allowance is granted at age 66 based upon years of service times the COLA amount (based on the consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service while actively serving in the military, if such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

PERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65.
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

The surviving spouse or eligible child or children of a PERS Plan 2 member who dies after leaving eligible employment having earned ten years of service credit may request a refund of the member's accumulated contributions. Effective July 22, 2007, said refund (adjusted as needed for specified legal reductions) is increased from 100 percent to 200 percent of the accumulated contributions if the member's death occurs in the uniformed service to the United States while participating in Operation Enduring Freedom or Persian Gulf, Operation Iraqi Freedom.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. The defined benefit portion provides a monthly benefit that is 1 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan. PERS Plan 2 members are vested after the completion of five years of eligible service.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 defined benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit and Plan 3 provides the same cost-of-living allowance as Plan 2.

PERS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities.

The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Director of the Department of Retirement Systems.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service.

These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions. Effective July 24, 2005, a member who becomes totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible children, may apply for interruptive military service credit. Additionally, PERS Plan 2 and Plan 3 members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of said member's covered employment, if found eligible by the Department of Labor and Industries.

Judicial Benefit Multiplier

Beginning January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to participate in the Judicial Benefit Multiplier Program (JBM) enacted in 2006. Justices and judges in PERS Plan 1 and 2 were able to make a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of AFC. Judges in PERS Plan 3 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of average compensation.

Members who chose to participate in JBM would: accrue service credit at the higher multiplier beginning with the date of their election; be subject to the benefit cap of 75 percent of AFC, pay higher contributions; stop contributing to the Judicial Retirement Account (JRA); and be given the option to increase the multiplier on past judicial service. Members who did not choose to participate would: continue to accrue service credit at the regular multiplier; continue to participate in JRA, if applicable; never be a participant in the JBM Program; and continue to pay contributions at the regular PERS rate.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM Program. Members required into the JBM program would: return to prior PERS Plan if membership had previously been established; be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member; accrue the higher multiplier for all judicial service; not contribute to JRA; and not have the option to increase the multiplier for past judicial service.

There are 1,189 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2009:

Retirees and Beneficiaries Receiving Benefits	74,857
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	28,074
Active Plan Members Vested	105,339
Active Plan Members Non-vested	53,896
Total	<u>262,166</u>

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Director of the Department of Retirement Systems sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 percent to 15 percent; two of the options are graduated rates dependent on the employee’s age. As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2010, are as follows:

	MEMBERS		
	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
Employer Contributions ⁽¹⁾	5.31% ⁽²⁾	5.31% ⁽²⁾	5.31% ⁽³⁾
Employee Contributions	6.00% ⁽⁴⁾	3.9% ⁽⁴⁾	⁽⁵⁾

- (1) The employer rates include the employer administrative expense fee currently set at 0.16%.
- (2) The employer rate for state elected officials is 7.89% for Plan 1 and 5.31% for Plan 2 and Plan 3.
- (3) Plan 3 defined benefit portion only.
- (4) The employee rate for state elected officials is 7.50% for Plan 1 and 3.90% for Plan 2.
- (5) Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Both the city and the employees made the required contributions. The city required contributions for the years ended December 31 were as follows:

	CITY CONTRIBUTIONS		
	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
2010 Contributions	\$88,319	\$1,098,305	\$213,590
2009 Contributions	114,667	1,438,351	261,602
2008 Contributions	133,956	1,087,755	171,842

LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM (LEOFF) PLANS 1 AND 2

Plan Description

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members. Membership in the system includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, those emergency medical technicians who were given the option and chose LEOFF Plan 2 membership. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003, being an exception.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature for the LEOFF Plan 2 retirement plan.

LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations. LEOFF retirement benefit provisions are established in Chapter 41.26 RCW and may be amended only by the State Legislature.

LEOFF Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50.

The benefit per year of service calculated as a percent of final average salary (FAS) is as follows:

BENEFIT PERCENTAGE

<u>Term of Service</u>	<u>Percent of Final Avg</u>
Twenty or More Years	2.0%
Ten Years, Less than Twenty Years	1.5%
Five Years, Less than Ten Years	1.0%

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last 10 years of service. A cost-of-living allowance is granted (based on the Consumer Price Index).

LEOFF Plan 1 provides death and disability benefits. Death benefits for survivors of Plan 1 members on active duty consist of the following: (1) If eligible spouse, 50 percent of the FAS, plus 5 percent of FAS for each eligible surviving child, with a limitation on the combined allowances of 60 percent of the FAS; or (2) If no eligible spouse, eligible children receive 30 percent of FAS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of FAS, divided equally.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

The LEOFF Plan 1 disability allowance is 50 percent of the FAS plus 5 percent for each child up to a maximum of 60 percent. Upon recovery from disability before the age of 50, a member is restored to service with full credit for service while disabled. Upon recovery after the age of 50, the benefit continues as the greater of the member's disability allowance or service retirement allowance.

LEOFF Plan 1 members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's allowance.

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of 2 percent of the FAS per year of service. (FAS is based on the highest consecutive 60 months.) Plan 2 members who retire prior to the age of 53 receive reduced benefits. Benefits are actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the FAS for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 53, unless the disability is duty-related, and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. A catastrophic disability benefit equal to 70 percent of their FAS, subject to offsets for workers' compensation and Social Security disability benefits received, is also available to those LEOFF Plan 2 members who are severely disabled in the line of duty and incapable of future substantial gainful employment in any capacity.

Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment of eligible health care insurance premiums.

Members of LEOFF Plan 2 who leave service because of a line of duty disability are allowed to withdraw 150 percent of accumulated member contributions. This withdrawal benefit is not subject to federal income tax. Alternatively, members of LEOFF Plan 2 who leave service because of a line of duty disability may be eligible to receive a retirement allowance of at least 10 percent of FAS and 2 percent per year of service beyond five years. The first 10 percent of the FAS is not subject to federal income tax.

LEOFF Plan 2 retirees may return to work in an eligible position covered by another retirement system, choose membership in that system and suspend their pension benefits, or not choose membership and continue receiving pension benefits without interruption.

LEOFF Plan 2 members who apply for retirement may purchase up to five years of additional service credit. The cost of this credit is the actuarial equivalent of the resulting increase in the member's benefit. LEOFF Plan 2 members can purchase service credit for military service that interrupts employment. Additionally, LEOFF Plan 2 members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible child(ren) may purchase service credit on behalf of the deceased member.

LEOFF Plan 2 members may also purchase up to 24 consecutive months of service credit for each period of temporary duty disability

Beneficiaries of a LEOFF Plan 2 member who is killed in the course of employment receive retirement benefits without actuarial reduction, if found eligible by the Director of the Department of Labor and Industries.

Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of on-going health care insurance premiums paid to the Washington state Health Care Authority.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

There are 372 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2009:

Retirees and Beneficiaries Receiving Benefits	9,454
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	674
Active Plan Members Vested	13,363
Active Plan Members Non-vested	3,944
Total	<u>27,435</u>

Funding Policy

Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. LEOFF Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. All employers are required to contribute at the level required by state law. The Legislature, by means of a special funding arrangement, appropriated money from the state General Fund to supplement the current service liability and fund the prior service costs of LEOFF Plan 2 in accordance with the requirements of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2010, are as follows:

CONTRIBUTION RATES

	<u>LEOFF Plan 1</u>	<u>LEOFF Plan 2</u>
Employer Contributions ⁽¹⁾	0.16%	5.24% ⁽²⁾
Employee Contributions	0.00%	8.46%
State Contributions	N/A	3.38%

(1) The employer rates include the employer administrative expense fee currently set at 0.16%.

(2) The employer rate for ports and universities is 8.62%.

Both the city and the employees made the required contributions. The city required contributions for the years ended December 31 were as follows:

CITY CONTRIBUTIONS

	<u>LEOFF Plan 1</u>	<u>LEOFF Plan 2</u>
2010 Contributions	\$621	\$1,012,134
2009 Contributions	629	1,002,165
2008 Contributions	618	916,053

OTHER RETIREMENT SYSTEMS – VOLUNTEER FIREFIGHTERS’ RELIEF AND PENSION FUND

The Volunteer Firefighters’ Relief and Pension Fund System is a cost sharing multiple employer retirement system which was created by the Legislature in 1945 under Chapter 41.16 RCW. It provides pension, disability and survivor benefits. Membership in the system requires service with a fire department of an

electing municipality of Washington State except those covered by LEOFF. The system is funded through member contributions of \$30 per year, employer contributions of \$30 per year, forty-percent of the Fire Insurance Premium Tax, and earnings from the investment of moneys by the Washington State Investment Board. However, members may elect to withdraw their contribution upon termination.

FIREMEN'S PENSION

The City has a single employer, defined benefit pension plan for Firefighters employed prior to March 1, 1970, and governed by Washington State Law RCW 41.26. Under the terms of the governing law, the pension member is entitled to payment from the City's pension plan for those benefits in excess of those calculated under the LEOFF plan.

The City's Firemen's Pension Fund is a closed group. No new members are permitted. Employees attaining the age of fifty who have completed 25 or more years of service are entitled to annual benefits of fifty-percent of their salary plus an additional two-percent for each year of service in excess of 25 years, up to a maximum of sixty-percent of salary. The pension plan also provides death and disability pension benefits plus sick benefits for eligible active and retired employees.

If the employee terminates his employment with the Fire Department and is not eligible for any other benefit under the Firemen's Pension, the employee is entitled to the following:

- Return of accumulated contributions less any benefits paid.
- When a Firefighter would have had 25 years of service, 2% of salary for each year of service.

Firefighters are no longer required to contribute to the Firemen's Pension. The City is required to contribute the amount necessary to fund the Firemen's Pension, using the aggregate projected benefit method. Under state law, partial funding of the Firemen's Pension Fund may be provided by an annual tax levy of up to \$.45 per \$1,000 of assessed valuation of all taxable property of the City. The Firemen's Pension Fund also receives a proportionate share of the 25 percent of the tax on fire insurance premiums set aside by the state for all paid firemen in the state. Additional funding is provided by investment interest earnings.

During the year ended December 31, 2010, there were no plan amendments.

Contributions Required and Contributions Made

The City's funding policy is to provide for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The required contributions are determined using an aggregate projected benefit funding method with the annual cost increasing six-percent per year over the period ending December 31, 2017.

Under this method, the normal cost is a portion of the actuarial present value of benefits allocated to a valuation year. The actuarial accrued liability is equal to the actuarial value of assets. (Thus, there is no unfunded actuarial accrued liability under this method.)

Significant actuarial assumptions used to compute contribution requirements were the same as those used to compute the standardized measure of the pension benefit obligation.

POLICE PENSION

The City has a single employer, defined benefit pension plan for Police Officers employed prior to March 1, 1970, and governed by Washington State Law RCW 41.20 and 41.26. Under the governing law, the pension member is entitled to payment from the City's pension plan for those benefits in excess of those calculated under the LEOFF plan. The City also covers four members who were ineligible under the State Law Enforcement Officers and Firefighters (LEOFF) Program.

The City's Police Pension Fund is a closed group. No new members are permitted. Employees who have completed 25 years or more of service are entitled to annual benefits of 50% of their salary plus an additional 2% for each year of service in excess of 25 years – up to a maximum of 60% of salary. The plan provides death and disability pension benefits plus sick benefits for eligible active and retired employees.

If the employee terminates his employment with the Police Department and is not eligible for any other benefit under the Police Pension, the employee is entitled to the following:

- Return of 75% of contributions made after June 8, 1955, less any benefits paid.
- When Police Officer would have had 25 years of service, 2% of salary for each year of service.

Plan members are no longer required to contribute to the Police Pension. The City is operating on a pay as you go basis.

During the year ended December 31, 2010, there were no plan amendments.

Contributions Required and Contributions Made

The Police Pension is a department within the General Fund. The City engaged Milliman U.S.A., Consultant & Actuaries, to perform the pension's actuarial study. They issued a valuation dated January 1, 2008. The valuation provided actuarially determined rates to accumulate sufficient assets to pay benefits when due rather than the current pay as you go basis. The required contributions are determined using an aggregate projected benefit method with the annual cost increasing six-percent per year over the period ending December 31, 2017.

**SUMMARY OF FIREMEN'S PENSION AND POLICE PENSION
SCHEDULE OF FUNDING PROGRESS
(Rounded To Thousands)**

	Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Fire Pension	01/01/1998	\$70	\$10,455	\$10,385	1.00%	\$270	3846.30%
	01/01/2003	658	8,520	7,862	8.00%	0	0.00%
	01/01/2008	646	9,935	9,289	7.00%	0	0.00%
Police Pension	01/01/1998	0	8,277	8,277	0.00%	264	3135.23%
	01/01/2003	0	8,154	8,154	0.00%	0	0.00%
	01/01/2008	0	9,002	9,002	0.00%	0	0.00%

NOTE 6 – SELF-INSURANCE FUNDS

The City maintains Reserve Funds to provide for self insurance coverage in the areas of Unemployment Compensation, Medical/Dental coverage, and Workers' Compensation. In addition, the City maintains a Risk Management Fund to provide for property, liability, and other coverage.

UNEMPLOYMENT COMPENSATION

In 1978, the City of Yakima established an Unemployment Compensation Reserve Fund to provide unemployment compensation coverage for its employees, and thereby elected to participate with the State of

Washington in a cost reimbursement instead of monthly premium program. In doing so, the City retained its right to appeal awards and determinations made by the State Department of Employment Security.

The City has contracted with Talx Corporation UCeXpress to represent the City in appeal hearings and to provide audits of state awards.

The State of Washington invoices the City on a quarterly basis for reimbursement of claims which represent payment of unemployment compensation and related administrative costs. Resources accrue to the Unemployment Compensation Reserve Fund through monthly charges made to each Operating Fund based on employee earnings. Normal accrual rates have been between .5 and .75 percent of gross payroll, while costs under the monthly premium program would have been approximately three-percent of payroll. The City has achieved considerable savings. Interfund premiums are based primarily upon the insured funds claims experience and are reported as quasi external interfund transactions, a total for 2010 of \$149,699. Incurred but not reported claims of \$33,438 have been accrued as a liability.

SELF-INSURED MEDICAL / DENTAL PROGRAM

The City, in August, 1979, self insured its medical and dental programs for all eligible employees (temporary employees and employees hired to work less than half time are not eligible to participate in the plan). The City's Human Resources Office administers the self insured program and claims payment services are provided by Healthcare Management Administrators, Inc.

Each Operating Fund is charged an accrual amount per covered employee which would otherwise have been paid to an insurance carrier. These amounts are determined by the City based upon recommendations made by Emspring (formerly Fisher Consulting). Factors considered by the broker include the amount of claims paid the previous year, increases over prior years, claims administration costs, projected insurance industry inflation rates and the status of the Fund's Reserve. Interfund premiums to the Employee Health Benefit Reserve Fund for 2010 were \$8,255,464. Incurred but not reported claims of \$1,370,556 have been accrued as a liability.

In order to avoid catastrophic losses, the City reinsures the program by purchasing insurance known as "stop loss insurance." Two types of "stop loss" insurance are purchased: 1) individual stop loss; and, 2) aggregate stop loss, with both provided through Sunlife Insurance Co. Under the individual stop loss insurance, the City pays the first \$175,000 of claims for an individual employee or dependent. Any charges accrued by an individual in excess of \$175,000 in a calendar year are thereafter reimbursed by Sunlife, up to a lifetime maximum benefit of \$1 million per person. This limit was raised to \$225,000 for the 2011 claim year. The aggregate stop loss is designed to protect the City from multiple large claims which may not reach the individual stop loss attachment point (\$175,000). The aggregate stop loss attachment point is calculated by determining the projected amount of claims for the year and adding an additional 25% of that amount (125% of projected claims).

WORKERS' COMPENSATION PROGRAM

The City self-insured its workers' compensation program for all employees except those covered by the LEOFF 1 Retirement System in July, 1984. This workers' compensation program provides coverage identical to the state administered workers' compensation program; however, the City pays only the direct injury related costs and certain administrative fees. The program is administered by the City's Human Resources Office with claims administration and safety services provided by Intermountain Claims, Inc.

Each Operating Fund is charged an appropriate accrual amount, per employee, based on rate requirements prescribed by the State of Washington. Each year the Reserve Fund is reviewed to determine a contribution rate which provides for an appropriate reserve. Interfund premiums to the Workers' Compensation Fund for 2010 were \$1,155,106. Based on the claims manager's estimate, the City has accrued incurred but not reported claims of \$739,577 at December 31, 2010.

In order to avoid catastrophic losses, the City “reinsures” the program by purchasing insurance known as “stop loss” insurance. This insurance is provided through Wells Fargo Insurance Services under a policy purchased from Safety National Casualty Corporation. Under the individual stop loss coverage, the City pays the first \$550,000 of a claim and the insurance company pays (a) the balance up to \$1 million for an individual claim or (b) the balance up to a maximum of \$25 million for multiple claims arising from a single incident.

RISK MANAGEMENT PROGRAM

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Risk Management Fund was established in 1986 to account for its risk management program. Resources accrue to the fund through interfund premiums to operating funds for appropriate insurance coverage and the replenishment and building of reserves for potential liability claims. City contributions to the Risk Management Reserve Fund for 2010 were \$2,462,760. The fund provides for administration, legal services, and claims adjustment and for the purchase of property, general liability, and other insurance coverage.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that has been incurred but not reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider recent claim settlement trends, inflation, and other economic or social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims. Estimated recoveries, for example from subrogation, are another component of the claims liability estimate. Based on these factors, the claims manager’s estimate of claims liability at December 31, 2010, is \$553,000 .

Property Insurance Coverage

The City of Yakima purchases property insurance and boiler and machinery insurance from Affiliated FM Insurance Company covering loss or damage to City owned property from various perils including earthquake and flood. The policy is subject to a \$100,000,000 limit per occurrence and a \$100,000 per occurrence deductible. The policy number from 1/10/10 to 1/10/11 was PB739.

Cities Insurance Association of Washington

The City of Yakima became an associate member of the Cities Insurance Association of Washington (CIAW) effective December 14, 2005, and became a member of CIAW effective September 1, 2010.

Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and / or joint self-insuring, and / or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The pool was formed on September 1, 1988, when 32 cities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services.

The pool allows members to jointly purchase insurance coverage and provide related services, such as administration, risk management, claims administration, etc. Coverage for Public Officials Liability is on a “claims made” basis. All other coverages are on an “occurrence basis”. The pool provides the following forms of group purchased insurance coverage for its members: property, general liability, law enforcement liability, automobile liability, employment practices liability, boiler and machinery, bonds of various types, and public officials’ liability.

The City of Yakima participates in the liability coverages provided by the CIAW. The insurance policy period through CIAW is from September 1st to September 1st of each year. For the policy period 9/01/2009 to 9/01/2010, the City of Yakima has general liability, public officials liability and automobile liability coverage, subject to a deductible amount of \$100,000, through an associate membership in the Cities Insurance Association of Washington with Munich Reinsurance America, Inc., and Torus Specialty Insurance Company, policy no. CIAW091034514. For the policy period 9/01/2010 to 9/01/2011, the City of Yakima has general liability, public officials liability and automobile liability coverage, subject to a program retention of \$100,000 per occurrence and a member deductible of \$99,000, as a member in the Cities Insurance Association of Washington, with Munich Reinsurance America, Inc., and Torus Specialty Insurance Company, policy no. CIAW101134514. The per occurrence and aggregate limits of liability of the general liability coverage through CIAW are \$15,000,000 per occurrence with \$25,000,000 aggregate for general liability. Since joining CIAW on December 14, 2005, the City of Yakima has not had any settlements that exceeded its insurance coverage through CIAW.

Claims are submitted by the City with Canfield, which has been contracted by CIAW to perform pool administration, claims adjustment and administration and loss prevention for the pool. The Board of Directors of CIAW has contracted with Canfield to perform day to day administration of the pool. Copies of the CIAW pool's annual report may be obtained by writing to 451 Diamond Drive, Ephrata, WA 98823.

Washington State Transit Insurance Pool

The City of Yakima Transit Division is insured for liability insurance through the Washington State Transit Insurance Pool (WSTIP). The City of Yakima Transit Division joined WSTIP on September 1, 2005.

From 1/1/2010 to 1/1/2011, the City of Yakima Transit Division has liability coverage, which is not subject to a deductible amount (no deductible), under coverage document no. WSTIP 2010 GL - YT, and public official liability coverage, subject to a deductible amount of \$5,000, under coverage document no. WSTIP POL 2010 - YT, with the Washington State Transit Insurance Pool ("WSTIP"), Olympia, Washington. The per occurrence and aggregate limits of liability of the liability coverage through WSTIP are \$12,000,000. Since joining WSTIP on September 1, 2005, the City of Yakima Transit Division has not presented any claims to WSTIP that exceeded its coverage limits through WSTIP.

WSTIP is a 25-member self insurance program with public transit members who provide transit services and is located in Olympia, Washington. WSTIP supplies Yakima Transit auto liability, general liability, and public officials' liability coverage.

The Washington State Transit Insurance Pool was formed by Interlocal Agreement on January 1, 1989, pursuant to Chapters 48.61 and 39.34 RCW. The purpose for forming WSTIP was to provide member Transit Systems programs of joint self insurance, joint purchasing of insurance and joint contracting for hiring of personnel to provide risk management, claims handling and administrative services. Transit authorities joining the Pool must remain members for a minimum of 36 months; a member may withdraw from the Pool after that time by giving 12 months notice. The Pool underwriting and rate setting policies have been established after consultation with actuaries. The Pool members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Pool were to be exhausted, members would be responsible for the Pool's liabilities. WSTIP is regulated by the Washington State Risk Manager and audited yearly by the Washington State Auditor.

Yakima Transit has not presented any claims to WSTIP in the last three years that exceeded its current coverage limits through WSTIP.

Risk	Coverage Period	Coverage
Auto Liability	1/1/10 - 12/31/10	\$12,000,000 per occurrence with a \$0 deductible
General Liability	1/1/10 - 12/31/10	\$12,000,000 per occurrence with a \$0 deductible
Public Officials	1/1/10 - 12/31/10	\$12,000,000 per claim / aggregate with a \$5,000 deductible

Coverage for public official liability is on a "claims made" basis. All other coverage's are on an "occurrence" basis.

Changes in the balance of claims liability during 2010 follows:

	2010	2009
Unpaid Claims, January 1	\$976,000	\$976,000
Incurred Claims (incl IBNR's)	417,766	784,631
Claim Payments (incl direct legal cost)	(840,766)	(784,631)
Unpaid Claims, December 31	<u>\$553,000</u>	<u>\$976,000</u>

NOTE 7 – LONG-TERM DEBT AND CAPITAL LEASES

The State law provides that debt cannot be incurred in excess of the following percentages of the value of the taxable property of the City.

LEGAL DEBT PERCENTAGE

		Limit by Section	Cumulative Limit
I. General Purpose			
Without a Vote (includes capital leases)	1.5%		
With a Vote	1.0%	2.5%	2.5%
II. Utilities Purpose		2.5%	5.0%
III. Open Space and Parks Facilities		2.5%	7.5%
Total Legal Limit		<u>7.5%</u>	

The basic percentages for Section I are the maximum levels of indebtedness those sections may incur. However, utility or parks indebtedness may each exceed 2.50% and reduce the general indebtedness margin. The percentages are applied to the taxable assessed value (regular levies) of about \$5.4 billion, resulting in the debt limits, as of December 31, 2010, for the City as follows:

DEBT LIMITS

	Without a Vote	With a Vote		
	General Purpose	General Purpose	Utilities 5.0%	Open Space & Parks 7.5%
Legal Limit	\$83,989,177	\$139,981,961	\$279,963,922	\$419,945,883
Net Outstanding Indebtedness	26,251,968	27,127,844	27,127,844	27,127,844
Margin Available	<u>\$57,737,209</u>	<u>\$112,854,117</u>	<u>\$252,836,078</u>	<u>\$392,818,039</u>

(1) Indebtedness is the outstanding debt less cash, investments, and tax receivables available to redeem debt.

There have been no material violations of finance related legal or contractual provisions in any of the funds of the City. All bonded debt of the City is tax-exempt. We believe the City to be in compliance with applicable IRS & SEC regulations.

The accompanying schedule of long term debt provides a listing of the outstanding debt of the City and summarizes the City's debt transactions for 2010.

LONG-TERM LIABILITIES

	<u>Balance</u> <u>1/1/2010</u>	<u>Additions</u>	<u>Payments/ Retirements</u>	<u>Balance</u> <u>12/31/2010</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities					
General Obligation Debt					
Bonds	\$26,978,811	\$0	\$2,098,125	\$24,880,686	\$2,157,419
Intergovernmental Loans	1,500,908	1,690,451	417,221	2,774,138	302,428
Contractual Agreement - Yakima Co	244,806	0	72,535	172,271	64,514
Special Assessment:					
Notes	256,500	864,093	301,132	819,461	98,013
Lease Purchase Agreements	10,058	149,288	26,880	132,466	41,432
Unfunded Pension/OPEB Liability	8,835,001	1,450,594	0	10,285,595	0
Vacation/Sick Leave Accrual	6,156,097	164,093	0	6,320,190	0
Total General Long-Term Debt	<u>\$43,982,181</u>	<u>\$4,318,519</u>	<u>\$2,915,893</u>	<u>\$45,384,807</u>	<u>\$2,663,806</u>
Business Type Activities					
Revenue Debt Payable					
Revenue Bonds	\$26,080,000	\$0	\$1,705,000	\$24,375,000	\$1,765,000
Intergovernmental Loans	10,756,643	679,650	1,036,413	10,399,880	1,064,843
SIED Loans - Yakima County	35,036	0	14,789	20,247	9,847
Unam Dbt Iss Cost/Prem/Disc/Def Amt	233,279	0	(4,926)	238,205	0
Total Revenue Debt	<u>\$37,104,958</u>	<u>\$679,650</u>	<u>\$2,751,276</u>	<u>\$35,033,332</u>	<u>\$2,839,690</u>
Total Long Term Debt	<u><u>\$81,087,139</u></u>	<u><u>\$4,998,169</u></u>	<u><u>\$5,667,169</u></u>	<u><u>\$80,418,139</u></u>	<u><u>\$5,503,496</u></u>

GENERAL OBLIGATION DEBT

General obligation bonds consist of serial and term bonds, to be retired through the fiscal year ending December 31, 2032. The City levies a special property tax; collects motel / hotel taxes, Business License fees, utility taxes; and receives State sales tax credits and gas tax for the principal and interest payments due within a fiscal year and provides the amounts in the respective Debt Service Fund.

GENERAL OBLIGATION BONDS

	Date of Final Maturity	Interest Rate	Original Issue	Outstanding 12/31/10	Average Annual Debt Service
Special Property Tax Levy					
2004 Fire Improvement Bonds Ref 1995	12/01/14	2.0% - 3.5%	\$2,300,000	\$1,080,000	\$294,063
Regular Property Tax Levy					
2005 Parks Capital Projects	12/01/15	4.0% - 4.5%	755,000	415,000	94,285
2008 Fire Ladder Truck	12/01/21	3.25% - 4.0%	760,000	655,000	74,074
Total Regular Property Tax Levy			<u>1,515,000</u>	<u>1,070,000</u>	
Regular Property Tax Levy/Real Excise Tax					
2007 River Road Street Project Bond	05/01/17	4.0%-5.0%	1,765,000	1,315,000	220,361
2007 Fire Station West Valley Rehab Bond	05/01/22	4.0%-5.0%	815,000	690,000	73,284
2007 Downtown Revitalization Project Bond	05/01/22	4.0%-4.5%	1,490,000	1,260,000	133,706
2008 Third Ave/Mead Walnut St Project Bond	12/01/19	3.25% - 4.0%	2,190,000	1,810,000	240,565
Total Regular Property Tax Levy/Real Excise Tax			<u>6,260,000</u>	<u>5,075,000</u>	
Motel/Hotel Tax					
2004 Conv Center Expansion Bonds Ref 1996	11/01/19	2.0% - 4.2%	4,175,000	3,125,000	418,224
Public Facilities District(State Sales Tax Credit)					
2002 Conv Center Addition - not refunded	06/01/12	3.0%-5.0%	6,735,000	460,000	239,969
2007 Conv Center Addition Refunding 2002	05/01/26	4.0% _5.0%	4,910,000	4,880,000	427,391
2009 Capitol Theatre Expansion	12/01/32	3.0% - 6.6%	7,035,000	6,680,000	551,204
Total Public Facilities District			<u>18,680,000</u>	<u>12,020,000</u>	
Business Licenses & Real Estate Excise Tax					
2003 Sundome Expansion	12/01/23	2.34%-4.72%	1,430,528	1,055,686	148,441
Utility Tax					
2003 Criminal Justice/I-82 Bonds ref 1994	12/01/13	4.35%-5.25%	4,155,000	1,455,000	515,025
			<u>\$38,515,536</u>	<u>\$24,880,686</u>	

REVENUE BONDS

Water / Wastewater / Irrigation revenue bonds consist of serial and term bonds, to be retired through the fiscal year ending December 31, 2034. The principal and interest for the water / wastewater parity revenue bonds are provided by the results of operations. Principal and interest on Irrigation System Bonds are provided by capital rates.

UTILITY REVENUE BONDS

	<u>Date of Final Maturity</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Outstanding 12/31/10</u>	<u>Average Annual Debt</u>
2003 Wastewater Revenue Bonds	11/01/2023	2.0%-5.0%	\$17,545,000	\$12,740,000	\$1,347,327
2004 Irrigation Revenue Bonds	09/01/2034	2.0%-4.8%	5,215,000	4,580,000	320,108
2008 Water/Wastewater Revenue	11/01/2011	4.0-5.0%	1,516,049	525,000	544,707
2008 Water Revenue Bonds (ref of 1998)	11/01/2018	4.0-5.0%	1,883,951	1,555,000	235,074
2008 Wastewater Revenue Bonds	11/01/2027	4.0-5.0%	5,440,000	4,975,000	413,317
			<u>\$31,600,000</u>	<u>\$24,375,000</u>	

The following Schedule sets forth revenue debt service requirements to maturity (in thousands) and depicts both bond and intergovernmental loans and contracts.

REVENUE DEBT SERVICE

	<u>Bonded Debt</u>	<u>Interest</u>	<u>Notes and Contracts</u>	<u>Interest</u>
2011	\$1,765	1,097	\$1,041	\$60
2012	1,285	1,031	1,041	52
2013	1,335	983	980	44
2014	1,395	930	809	38
2015	1,440	876	768	32
2016-2020	7,790	3,304	2,966	111
2021-2025	6,295	1,420	2,376	41
2026-2030	1,930	492	419	3
2031-2034	1,140	140	0	0
	<u>\$24,375</u>	<u>\$10,273</u>	<u>\$10,400</u>	<u>\$381</u>

At December 31, 2010, the City had \$2,369,728 in reserved net assets for debt service for the enterprise funds. These are in compliance with reserve requirements as contained in the various indentures.

INTERGOVERNMENTAL LOANS AND CONTRACTUAL AGREEMENTS

The City participated in a program administered by the State’s Department of Community Development on behalf of the Public Works Board. The program provides financial assistance for general government activities, such as street / bridge improvements, or proprietary activities, such as water or sewage projects. The City has 17 loans through the Washington State Loan Programs as described in the following chart.

PUBLIC WORKS TRUST FUND LOANS

	<u>Interest</u>	<u>Maturity Date</u>	<u>Maximum Authorized</u>	<u>Outstanding 12/31/2010</u>
General Long-Term Debt				
Real Estate Transfer Tax				
PW-5-91-280-071 - Fruitvale Canal Wasteway	3.0%	07/01/11	\$1,188,000	\$60,668
Arterial Street Gas Tax				
PW-5-90-280-050 - Tieton Drive, 5th Avenue to 16th Avenue	3.0%	07/01/10	803,157	0
PW-5-91-280-070 - N. 1st Avenue, Yakima Avenue to "I" Street	1.0%	07/01/11	1,155,000	49,971
PW-5-95-791-052 - Fair Avenue Improvements	1.0%	07/01/15	1,000,000	266,254
PW-00-691-062 - Downtown Yakima Rehabilitation Project	1.0%	06/10/10	1,180,000	0
PC08-951-052 - RR Grade Separations-Lincoln Ave/MLK Jr Blv d	0.5%	07/01/28	3,000,000	2,028,947
General Fund Sales Tax				
CERB loan #C95-107 - Utilities-Madison Ave. and 8th, "J" St and 8th	6.0%	07/01/16	425,448	177,847
Sub-Total General Long-Term Debt				<u>\$2,583,687</u>
Revenue Debt				
Wastewater Operating Revenue				
PW-5-92-280-046 - Wastewater Collection System Improvements	1.0%	07/01/12	\$1,120,000	\$123,462
PW-5-93-280-054 - Wastewater Facility Rehabilitation	1.0%	07/01/13	3,221,708	511,517
PW-5-94-784-049 - Wastewater Collection System Improvements	1.0%	07/01/14	1,481,000	163,596
PW-5-95-791-053 - Headworks/Digester Rehabilitation	1.0%	07/01/15	3,030,558	816,873
PW-5-95-791-054 - Wastewater Improvements King Street Collector	1.0%	07/01/15	209,367	58,426
PW-01-691-071 - Fruitvale Neighborhood WW/Water Project Ph I	0.5%	07/01/21	1,466,250	853,875
PW-05-691-064 - River Road Wastewater Improvement	0.5%	07/01/25	2,307,000	1,863,687
PW-07-962-019 - Ultra Violet Disinfection	0.5%	07/01/27	2,300,000	2,063,611
L1000030-0 - Grade Separation Stormwater Drainage	3.0%	06/01/30	1,214,000	190,451
Water Operating Revenue:				
PW-03-027 - Naches River Water Treatment Plt Impr	0.5%	07/01/23	2,694,000	1,751,425
SRF-04-65104-037 - Naches River Water Treatment Filter Rehab	0.5%	10/01/25	966,772	696,517
PC08-951-051 - New Water Well	0.5%	07/01/21	2,257,200	1,496,880
Sub-Total Revenue Debt				<u>\$10,590,320</u>
Total Intergovernmental Loans				<u><u>\$13,174,007</u></u>

The Public Works Trust Fund loans have a term not to exceed twenty years and require 1/19th of the original principal plus interest to be paid each July 1st. These are subordinate to utility systems' parity debt and do not require a full faith and credit pledge.

The City has entered into contractual agreements with Yakima County for Supporting Investments in Economic Development (SIED) Loans for several different infrastructure projects, the detail of which follows:

CONTRACTUAL AGREEMENTS

Funding Source	Issue Date	Maturity Date	Original Issue	Outstanding 12/31/2010
Contracted Assessment	2001 Issue	06/01/11	\$44,000	\$5,256
Contracted Assessment	2006 Issue	06/01/12	64,500	20,247
Contracted Assessment	2006 Issue	06/01/11	50,000	22,631
Contracted Assessment	2008 Issue	06/01/12	27,500	11,595
Contracted Assessment	2008 Issue	06/01/12	214,000	132,787
			<u>\$400,000</u>	<u>\$192,516</u>

The following schedule sets forth the general obligation debt and intergovernmental loans and contracts, debt service requirements including interest, to maturity (in thousands).

GENERAL OBLIGATION DEBT SERVICE

	Bonded Debt	Interest	Notes and Contracts	Interest
2011	\$2,157	\$1,079	\$302	\$24
2012	2,222	1,014	193	20
2013	2,304	943	195	17
2014	1,855	868	196	15
2015	1,637	802	198	12
2016-2020	7,195	3,120	597	33
2021-2025	4,180	1,824	564	17
2026-2030	2,405	714	339	3
2031-2032	925	92	0	0
	<u>\$24,880</u>	<u>\$10,456</u>	<u>\$2,584</u>	<u>\$141</u>

At December 31, 2010, the City had \$550,376 available in debt service funds to service the General Obligation Bonds and notes.

There are a number of other limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

SPECIAL ASSESSMENT DEBT WITH GOVERNMENTAL COMMITMENT

Debt service requirements for special assessment notes are met by assessments levied against property owners. Special assessment debts are notes that are due as moneys become available from payments on individual assessments. Special assessment debts currently outstanding are as follows:

LID #1056; 12/17/2015 Wastewater	
South 7th, 8th, & 9th Avenue Installment Note, 8.75% Interest	\$67,000
LID #1057; 05/01/2016 Wastewater	
North 84th Avenue & Hawthorne Drive - Inst Note, 9.25% Interest	77,500
LID #1058; 05/01/2016 Wastewater	
North 90th Avenue, 94th Place, Yakima Ave - Inst Note, 9.25% Interest	63,000
LID #1060; 06/01/2020 Wastewater	
North 85th Avenue & Kail Drive- Installment Note, 5.50% Interest	202,961
LID #1061; 04/15/2020 Wastewater	409,000
Simpson Lane - Installment Note, 5.50% Interest	
	\$819,461

Debt service requirements for special assessment notes / bonds are met by assessments levied against property owners. Pursuant to RCW 35.54, the City maintains a Local Improvement Guarantee Fund for the purpose of guaranteeing, to the extent of the fund, the payments of its LID bonds. The fund balance at December 31, 2010, of the LID Guarantee Fund totaled \$79,986 .

LEASE PURCHASE AGREEMENTS

General Capital Assets

As part of the City's capital equipment budgeting program, selected items are obtained via lease purchase and municipal lease / deferred purchase plans. Since the leases are financing agreements which transfer ownership to the City at the end of the lease term, the City records the present value of future lease payments as a capital outlay expenditure and as an offset to other financial sources in the year that the asset is received. The present value of payments due in future periods is shown as a liability in the financial statements and the cost of the asset is recorded in the financial statements. A summary of the leased equipment is detailed below:

Telephone System Upgrade	\$90,704
Two High Speed Laser Printer / Copier	41,763
Total	\$132,467

The following is a schedule of the future minimum lease payments under the above capital lease and the present value of net minimum lease payments at December 31, 2010, for the fiscal year listed:

Due in 2011	\$46,565
Due in 2012	46,419
Due in 2013	37,691
Due in 2014	11,507
Total Minimum Lease Payments	\$142,182
Less: Amount Representing Interest	9,715
Present Value of Minimum Lease Payments	\$132,467

UNFUNDED POST EMPLOYMENT BENEFIT LIABILITIES

The City maintains two single employer defined benefit pension plans, Firemen's Pension and Police Pension, which are closed systems covering Firemen and Police Officers hired prior to March 1, 1970. Both plans had their first annual actuarial valuation as of March 31, 1989. The required contributions identified in this and subsequent studies were the basis for recording the unfunded pension liability since 1989, with the most recent study performed as of January 1, 2008.

Starting in 2008, the City implemented GASB 45 for Other Post Employment Benefits (OPEB), and initial actuarial evaluations were performed as of January 1, 2008. By State statute, the City is required to provide healthcare benefits for certain retired police officers and firefighters. The City's self-insured medical plan allows retirees and the eligible dependents to self-pay premiums using the same rate as active employees, until they reach age 65, thereby creating an "implicit rate subsidy". All three of the programs are pay as you go.

OUTSTANDING LIABILITIES

	Balance 1/1/10	Additions	Balance 12/31/10
Police Pension	\$5,374,353	(\$59,869)	\$5,314,484
OPEB Fire - Medical	1,306,631	554,432	1,861,063
OPEB Police - Medical	1,139,235	496,482	1,635,717
OPEB Non-Leoff - Medical	1,014,782	459,549	1,474,331
Total	\$8,835,001	\$1,450,594	\$10,285,595

Both the Police Pension and Police OPEB are paid out of a department in the General Fund. The Fire OPEB are paid through the Firemen's pension trust fund. The non-LEOFF retiree benefits are being paid annually through the Employees Health Benefit Reserve fund. The unfunded pension liability will be adjusted annually by comparing actual expenditures for benefits to the actuarially determined contribution.

The Firemen's Pension is a trust fund and has as its funding sources a portion of local property taxes, a state tax on fire insurance premiums, and interest income. This fund has an unfunded pension liability of \$2,113,207 at December 31, 2010.

See Note 5 for additional information on the pension funds, and Note 11 for additional information on Other Post Employment Benefits.

NOTE 8 – CONTINGENCIES

The City participates in a number of federal and state assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. City management believes that such disallowances, if any, will be immaterial.

SECTION 108 LOAN PROGRAM

In 2003, the City was authorized to administer a Housing and Urban Development (HUD) Section 108 Loan program. HUD has authorized the City to lend up to a maximum of \$6.945 million in two separate loan pools (\$4 million in 2003 and \$2.945 million in 2005). These federal loans are available for the purpose of funding property rehabilitation for economic development activities that will create new jobs within the target area. As of December 31, 2010, the City has approved all its authorized maximum Section 108 loans of \$6.945 million. The nature of this program is the City approves qualified projects for the loan within HUD guidelines and acts as a conduit for HUD funds. The loan proceeds flow directly to the ultimate Corporate Borrower. Payments flow from the Corporate Borrower to the City's Custodian and then to HUD. The loans are on an amortization schedule from 10 years to 25 years. The HUD contract specifically provides that the loans are not full faith and credit obligations of the City, but instead, future Community Development Block Grant (CDBG) allocations are pledged on these loans. The City has entered into agreements to collateralize their position within HUD underwriting guidelines. In 2005, one of the loans was defeased and another defeased in 2009. Additionally, the City has been awarded a \$1 million Economic Development Initiative (EDI) grant from HUD as a

protection in case of a default. As of December 31, 2010, one of the loans was past due and the EDI grant was used to pay a portion of the principal and interest due. (The EDI grant can be utilized for past due payments).

POTENTIAL LITIGATION

On February 15, 2005, Congdon Orchards, Inc. and Congdon Development Company, LLC (Congdon) filed a damage claim with the City alleging Congdon has been wrongfully damaged by Yakima's breaches of contract, negligence, tortious conduct, breaches of duties, errors and omissions, and other wrongful conduct. Congdon alleged its damages exceeded \$21 million and continue. The City entered into letter agreements extending a 2005 tolling agreement, and the tolling agreement will now expire on October 1, 2011. Congdon has not filed a lawsuit, and it is not known whether it will do so. The City believes the chances of recovery are low.

Because of its activities, the City is subject to certain pending legal actions which arise in the ordinary course of business. The City believes, based on the information presently known, that the ultimate liability for any such legal actions will not be material to the financial position of the City.

NOTE 9 – SEGMENT INFORMATION

WATER AND WASTEWATER UTILITIES

For the purposes of revenue bond debt issuance, the water and wastewater utilities are combined in a single segment (i.e., the System). Therefore, investors in the revenue bonds rely on the revenue generated by both activities for repayment. In 2004, the City issued the first \$5 million of \$10 million revenue bonds authorized for the Irrigation system. An additional \$3.5 million is planned to be issued in 2011. Investors in these revenue bonds rely solely on the revenue generated from the irrigation utility for repayment. Summary financial information for the System and irrigation utility follows.

SYSTEM INFORMATION

	<u>Water / Wastewater</u>	<u>Irrigation</u>
Condensed Statement of Net Assets		
Assets		
Current Assets	\$18,837,003	\$1,737,261
Restricted Assets	2,334,292	35,436
Capital Assets	105,844,535	15,907,824
Total Assets	<u>127,015,830</u>	<u>17,680,521</u>
Liabilities		
Current Liabilities	5,000,633	764,824
Noncurrent Liabilities	27,870,061	4,356,958
Total Liabilities	<u>32,870,694</u>	<u>5,121,782</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	77,689,961	11,367,448
Restricted	2,334,292	35,436
Unrestricted	14,120,883	1,155,855
Total Net Assets	<u>\$94,145,136</u>	<u>\$12,558,739</u>

Condensed Statement of Revenues, Expenses and Changes in Net Assets

Operating Revenues		
Charges for Services	\$23,413,525	\$2,707,544
Other Operating Revenues	86,433	3,343
Total Operating Revenues	<u>23,499,958</u>	<u>2,710,887</u>
Operating Expenses		
Operations and Maintenance	16,623,787	1,379,176
Depreciation	4,170,328	217,616
Total Operating Expenses	<u>20,794,115</u>	<u>1,596,792</u>
Operating Income (Loss)	<u>2,705,843</u>	<u>1,114,095</u>
Non-Operating Revenues (Expenses)		
Miscellaneous Interest (Net)	(797,120)	(209,665)
Other Non-Operating (Net)	397,605	0
Total Non-Operating Revenues (Expenses)	<u>(399,515)</u>	<u>(209,665)</u>
Income (Loss) Before Contributions and Transfers	<u>2,306,328</u>	<u>904,430</u>
Capital Contributions	2,409,624	0
Operating Transfers (Net)	18,426	(93,750)
Change in Net Assets	<u>4,734,378</u>	<u>810,680</u>
Total Net Assets - January 1	<u>89,410,758</u>	<u>11,748,059</u>
Total Net Assets - December 31	<u>\$94,145,136</u>	<u>\$12,558,739</u>

Condensed Statement of Cash Flows

Net cash Provided (Used)		
Operating Activities	\$6,722,721	\$1,328,337
Capital and Related Financing Activities	(5,210,304)	(2,559,748)
Investing Activities	(989,642)	1,013,500
Net Increase (Decrease)	<u>522,775</u>	<u>(217,911)</u>
Beginning Cash and Cash Equivalents	<u>5,354,796</u>	<u>762,138</u>
Ending Cash and Cash Equivalents	<u>\$5,877,571</u>	<u>\$544,227</u>

NOTE 10 – JOINT VENTURES

YAKIMA AIR TERMINAL

The City and the County of Yakima entered into a joint venture for operation of the Yakima Air Terminal on July 1, 1982. The Yakima Air Terminal Board is comprised of five individuals: two appointed by the City, two by the County, and one selected by the four appointees. Annually, the governing bodies of the City and County each designate one of its members as an advisory ex-officio member of the Air Terminal Board.

The City and the County contribute equally to the joint venture and own jointly, in equal shares, all properties or facilities; however, annual profits and losses are retained by the Airport. The Yakima Air Terminal is presently self-sustaining. We have considered disclosure requirements promulgated in GASB 39

and have elected to continue to disclose the joint venture in a manner consistent with prior years. We feel the effects of the joint venture on the combined Financial Statements taken as a whole is immaterial.

The Air Terminal budget is approved, amended and / or supplemented by joint resolution of the City and County. Real property acquisition and sale in excess of \$50,000 must be approved by both the City and County. Issuance of bonds for Airport purposes by the City or County requires both parties' approval. Unaudited financial data for the year ended December 31, 2010, the most recent available, is as follows:

YAKIMA AIR TERMINAL FINANCIAL DATA

Assets	
Current Assets	\$671,558
Property, Plant and Equipment, Net	12,387,504
Intangible Assets, Net	1,327,781
Construction in Progress	214,190
Total Assets	<u>\$14,601,033</u>
Liabilities	
Current Liabilities	\$485,292
Other Liabilities-Long Term Debt	86,059
Total Liabilities	<u>\$571,351</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	\$13,908,731
Restricted Net Assets	98,029
Unrestricted Net Assets	22,922
Total Net Assets	<u>\$14,029,682</u>
Revenues, Expenses and Changes in Fund Net Assets	
Operating Revenues	\$1,099,963
Operating Expenses	
Operations / Maintenance	\$1,234,975
Depreciation	922,509
Total Operating Expenses	<u>\$2,157,484</u>
Operating Income (Loss)	<u><u>(\$1,057,521)</u></u>
Non-Operating Revenues (Expenses)	
Misc. Interest Revenue	\$981
Interest on Debt	(\$2,250)
Operating Subsidies	3,344,140
Total Non-Operating Revenues (Expenses)	<u>\$3,342,871</u>
Net Income (Loss)	\$2,285,350
Assets Not Recorded for Prior Years	\$118,494
Increase (Decrease) in Net Assets	<u>\$2,403,844</u>
Total Net Assets, January 1	<u>\$11,625,838</u>
Total Net Assets, December 31	<u><u>\$14,029,682</u></u>

Complete financial statements for the Airport can be obtained from the Yakima Air Terminal at 2400 West Washington Avenue, Yakima, WA, 98903.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFIT PLANS

BENEFITS OTHER THAN PENSION BENEFIT

In addition to providing pension benefits, the City provides certain health care (100% of medically necessary costs) and life insurance benefits for retired employees under the City's Firemen's and Police Pensions as prescribed by state statutes. Current employees under these two pensions become eligible for those benefits if they reach normal retirement age while working for the City. The cost of retiree health care insurance and life insurance benefits is recognized as an expenditure as claims are paid. Both plans are being funded 100% by the City on a pay as you go basis. For 2010, the costs totaled \$785,124 for the Firemen's Pension which has a total of 72 participants currently eligible to receive benefits and \$779,481 for the Police Pension which has a total of 67 participants currently eligible to receive benefits.

In 2008 the City engaged Milliman USA Consultants and Actuaries to perform an actuarial valuation of other postemployment benefits (OPEB) obligations for LEOFF I Fire / Police and Non-LEOFF I employees, in accordance with GASB 45.

LEOFF I EMPLOYEES

Under RCW law, retiree medical, hospital, and nursing care, as long as a disability exists, are covered for any active firefighter hired prior to March 1, 1970. For any retired officer hired prior to March 1, 1970, retiree medical, hospital, and nursing care are covered at the discretion of the Retirement Board. Members retired prior to 1961 for reasons other than duty disability are not eligible for retiree medical benefits during retirement. Under LEOFF Law, the necessary hospital, retiree medical, and nursing care expenses not payable by Workers' Compensation, Social Security, etc. are covered for any active or retired LEOFF 1 member.

Effective January 1, 2007, the City began reimbursing dental costs up to an annual maximum of \$500 for LEOFF I Fire / Police employees.

Eligibility

Employees are eligible to receive lifetime retiree medical benefits upon service retirement after age 50 with at least five years of service. If they are not eligible to retire when leaving LEOFF, but have 20 years of service credit, they are eligible for retiree medical benefits when pension benefits commence. Employees also receive lifetime benefits upon disability.

Retiree Premiums

Funding Policy – Funding for LEOFF retiree healthcare costs is provided entirely by the City as required by RCW. The City's funding policy is based upon pay as you go financing requirements.

Annual OPEB Cost and Net OPEB Obligation – The City's annual other postemployment benefit (OPEB) cost is calculated based upon the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that if paid on an ongoing basis is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years as of January 1, 2010. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB. The net Fire and Police OPEB obligation of \$3,495,780 is included as a noncurrent liability on the Statement of Net Assets.

NET OPEB OBLIGATION

	Fire	Police
	12/31/10	12/31/10
Annual Required Contribution (ARC)		
Annual Normal Cost	\$42,839	\$45,860
Amortization of UAAL	1,276,274	1,208,621
Interest	46,169	43,907
ARC at EOY	1,365,282	1,298,388
Interest on net OPEB Obligation	45,732	39,873
Adjustment to ARC	(71,458)	(62,303)
Annual OPEB Cost	1,339,556	1,275,958
Employer Contributions	(785,124)	(779,481)
Change in Net OPEB Obligation	554,432	496,477
Net Beginning OPEB Obligation	1,306,631	1,139,235
Net OPEB Obligation	<u>\$1,861,063</u>	<u>\$1,635,712</u>

Funded Status and Funding Progress – As of January 1, 2008, the most recent actuarial valuation date, the plan was 0% funded. The accrued liability for benefits was \$47,302,000 and the actuarial value of the assets was \$0 resulting in a UAAL of \$47,302,000.

SCHEDULE OF FUNDING PROGRESS

	Fiscal	Actuarial	Actuarial	Unfunded		Covered	UAAL as a
	Year	Value of	Accrued	Actuarial	Fund Ratio	Payroll	% of
		Assets	Liability	Liability			Covered
				(UAAL)			Payroll
Police	12/31/08	\$0	\$23,007,000	\$23,007,000	0.0%	n/a	n/a
Fire	12/31/08	0	\$24,295,000	\$24,295,000	0.0%	n/a	n/a

The City’s annual OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

OPEB CONTRIBUTIONS – GASB 45

	Valuation	Annual	Percent	Net
	Date	OPEB	of OPEB	OPEB
		Cost	Contributed	Obligation
Police	12/31/08	\$1,298,388	55.6%	\$577,126
	12/31/09	1,298,388	55.9%	1,139,235
	12/31/10	1,298,388	60.0%	1,635,712
Fire	12/31/08	1,365,282	50.3%	678,235
	12/31/09	1,365,282	53.1%	1,306,631
	12/31/10	1,365,282	57.5%	1,861,063

NON-LEOFF I EMPLOYEES

The City of Yakima provides to its retirees employer-provided subsidies associated with postemployment medical benefits. Retirees eligible to receive pension benefit payments along with their qualifying dependents are eligible to remain on the medical insurance plan up to Medicare eligible age 65, by self-paying the entire composite premium rates which blend both active and inactive (i.e. retired) member claims history.

Eligibility

City members are eligible for retiree medical benefits after becoming eligible for retirement pension benefits (either reduced or full pension benefits). Spouses of retired members of Plan 1 of LEOFF are also eligible for benefits. Also, dependent children of retirees under the age of 25 are eligible for benefits.

Only people under age 65 are eligible for benefits.

Former members who are entitled to a deferred vested pension benefit are eligible to receive medical benefits after pension benefit commencement. Spouses under age 65 of covered members are eligible for medical benefits after the members' benefits terminate due to death or obtaining age 65.

Medical Benefits

Upon retirement, members are permitted to receive medical benefits. Retirees pay \$531.02 per month for pre-65 Medical coverage for 2010. If a retiree chooses to cover his spouse and / or eligible family an amount of \$466.74 per month for pre-65 Medical coverage will be paid in 2010.

Funding Policy

The funding policy is based upon the pay as you go financing requirements.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost is calculated based upon the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years as of January 1, 2010. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB.

ANNUAL OPEB COST AND NET OPEB OBLIGATION

	Non-Leoff
	12/31/10
Annual Required Contribution (ARC)	
Annual Normal Cost	\$473,260
Amortization of UAAL	367,909
Interest	29,441
ARC at EOY	870,610
Interest on net OPEB Obligation	35,517
Adjustment to ARC	(55,497)
Annual OPEB Cost	850,630
Employer Contributions	(391,081)
Change in Net OPEB Obligation	459,549
Net Beginning OPEB Obligation	1,014,782
Net OPEB Obligation	<u>\$1,474,331</u>

The City's annual OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

EMPLOYER CONTRIBUTIONS – NON-LEOFF

(Amount Expressed in Thousands)

Fiscal Year Ended	Annual OPEB Cost	Percent of OPEB Contributed	Net OPEB Obligation
12/31/08	\$870,610	39.6%	\$525,878
12/31/09	870,610	42.7%	1,014,782
12/31/10	870,610	45.0%	1,474,331

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the January 1, 2008 actuarial valuation, the Entry Age Normal actuarial cost method was used. The actuarial assumptions used included a 3.5% discount rate, which is based upon the long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Medical trend assumptions range from 9.5% for 2009 dropping gradually to 5% in 2017 and beyond.

The UAAL is being amortized on a closed basis at the assumed discount rate. The remaining amortization period at January 1, 2008 was 30 years.

Funded Status and Funding Progress

As of January 1, 2008, the most recent actuarial valuation date, the plan was 0.0% funded. The accrued liability for benefits was \$7.0 million, and the actuarial value of assets was \$0, resulting in a UAAL of \$7.0 million.

SCHEDULE OF FUNDING PROGRESS

(Amount Expressed in Thousands)

	Fiscal Year	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Fund Ratio	Covered Payroll	UAAL as a % of Covered Payroll
Non-Leoff	12/31/08	\$0	\$7,003,000	\$7,003,000	0.0%	n/a	n/a

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

NOTE 12 – OTHER DISCLOSURES

SUBSEQUENT EVENTS

Management has determined that no events have occurred subsequent to December 31, 2010 through the date of this report that would require adjustment to, or disclosure in, the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

December 31, 2010

POLICE PENSION

Fiscal Year Ending	Actual Employer Contributions Taxes	Medical Benefit Payments and Admin Expenses	Net Employer Contribution	Annual Required Contribution (ARC)	Percentage of ARC Contributed
12/31/01	\$933,831	\$442,878	\$490,953	\$671,522	73.1%
12/31/02	991,009	478,769	512,240	671,522	76.3%
12/31/03	1,133,242	561,692	571,550	657,086	87.0%
12/30/04	1,287,904	702,241	585,663	657,086	89.1%
12/31/05	1,204,159	644,225	559,934	657,086	85.2%
12/31/06	1,235,437	701,306	534,131	657,086	81.3%
12/31/07	1,384,894	765,907	618,987	657,086	94.2%
12/31/08	1,279,173	723,381	555,792	546,180	101.8%
12/31/09	1,316,310	742,965	573,345	546,180	105.0%
12/31/10	1,368,431	783,984	584,447	546,180	107.0%

FIRE PENSION

Fiscal Year Ending	Actual Employer Contributions Taxes & Fire Insurance Premiums	Medical Benefit Payments and Admin Expenses	Net Employer Contribution	Annual Required Contribution (ARC)	Percentage of ARC Contributed
12/31/01	\$1,332,816	\$481,554	\$851,262	\$836,095	101.8%
12/31/02	1,325,372	530,732	794,640	836,095	95.0%
12/31/03	1,406,347	639,871	766,476	633,545	121.0%
12/30/04	1,425,048	769,426	655,622	633,545	103.5%
12/31/05	1,460,423	706,947	753,476	633,545	118.9%
12/31/06	1,558,187	815,278	742,909	633,545	117.3%
12/31/07	1,603,774	814,394	789,380	633,545	124.6%
12/31/08	1,627,553	732,318	895,235	563,583	158.8%
12/31/09	1,487,075	796,765	690,310	563,583	122.5%
12/31/10	1,575,935	825,933	750,002	563,583	133.1%

POLICE OPEB

	Actual Employer Contributions Taxes	Medical Benefit Payments	Net Employer Contribution	Annual Required Contribution (ARC)	Percentage of ARC Contributed
12/31/08	\$721,262	\$721,262	\$721,262	\$1,298,388	55.6%
12/31/09	725,561	725,561	725,561	1,298,388	55.9%
12/31/10	779,481	779,481	779,481	1,298,388	60.0%

FIRE OPEB

	Actual Employer Contributions Taxes	Medical Benefit Payments	Employer Contribution	Annual Required Contribution (ARC)	Percentage of ARC Contributed
12/31/08	\$687,047	\$687,047	\$687,047	\$1,365,282	50.3%
12/31/09	724,291	724,291	724,291	1,365,282	53.1%
12/31/10	785,124	785,124	785,124	1,365,282	57.5%

NON-LEOFF OPEB

	Actual Employer Contributions Taxes	Medical Benefit Payments	Employer Contribution	Annual Required Contribution (ARC)	Percentage of ARC Contributed
12/31/08	\$344,732	\$344,732	\$344,732	\$870,610	39.6%
12/31/09	371,940	371,940	371,940	870,610	42.7%
12/31/10	391,940	391,940	391,940	870,610	45.0%

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFITS (OPEB)**

(Dollar Amounts in Thousands)

December 31, 2010

	Fiscal Year	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Fund Ratio	Covered Payroll	UAAL as a % of Covered Payroll
Police	12/31/08	\$0	\$23,007	\$23,007	0.0%	n/a	n/a
Fire	12/31/08	0	24,295	24,295	0.0%	n/a	n/a
Non-Leoff	12/31/08	0	7,003	7,003	0.0%	n/a	n/a

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 1

	#100	#200	#300	#600	Total	
	Special Revenue	Debt Service	Capital Project	Permanent Fund	2010	2009
Assets						
Cash & Equity in Pooled Investments	\$5,923,482	\$618,489	\$5,881,566	\$591,066	\$13,014,603	\$20,186,433
Receivables:						
Taxes	238,254	12,450	0	0	250,704	233,866
Accounts	340,038	0	4,436	0	344,474	288,406
Special Assessments	37,583	0	0	0	37,583	13,971
LID Assessments - Delinquent	0	23,657	0	0	23,657	24,669
LID Assessments - Deferred	0	799,796	0	0	799,796	274,218
Notes/Contracts	5,256	0	0	0	5,256	10,300
Due from Other Government Units	961,338	0	1,807,216	0	2,768,554	932,786
Investments, at Amortized Cost	1,033	1,010	0	1,033	3,076	3,731
Total Assets	\$7,506,984	\$1,455,402	\$7,693,218	\$592,099	\$17,247,703	\$21,968,380
Liabilities and Fund Balances						
Liabilities						
Warrants/Accounts Payable	\$486,328	\$0	\$831,685	\$0	\$1,318,013	\$2,062,944
Wages/Benefits Payable	854,148	0	0	0	854,148	816,768
Contracts Payable	49,585	0	54,396	0	103,981	114,240
Due to Other Funds	25,485	0	0	0	25,485	35,134
Due to Other Government Units	1,963	0	6,062	0	8,025	6,599
Deposits Payable	386,119	0	0	0	386,119	374,600
Deferred Revenue	93,122	799,796	11,789	0	904,707	351,696
Custodial Accounts	87,835	100	0	0	87,935	0
Total Liabilities	1,984,585	799,896	903,932	0	3,688,413	3,761,981
Fund Balances						
Reserved						
Encumbrances	79,678	0	78,467	0	158,145	1,192,351
Continuing Appropriations	0	0	0	0	0	517,880
Debt Service	0	655,506	0	0	655,506	643,219
Endowment	0	0	0	592,099	592,099	578,511
Parking and Business Improvement	29,441	0	0	0	29,441	11,053
Unreserved Designated - Replacement	381,765	0	895,506	0	1,277,271	6,076,456
Unreserved	5,031,515	0	5,815,313	0	10,846,828	9,186,929
Total Fund Balances	5,522,399	655,506	6,789,286	592,099	13,559,290	18,206,399
Total Liabilities and Fund Balances	\$7,506,984	\$1,455,402	\$7,693,218	\$592,099	\$17,247,703	\$21,968,380

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 1

	#100	#200	#300	#600	Total	
	Special Revenue	Debt Service	Capital Project	Permanent Fund	2010	2009
Revenues						
Taxes	\$8,031,130	\$1,123,933	\$1,317,478	\$0	\$10,472,541	\$11,494,375
Intergovernmental Revenues	8,175,609	108,896	9,567,268	0	17,851,773	9,877,168
Charges for Services	1,389,869	0	54,314	13,588	1,457,771	1,212,844
Fines and Forfeits	34,310	0	0	0	34,310	0
Interest	26,804	29,884	30,500	10,051	97,239	167,203
Other Revenues	1,411,459	332,297	475,261	0	2,219,017	1,731,382
Total Revenues	19,069,181	1,595,010	11,444,821	23,639	32,132,651	24,482,972
Expenditures						
Current						
General Government	325,581	0	14,627	0	340,208	117,924
Security of Persons and Property	4,798,745	0	367,527	0	5,166,272	4,687,471
Physical Environment	245,460	0	0	0	245,460	289,634
Transportation	5,349,314	0	364,069	0	5,713,383	5,395,000
Economic Environment	1,136,243	0	40,725	0	1,176,968	1,322,272
Cultural & Rec Environment	5,854,687	0	716,922	0	6,571,609	6,045,662
Capital Outlay						
General Government	32,188	0	761,330	0	793,518	386,879
Security of Persons and Property	98,288	0	1,846,652	0	1,944,940	1,045,001
Physical Environment	0	0	229,746	0	229,746	851,145
Transportation	2,392,503	0	6,860,680	0	9,253,183	4,396,229
Economic Environment	0	0	985,499	0	985,499	218,874
Cultural & Rec Environment	643,100	0	4,992,882	0	5,635,982	3,613,463
Debt Service						
Principal Retirement	341,144	2,399,256	131,722	0	2,872,122	2,548,016
Interest	15,848	1,188,372	9,887	0	1,214,107	969,436
Total Expenditures	21,233,101	3,587,628	17,322,268	0	42,142,997	31,887,006
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(2,163,920)	(1,992,618)	(5,877,447)	23,639	(10,010,346)	(7,404,034)
Other Financing Sources (Uses)						
Proceeds from Cap Lease Financing	98,288	0	0	0	98,288	0
Proceeds from L.T. Debt - GO Bonds	0	0	0	0	0	7,003,898
Proceeds from Intergov't Loans	0	0	1,690,451	0	1,690,451	600,000
Other Note Proceeds	0	0	864,092	0	864,092	0
Transfers In	2,664,225	2,019,388	575,101	0	5,258,714	6,099,059
Transfers (Out)	(1,802,552)	(14,483)	(709,363)	(10,051)	(2,536,449)	(3,002,802)
Intergovernmental Agreements	0	0	(58,427)	0	(58,427)	0
Sale of Capital Assets	0	0	0	0	0	9,150
Comp. for Loss of Gen. Cap Assets	12,567	0	34,000	0	46,567	81,430
Total Other Financing Sources (Uses)	972,528	2,004,905	2,395,854	(10,051)	5,363,236	10,790,735
Net Change in Fund Balances	(1,191,392)	12,287	(3,481,593)	13,588	(4,647,110)	3,386,701
Fund Balances - January 1	6,713,791	643,219	10,270,879	578,511	18,206,400	14,819,699
Fund Balances - December 31	\$5,522,399	\$655,506	\$6,789,286	\$592,099	\$13,559,290	\$18,206,400

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

NONMAJOR SPECIAL REVENUE FUNDS

Page 1 of 2

Economic Development Fund (123) – Established in 1991 to account for payments received by Housing and Urban Development UDAG grant recipients to be used for future economic development within the City.

Cable TV Communications Fund (125) – Created by Ordinance No. 2510 in 1981 to pay expenses incurred by the City in administering Cable TV franchises for Cable TV operators doing business in the City and formulate community access television programming.

Community Services Fund (127) – Created in 2007. Healthy Families Yakima, currently its sole program, was established as a demonstration project to test the effectiveness of alternative approaches to child support enforcement issues. This program is supported by a federal grant passed through the state and local match (i.e. donations).

Parks and Recreation Fund (131) – Accounts for the Metropolitan Park District which was made a part of the General Fund in 1970 by Ordinance 1276. In 1971 it became a separate fund primarily supported by program fees and tax levies.

Growth Management Fund (140) – Established in 1990 for the purpose of providing comprehensive planning in accordance with the Growth Management Act. The major sources of revenue are grants and interfund transfers.

Street Fund (141) – While not a self-supporting fund, it is required to be a separate fund for the purpose of accounting for the disbursement of the Motor Vehicle Fuel Tax revenues paid by the State of Washington to the City. Primarily, the fund is used for maintenance of existing City streets and traffic signalization, supported by a portion of the gas tax and an allocation of property taxes.

Arterial Street Fund (142) – Created for the purpose of maintaining existing arterial streets and constructing new arterial streets out of moneys provided by the State from the one-half cent per gallon gas tax levied by the State for this purpose.

Cemetery Fund (144) – A self-supporting fund for the operation of the Tahoma Cemetery. Revenues are provided through the sale of grave sites and other services; it receives interest from Cemetery Trust Fund investments. Disbursements from this fund are for all expenses for the care of lots, blocks or parts thereof under endowment or annual care.

Emergency Services Fund (150) – Established in 1991 when a special property tax levy was approved by the voters to provide for emergency medical services.

Public Safety Communications Fund (151) – Created in 1996 to consolidate 9-1-1 call taking and public safety dispatch both for Yakima County and the City. This is supported by 9-1-1 and dispatching contracts with neighboring jurisdictions, and telephone utility tax transferred from the General Fund.

Police Grants (152) – The Police Grants Fund was created in 2009 to account for supplemental police grant-funded programs, including the COPS Hiring Recovery Program. Additionally, the City/County Narcotics Unit (CCNU) was dissolved in the fall of 2009, therefore, the City's portion of drug related seized and forfeited assets will be managed through this fund.

NONMAJOR SPECIAL REVENUE FUNDS

Page 2 of 2

Parking and Business Improvement Fund (161) – Formed to record the operating receipts and expenditures for Parking and Business Improvement. The major source of revenue is the assessment levied on businesses. Expenditures include costs associated with enhanced maintenance and other promotion of the Downtown area.

Trolley Fund (162) – Accounts for the operations, maintenance and capital improvements of the Trolley System. The major source of revenue is grants.

Front Street Business Improvement Fund (163) – Established in 1997 for the purpose of assisting trade, economic viability and livability within the area. Revenues are derived from self assessments on businesses located within the boundaries.

Tourist Promotion Fund (170) – Established in 1978 and centralizes all City expenditures for the support of tourist and convention activities and publicity, including operational expenses of the city-owned Convention Center.

Capitol Theatre Operating Fund (171) – Created in 1980 for the purpose of maintaining, managing, and operating the Capitol Theatre.

Public Facilities District – Convention Center (172) – Created in 2002 to account for the revenues received from the Yakima Regional Public Facilities District, which was established to expand the local convention center.

Tourism Promotion Area (173) – Created in 2005 by a self assessment of the lodging industry to fund activities designed to increase tourism and convention business within Yakima County.

Public Facilities District – Capitol Theatre (174) – Created in 2009 to account for the revenues received from the Yakima Regional Public Facilities District, which was established for the expansion of the Capitol Theatre.

Contingency Fund (195) – Created by Ordinance 1273 on December 14, 1970, for the purpose of providing funds for unforeseen needs.

Capitol Theatre Reserve Fund (198) – Established in 1981 using the \$1,000,000 proceeds of an insurance settlement. The fund has been maintained as a General Contingency Reserve. Interest earnings are allocated to fund a Depreciation Reserve for the Capitol Theatre.

Recovery Grants Program (199) – The Recovery Grants Program Fund is being used to account for American Recovery and Reinvestment Act (ARRA) grants that include projects in various operating divisions.

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 4

	#123 Economic Dev	#125 Cable TV	#127 Community Services	#131 Parks and Recreation	#140 Growth Mgmt	#141 Streets
Assets						
Cash & Equity in Pooled Investments	\$301,316	\$939,146	\$15,560	\$541,584	\$23,116	\$1,478,409
Receivables						
Taxes	0	0	0	0	0	0
Accounts	0	1,600	0	13,447	0	3,950
Special Assessments	0	0	0	0	0	0
LID Assessments - Delinquent	0	0	0	0	0	0
LID Assessments - Deferred	0	0	0	0	0	0
Notes/Contracts	0	0	0	0	0	0
Due from Other Government Units	0	0	0	0	0	196,707
Investments, at Amortized Cost	0	0	0	0	0	0
Total Assets	\$301,316	\$940,746	\$15,560	\$555,031	\$23,116	\$1,679,066
Liabilities and Fund Balances						
Liabilities						
Warrants/Accounts Payable	\$12,500	\$872	\$0	\$25,310	\$0	\$117,556
Wages/Benefits Payable	2,461	36,315	0	131,930	0	272,530
Contracts Payable	0	0	0	0	0	0
Due to Other Funds	0	0	0	0	0	0
Due to Other Government Units	0	0	0	490	0	0
Deposits Payable	0	0	0	7,931	0	0
Deferred Revenue	0	1,600	0	3,689	0	3,950
Custodial Accounts	87,835	0	0	0	0	0
Total Liabilities	102,796	38,787	0	169,350	0	394,036
Fund Balances						
Reserved						
Encumbrances	0	0	0	0	6,296	35,586
Continuing Appropriations	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0
Endowment	0	0	0	0	0	0
Parking and Business Improvement	0	0	0	0	0	0
Unreserved Designated - Replacement	0	0	0	0	0	0
Unreserved	198,520	901,959	15,560	385,681	16,820	1,249,444
Total Fund Balances	198,520	901,959	15,560	385,681	23,116	1,285,030
Total Liabilities and Fund Balances	\$301,316	\$940,746	\$15,560	\$555,031	\$23,116	\$1,679,066

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2010

With comparative totals for December 31, 2009

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	#142	#144	#150	#151	#152
	Arterial		Emergency	Pub Safety	Police
	Streets	Cemetery	Services	Comm	Grants
Assets					
Cash & Equity in Pooled Investments	\$475,154	\$97,121	\$167,278	\$460,482	\$288,202
Receivables					
Taxes	0	0	59,819	0	0
Accounts	0	37,865	0	30,099	0
Special Assessments	0	0	0	0	0
LID Assessments - Delinquent	0	0	0	0	0
LID Assessments - Deferred	0	0	0	0	0
Notes/Contracts	5,256	0	0	0	0
Due from Other Government Units	586,704	0	0	3,179	125,655
Investments, at Amortized Cost	0	0	0	0	0
Total Assets	\$1,067,114	\$134,986	\$227,097	\$493,760	\$413,857
Liabilities and Fund Balances					
Liabilities					
Warrants/Accounts Payable	\$212,174	\$1,828	\$1,515	\$5,696	\$22,751
Wages/Benefits Payable	0	13,635	101,251	236,066	59,960
Contracts Payable	38,818	0	0	0	0
Due to Other Funds	0	0	0	0	0
Due to Other Government Units	1,581	(108)	0	0	0
Deposits Payable	200,000	0	0	0	0
Deferred Revenue	5,256	37,865	0	3,179	0
Custodial Accounts	0	0	0	0	0
Total Liabilities	457,829	53,220	102,766	244,941	82,711
Fund Balances					
Reserved					
Encumbrances	0	0	0	0	26,796
Continuing Appropriations	0	0	0	0	0
Debt Service	0	0	0	0	0
Endowment	0	0	0	0	0
Parking and Business Improvement	0	0	0	0	0
Unreserved Designated - Replacement	0	0	0	0	0
Unreserved	609,285	81,766	124,331	248,819	304,350
Total Fund Balances	609,285	81,766	124,331	248,819	331,146
Total Liabilities and Fund Balances	\$1,067,114	\$134,986	\$227,097	\$493,760	\$413,857

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2010

With comparative totals for December 31, 2009

#161 Parking and Bus Impr	#162 Trolley	#163 Front St Bus Impr	#170 Tourist Promotion	#171 Capitol Theatre	#172 PFD Conv Ctr	#173 Tourism Promo Area	#174 PFD Cap Thtr
\$21,823	\$0	\$7,618	\$136,602	\$119,307	\$169,960	\$35,361	\$23,857
0	0	0	133,234	0	0	45,201	0
0	1,540	0	251,537	0	0	0	0
35,728	0	1,855	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	9,637	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>\$57,551</u>	<u>\$11,177</u>	<u>\$9,473</u>	<u>\$521,373</u>	<u>\$119,307</u>	<u>\$169,960</u>	<u>\$80,562</u>	<u>\$23,857</u>
\$0	\$0	\$0	\$31,387	\$4,430	\$42	\$34,947	\$0
0	0	0	0	0	0	0	0
0	6,225	0	0	0	0	0	0
0	401	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	178,188	0	0	0	0
35,728	0	1,855	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>35,728</u>	<u>6,626</u>	<u>1,855</u>	<u>209,575</u>	<u>4,430</u>	<u>42</u>	<u>34,947</u>	<u>0</u>
0	0	0	0	0	11,000	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
21,823	0	7,618	0	0	0	0	0
0	0	0	0	0	0	0	0
0	4,551	0	311,798	114,877	158,918	45,615	23,857
<u>21,823</u>	<u>4,551</u>	<u>7,618</u>	<u>311,798</u>	<u>114,877</u>	<u>169,918</u>	<u>45,615</u>	<u>23,857</u>
<u>\$57,551</u>	<u>\$11,177</u>	<u>\$9,473</u>	<u>\$521,373</u>	<u>\$119,307</u>	<u>\$169,960</u>	<u>\$80,562</u>	<u>\$23,857</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2010

With comparative totals for December 31, 2009

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	#195	#198	#199	Total	
	Contingency	Capitol Thtr Res	Rec Grant Program	2010	2009
Assets					
Cash & Equity in Pooled Investments	\$240,854	\$380,732	\$0	\$5,923,482	\$7,371,844
Receivables					
Taxes	0	0	0	238,254	221,375
Accounts	0	0	0	340,038	285,779
Special Assessments	0	0	0	37,583	13,971
LID Assessments - Delinquent	0	0	0	0	0
LID Assessments - Deferred	0	0	0	0	0
Notes/Contracts	0	0	0	5,256	10,300
Due from Other Government Units	0	0	39,456	961,338	653,480
Investments, at Amortized Cost	0	1,033	0	1,033	1,249
Total Assets	\$240,854	\$381,765	\$39,456	\$7,506,984	\$8,557,998
Liabilities and Fund Balances					
Liabilities					
Warrants/Accounts Payable	\$5,490	\$0	\$9,830	\$486,328	\$437,257
Wages/Benefits Payable	0	0	0	854,148	816,768
Contracts Payable	0	0	4,542	49,585	110,250
Due to Other Funds	0	0	25,084	25,485	35,134
Due to Other Government Units	0	0	0	1,963	3,279
Deposits Payable	0	0	0	386,119	374,600
Deferred Revenue	0	0	0	93,122	66,920
Custodial Accounts	0	0	0	87,835	0
Total Liabilities	5,490	0	39,456	1,984,585	1,844,208
Fund Balances					
Reserved					
Encumbrances	0	0	0	79,678	111,796
Continuing Appropriations	0	0	0	0	0
Debt Service	0	0	0	0	0
Endowment	0	0	0	0	0
Parking and Business Improvement	0	0	0	29,441	11,053
Unreserved Designated - Replacement	0	381,765	0	381,765	451,642
Unreserved	235,364	0	0	5,031,515	6,139,299
Total Fund Balances	235,364	381,765	0	5,522,399	6,713,790
Total Liabilities and Fund Balances	\$240,854	\$381,765	\$39,456	\$7,506,984	\$8,557,998

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 4

	#123 Economic Dev	#125 Cable TV	#127 Community Services	#131 Parks and Recreation	#140 Growth Mgmt	#141 Streets
Revenues						
Taxes	\$21,161	\$507,090	\$0	\$1,665,500	\$0	\$3,403,111
Intergovernmental Revenues	102,432	0	73,695	139,555	21,888	1,247,341
Charges for Services	0	0	0	930,907	0	228,007
Fines and Forfeits	0	0	0	0	0	0
Interest	0	500	0	5,000	0	8,000
Other Revenues	76	14,396	653	216,835	0	19,779
Total Revenues	123,669	521,986	74,348	2,957,797	21,888	4,906,238
Expenditures						
Current						
General Government	0	0	0	0	0	101,627
Security of Persons and Property	0	0	0	0	0	0
Physical Environment	0	0	0	0	0	0
Transportation	0	0	0	0	23,144	5,080,084
Economic Environment	223,983	0	64,387	677,549	0	0
Cultural & Recreational Environment	0	470,739	0	3,237,787	0	3,169
Capital Outlay						
General Government	0	0	0	0	0	0
Security of Persons and Property	0	0	0	0	0	0
Physical Environment	0	0	0	0	0	0
Transportation	0	0	0	0	0	42,489
Economic Environment	0	0	0	0	0	0
Cultural & Recreational Environment	0	42,392	0	0	0	0
Debt Service						
Principal Retirement	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	223,983	513,131	64,387	3,915,336	23,144	5,227,369
Excess of Rev Over (Under) Expenditures	(\$100,314)	\$8,855	\$9,961	(\$957,539)	(\$1,256)	(\$321,131)
Other Financing Sources (Uses)						
Proceeds from Capital Lease Financing	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from LT Debt - G.O. Debt	0	0	0	0	0	0
Proceeds from Intergovernmental Loans	0	0	0	0	0	0
Other Note Proceeds	0	0	0	0	0	0
Transfers In	0	0	0	1,150,565	0	40,000
Transfers (Out)	0	0	0	(146,900)	0	(110,542)
Intergovernmental Agreements	0	0	0	0	0	0
Sale of Capital Assets	0	0	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0	0	12,567
Total other Financing Sources (Uses)	0	0	0	1,003,665	0	(57,975)
Net Change in Fund Balances	(100,314)	8,855	9,961	46,126	(1,256)	(379,106)
Fund Balances, January 1	298,834	893,104	5,599	339,555	24,372	1,664,136
Fund Balances, December 31	\$198,520	\$901,959	\$15,560	\$385,681	\$23,116	\$1,285,030

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 2 of 4

	#142 Arterial Streets	#144 Cemetery	#150 Emergency Services	#151 Pub Safety Comm	#152 Police Grants
Revenues					
Taxes	\$0	\$0	\$0	\$138,566	\$0
Intergovernmental Revenues	2,497,716	0	1,095,911	1,782,571	678,992
Charges for Services	0	179,008	0	51,947	0
Fines and Forfeits	0	0	0	0	0
Interest	7,000	1,000	651	750	0
Other Revenues	4,311	0	0	13,262	268,531
Total Revenues	2,509,027	180,008	1,096,562	1,987,096	947,523
Expenditures					
Current					
General Government	0	0	0	0	72,202
Security of Persons and Property	0	0	968,525	2,961,578	809,930
Physical Environment	0	245,460	0	0	0
Transportation	(1,142)	0	0	0	0
Economic Environment	0	0	0	0	0
Cultural & Recreational Environment	0	0	0	0	0
Capital Outlay					
General Government	0	0	0	0	32,188
Security of Persons and Property	0	0	0	98,288	0
Physical Environment	0	0	0	0	0
Transportation	2,350,014	0	0	0	0
Economic Environment	0	0	0	0	0
Cultural & Recreational Environment	451,004	0	0	0	0
Debt Service					
Principal Retirement	322,846	0	0	7,584	0
Interest	14,731	0	0	998	0
Total Expenditures	3,137,453	245,460	968,525	3,068,448	914,320
Excess of Rev Over (Under) Expenditures	(\$628,426)	(\$65,452)	\$128,037	(\$1,081,352)	\$33,203
Other Financing Sources (Uses)					
Proceeds from Capital Lease Financing	\$0	\$0	\$0	\$98,288	\$0
Proceeds from LT Debt - G.O. Debt	0	0	0	0	0
Proceeds from Intergovernmental Loans	0	0	0	0	0
Other Note Proceeds	0	0	0	0	0
Transfers In	191,682	60,051	0	975,000	0
Transfers (Out)	(237,183)	0	(125,000)	0	0
Intergovernmental Agreements	0	0	0	0	0
Sale of Capital Assets	0	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0	0
Total other Financing Sources (Uses)	(45,501)	60,051	(125,000)	1,073,288	0
Net Change in Fund Balances	(673,927)	(5,401)	3,037	(8,064)	33,203
Fund Balances, January 1	1,283,212	87,167	121,294	256,883	297,943
Fund Balances, December 31	<u>\$609,285</u>	<u>\$81,766</u>	<u>\$124,331</u>	<u>\$248,819</u>	<u>\$331,146</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 3 of 4

#161 Parking and Bus Impr	#162 Trolley	#163 Front St Bus Impr	#170 Tourist Promotion	#171 Capitol Theatre	#172 PFD Conv Ctr	#173 Tourism Promo Area	#174 PFD Cap Thtr
\$0	\$0	\$0	\$555,694	\$198,644	\$654,414	\$393,460	\$493,490
0	148,497	0	0	0	0	0	0
0	0	0	0	0	0	0	0
34,310	0	0	0	0	0	0	0
0	0	35	118	250	750	0	700
189,511	1,540	2,418	680,147	0	0	0	0
<u>223,821</u>	<u>150,037</u>	<u>2,453</u>	<u>1,235,959</u>	<u>198,894</u>	<u>655,164</u>	<u>393,460</u>	<u>494,190</u>
0	0	0	0	0	0	0	0
34,649	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
160,000	0	0	0	0	0	0	0
9,989	718	3,248	1,431,211	284,749	12,133	388,980	11,964
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	149,704	0	0	0	0	0	0
0	0	0	10,714	0	0	0	0
0	0	0	119	0	0	0	0
<u>204,638</u>	<u>150,422</u>	<u>3,248</u>	<u>1,442,044</u>	<u>284,749</u>	<u>12,133</u>	<u>388,980</u>	<u>11,964</u>
<u>\$19,183</u>	<u>(\$385)</u>	<u>(\$795)</u>	<u>(\$206,085)</u>	<u>(\$85,855)</u>	<u>\$643,031</u>	<u>\$4,480</u>	<u>\$482,226</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	150,000	71,927	0	0	0
0	0	0	0	0	(629,000)	0	(482,000)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000</u>	<u>71,927</u>	<u>(629,000)</u>	<u>0</u>	<u>(482,000)</u>
<u>19,183</u>	<u>(385)</u>	<u>(795)</u>	<u>(56,085)</u>	<u>(13,928)</u>	<u>14,031</u>	<u>4,480</u>	<u>226</u>
<u>2,640</u>	<u>4,936</u>	<u>8,413</u>	<u>367,883</u>	<u>128,805</u>	<u>155,887</u>	<u>41,135</u>	<u>23,631</u>
<u>\$21,823</u>	<u>\$4,551</u>	<u>\$7,618</u>	<u>\$311,798</u>	<u>\$114,877</u>	<u>\$169,918</u>	<u>\$45,615</u>	<u>\$23,857</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2010

With comparative totals for December 31, 2009

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	#195	#198	#199	Total	
	Contingency	Capitol Thtr Res	Rec Grant Program	2010	2009
Revenues					
Taxes	\$0	\$0	\$0	\$8,031,130	\$8,828,868
Intergovernmental Revenues	0	0	387,011	8,175,609	7,832,925
Charges for Services	0	0	0	1,389,869	1,193,970
Fines and Forfeits	0	0	0	34,310	0
Interest	0	2,050	0	26,804	57,654
Other Revenues	0	0	0	1,411,459	1,451,843
Total Revenues	0	2,050	387,011	19,069,181	19,365,260
Expenditures					
Current					
General Government	23,490	0	128,262	325,581	103,713
Security of Persons and Property	17,370	0	6,693	4,798,745	4,051,153
Physical Environment	0	0	0	245,460	289,634
Transportation	0	0	247,228	5,349,314	5,145,000
Economic Environment	5,496	0	4,828	1,136,243	1,304,238
Cultural & Recreational Environment	0	0	0	5,854,687	5,910,208
Capital Outlay					
General Government	0	0	0	32,188	0
Security of Persons and Property	0	0	0	98,288	9,178
Physical Environment	0	0	0	0	30,791
Transportation	0	0	0	2,392,503	2,836,052
Economic Environment	0	0	0	0	0
Cultural & Recreational Environment	0	0	0	643,100	423,631
Debt Service					
Principal Retirement	0	0	0	341,144	331,479
Interest	0	0	0	15,848	20,294
Total Expenditures	46,356	0	387,011	21,233,101	20,455,371
Excess of Rev Over (Under) Expenditures	(\$46,356)	\$2,050	\$0	(\$2,163,920)	(\$1,090,111)
Other Financing Sources (Uses)					
Proceeds from Capital Lease Financing	\$0	\$0	\$0	\$98,288	\$0
Proceeds from LT Debt - G.O. Debt	0	0	0	0	0
Proceeds from Intergovernmental Loans	0	0	0	0	0
Other Note Proceeds	0	0	0	0	0
Transfers In	25,000	0	0	2,664,225	2,538,842
Transfers (Out)	0	(71,927)	0	(1,802,552)	(1,958,131)
Intergovernmental Agreements	0	0	0	0	0
Sale of Capital Assets	0	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	12,567	45,430
Total other Financing Sources (Uses)	25,000	(71,927)	0	972,528	626,141
Net Change in Fund Balances	(21,356)	(69,877)	0	(1,191,392)	(463,970)
Fund Balances, January 1	256,720	451,642	0	6,713,791	7,177,761
Fund Balances, December 31	\$235,364	\$381,765	\$0	\$5,522,399	\$6,713,791

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2010

With comparative totals for December 31, 2009

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123 — ECONOMIC DEVELOPMENT

	— Budgeted Amounts —		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$8,000	\$8,000	\$21,161	\$13,161
Intergovernmental Revenues	110,000	135,000	102,432	(32,568)
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Interest	0	0	0	0
Other Revenues	0	0	76	76
Total Revenues	118,000	143,000	123,669	(19,331)
Expenditures				
Current				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	211,304	236,304	223,983	12,321
Cultural & Recreational Environment	0	0	0	0
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Debt Service				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	211,304	236,304	223,983	12,321
Excess of Revenues Over (Under) Expenditures	(\$93,304)	(\$93,304)	(\$100,314)	(\$7,010)
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	0	0	0	0
Transfers (Out)	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(93,304)	(93,304)	(100,314)	(7,010)
Fund Balances, January 1	255,895	255,895	298,834	42,939
Fund Balances, December 31	\$162,591	\$162,591	\$198,520	\$35,929

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2010

With comparative totals for December 31, 2009

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	— Budgeted Amounts —		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
125 — CABLE TV				
Revenues				
Taxes	\$460,000	\$460,000	\$507,090	\$47,090
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Interest	1,000	1,000	500	(500)
Other Revenues	16,200	16,200	14,396	(1,804)
Total Revenues	477,200	477,200	521,986	44,786
Expenditures				
Current				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Cultural & Recreational Environment	524,448	524,448	470,739	53,709
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
Cultural & Recreational Environment	37,000	37,000	42,392	(5,392)
Debt Service				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	561,448	561,448	513,131	48,317
Excess of Revenues Over (Under) Expenditures	(\$84,248)	(\$84,248)	\$8,855	\$93,103
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	0	0	0	0
Transfers (Out)	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(84,248)	(84,248)	8,855	93,103
Fund Balances, January 1	795,951	795,951	893,104	97,153
Fund Balances, December 31	\$711,703	\$711,703	\$901,959	\$190,256

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2010

With comparative totals for December 31, 2009

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127 — COMMUNITY SERVICES FUND

	— Budgeted Amounts —		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	200,000	200,000	73,695	(126,305)
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Interest	0	0	0	0
Other Revenues	5,000	5,000	653	(4,347)
Total Revenues	205,000	205,000	74,348	(130,652)
Expenditures				
Current				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	206,834	206,834	64,387	142,447
Cultural & Recreational Environment	0	0	0	0
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Debt Service				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	206,834	206,834	64,387	142,447
Excess of Revenues Over (Under) Expenditures	(\$1,834)	(\$1,834)	\$9,961	\$11,795
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	0	0	0	0
Transfers (Out)	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(1,834)	(1,834)	9,961	11,795
Fund Balances, January 1	3,956	3,956	5,599	1,643
Fund Balances, December 31	\$2,122	\$2,122	\$15,560	\$13,438

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS

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131 — PARKS & RECREATION FUND

	— Budgeted Amounts —		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$1,788,500	\$1,788,500	\$1,665,500	(\$123,000)
Intergovernmental Revenues	147,700	147,700	139,555	(8,145)
Charges for Services	946,365	946,365	930,907	(15,458)
Fines & Forfeits	0	0	0	0
Interest	8,000	8,000	5,000	(3,000)
Other Revenues	184,420	184,420	216,835	32,415
Total Revenues	<u>3,074,985</u>	<u>3,074,985</u>	<u>2,957,797</u>	<u>(117,188)</u>
Expenditures				
Current				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	709,249	709,249	677,549	31,700
Cultural & Recreational Environment	3,362,906	3,362,906	3,237,787	125,119
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Debt Service				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	<u>4,072,155</u>	<u>4,072,155</u>	<u>3,915,336</u>	<u>156,819</u>
Excess of Revenues Over (Under) Expenditures	<u>(\$997,170)</u>	<u>(\$997,170)</u>	<u>(\$957,539)</u>	<u>\$39,631</u>
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	1,117,000	1,117,000	1,150,565	33,565
Transfers (Out)	(146,500)	(146,500)	(146,900)	(400)
Comp. For Loss of Gen. Capital Assets	55,000	55,000	0	(55,000)
Total other Financing Sources (Uses)	<u>1,025,500</u>	<u>1,025,500</u>	<u>1,003,665</u>	<u>(21,835)</u>
Net Change in Fund Balances	28,330	28,330	46,126	17,796
Fund Balances, January 1	<u>262,477</u>	<u>262,477</u>	<u>339,555</u>	<u>77,078</u>
Fund Balances, December 31	<u><u>\$290,807</u></u>	<u><u>\$290,807</u></u>	<u><u>\$385,681</u></u>	<u><u>\$94,874</u></u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2010

With comparative totals for December 31, 2009

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140 — GROWTH MANAGEMENT FUND

	— Budgeted Amounts —		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	0	25,373	21,888	(3,485)
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Interest	0	0	0	0
Other Revenues	0	0	0	0
Total Revenues	0	25,373	21,888	(3,485)
Expenditures				
Current				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Physical Environment	0	0	0	0
Transportation	0	29,440	23,144	6,296
Economic Environment	20,305	20,305	0	20,305
Cultural & Recreational Environment	0	0	0	0
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Debt Service				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	20,305	49,745	23,144	26,601
Excess of Revenues Over (Under) Expenditures	(\$20,305)	(\$24,372)	(\$1,256)	\$23,116
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	0	0	0	0
Transfers (Out)	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(20,305)	(24,372)	(1,256)	23,116
Fund Balances, January 1	20,305	20,305	24,372	4,067
Fund Balances, December 31	\$0	(\$4,067)	\$23,116	\$27,183

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2010

With comparative totals for December 31, 2009

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141 — STREETS FUND				
	— Budgeted Amounts —		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$3,708,000	\$3,708,000	\$3,403,111	(\$304,889)
Intergovernmental Revenues	1,200,000	1,200,000	1,247,341	47,341
Charges for Services	215,760	215,760	228,007	12,247
Fines & Forfeits	0	0	0	0
Interest	15,000	15,000	8,000	(7,000)
Other Revenues	50	50	19,779	19,729
Total Revenues	<u>5,138,810</u>	<u>5,138,810</u>	<u>4,906,238</u>	<u>(232,572)</u>
Expenditures				
Current				
General Government	\$112,815	\$112,815	\$101,627	\$11,188
Security of Persons and Property	0	0	0	0
Physical Environment	0	0	0	0
Transportation	5,131,230	5,176,849	5,080,084	96,765
Economic Environment	0	0	0	0
Cultural & Recreational Environment	4,456	4,456	3,169	1,287
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	42,489	(42,489)
Cultural & Recreational Environment	0	0	0	0
Debt Service				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	<u>5,248,501</u>	<u>5,294,120</u>	<u>5,227,369</u>	<u>66,751</u>
Excess of Revenues Over (Under) Expenditures	<u>(\$109,691)</u>	<u>(\$155,310)</u>	<u>(\$321,131)</u>	<u>(\$165,821)</u>
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	40,000	40,000	40,000	0
Transfers (Out)	(130,542)	(130,542)	(110,542)	20,000
Comp. For Loss of Gen. Capital Assets	50,000	50,000	12,567	(37,433)
Total other Financing Sources (Uses)	<u>(40,542)</u>	<u>(40,542)</u>	<u>(57,975)</u>	<u>(17,433)</u>
Net Change in Fund Balances	<u>(150,233)</u>	<u>(195,852)</u>	<u>(379,106)</u>	<u>(183,254)</u>
Fund Balances, January 1	<u>1,255,353</u>	<u>1,255,353</u>	<u>1,664,136</u>	<u>408,783</u>
Fund Balances, December 31	<u>\$1,105,120</u>	<u>\$1,059,501</u>	<u>\$1,285,030</u>	<u>\$225,529</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2010

With comparative totals for December 31, 2009

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	142 — ARTERIAL STREETS			Variance with Final Budget Positive (Negative)
	— Budgeted Amounts —		Actual Amounts	
	Original	Final		
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	2,603,697	2,603,697	2,497,716	(105,981)
Charges for Services	500	500	0	(500)
Fines & Forfeits	0	0	0	0
Interest	10,000	10,000	7,000	(3,000)
Other Revenues	65,475	65,475	4,311	(61,164)
Total Revenues	<u>2,679,672</u>	<u>2,679,672</u>	<u>2,509,027</u>	<u>(170,645)</u>
Expenditures				
Current				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Physical Environment	0	0	0	0
Transportation	10,000	10,000	(1,142)	11,142
Economic Environment	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	3,021,050	4,961,347	2,350,014	2,611,333
Cultural & Recreational Environment	192,047	659,372	451,004	208,368
Debt Service				
Principal Retirement	276,407	276,407	322,846	(46,439)
Interest	10,119	10,119	14,731	(4,612)
Total Expenditures	<u>3,509,623</u>	<u>5,917,245</u>	<u>3,137,453</u>	<u>2,779,792</u>
Excess of Revenues Over (Under) Expenditures	<u>(\$829,951)</u>	<u>(\$3,237,573)</u>	<u>(\$628,426)</u>	<u>\$2,609,147</u>
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	297,095	297,095	191,682	(105,413)
Transfers (Out)	(237,183)	(237,183)	(237,183)	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	<u>59,912</u>	<u>59,912</u>	<u>(45,501)</u>	<u>(105,413)</u>
Net Change in Fund Balances	<u>(770,039)</u>	<u>(3,177,661)</u>	<u>(673,927)</u>	<u>2,503,734</u>
Fund Balances, January 1	<u>952,740</u>	<u>952,740</u>	<u>1,283,212</u>	<u>330,472</u>
Fund Balances, December 31	<u>\$182,701</u>	<u>(\$2,224,921)</u>	<u>\$609,285</u>	<u>\$2,834,206</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

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With comparative totals for December 31, 2009

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	— Budgeted Amounts —			Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
144 — CEMETERY					
Revenues					
Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenues	0	0	0	0	0
Charges for Services	175,750	175,750	179,008	3,258	3,258
Fines & Forfeits	0	0	0	0	0
Interest	3,000	3,000	1,000	(2,000)	(2,000)
Other Revenues	0	0	0	0	0
Total Revenues	<u>178,750</u>	<u>178,750</u>	<u>180,008</u>	<u>1,258</u>	<u>1,258</u>
Expenditures					
Current					
General Government	\$0	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0	0
Physical Environment	256,155	256,155	245,460	10,695	10,695
Transportation	0	0	0	0	0
Economic Environment	0	0	0	0	0
Cultural & Recreational Environment	0	0	0	0	0
Capital Outlay					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	0	0	0
Transportation	0	0	0	0	0
Cultural & Recreational Environment	0	0	0	0	0
Debt Service					
Principal Retirement	0	0	0	0	0
Interest	0	0	0	0	0
Total Expenditures	<u>256,155</u>	<u>256,155</u>	<u>245,460</u>	<u>10,695</u>	<u>10,695</u>
Excess of Revenues Over (Under) Expenditures	<u>(\$77,405)</u>	<u>(\$77,405)</u>	<u>(\$65,452)</u>	<u>\$11,953</u>	<u>\$11,953</u>
Other Financing Sources (Uses)					
Proceeds from Capital Lease Financing	0	0	0	0	0
Transfers In	65,000	65,000	60,051	(4,949)	(4,949)
Transfers (Out)	0	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0	0
Total other Financing Sources (Uses)	<u>65,000</u>	<u>65,000</u>	<u>60,051</u>	<u>(4,949)</u>	<u>(4,949)</u>
Net Change in Fund Balances	<u>(12,405)</u>	<u>(12,405)</u>	<u>(5,401)</u>	<u>7,004</u>	<u>7,004</u>
Fund Balances, January 1	<u>49,557</u>	<u>49,557</u>	<u>87,167</u>	<u>37,610</u>	<u>37,610</u>
Fund Balances, December 31	<u><u>\$37,152</u></u>	<u><u>\$37,152</u></u>	<u><u>\$81,766</u></u>	<u><u>\$44,614</u></u>	<u><u>\$44,614</u></u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

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	— Budgeted Amounts —			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
	150 — EMERGENCY SERVICES			
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	1,063,120	1,063,120	1,095,911	32,791
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Interest	750	750	651	(99)
Other Revenues	0	0	0	0
Total Revenues	<u>1,063,870</u>	<u>1,063,870</u>	<u>1,096,562</u>	<u>32,692</u>
Expenditures				
Current				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	985,329	985,329	968,525	16,804
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Debt Service				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	<u>985,329</u>	<u>985,329</u>	<u>968,525</u>	<u>16,804</u>
Excess of Revenues Over (Under) Expenditures	<u>\$78,541</u>	<u>\$78,541</u>	<u>\$128,037</u>	<u>\$49,496</u>
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	0	0	0	0
Transfers (Out)	(125,000)	(125,000)	(125,000)	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>0</u>
Net Change in Fund Balances	<u>(46,459)</u>	<u>(46,459)</u>	<u>3,037</u>	<u>49,496</u>
Fund Balances, January 1	<u>99,558</u>	<u>99,558</u>	<u>121,294</u>	<u>21,736</u>
Fund Balances, December 31	<u><u>\$53,099</u></u>	<u><u>\$53,099</u></u>	<u><u>\$124,331</u></u>	<u><u>\$71,232</u></u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

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151 — PUBLIC SAFETY COMMUNICATIONS

	— Budgeted Amounts —		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$143,300	\$143,300	\$138,566	(\$4,734)
Intergovernmental Revenues	1,756,556	1,757,523	1,782,571	25,048
Charges for Services	51,126	51,126	51,947	821
Fines & Forfeits	0	0	0	0
Interest	0	0	750	750
Other Revenues	10,328	10,328	13,262	2,934
Total Revenues	1,961,310	1,962,277	1,987,096	24,819
Expenditures				
Current				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	2,994,508	2,995,475	2,961,578	33,897
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	100,000	98,288	1,712
Transportation	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Debt Service				
Principal Retirement	0	0	7,584	(7,584)
Interest	0	0	998	(998)
Total Expenditures	2,994,508	3,095,475	3,068,448	27,027
Excess of Revenues Over (Under) Expenditures	(\$1,033,198)	(\$1,133,198)	(\$1,081,352)	\$51,846
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	98,288	98,288
Transfers In	975,000	1,075,000	975,000	(100,000)
Transfers (Out)	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	975,000	1,075,000	1,073,288	(1,712)
Net Change in Fund Balances	(58,198)	(58,198)	(8,064)	50,134
Fund Balances, January 1	260,437	260,437	256,883	(3,554)
Fund Balances, December 31	\$202,239	\$202,239	\$248,819	\$46,580

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

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	— Budgeted Amounts —			Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
152 — POLICE GRANTS					
Revenues					
Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenues	658,019	1,140,228	678,992	(461,236)	(461,236)
Charges for Services	0	0	0	0	0
Fines & Forfeits	0	0	0	0	0
Interest	0	0	0	0	0
Other Revenues	35,000	35,000	268,531	233,531	233,531
Total Revenues	<u>693,019</u>	<u>1,175,228</u>	<u>947,523</u>	<u>(227,705)</u>	<u>(227,705)</u>
Expenditures					
Current					
General Government	\$92,032	\$92,032	\$72,202	\$19,830	\$19,830
Security of Persons and Property	693,019	1,187,636	809,930	377,706	377,706
Physical Environment	0	0	0	0	0
Transportation	0	0	0	0	0
Economic Environment	0	0	0	0	0
Cultural & Recreational Environment	0	0	0	0	0
Capital Outlay					
General Government	0	0	32,188	(32,188)	(32,188)
Security of Persons and Property	0	0	0	0	0
Transportation	0	0	0	0	0
Cultural & Recreational Environment	0	0	0	0	0
Debt Service					
Principal Retirement	0	0	0	0	0
Interest	0	0	0	0	0
Total Expenditures	<u>785,051</u>	<u>1,279,668</u>	<u>914,320</u>	<u>365,348</u>	<u>365,348</u>
Excess of Revenues Over (Under) Expenditures	<u>(\$92,032)</u>	<u>(\$104,440)</u>	<u>\$33,203</u>	<u>\$137,643</u>	<u>\$137,643</u>
Other Financing Sources (Uses)					
Proceeds from Capital Lease Financing	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers (Out)	0	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0	0
Total other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>(92,032)</u>	<u>(104,440)</u>	<u>33,203</u>	<u>137,643</u>	<u>137,643</u>
Fund Balances, January 1	<u>224,000</u>	<u>224,000</u>	<u>297,943</u>	<u>73,943</u>	<u>73,943</u>
Fund Balances, December 31	<u><u>\$131,968</u></u>	<u><u>\$119,560</u></u>	<u><u>\$331,146</u></u>	<u><u>\$211,586</u></u>	<u><u>\$211,586</u></u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS

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161 — PARKING & BUSINESS IMPROVEMENT

	— Budgeted Amounts —		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	34,310	34,310
Interest	0	0	0	0
Other Revenues	240,170	240,170	189,511	(50,659)
Total Revenues	<u>240,170</u>	<u>240,170</u>	<u>223,821</u>	<u>(16,349)</u>
Expenditures				
Current				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	30,000	30,000	34,649	(4,649)
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	200,000	200,000	160,000	40,000
Cultural & Recreational Environment	9,989	9,989	9,989	0
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Debt Service				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	<u>239,989</u>	<u>239,989</u>	<u>204,638</u>	<u>35,351</u>
Excess of Revenues Over (Under) Expenditures	<u>\$181</u>	<u>\$181</u>	<u>\$19,183</u>	<u>\$19,002</u>
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	0	0	0	0
Transfers (Out)	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	181	181	19,183	19,002
Fund Balances, January 1	<u>9,267</u>	<u>9,267</u>	<u>2,640</u>	<u>(6,627)</u>
Fund Balances, December 31	<u><u>\$9,448</u></u>	<u><u>\$9,448</u></u>	<u><u>\$21,823</u></u>	<u><u>\$12,375</u></u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

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	— Budgeted Amounts —		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	162 — TROLLEY			
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	191,100	209,493	148,497	(60,996)
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Interest	2,500	2,500	0	(2,500)
Other Revenues	1,486	1,486	1,540	54
Total Revenues	195,086	213,479	150,037	(63,442)
Expenditures				
Current				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Cultural & Recreational Environment	1,118	1,118	718	400
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
Cultural & Recreational Environment	191,100	286,100	149,704	136,396
Debt Service				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	192,218	287,218	150,422	136,796
Excess of Revenues Over (Under) Expenditures	\$2,868	(\$73,739)	(\$385)	\$73,354
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	0	0	0	0
Transfers (Out)	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	2,868	(73,739)	(385)	73,354
Fund Balances, January 1	2,847	2,847	4,936	2,089
Fund Balances, December 31	\$5,715	(\$70,892)	\$4,551	\$75,443

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

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163 — FRONT STREET BUSINESS IMPROVEMENT

	— Budgeted Amounts —		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Interest	35	35	35	0
Other Revenues	3,500	3,500	2,418	(1,082)
Total Revenues	3,535	3,535	2,453	(1,082)
Expenditures				
Current				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Cultural & Recreational Environment	5,000	5,000	3,248	1,752
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Debt Service				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	5,000	5,000	3,248	1,752
Excess of Revenues Over (Under) Expenditures	(\$1,465)	(\$1,465)	(\$795)	\$670
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	0	0	0	0
Transfers (Out)	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(1,465)	(1,465)	(795)	670
Fund Balances, January 1	8,002	8,002	8,413	411
Fund Balances, December 31	\$6,537	\$6,537	\$7,618	\$1,081

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

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With comparative totals for December 31, 2009

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	— Budgeted Amounts —			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
	170 — TOURIST PROMOTION			
Revenues				
Taxes	\$545,200	\$545,200	\$555,694	\$10,494
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Interest	100	100	118	18
Other Revenues	709,200	709,200	680,147	(29,053)
Total Revenues	<u>1,254,500</u>	<u>1,254,500</u>	<u>1,235,959</u>	<u>(18,541)</u>
Expenditures				
Current				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Cultural & Recreational Environment	1,458,229	1,458,229	1,431,211	27,018
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Debt Service				
Principal Retirement	10,714	10,714	10,714	0
Interest	237	237	119	118
Total Expenditures	<u>1,469,180</u>	<u>1,469,180</u>	<u>1,442,044</u>	<u>27,136</u>
Excess of Revenues Over (Under) Expenditures	<u>(\$214,680)</u>	<u>(\$214,680)</u>	<u>(\$206,085)</u>	<u>\$8,595</u>
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	150,000	150,000	150,000	0
Transfers (Out)	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Net Change in Fund Balances	<u>(64,680)</u>	<u>(64,680)</u>	<u>(56,085)</u>	<u>8,595</u>
Fund Balances, January 1	<u>185,694</u>	<u>185,694</u>	<u>367,883</u>	<u>182,189</u>
Fund Balances, December 31	<u><u>\$121,014</u></u>	<u><u>\$121,014</u></u>	<u><u>\$311,798</u></u>	<u><u>\$190,784</u></u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

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	171--CAPITOL THEATRE			Variance with Final Budget Positive (Negative)
	— Budgeted Amounts —		Actual Amounts	
	Original	Final		
Revenues				
Taxes	\$237,000	\$237,000	\$198,644	(\$38,356)
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Interest	1,000	1,000	250	(750)
Other Revenues	0	0	0	0
Total Revenues	<u>238,000</u>	<u>238,000</u>	<u>198,894</u>	<u>(39,106)</u>
Expenditures				
Current				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Cultural & Recreational Environment	319,749	319,749	284,749	35,000
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Debt Service				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	<u>319,749</u>	<u>319,749</u>	<u>284,749</u>	<u>35,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(\$81,749)</u>	<u>(\$81,749)</u>	<u>(\$85,855)</u>	<u>(\$4,106)</u>
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	71,927	71,927	71,927	0
Transfers (Out)	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	<u>71,927</u>	<u>71,927</u>	<u>71,927</u>	<u>0</u>
Net Change in Fund Balances	<u>(9,822)</u>	<u>(9,822)</u>	<u>(13,928)</u>	<u>(4,106)</u>
Fund Balances, January 1	<u>128,154</u>	<u>128,154</u>	<u>128,805</u>	<u>651</u>
Fund Balances, December 31	<u><u>\$118,332</u></u>	<u><u>\$118,332</u></u>	<u><u>\$114,877</u></u>	<u><u>(\$3,455)</u></u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

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172 — PFD - CONVENTION CENTER

	— Budgeted Amounts —		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$680,000	\$680,000	\$654,414	(\$25,586)
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Interest	1,000	1,000	750	(250)
Other Revenues	0	0	0	0
Total Revenues	681,000	681,000	655,164	(25,836)
Expenditures				
Current				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Cultural & Recreational Environment	24,000	24,000	12,133	11,867
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Debt Service				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	24,000	24,000	12,133	11,867
Excess of Revenues Over (Under) Expenditures	\$657,000	\$657,000	\$643,031	(\$13,969)
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	0	0	0	0
Transfers (Out)	(665,000)	(665,000)	(629,000)	36,000
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	(665,000)	(665,000)	(629,000)	36,000
Net Change in Fund Balances	(8,000)	(8,000)	14,031	22,031
Fund Balances, January 1	150,733	150,733	155,887	5,154
Fund Balances, December 31	\$142,733	\$142,733	\$169,918	\$27,185

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

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173 — TOURISM PROMOTION AREA

	— Budgeted Amounts —		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$378,205	\$378,205	\$393,460	\$15,255
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Interest	0	0	0	0
Other Revenues	0	0	0	0
Total Revenues	378,205	378,205	393,460	15,255
Expenditures				
Current				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Cultural & Recreational Environment	378,205	378,205	388,980	(10,775)
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Debt Service				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	378,205	378,205	388,980	(10,775)
Excess of Revenues Over (Under) Expenditures	\$0	\$0	\$4,480	\$4,480
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	0	0	0	0
Transfers (Out)	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	0	0	4,480	4,480
Fund Balances, January 1	414	414	41,135	40,721
Fund Balances, December 31	\$414	\$414	\$45,615	\$45,201

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2010

With comparative totals for December 31, 2009

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	— Budgeted Amounts —			Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
174 — PFD-CAPITOL THEATRE					
Revenues					
Taxes	\$503,000	\$503,000	\$493,490		(\$9,510)
Intergovernmental Revenues	0	0	0		0
Charges for Services	0	0	0		0
Fines & Forfeits	0	0	0		0
Interest	0	0	700		700
Other Revenues	0	0	0		0
Total Revenues	<u>503,000</u>	<u>503,000</u>	<u>494,190</u>		<u>(8,810)</u>
Expenditures					
Current					
General Government	\$0	\$0	\$0		\$0
Security of Persons and Property	0	0	0		0
Physical Environment	0	0	0		0
Transportation	0	0	0		0
Economic Environment	0	0	0		0
Cultural & Recreational Environment	12,000	12,000	11,964		36
Capital Outlay					
General Government	0	0	0		0
Security of Persons and Property	0	0	0		0
Transportation	0	0	0		0
Cultural & Recreational Environment	0	0	0		0
Debt Service					
Principal Retirement	0	0	0		0
Interest	0	0	0		0
Total Expenditures	<u>12,000</u>	<u>12,000</u>	<u>11,964</u>		<u>36</u>
Excess of Revenues Over (Under) Expenditures	<u>\$491,000</u>	<u>\$491,000</u>	<u>\$482,226</u>		<u>(\$8,774)</u>
Other Financing Sources (Uses)					
Proceeds from Capital Lease Financing	0	0	0		0
Transfers In	0	0	0		0
Transfers (Out)	(490,000)	(490,000)	(482,000)		8,000
Comp. For Loss of Gen. Capital Assets	0	0	0		0
Total other Financing Sources (Uses)	<u>(490,000)</u>	<u>(490,000)</u>	<u>(482,000)</u>		<u>8,000</u>
Net Change in Fund Balances	1,000	1,000	226		(774)
Fund Balances, January 1	<u>18,000</u>	<u>18,000</u>	<u>23,631</u>		<u>5,631</u>
Fund Balances, December 31	<u><u>\$19,000</u></u>	<u><u>\$19,000</u></u>	<u><u>\$23,857</u></u>		<u><u>\$4,857</u></u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

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With comparative totals for December 31, 2009

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	— Budgeted Amounts —			Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
195 — CONTINGENCY					
Revenues					
Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenues	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines & Forfeits	0	0	0	0	0
Interest	0	0	0	0	0
Other Revenues	0	0	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures					
Current					
General Government	\$0	\$0	\$23,490	(\$23,490)	(\$23,490)
Security of Persons and Property	0	0	17,370	(17,370)	(17,370)
Physical Environment	0	0	0	0	0
Transportation	0	0	0	0	0
Economic Environment	0	0	5,496	(5,496)	(5,496)
Cultural & Recreational Environment	0	0	0	0	0
Capital Outlay					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	0	0	0
Transportation	0	0	0	0	0
Cultural & Recreational Environment	0	0	0	0	0
Debt Service					
Principal Retirement	0	0	0	0	0
Interest	0	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>46,356</u>	<u>(46,356)</u>	<u>(46,356)</u>
Excess of Revenues Over (Under) Expenditures	<u>\$0</u>	<u>\$0</u>	<u>(\$46,356)</u>	<u>(\$46,356)</u>	<u>(\$46,356)</u>
Other Financing Sources (Uses)					
Proceeds from Capital Lease Financing	0	0	0	0	0
Transfers In	50,000	50,000	25,000	(25,000)	(25,000)
Transfers (Out)	(225,000)	(225,000)	0	225,000	225,000
Comp. For Loss of Gen. Capital Assets	0	0	0	0	0
Total other Financing Sources (Uses)	<u>(175,000)</u>	<u>(175,000)</u>	<u>25,000</u>	<u>200,000</u>	<u>200,000</u>
Net Change in Fund Balances	<u>(175,000)</u>	<u>(175,000)</u>	<u>(21,356)</u>	<u>153,644</u>	<u>153,644</u>
Fund Balances, January 1	<u>176,919</u>	<u>176,919</u>	<u>256,720</u>	<u>79,801</u>	<u>79,801</u>
Fund Balances, December 31	<u><u>\$1,919</u></u>	<u><u>\$1,919</u></u>	<u><u>\$235,364</u></u>	<u><u>\$233,445</u></u>	<u><u>\$233,445</u></u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2010

With comparative totals for December 31, 2009

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198 — CAPITOL THEATRE RESERVE

	— Budgeted Amounts —		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Interest	2,000	2,000	2,050	50
Other Revenues	0	0	0	0
Total Revenues	2,000	2,000	2,050	50
Expenditures				
Current				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Debt Service				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	0	0	0	0
Excess of Revenues Over (Under) Expenditures	\$2,000	\$2,000	\$2,050	\$50
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	0	0	0	0
Transfers (Out)	(71,927)	(71,927)	(71,927)	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	(71,927)	(71,927)	(71,927)	0
Net Change in Fund Balances	(69,927)	(69,927)	(69,877)	50
Fund Balances, January 1	451,581	451,581	451,642	61
Fund Balances, December 31	\$381,654	\$381,654	\$381,765	\$111

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2010

With comparative totals for December 31, 2009

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199 — RECOVERY PROGRAM GRANTS

	— Budgeted Amounts —		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	814,000	814,000	387,011	(426,989)
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Interest	0	0	0	0
Other Revenues	0	0	0	0
Total Revenues	814,000	814,000	387,011	(426,989)
Expenditures				
Current				
General Government	\$253,538	\$253,538	\$128,262	\$125,276
Security of Persons and Property	84,770	84,770	6,693	78,077
Physical Environment	6,384	6,384	0	6,384
Transportation	411,998	411,998	247,228	164,770
Economic Environment	57,310	57,310	4,828	52,482
Cultural & Recreational Environment	0	0	0	0
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Debt Service				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	814,000	814,000	387,011	426,989
Excess of Revenues Over (Under) Expenditures	\$0	\$0	\$0	\$0
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	0	0
Transfers In	0	0	0	0
Transfers (Out)	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	0	0	0	0
Fund Balances, January 1	0	0	0	0
Fund Balances, December 31	\$0	\$0	\$0	\$0

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ACTUAL & BUDGET - NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2010

With comparative totals for December 31, 2009

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	— Budgeted Amounts —		Actual Amounts	TOTAL
	Original	Final		Variance with Final Budget
				Positive (Negative)
Revenues				
Taxes	\$8,451,205	\$8,451,205	\$8,031,130	(\$420,075)
Intergovernmental Revenues	8,744,192	9,296,134	8,175,609	(1,120,525)
Charges for Services	1,389,501	1,389,501	1,389,869	368
Fines & Forfeits	0	0	34,310	34,310
Interest	44,385	44,385	26,804	(17,581)
Other Revenues	1,270,829	1,270,829	1,411,459	140,630
Total Revenues	19,900,112	20,452,054	19,069,181	(1,382,873)
Expenditures				
Current				
General Government	\$458,385	\$458,385	\$325,581	\$132,804
Security of Persons and Property	4,787,626	5,283,210	4,798,745	484,465
Physical Environment	262,539	262,539	245,460	17,079
Transportation	5,553,228	5,628,287	5,349,314	278,973
Economic Environment	1,405,002	1,430,002	1,136,243	293,759
Cultural & Recreational Environment	6,100,100	6,100,100	5,854,687	245,413
Capital Outlay				
General Government	0	0	32,188	(32,188)
Security of Persons and Property	0	100,000	98,288	1,712
Transportation	3,021,050	4,961,347	2,392,503	2,568,844
Cultural & Recreational Environment	420,147	982,472	643,100	339,372
Debt Service				
Principal Retirement	287,121	287,121	341,144	(54,023)
Interest	10,356	10,356	15,848	(5,492)
Total Expenditures	22,305,554	25,503,819	21,233,101	4,270,718
Excess of Revenues Over (Under) Expenditures	(\$2,405,442)	(\$5,051,765)	(\$2,163,920)	\$2,887,845
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	0	0	98,288	98,288
Transfers In	2,766,022	2,866,022	2,664,225	(201,797)
Transfers (Out)	(2,091,152)	(2,091,152)	(1,802,552)	288,600
Comp. For Loss of Gen. Capital Assets	105,000	105,000	12,567	(92,433)
Total other Financing Sources (Uses)	779,870	879,870	972,528	92,658
Net Change in Fund Balances	(1,625,572)	(4,171,895)	(1,191,392)	2,980,503
Fund Balances, January 1	5,311,840	5,311,840	6,713,791	1,401,951
Fund Balances, December 31	\$3,686,268	\$1,139,945	\$5,522,399	\$4,382,454

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

NONMAJOR DEBT SERVICE FUNDS

Local Improvement District Guaranty Fund (221) – This fund is for the purpose of guaranteeing, to the extent of the fund, the payment of its local improvement bonds and warrants issued to pay for the local improvement ordered, subsequent to April 7, 1926.

Convention Center Addition Bonds (272) – The proceeds were used for additions to the Yakima Convention Center.

Various General Obligation Bonds Fund (281) – The proceeds are for the purpose of providing various projects such as Parks, Streets, Fire and Downtown Revitalization.

Limited Tax General Obligation Street Bond (282) – The proceeds were used for the 1998 Street Overlay Program.

Various Purpose Bond Fund (283) – These proceeds are for the purpose of providing for part of the funds to pay the cost of acquiring, constructing, and equipping a new Law and Justice Facility (\$5,600,000), and improvements to the Yakima Avenue / I-82 Interchange (\$1,200,000).

Fire Improvement / Refunding General Obligation Bond Issues (284) – These proceeds are for the purpose of providing funds to acquire, construct and equip fire fighting facilities. This issue also refunded the 1988 Parks and 1986 Street Improvement Bond Issue and Recreation Bond Issue (the Parks and Streets portion was paid in full prior to 2003).

Limited Tax General Obligation Bond (287) – The proceeds were used to expand the Convention Center.

Local Improvement District Debt Control (289) – The proceeds are for the purpose of providing funds to pay the bonds or notes issued for local improvement districts' construction from the collection of assessments levied on the property owner.

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS

December 31, 2010

With comparative totals for December 31, 2009

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	#221 LID Guaranty	#272 Conv Ctr PFD	#281 Various GO Bonds	#282 Street Bond
Assets				
Cash & Equity in Pooled Investments	\$78,976	\$165,804	\$6,191	\$0
Receivables				
Taxes	0	0	0	0
Accounts	0	0	0	0
Special Assessments	0	0	0	0
LID Assessments - Delinquent	0	0	0	0
LID Assessments - Deferred	0	0	0	0
Notes/Contracts	0	0	0	0
Due from Other Government Units	0	0	0	0
Investments, at Amortized Cost	1,010	0	0	0
Total Assets	\$79,986	\$165,804	\$6,191	\$0
Liabilities and Fund Balances				
Liabilities				
Warrants/Accounts Payable	0	0	0	0
Wages/Benefits Payable	0	0	0	0
Contracts Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Due to Other Government Units	0	0	0	0
Deposits Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Custodial Accounts	0	0	0	0
Total Liabilities	0	0	0	0
Fund Balances				
Reserved				
Encumbrances	0	0	0	0
Continuing Appropriations	0	0	0	0
Debt Service	79,986	165,804	6,191	0
Endowment	0	0	0	0
Parking and Business Improvement	0	0	0	0
Unreserved Designated - Replacement	0	0	0	0
Unreserved	0	0	0	0
Total Fund Balances	79,986	165,804	6,191	0
Total Liabilities and Fund Balances	\$79,986	\$165,804	\$6,191	\$0

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS**

December 31, 2010

With comparative totals for December 31, 2009

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#283 Crim Just / I-82 Refund	#284 Fire & Parks Ref	#287 Convention Center	#289 Local Impr Districts	Total	
				2010	2009
\$109,820	\$191,674	\$64,437	\$1,587	\$618,489	\$604,513
0	12,450	0	0	12,450	12,491
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	23,657	23,657	24,669
0	0	0	799,796	799,796	274,218
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	1,010	1,233
<u>\$109,820</u>	<u>\$204,124</u>	<u>\$64,437</u>	<u>\$825,040</u>	<u>\$1,455,402</u>	<u>\$917,124</u>
0	0	0	0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	799,796	799,796	273,905
0	0	0	100	100	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>799,896</u>	<u>799,896</u>	<u>273,905</u>
0	0	0	0	0	0
0	0	0	0	0	0
109,820	204,124	64,437	25,144	655,506	643,219
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>109,820</u>	<u>204,124</u>	<u>64,437</u>	<u>25,144</u>	<u>655,506</u>	<u>643,219</u>
<u>\$109,820</u>	<u>\$204,124</u>	<u>\$64,437</u>	<u>\$825,040</u>	<u>\$1,455,402</u>	<u>\$917,124</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR DEBT SERVICE FUNDS**

December 31, 2010

With comparative totals for December 31, 2009

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	#221 LID <u>Guaranty</u>	#272 Conv Ctr <u>PFD</u>	#281 Various <u>GO Bonds</u>	#282 Street <u>Bond</u>
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	0	108,896	0	0
Charges for Services	0	0	0	0
Fines and Forfeits	0	0	0	0
Interest	156	0	0	0
Other Revenues	0	0	0	0
Total Revenues	<u>156</u>	<u>108,896</u>	<u>0</u>	<u>0</u>
Expenditures				
Current				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Capital Outlay				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Cultural & Recreational Environment	0	0	0	0
Debt Service				
Principal Retirement	0	405,000	693,125	0
Interest	0	609,286	296,637	0
Total Expenditures	<u>0</u>	<u>1,014,286</u>	<u>989,762</u>	<u>0</u>
Excess of Rev Over (Under) Expenditures	<u>\$156</u>	<u>(\$905,390)</u>	<u>(\$989,762)</u>	<u>\$0</u>
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	\$0	\$0	\$0	\$0
Proceeds from LT Debt - G.O. Debt	0	0	0	0
Proceeds from Intergovernmental Loans	0	0	0	0
Other Note Proceeds	0	0	0	0
Transfers In	0	920,000	987,389	(1)
Transfers (Out)	0	0	0	0
Intergovernmental Agreements	0	0	0	0
Sale of Capital Assets	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0
Total other Financing Sources (Uses)	<u>0</u>	<u>920,000</u>	<u>987,389</u>	<u>(1)</u>
Net Change in Fund Balances	<u>156</u>	<u>14,610</u>	<u>(2,373)</u>	<u>(1)</u>
Fund Balances, January 1	<u>79,830</u>	<u>151,194</u>	<u>8,564</u>	<u>1</u>
Fund Balances, December 31	<u><u>\$79,986</u></u>	<u><u>\$165,804</u></u>	<u><u>\$6,191</u></u>	<u><u>\$0</u></u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR DEBT SERVICE FUNDS

December 31, 2010

With comparative totals for December 31, 2009

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#283 Crim Just/ I-82 Refund	#284 Fire & Parks Ref	#287 Convention Center	#289 Local Impr Districts	Total	
				2010	2009
\$399,996	\$295,937	\$428,000	\$0	\$1,123,933	\$960,175
0	0	0	0	108,896	28,131
0	0	0	0	0	0
0	0	0	0	0	0
0	0	1,000	28,728	29,884	40,712
0	0	0	332,297	332,297	79,675
<u>399,996</u>	<u>295,937</u>	<u>429,000</u>	<u>361,025</u>	<u>1,595,010</u>	<u>1,108,693</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
455,000	250,000	295,000	301,131	2,399,256	2,107,341
56,787	46,550	132,815	46,297	1,188,372	941,076
<u>511,787</u>	<u>296,550</u>	<u>427,815</u>	<u>347,428</u>	<u>3,587,628</u>	<u>3,048,417</u>
<u>(\$111,791)</u>	<u>(\$613)</u>	<u>\$1,185</u>	<u>\$13,597</u>	<u>(\$1,992,618)</u>	<u>(\$1,939,724)</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
112,000	0	0	0	2,019,388	1,802,195
0	0	0	(14,483)	(14,483)	(15,181)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>112,000</u>	<u>0</u>	<u>0</u>	<u>(14,483)</u>	<u>2,004,905</u>	<u>1,787,014</u>
209	(613)	1,185	(886)	12,287	(152,710)
109,611	204,737	63,252	26,030	643,219	795,929
<u>\$109,820</u>	<u>\$204,124</u>	<u>\$64,437</u>	<u>\$25,144</u>	<u>\$655,506</u>	<u>\$643,219</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

NONMAJOR CAPITAL PROJECT FUNDS

Central Business District Improvement Fund (321) – Created by Ordinance No. 1599. The Central Business District Improvement Program is developing a long range guide for evaluating proposals for physical changes and the scheduling of improvements to the Central Business District. Resources are derived from private contributions and transfers from other funds.

Capitol Theatre Construction Fund (322) – Created by Ordinance 1654 on April 15, 1974. The purpose of this fund was for the acquisition of the Capitol Theatre and capital repairs to that building. The Theatre was destroyed by fire in 1975. After the Theatre was rebuilt in 1978, the fund was deactivated. The fund was then reactivated in 2007 when additional funding for renovation became available.

Parks and Recreation Capital Fund (331) – Created to receive the proceeds from bond issues approved by the voters for improvements to City parks. This fund continues to accumulate resources for Park capital improvement projects. Revenues consist of grants, interest earnings, contributions and transfers from the Parks and Recreation operating fund.

Fire Capital Fund (332) – Created for the accumulation of moneys to be used to acquire fire fighting and fire training equipment and facilities, including real property, for the City of Yakima Fire Department. Funding sources include Bond Issues, contributions from other funds for equipment replacement, investment income, and proceeds from sale of fire equipment and retired stations.

Law and Justice Capital Fund (333) – Created in 1990 for the purpose of constructing capital facilities for the City's Law and Justice Programs. Funds are provided by an allocation of local Criminal Justice Sales Tax, grants, and interest earnings.

Public Works Trust Construction Fund (342) – Accounts for the moneys received from the Washington State Department of Community Development. The City has received Public Works Trust Fund loans for approved public works projects. A Real Estate Tax of 1/4% will be utilized to repay the loans.

REET 2 Capital Fund (343) – Created in 2005 to track Capital improvement projects funded with the second 1/4% of Real Estate Excise Tax.

Local Improvement District Control Fund (345) – Established to account for each Local Improvement District which has a separate fund to be accounted for. Assessments are made to the property owners after all costs have been computed and paid. Interest bearing warrants are issued to pay progress estimates for contractors and all other costs. Bonds or notes are issued for the amount of unpaid assessments as of thirty days after the assessments are levied.

Convention Center Capital Improvement Fund (370) – Was established for the Convention Center and Performing Arts Center Facilities and is used for paying all or any part of the cost of acquiring, constructing or operating convention center facilities. The fund was originally created by Ordinance 1624, February 19, 1974. In 2002, proceeds from a \$6.6 million bond issue were used to expand the Convention Center. An allocation of local option Hotel / Motel Tax and interest earnings are this fund's primary revenue sources.

Cumulative Reserve Fund (392) – Originally created by Ordinance 1265 in 1970 for Capital Improvements, and placed one-half of all the revenue derived from sales tax into this fund. In 1973, Ordinance 1477 amended the funding source to be only transfers from other funds and investment earnings. Any expenditures from the fund must be authorized by the City Council and must be for capital purposes generally in excess of \$10,000 per capital project, excluding utility improvements.

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2010

With comparative totals for December 31, 2009

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	#321 Central Bus Dist Impr	#322 Capitol Thtr Const	#331 Parks and Recreation	#332 Fire	#333 Law and Justice
Assets					
Cash & Equity in Pooled Investments	\$377,445	\$145,115	\$228,415	\$249,647	\$283,056
Receivables					
Taxes	0	0	0	0	0
Accounts	919	0	0	3,517	0
Special Assessments	0	0	0	0	0
LID Assessments - Delinquent	0	0	0	0	0
LID Assessments - Deferred	0	0	0	0	0
Notes/Contracts	0	0	0	0	0
Due from Other Government Units	140,194	0	0	0	136,938
Investments, at Amortized Cost	0	0	0	0	0
Total Assets	\$518,558	\$145,115	\$228,415	\$253,164	\$419,994
Liabilities and Fund Balances					
Liabilities					
Warrants/Accounts Payable	\$94,678	\$20,888	\$8,094	\$0	\$89,437
Wages/Benefits Payable	0	0	0	0	0
Contracts Payable	30,889	0	6,154	0	0
Due to Other Funds	0	0	0	0	0
Due to Other Government Units	79	0	0	0	0
Deposits Payable	0	0	0	0	0
Deferred Revenue	918	0	10,871	0	0
Custodial Accounts	0	0	0	0	0
Total Liabilities	126,564	20,888	25,119	0	89,437
Fund Balances					
Reserved					
Encumbrances	0	0	2,770	0	12,968
Continuing Appropriations	0	0	0	0	0
Debt Service	0	0	0	0	0
Endowment	0	0	0	0	0
Parking and Business Improvement	0	0	0	0	0
Unreserved Designated - Replacement	0	124,227	200,526	253,164	317,589
Unreserved	391,994	0	0	0	0
Total Fund Balances	391,994	124,227	203,296	253,164	330,557
Total Liabilities and Fund Balances	\$518,558	\$145,115	\$228,415	\$253,164	\$419,994

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS**

December 31, 2010

With comparative totals for December 31, 2009

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#342 Public Works Construction	#343 REET 2 Cap Construction	#345 LID Construction	#370 Convention Center	#392 Cumulative Reserve	Total	
					2010	2009
\$894,664	\$839,948	\$0	\$414,709	\$2,448,567	\$5,881,566	\$11,632,814
0	0	0	0	0	0	0
0	0	0	0	0	4,436	2,627
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	1,530,084	1,807,216	279,306
0	0	0	0	0	0	0
<u>\$894,664</u>	<u>\$839,948</u>	<u>\$0</u>	<u>\$414,709</u>	<u>\$3,978,651</u>	<u>\$7,693,218</u>	<u>\$11,914,747</u>
5,510	\$0	\$0	\$37,244	\$575,834	\$831,685	\$1,625,687
0	0	0	0	0	0	0
17,353	0	0	0	0	54,396	3,990
0	0	0	0	0	0	0
5,983	0	0	0	0	6,062	3,320
0	0	0	0	0	0	0
0	0	0	0	0	11,789	10,871
0	0	0	0	0	0	0
<u>28,846</u>	<u>0</u>	<u>0</u>	<u>37,244</u>	<u>575,834</u>	<u>903,932</u>	<u>1,643,868</u>
0	0	0	62,729	0	78,467	1,080,555
0	0	0	0	0	0	517,880
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	895,506	5,624,814
<u>865,818</u>	<u>839,948</u>	<u>0</u>	<u>314,736</u>	<u>3,402,817</u>	<u>5,815,313</u>	<u>3,047,630</u>
<u>865,818</u>	<u>839,948</u>	<u>0</u>	<u>377,465</u>	<u>3,402,817</u>	<u>6,789,286</u>	<u>10,270,879</u>
<u>\$894,664</u>	<u>\$839,948</u>	<u>\$0</u>	<u>\$414,709</u>	<u>\$3,978,651</u>	<u>\$7,693,218</u>	<u>\$11,914,747</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 2

	#321 Central Bus Dist Impr	#322 Capitol Thtr Const	#331 Parks and Recreation	#332 Fire	#333 Law and Justice
Revenues					
Taxes	\$0	\$0	\$0	\$0	\$132,403
Intergovernmental Revenues	965,802	0	330,107	556	541,956
Charges for Services	0	0	0	0	0
Fines and Forfeits	0	0	0	0	0
Interest	0	5,000	2,000	3,000	2,000
Other Revenues	42,671	106,341	180,419	131,830	0
Total Revenues	<u>1,008,473</u>	<u>111,341</u>	<u>512,526</u>	<u>135,386</u>	<u>676,359</u>
Expenditures					
Current					
General Government	0	0	0	0	14,627
Security of Persons and Property	0	0	0	23,298	344,229
Physical Environment	0	0	0	0	0
Transportation	0	0	0	0	14,069
Economic Environment	12,934	0	27,791	0	0
Cultural & Recreational Environment	50,000	0	98,994	0	0
Capital Outlay					
General Government	0	0	0	0	8,462
Security of Persons and Property	0	0	0	1,332,405	514,247
Physical Environment	0	0	0	0	0
Transportation	0	0	0	0	0
Economic Environment	985,499	0	0	0	0
Cultural & Recreational Environment	0	4,439,534	546,735	0	0
Debt Service					
Principal Retirement	0	0	0	0	0
Interest	0	0	0	0	0
Total Expenditures	<u>1,048,433</u>	<u>4,439,534</u>	<u>673,520</u>	<u>1,355,703</u>	<u>895,634</u>
Excess of Rev Over (Under) Expenditures	<u>(\$39,960)</u>	<u>(\$4,328,193)</u>	<u>(\$160,994)</u>	<u>(\$1,220,317)</u>	<u>(\$219,275)</u>
Other Financing Sources (Uses)					
Proceeds from Capital Lease Financing	\$0	\$0	\$0	\$0	\$0
Proceeds from LT Debt - G.O. Debt	0	0	0	0	0
Proceeds from Intergovernmental Loans	0	0	0	0	0
Other Note Proceeds	0	0	0	0	0
Transfers In	0	22,000	50,000	50,000	164,366
Transfers (Out)	0	0	0	0	0
Intergovernmental Agreements	0	0	0	0	0
Sale of Capital Assets	0	0	0	0	0
Comp. For Loss of Gen. Capital Assets	0	0	0	0	0
Total other Financing Sources (Uses)	<u>0</u>	<u>22,000</u>	<u>50,000</u>	<u>50,000</u>	<u>164,366</u>
Net Change in Fund Balances	<u>(39,960)</u>	<u>(4,306,193)</u>	<u>(110,994)</u>	<u>(1,170,317)</u>	<u>(54,909)</u>
Fund Balances, January 1	431,954	4,430,420	314,290	1,423,481	385,466
Fund Balances, December 31	<u>\$391,994</u>	<u>\$124,227</u>	<u>\$203,296</u>	<u>\$253,164</u>	<u>\$330,557</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 2 of 2

#342 Public Works Construction	#343 REET 2 Cap Construction	#345 LID Construction	#370 Convention Center	#392 Cumulative Reserve	Total	
					2010	2009
\$516,570	\$516,570	\$0	\$151,935	\$0	\$1,317,478	\$1,705,332
0	0	0	258,942	7,469,905	9,567,268	2,016,112
0	0	54,314	0	0	54,314	6,727
0	0	0	0	0	0	0
13,000	5,000	0	500	0	30,500	56,777
0	0	14,000	0	0	475,261	199,864
<u>529,570</u>	<u>521,570</u>	<u>68,314</u>	<u>411,377</u>	<u>7,469,905</u>	<u>11,444,821</u>	<u>3,984,812</u>
0	0	0	0	0	14,627	14,211
0	0	0	0	0	367,527	636,318
0	0	0	0	0	0	0
0	350,000	0	0	0	364,069	250,000
0	0	0	0	0	40,725	18,034
0	0	0	567,928	0	716,922	135,454
451,365	0	0	0	301,503	761,330	386,879
0	0	0	0	0	1,846,652	1,035,823
0	0	35,386	0	194,360	229,746	820,354
0	24,226	0	0	6,836,454	6,860,680	1,560,177
0	0	0	0	0	985,499	218,874
0	0	0	6,613	0	4,992,882	3,189,832
60,669	0	0	0	71,053	131,722	109,196
7,802	0	0	0	2,085	9,887	8,066
<u>519,836</u>	<u>374,226</u>	<u>35,386</u>	<u>574,541</u>	<u>7,405,455</u>	<u>17,322,268</u>	<u>8,383,218</u>
<u>\$9,734</u>	<u>\$147,344</u>	<u>\$32,928</u>	<u>(\$163,164)</u>	<u>\$64,450</u>	<u>(\$5,877,447)</u>	<u>(\$4,398,406)</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	7,003,898
0	0	0	0	1,690,451	1,690,451	600,000
0	0	864,092	0	0	864,092	0
75,000	0	0	19,000	194,735	575,101	1,758,022
(332,541)	(376,822)	0	0	0	(709,363)	(1,017,429)
(58,427)	0	0	0	0	(58,427)	0
0	0	0	0	0	0	9,150
0	0	0	34,000	0	34,000	36,000
<u>(315,968)</u>	<u>(376,822)</u>	<u>864,092</u>	<u>53,000</u>	<u>1,885,186</u>	<u>2,395,854</u>	<u>8,389,641</u>
<u>(306,234)</u>	<u>(229,478)</u>	<u>897,020</u>	<u>(110,164)</u>	<u>1,949,636</u>	<u>(3,481,593)</u>	<u>3,991,235</u>
<u>1,172,052</u>	<u>1,069,426</u>	<u>(897,020)</u>	<u>487,629</u>	<u>1,453,181</u>	<u>10,270,879</u>	<u>6,279,644</u>
<u>\$865,818</u>	<u>\$839,948</u>	<u>\$0</u>	<u>\$377,465</u>	<u>\$3,402,817</u>	<u>\$6,789,286</u>	<u>\$10,270,879</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

PERMANENT FUND

Cemetery Trust Fund (610) – This non-expendable Trust is credited for all money received from owners for endowment care. The corpus shall be held forever in trust by the City of Yakima, while interest earnings are transferred to the Cemetery Fund.

COMBINING BALANCE SHEET NONMAJOR PERMANENT FUND

December 31, 2010

With comparative totals for December 31, 2009

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	#610 Cemetery Trust		Total Nonmajor Gov't Funds	
	2010	2009	2010	2009
Assets				
Cash & Equity in Pooled Investments	\$591,066	\$577,262	\$13,014,603	\$20,186,433
Receivables				
Taxes	0	0	250,704	233,866
Accounts	0	0	344,474	288,406
Special Assessments	0	0	37,583	13,971
LID Assessments - Delinquent	0	0	23,657	24,669
LID Assessments - Deferred	0	0	799,796	274,218
Notes/Contracts	0	0	5,256	10,300
Due from Other Government Units	0	0	2,768,554	932,786
Investments, at Amortized Cost	1,033	1,249	3,076	3,731
Total Assets	\$592,099	\$578,511	\$17,247,703	\$21,968,380
Liabilities and Fund Balances				
Liabilities				
Warrants/Accounts Payable	\$0	\$0	\$1,318,013	\$2,062,944
Wages/Benefits Payable	0	0	854,148	816,768
Contracts Payable	0	0	103,981	114,240
Due to Other Funds	0	0	25,485	35,134
Due to Other Government Units	0	0	8,025	6,599
Deposits Payable	0	0	386,119	374,600
Deferred Revenue	0	0	904,707	351,696
Custodial Accounts	0	0	87,935	0
Total Liabilities	0	0	\$3,688,413	\$3,761,981
Fund Balances				
Reserved				
Encumbrances	0	0	158,145	1,192,351
Continuing Appropriations	0	0	0	517,880
Debt Service	0	0	655,506	643,219
Endowment	592,099	578,511	592,099	578,511
Parking and Business Improvement	0	0	29,441	11,053
Unreserved Designated - Replacement	0	0	1,277,271	6,076,456
Unreserved	0	0	10,846,828	9,186,929
Total Fund Balances	592,099	578,511	13,559,290	18,206,399
Total Liabilities and Fund Balances	\$592,099	\$578,511	\$17,247,703	\$21,968,380

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR PERMANENT FUND

December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 1

	#610		Total	
	Cemetery Trust		Nonmajor Gov't Funds	
	2010	2009	2010	2009
Revenues				
Taxes	\$0	\$0	\$10,472,541	\$11,494,375
Intergovernmental Revenues	0	0	17,851,773	9,877,168
Charges for Services	13,588	12,147	1,457,771	1,212,844
Fines and Forfeits	0	0	34,310	0
Interest	10,051	12,060	97,239	167,203
Other Revenues	0	0	2,219,017	1,731,382
Total Revenues	<u>23,639</u>	<u>24,207</u>	<u>32,132,651</u>	<u>24,482,972</u>
Expenditures				
Current				
General Government	0	0	340,208	117,924
Security of Persons and Property	0	0	5,166,272	4,687,471
Physical Environment	0	0	245,460	289,634
Transportation	0	0	5,713,383	5,395,000
Economic Environment	0	0	1,176,968	1,322,272
Cultural & Recreational Environment	0	0	6,571,609	6,045,662
Capital Outlay				
General Government	0	0	793,518	386,879
Security of Persons and Property	0	0	1,944,940	1,045,001
Physical Environment	0	0	229,746	851,145
Transportation	0	0	9,253,183	4,396,229
Economic Environment	0	0	985,499	218,874
Cultural & Recreational Environment	0	0	5,635,982	3,613,463
Debt Service				
Principal Retirement	0	0	2,872,122	2,548,016
Interest	0	0	1,214,107	969,436
Total Expenditures	<u>0</u>	<u>0</u>	<u>42,142,997</u>	<u>31,887,006</u>
Excess of Rev Over (Under) Expenditures	<u>\$23,639</u>	<u>\$24,207</u>	<u>(\$10,010,346)</u>	<u>(\$7,404,034)</u>
Other Financing Sources (Uses)				
Proceeds from Capital Lease Financing	\$0	\$0	\$98,288	\$0
Proceeds from LT Debt - G.O. Debt	0	0	0	7,003,898
Proceeds from Intergovernmental Loans	0	0	1,690,451	600,000
Other Note Proceeds	0	0	864,092	0
Transfers In	0	0	5,258,714	6,099,059
Transfers (Out)	(10,051)	(12,061)	(2,536,449)	(3,002,802)
Intergovernmental Agreements	0	0	(58,427)	0
Sale of Capital Assets	0	0	0	9,150
Comp. For Loss of Gen. Capital Assets	0	0	46,567	81,430
Total other Financing Sources (Uses)	<u>(10,051)</u>	<u>(12,061)</u>	<u>5,363,236</u>	<u>10,790,735</u>
Net Change in Fund Balances	13,588	12,146	(4,647,110)	3,386,701
Fund Balances, January 1	578,511	566,365	18,206,400	14,819,699
Fund Balances, December 31	<u>\$592,099</u>	<u>\$578,511</u>	<u>\$13,559,290</u>	<u>\$18,206,400</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

NONMAJOR PROPRIETARY FUNDS

Refuse Fund (471) – A self supporting fund. This fund was established for the purpose of accumulating moneys derived from the operation and maintenance of the garbage collection and disposal service of the City, and for the purpose of defraying all of the operating and maintenance expenses and costs incurred by the City of Yakima in the collection and disposal of refuse.

Stormwater Fund (976) – Created in 2009, this fund was set up to meet the responsibilities and obligations set forth by the City's Eastern Washington Phase II Municipal Stormwater Permit and the State mandated Underground Injection Control (UIC) Program (WAC 173-218). The Federal and State mandated responsibilities include collecting, transporting, and treatment of surface water (stormwater) to protect the environment, public health and welfare, and assess and comply with regulatory agency requirements.

STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS

December 31, 2010

With comparative totals for December 31, 2009

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	#471 Refuse	#976 Stormwater	Total	
			2010	2009
Assets				
Current Assets				
Cash & Equity in Pooled Investments	\$351,858	\$596,118	\$947,976	\$777,599
Receivables				
Accounts/Taxes (Net)	219,576	62,830	282,406	279,358
Due from Other Government Units	0	29,240	29,240	0
Investments, at Amortized Cost	0	1,000,000	1,000,000	500,000
Total Current Assets	571,434	1,688,188	2,259,622	1,556,957
Noncurrent Assets				
Other Improvements	0	739,610	739,610	440,334
Machinery & Equipment	0	22,839	22,839	11,879
Accumulated Depreciation	0	(36,125)	(36,125)	(20,285)
Construction in Progress	0	24,980	24,980	27,346
Total Noncurrent Assets	0	751,304	751,304	459,274
Total Assets	\$571,434	\$2,439,492	\$3,010,926	\$2,016,231
Liabilities				
Current Liabilities				
Warrants/Accounts Payable	\$66,699	\$31,560	\$98,259	\$73,381
Wages/Benefits Payable	127,602	62,719	190,321	173,863
Compensated Absences Payable	150,492	74,065	224,557	205,449
Deposits Payable	68,349	0	68,349	0
Total Current Liabilities	\$413,142	\$168,344	\$581,486	\$452,693
Net Assets				
Invested in Capital Assets, Net of Related Debt (as restated)	\$0	\$751,304	\$751,304	\$459,274
Unrestricted	158,292	1,519,844	1,678,136	1,104,264
Total Net Assets	\$158,292	\$2,271,148	\$2,429,440	\$1,563,538

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS

For the Year Ended December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 1

	# 471	#976	Total	
	Refuse	Stormwater	2010	2009
Operating Revenues				
Charges for Services	\$4,877,193	\$1,975,814	\$6,853,007	\$6,360,693
Other Operating Revenues	3,503	0	3,503	823
Total Operating Revenues	4,880,696	1,975,814	6,856,510	6,361,516
Operating Expenses				
Operations and Maintenance	4,280,559	995,251	5,275,810	4,973,085
Administration/Overhead	525,668	147,504	673,172	615,781
Taxes	0	81,025	81,025	64,686
Depreciation/Amortization	0	15,840	15,840	10,768
Total Operating Expenses	4,806,227	1,239,620	6,045,847	5,664,320
Operating Income (Loss)	74,469	736,194	810,663	697,196
Non-Operating Revenues (Expenses)				
Operating Grants and Subsidies	0	140,474	140,474	133,682
Interest Revenue	0	0	0	1,000
Non-Operating Revenue Net of Expenses	0	140,474	140,474	134,682
Income (Loss) Before Contributions and Transfers	74,469	876,668	951,137	831,878
Capital Contributions	0	154,765	154,765	9,600
Transfers (Out)	0	(240,000)	(240,000)	(262,000)
Change in Net Assets	74,469	791,433	865,902	579,478
Total Net Assets - January 1	83,823	1,479,715	1,563,538	984,060
Total Net Assets - December 31	\$158,292	\$2,271,148	2,429,440	\$1,563,538

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

STATEMENT OF CASH FLOWS NONMAJOR PROPRIETARY FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 1

	#471	#976	Total	
	Refuse	Stormwater	2010	2009
Cash Flows from Operating Activities				
Cash Received from Customers	\$4,923,355	\$1,998,456	\$6,921,811	\$6,364,627
Contributions Received - Employer and Employee				
Cash Paid to Suppliers for Goods and Services	(3,063,926)	(566,564)	(3,630,490)	(3,422,106)
Cash Paid for Salaries and Benefits	(1,278,315)	(628,039)	(1,906,354)	(1,776,642)
Other Operating Revenues Collected	0	0	0	823
Cash Paid in Lieu of Taxes	(444,115)	0	(444,115)	(418,431)
Net Cash Provided by Operating Activities	136,999	803,853	940,852	748,271
Cash Flows from Noncapital Financing Activities				
Operating Grants Received/Sales Tax	0	111,234	111,234	159,232
Cash Flows from Capital Financing Activities				
Capital Expenditures Paid	0	(141,709)	(141,709)	(22,848)
Transfer Out	0	(240,000)	(240,000)	(262,000)
Net Cash Used for Capital Financing Activities	0	(381,709)	(381,709)	(284,848)
Cash Flows from Investing Activities				
Interest Received on Investments	0	0	0	1,000
Purchase of Investment Securities	0	(500,000)	(500,000)	(500,000)
Net Cash Provided by Investing Activities	0	(500,000)	(500,000)	(499,000)
Net Increase (Decrease) in Cash and Cash Equivalents	136,999	33,378	170,377	123,655
Cash and Cash Equivalents at Beginning of Year	214,859	562,740	777,599	653,944
Cash and Cash Equivalents at End of Year	\$351,858	\$596,118	\$947,976	\$777,599
Cash at the End of the Year				
Operating Fund Cash	\$351,858	\$596,118	\$947,976	\$777,599
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Net Operating Income (Loss)	\$74,469	\$736,194	\$810,663	\$697,196
Cash Provided by Operating Activities				
Depreciation	0	15,840	15,840	10,768
Change in Assets and Liabilities				
(Increase) Decrease in Accounts Receivable	42,659	22,642	65,301	3,934
Increase (Decrease) in Warrants/Accounts Payable	8,930	4,552	13,482	(22,676)
Increase (Decrease) in Wages/Benefits Payable	7,353	9,105	16,458	21,384
Increase (Decrease) in Compensated Absences Payable	3,588	15,520	19,108	37,665
Total Adjustments	62,530	67,659	130,189	51,075
Net Cash Provided by Operating Activities	\$136,999	\$803,853	\$940,852	\$748,271
Schedule of Noncash Capital and Related Financing Activities				
Capital Assets Acquired by Noncash Contributions	\$0	\$154,765	\$154,765	\$9,600

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

INTERNAL SERVICE FUNDS

Unemployment Compensation Reserve Fund (512) – Established in 1978 to provide unemployment compensation coverage for City employees as required by state law.

Employees' Health Benefit Reserve Fund (513) – Established for the transfer of premiums from the operating funds in order to pay medical and dental costs incurred by persons covered by the Employees' Health Benefit Plan of the City and to pay expenses incurred in connection with administering that plan.

Workers' Compensation Reserve Fund (514) – Created when City Council adopted Ordinance No. 2783 effective July 1, 1984, to self-insure a Workers' Compensation Program for the City employees pursuant to RCW Chapter 51.14.

Risk Management Reserve Fund (515) – Created by Ordinance No. 2941, on February 11, 1986, to account for general liability and purchased insurance coverage. Funding revenues are contributions from other fund groups and are planned to match expenses of insurance premiums for coverage in excess of self-insured amounts, claims resulting from the self-insured program, and operating expenses.

Wellness and Employee Assistance Fund (516) – Established in 1998 to provide the opportunity to all City employees to improve their physical, mental and emotional well being.

Equipment Rental Fund (551) – A self supporting fund that derives its revenues from charges to departments for services rendered to their motor vehicles. Vehicles that are owned by this fund are rented to other departments at a rate sufficient to cover the maintenance and operation cost of each vehicle plus a charge for depreciation at a rate sufficient to provide for the eventual replacement of each vehicle.

Environmental Fund (555) – Established in 1991 to accumulate a reserve for environmental contingencies, funded by a surcharge on fuel purchased by the operating funds.

Public Works Administration Fund (560) – Established in 1983. The fund centralizes both the accountability and costs for supervision of funds which are housed at the Public Works facility.

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 2

	#512 Unemployment Compensation Reserve	#513 Employees' Health Benefit Reserve	#514 Workers' Compensation Reserve	#515 Risk Management Reserve
Assets				
Current Assets				
Cash & Equity in Pooled Investments	\$377,656	\$526,409	\$627,136	\$781,082
Deposits w/ Fiscal Agent/Trustee	0	10,620	0	0
Receivables				
Accounts	15,353	651,417	90,905	50,000
Due from Other Government Units	0	0	0	0
Inventories	0	0	0	0
Investments, at Amortized Cost	0	1,500,000	500,000	400,000
Total Current Assets	393,009	2,688,446	1,218,041	1,231,082
Noncurrent Assets				
Construction in Progress	0	0	0	0
Buildings	0	0	0	0
Other Improvements	0	0	0	0
Machinery & Equipment	0	0	0	103,375
Accumulated Depreciation	0	0	0	(32,858)
Advances to Other Funds	0	0	0	0
Total Noncurrent Assets	0	0	0	70,517
Total Assets	\$393,009	\$2,688,446	\$1,218,041	\$1,301,599
Liabilities				
Current Liabilities:				
Warrants/Accounts Payable	\$0	\$131,438	\$24,506	\$168,326
Wages/Benefits Payable	3,393	9,748	11,544	154,991
Compensated Absences Payable	9,412	25,989	13,698	53,480
Claims and Judgments Payable	33,438	1,370,556	739,577	553,000
Total Current Liabilities	\$46,243	\$1,537,731	\$789,325	\$929,797
Net Assets				
Invested in Capital Assets, net of related debt	\$0	\$0	\$0	\$70,517
Unrestricted	346,766	1,150,715	428,716	301,285
Total Assets	\$346,766	\$1,150,715	\$428,716	\$371,802

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS**

December 31, 2010

With comparative totals for December 31, 2009

Page 2 of 2

#516 Wellness/ EAP	#555 Environmental	#551 Equipment Rental	#560 Public Works Administration	Total	
				2010	2009
\$151,752	\$488,132	\$775,680	\$432,560	\$4,160,407	\$5,248,880
0	0	0	0	10,620	10,620
0	0	0	0	807,675	732,547
0	124,436	0	0	124,436	125,230
0	0	286,842	0	286,842	524,338
0	0	3,819,642	0	6,219,642	5,141,062
151,752	612,568	4,882,164	432,560	11,609,622	11,782,677
0	0	0	0	0	0
0	0	0	37,397	37,397	37,397
0	119,845	0	7,251	127,096	112,131
41,732	7,572	21,436,392	84,316	21,673,387	20,517,112
(18,438)	(18,169)	(12,888,402)	(103,601)	(13,061,468)	(11,874,974)
0	0	0	0	0	0
23,294	109,248	8,547,990	25,363	8,776,412	8,791,666
\$175,046	\$721,816	\$13,430,154	\$457,923	\$20,386,034	\$20,574,343
\$4,384	\$10,547	\$145,073	\$26,722	\$510,996	\$630,394
0	0	79,502	57,034	316,212	208,072
0	0	99,822	76,333	278,734	256,576
0	0	0	0	2,696,571	3,139,186
\$4,384	\$10,547	\$324,397	\$160,089	\$3,802,513	\$4,234,228
\$23,294	\$109,248	\$8,547,990	\$25,363	\$8,776,412	\$8,791,666
147,368	602,021	4,557,767	272,471	7,807,109	7,548,449
\$170,662	\$711,269	\$13,105,757	\$297,834	\$16,583,521	\$16,340,115

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**COMBINING STATEMENT OF REVENUES & CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 2

	#512 Unemployment Compensation Reserve	#513 Employees' Health Benefit Reserve	#514 Workers' Compensation Reserve	#515 Risk Management Reserve
Operating Revenues				
Charges for Insurance	\$0	\$0	\$0	\$2,462,760
Charges for Services	0	0	0	0
Employer Contributions	149,699	8,255,464	1,155,106	0
Employee Contributions	0	1,564,458	66,998	0
Other Operating Revenue	0	0	0	0
Total Operating Revenues	149,699	9,819,922	1,222,104	2,462,760
Operating Expenses				
Operations and Maintenance	5,590	990,504	245,305	1,217,878
Administration/Overhead	31,598	252,450	133,951	1,484,679
Depreciation/Amortization	0	0	0	18,136
Other Benefits	114,786	9,211,420	743,441	(137,342)
Total Operating Expenses	151,974	10,454,374	1,122,697	2,583,351
Operating Income (Loss)	(\$2,275)	(\$634,452)	\$99,407	(\$120,591)
Non-Operating Revenues				
Other Non-Operating/Grants	\$0	\$282,918	\$5,793	\$283,489
Interest Revenue	0	25,000	3,000	160,000
Gain (Loss) on Capital Assets Disposition	0	0	0	0
Non-Operating Revenue Net of Expenses	\$0	\$307,918	\$8,793	\$443,489
Change in Net Assets				
Income (Loss) Before Contributions and Transfers	(\$2,275)	(\$326,534)	\$108,200	\$322,898
Capital Contributions	0	0	0	0
Transfers In	0	0	0	0
Transfers (Out)	0	0	0	0
Total Change in Net Assets	(2,275)	(326,534)	108,200	322,898
Total Net Assets - January 1	349,041	1,477,249	320,516	48,904
Total Net Assets - December 31	\$346,766	\$1,150,715	\$428,716	\$371,802

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**COMBINING STATEMENT OF REVENUES & CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2010

With comparative totals for December 31, 2009

Page 2 of 2

#516 Wellness/ EAP	#555 Environmental	#551 Equipment Rental	#560 Public Works Administration	Total	
				2010	2009
\$0	\$157,332	\$0	\$0	\$2,620,092	\$2,382,676
0	0	4,952,535	1,176,188	6,128,723	6,021,973
68,302	0	0	0	9,628,571	9,129,005
0	0	0	0	1,631,456	1,628,225
0	0	1,084	51	1,135	908
68,302	157,332	4,953,619	1,176,239	20,009,977	19,162,787
57,783	373,860	3,500,845	553,509	6,945,274	6,360,080
0	0	311,401	501,927	2,716,006	2,721,108
7,735	6,375	1,363,591	5,540	1,401,377	1,387,780
0	0	0	0	9,932,305	9,674,428
65,518	380,235	5,175,837	1,060,976	20,994,962	20,143,396
\$2,784	(\$222,903)	(\$222,218)	\$115,263	(\$984,985)	(\$980,609)
\$0	\$375,194	\$4,781	\$0	\$952,175	\$1,008,835
0	0	79,756	0	267,756	195,585
0	0	(12,900)	0	(12,900)	(41,497)
\$0	\$375,194	\$71,637	\$0	\$1,207,031	\$1,162,923
\$2,784	\$152,291	(\$150,581)	\$115,263	\$222,046	\$182,314
0	0	21,360	0	21,360	6,444
0	0	0	0	0	50,000
0	0	0	0	0	(37,000)
2,784	152,291	(129,221)	115,263	243,406	201,758
167,878	558,978	13,234,978	182,571	16,340,115	16,138,357
\$170,662	\$711,269	\$13,105,757	\$297,834	\$16,583,521	\$16,340,115

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2010

With comparative totals for December 31, 2009

Page 1 of 2

	#512 Unemployment Compensation Reserve	#513 Employees' Health Benefit Reserve	#514 Workers' Compensation Reserve	#515 Risk Management Reserve
Cash Flows from Operating Activities				
Cash Received from Customers	\$0	\$0	\$0	\$0
Contributions Received - Employer and Employee	154,155	9,788,949	1,223,493	2,462,760
Cash Paid to Suppliers for Goods and Services	(7,819)	(1,226,521)	(255,540)	(2,087,636)
Cash Paid for Salaries and Benefits	(28,405)	(121,434)	(101,464)	(591,886)
Cash Paid to Claimants and Beneficiaries	(118,421)	(9,123,942)	(846,899)	(285,658)
Net Cash Provided by Operating Activities	(\$490)	(\$682,948)	\$19,590	(\$502,420)
Cash Flows from Noncapital Financing Activities				
Transfer In/Other Non-Operating Revenue	\$0	\$282,918	\$5,793	\$233,489
Transfer Out	0	0	0	0
Net Cash Provided by Noncapital Financing Activities	\$0	\$282,918	\$5,793	\$233,489
Cash Flows from Capital Financing Activities				
Cash Received from Disposal of Capital Assets	\$0	\$0	\$0	\$0
Capital Expenditures Paid	0	0	0	(25,393)
Other Non-Operating Capital Revenue	0	0	0	0
Net Cash Used for Capital Financing Activities	\$0	\$0	\$0	(\$25,393)
Cash Flows from Investing Activities				
Proceeds from Sale and Maturity of Investment Securities	\$0	\$0	\$0	\$0
Interest Received on Investments	0	25,000	3,000	160,000
Purchase of Investment Securities	0	0	(500,000)	(400,000)
Net Cash Provided by Investing Activities	\$0	\$25,000	(\$497,000)	(\$240,000)
Net Increase (Decrease) in Cash and Cash Equivalents	(\$490)	(\$375,030)	(\$471,617)	(\$534,324)
Cash and Cash Equivalents at Beginning of Year	\$378,146	\$901,439	\$1,098,753	\$1,315,406
Cash and Cash Equivalents at End of Year	\$377,656	\$526,409	\$627,136	\$781,082
Reconciliation of Net Operating Income (Loss) to Net Cash				
Provided (Used) by Operating Activities				
Net Operating Income (Loss)	(\$2,275)	(\$634,452)	\$99,407	(\$120,591)
Adjustments to Reconcile Operating Income (Loss) to Net				
Cash Provided by Operating Activities				
Depreciation	0	0	0	18,136
Change in Assets and Liabilities				
(Increase) Decrease in Accounts Receivable	4,456	(30,973)	1,389	0
(Increase) Decrease in Inventory	0	0	0	0
Increase (Decrease) in Warrants/Accounts Payable	0	(107,243)	19,055	(84,585)
Increase (Decrease) in Wages/Benefits Payable	37	(12)	(131)	108,761
Increase (Decrease) in Compensated Absences Payable	927	2,254	3,328	(1,141)
Increase (Decrease) in Claims and Judgments Payable	(3,635)	87,478	(103,458)	(423,000)
Total Adjustments	\$1,785	(\$48,496)	(\$79,817)	(\$381,829)
Net Cash Provided by Operating Activities	(\$490)	(\$682,948)	\$19,590	(\$502,420)
Capital Assets Acquired by Noncash Contributions	\$0	\$0	\$0	\$0

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2010

With comparative totals for December 31, 2009

Page 2 of 2

#516 Wellness/ EAP	#555 Environmental	#551 Equipment Rental	#560 Public Works Administration	Total	
				2010	2009
\$0	\$157,332	\$4,953,619	\$1,176,239	\$6,287,190	\$6,165,024
68,302	0	0	0	13,697,659	12,945,649
(57,411)	(392,070)	(2,644,463)	(481,536)	(7,152,996)	(7,159,727)
0	0	(842,962)	(573,737)	(2,259,888)	(2,241,081)
0	0	0	0	(10,374,920)	(10,032,403)
\$10,891	(\$234,738)	\$1,466,194	\$120,966	\$197,045	(\$322,538)
\$0	\$375,988	\$0	\$0	\$898,188	\$883,605
0	0	0	0	0	(37,000)
\$0	\$375,988	\$0	\$0	\$898,188	\$846,605
\$0	\$0	\$22,696	\$0	\$22,696	\$21,572
(6,113)	(14,964)	(1,349,108)	0	(1,395,578)	(1,879,864)
0	0	0	0	0	56,444
(\$6,113)	(\$14,964)	(\$1,326,412)	\$0	(\$1,372,882)	(\$1,801,848)
\$0	\$0	\$3,641,062	\$0	\$3,641,062	\$3,778,509
0	0	79,756	0	267,756	259,072
0	0	(3,819,642)	0	(4,719,642)	(2,500,000)
\$0	\$0	(\$98,824)	\$0	(\$810,824)	\$1,537,581
\$4,778	\$126,286	\$40,958	\$120,966	(\$1,088,473)	\$259,800
\$146,974	\$361,846	\$734,722	\$311,594	\$5,248,880	\$4,989,080
\$151,752	\$488,132	\$775,680	\$432,560	\$4,160,407	\$5,248,880
\$2,784	(\$222,903)	(\$222,218)	\$115,263	(\$984,985)	(\$980,609)
7,735	6,375	1,363,591	5,540	1,401,377	1,387,780
0	0	0	0	(25,128)	(52,114)
0	0	237,496	0	237,496	18,025
372	(18,210)	77,354	(6,141)	(119,398)	(347,382)
0	0	1,790	(2,305)	108,140	7,741
0	0	8,181	8,609	22,158	1,996
0	0	0	0	(442,615)	(357,975)
\$8,107	(\$11,835)	\$1,688,412	\$5,703	\$1,182,030	\$658,071
\$10,891	(\$234,738)	\$1,466,194	\$120,966	\$197,045	(\$322,538)
\$0	\$0	\$21,360	\$0	\$21,360	\$0

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

CAPITAL ASSET SCHEDULES

These are assets used in operations funded by governmental funds. Capital assets include any asset with a cost of \$5,000 or more and an expected useful life of at least two years. This includes all capital assets of the City except for those used in Enterprise or Internal Service Funds.

Schedule of Capital Assets by Function and Activity – A report allocating components of capital assets (land, building, construction in progress, improvements, and machinery and equipment) to various City functions and programs.

Schedule of Changes in Capital Assets by Functions and Activity – A report that shows additions and deletions of total capital assets within separate City functions and programs.

Schedule of Capital Assets by Source – A report that summarizes major funding sources for City capital assets.

**SCHEDULE BY FUNCTION AND ACTIVITY
GOVERNMENTAL FUND CAPITAL ASSETS⁽¹⁾**

December 31, 2010

Page 1 of 2

	Balance as of 12/31/10	Land
General Government		
City Council / Manager / Clerks	\$1,174,418	\$0
Finance (Finance, Information Systems, Utility Services)	1,728,780	0
Human Resources	8,239	0
Legal	8,695	0
Municipal Court	75,395	0
Codes / Planning / City Hall	2,849,518	34,000
Engineering	44,732	0
Miscellaneous General Government	1,485,681	1,485,681
Total General Government	<u>\$7,375,458</u>	<u>\$1,519,681</u>
Public Safety		
Fire	\$14,829,801	\$297,389
Police	16,845,329	2,589,641
Total Public Safety	<u>\$31,675,130</u>	<u>\$2,887,030</u>
Physical Environment		
LID Construction	\$5,409	\$0
Cemetery	754,248	477,660
Total Physical Environment	<u>\$759,657</u>	<u>\$477,660</u>
Transportation		
Streets	\$146,546,819	\$2,117,793
Arterial Street	78,771,532	2,418,648
Transportation (Trolley)	1,013,930	28,500
Total Transportation	<u>\$226,332,281</u>	<u>\$4,564,941</u>
Economic Environment		
Senior Citizen Center	\$3,500,000	\$0
Community Development	1,651,009	398,748
Central Business District	11,791,317	0
Total Economic Environment	<u>\$16,942,326</u>	<u>\$398,748</u>
Culture and Recreation		
Bicentennial Pavilion (Original Convention Center)	\$9,309,775	\$1,193,729
Parks and Recreation	15,286,526	2,774,302
Southeast Community Center	634,846	60,579
Capitol Theatre	13,704,311	80,000
Cable TV	304,095	0
Convention Center	6,627,235	162,608
Gateway - Visitor Center	601,044	0
Total Culture and Recreation	<u>\$46,467,832</u>	<u>\$4,271,218</u>
Total	<u><u>\$329,552,684</u></u>	<u><u>\$14,119,278</u></u>

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

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

**SCHEDULE BY FUNCTION AND ACTIVITY
GOVERNMENTAL FUND CAPITAL ASSETS⁽¹⁾**

December 31, 2010

Page 2 of 2

<u>Buildings</u>	<u>Improvements</u>	<u>Infrastructure</u>	<u>Equipment</u>	<u>Construction in Progress</u>
\$1,135,895	\$13,094	\$0	\$25,429	\$0
51,280	17,669	0	989,052	670,779
0	0	0	8,239	0
8,695	0	0	0	0
6,312	4,507	0	64,576	0
2,775,264	40,254	0	0	0
0	0	0	44,732	0
0	0	0	0	0
<u>\$3,977,446</u>	<u>\$75,524</u>	<u>\$0</u>	<u>\$1,132,028</u>	<u>\$670,779</u>
\$7,404,012	\$105,726	\$0	\$7,022,674	\$0
11,461,769	109,683	0	2,684,236	0
<u>\$18,865,781</u>	<u>\$215,409</u>	<u>\$0</u>	<u>\$9,706,910</u>	<u>\$0</u>
\$0	\$0	\$0	\$0	\$5,409
135,841	140,747	0	0	0
<u>\$135,841</u>	<u>\$140,747</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,409</u>
\$0	\$178,330	\$143,988,816	\$261,880	\$0
0	62,995	60,392,057	70,237	15,827,595
209,324	192,205	0	175,000	408,901
<u>\$209,324</u>	<u>\$433,530</u>	<u>\$204,380,873</u>	<u>\$507,117</u>	<u>\$16,236,496</u>
\$3,500,000	\$0	\$0	\$0	\$0
52,161	13,050	734,561	50,771	401,718
0	281,913	10,430,602	68,190	1,010,612
<u>\$3,552,161</u>	<u>\$294,963</u>	<u>\$11,165,163</u>	<u>\$118,961</u>	<u>\$1,412,330</u>
\$7,644,646	\$334,337	\$0	\$137,063	\$0
1,462,436	10,328,505	0	45,414	675,869
574,267	0	0	0	0
5,568,125	0	0	292,214	7,763,972
3,407	63,053	0	237,635	0
6,145,685	225,465	0	93,477	0
601,044	0	0	0	0
<u>\$21,999,610</u>	<u>\$10,951,360</u>	<u>\$0</u>	<u>\$805,803</u>	<u>\$8,439,841</u>
<u>\$48,740,163</u>	<u>\$12,111,533</u>	<u>\$215,546,036</u>	<u>\$12,270,819</u>	<u>\$26,764,855</u>

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

SCHEDULE BY CHANGES BY FUNCTION AND ACTIVITY GOVERNMENTAL FUND CAPITAL ASSETS⁽¹⁾

December 31, 2010

Page 1 of 1

	Balance As of 01/01/10	Additions	Deletions	Adjustments	Balance As of 12/31/10
General Government					
City Council / Manager / Clerks	\$1,174,418	\$0	\$0	\$0	\$1,174,418
Finance (Finance, Info Sys, Utility Svcs)	1,667,728	61,052	0	0	1,728,780
Human Resources	8,239	0	0	0	8,239
Legal	8,695	0	0	0	8,695
Municipal Court	99,835	0	(24,440)	0	75,395
Codes / Planning / City Hall	2,398,152	451,366	0	0	2,849,518
Engineering	44,732	0	0	0	44,732
Miscellaneous General Government	1,485,681	0	0	0	1,485,681
Total General Government	\$6,887,480	\$512,418	(\$24,440)	\$0	\$7,375,458
Public Safety					
Fire	\$13,366,919	\$1,462,882	\$0	\$0	\$14,829,801
Police	16,322,620	522,709	0	0	16,845,329
Total Public Safety	\$29,689,539	\$1,985,591	\$0	\$0	\$31,675,130
Physical Environment					
LID Construction	\$902,429	\$35,387	(\$932,407)	\$0	\$5,409
Cemetery	754,249	0	0	0	754,249
Total Physical Environment	\$1,656,678	\$35,387	(\$932,407)	\$0	\$759,658
Transportation					
Streets	\$143,668,410	\$2,885,572	(\$7,163)	\$0	\$146,546,819
Arterial Street	68,613,970	10,157,561	0	0	78,771,531
Transportation (Trolley)	864,226	149,704	0	0	1,013,930
Total Transportation	\$213,146,606	\$13,192,837	(\$7,163)	\$0	\$226,332,280
Economic Environment					
Senior Citizen Center	\$3,500,000	\$0	\$0	\$0	\$3,500,000
Community Development	1,243,291	407,718	0	0	1,651,009
Central Business District	10,805,818	985,499	0	0	11,791,317
Total Economic Environment	\$15,549,109	\$1,393,217	\$0	\$0	\$16,942,326
Culture and Recreation					
Bicentennial Pavilion (Orig Conv Ctr)	\$9,309,775	\$0	\$0	\$0	\$9,309,775
Parks and Recreation	14,791,877	546,735	(52,086)	0	15,286,526
Southeast Community Center	634,846	0	0	0	634,846
Capitol Theatre	9,445,983	4,439,534	(181,206)	0	13,704,311
Cable TV	261,703	42,392	0	0	304,095
Convention Center	6,627,323	6,614	(6,702)	0	6,627,235
Gateway - Visitor Center	601,044	0	0	0	601,044
Total Culture and Recreation	\$41,672,551	\$5,035,275	(\$239,994)	\$0	\$46,467,832
Total	\$308,601,963	\$22,154,725	(\$1,204,004)	\$0	\$329,552,684

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

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

SCHEDULE BY CHANGES BY FUNCTION AND ACTIVITY GOVERNMENTAL FUND CAPITAL ASSETS⁽¹⁾

December 31, 2010

Page 1 of 1

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Ending Balance</u>
General Capital Assets					
Land	\$12,858,062	\$1,261,215	\$0	\$0	\$14,119,277
Buildings	47,679,455	451,366	(6,030)	615,373	48,740,164
Improvements other than Buildings	12,086,770	0	(46,056)	70,820	12,111,534
Equipment	10,135,541	1,530,439	(219,511)	(6,866)	11,439,603
Infrastructure	204,515,738	1,936,185	0	9,094,113	215,546,036
Construction in Progress	20,644,469	16,826,232	(932,407)	(9,773,440)	26,764,854
Capitalized Leases	681,928	149,288	0	0	831,216
Total General Capital Assets	<u><u>\$308,601,963</u></u>	<u><u>\$22,154,725</u></u>	<u><u>(\$1,204,004)</u></u>	<u><u>\$0</u></u>	<u><u>\$329,552,684</u></u>
Investment in General Capital Assets					
1984 Physical Inventory	\$15,920,370	\$0	\$0	\$0	\$15,920,370
Federal Grants	1,550,967	407,718	0	0	1,958,685
State Grants	551,428	0	0	0	551,428
Interlocal Grants	143,728,214	0	0	0	143,728,214
General Fund	2,144,449	61,052	(24,440)	0	2,181,061
Special Revenue Funds	1,277,404	2,269,313	(194,399)	0	3,352,318
Federal Revenue Sharing	394,765	0	0	0	394,765
General Obligation Bond	22,089,743	4,986,269	0	0	27,076,012
Capital Projects	42,360,536	3,358,206	(985,165)	0	44,733,577
Grants/GOB/Local Match	74,190,455	10,283,039	0	0	84,473,494
Private Contributions	4,393,632	789,128	0	0	5,182,760
Proprietary Funds	0	0	0	0	0
Total Invest in General Capital Assets	<u><u>\$308,601,963</u></u>	<u><u>\$22,154,725</u></u>	<u><u>(\$1,204,004)</u></u>	<u><u>\$0</u></u>	<u><u>\$329,552,684</u></u>

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

The Notes to the Financial Statements, found in the Basic Financial Section, are an integral part of this statement.

SUPPLEMENTAL SCHEDULES

Schedule 9 Long-Term Debt – This schedule provides information about the long-term debt for the City of Yakima. It is also used to corroborate the amounts of long-term debt shown on any balance sheets and the amounts of debt services (principal only) shown on operating statements.

Schedule 10 Limitation of Indebtedness – This schedule applies only to general obligation debt. General obligation debt is backed by the full faith and credit of the government. The debt service on non-voted debt is paid out of general government revenues. The debt service on voted debt is paid from excess property tax levies under RCW 84.52.056.

Schedule 16 Expenditures

Federal Awards – Expenditures of federal awards that were received directly from a federal agency and indirectly (pass-through) from a state agency or local government.

State / Local Awards – Expenditures from grants received directly or indirectly from state agencies (334), grants from other local government (337), loans from the state and other local governments, and program income.

Notes – Disclosure of the basis of accounting and any other significant accounting policies used in preparing Schedule 16.

Schedule 17 Public Works – A report regarding the limitation on public works projects performed by public employees.

Schedule 19 Labor Relations Consultant – The 1993 Legislature has required the state Auditor’s Office to collect information regarding the role labor relations consultants play in local governments. This reporting requirement is found in RCW 43.09.230, as amended by the 1993 Legislature.

SCHEDULE 9
LONG-TERM DEBT

For the Year Ended December 31, 2010

Page 1 of 5

	<u>ID No.</u>	<u>Purpose</u>	<u>Amount of Issue</u>	<u>Date of Issue</u>	<u>Date of Final Maturity</u>
General Obligation Debt					
Crim Justice / I-82 (Refunding)	251.15	594.21,595.11	\$4,155,000	06/17/03	12/01/13
Fire (Refunded)	251.15	594.22	2,300,000	09/07/04	12/01/14
Conv Center Expansion (Refunding)	251.15	594.75.65	4,175,000	09/07/04	11/01/19
Conv Center Addition	251.11	594.75.65	6,735,000	06/10/02	06/01/26
Conv Center Addition (Refunding)	251.15	594.75.65	4,910,000	05/08/07	05/01/26
Sundome Expansion	251.11	559.20.77	1,430,528	06/17/03	12/01/23
Parks Capital Projects	251.11	594.76.65	755,000	12/05/05	12/01/15
River Rd Street Project	251.11	59511	1,765,000	05/08/07	05/01/17
Fire Station West Valley	251.11	59422	815,000	05/08/07	05/01/22
Downtown Revitalization Project	251.11	59511.61.63	1,490,000	05/08/07	05/01/22
Fire Ladder Truck	251.11	59422	760,000	08/28/08	12/01/21
Third Ave /Mead Walnut Street Project	251.11	59511	2,190,000	08/28/08	12/01/19
Capitol Theatre Expansion	251.11	59475	7,035,000	08/28/09	12/01/32
Total			<u>\$38,515,528</u>		
Revenue Bonds					
Wastewater/Water (Refunding 98)	252.15	535.10.65	125,074	10/01/98	09/01/11
Wastewater/Water (Refunding 98)	252.15	535.10.65	1,390,975	10/01/98	09/01/11
Water Refunding 1998	252.15	59434	1,883,951	06/05/08	11/01/18
Wastewater	252.11	59435	17,545,000	12/22/03	11/01/23
Wastewater	252.11	59435	5,440,000	06/05/08	11/01/27
Irrigation	252.11	59438	5,215,000	09/14/04	09/01/34
Total			<u>\$31,600,000</u>		
Special Assessment Notes					
#1056	263.63	535.10.65	218,481	12/17/05	12/17/15
#1057	263.63	535.10.65	346,238	05/01/06	05/01/16
#1058	263.63	535.10.65	200,014	05/01/06	05/01/16
#1060	263.63	535.10.65	398,216	06/01/10	06/01/20
#1061	263.63	535.10.65	497,728	04/01/10	04/01/20
Total			<u>\$1,660,677</u>		

SCHEDULE 9
LONG-TERM DEBT

For the Year Ended December 31, 2010

Page 2 of 5

Beginning Outstanding Balance	Amount Issued	BARS Code for Receipt	Rec Fund #	Amount Redeemed	BARS Code for Redemption	Red Fund #	Ending Outstanding Balance	Nominal Interest Rate
\$1,910,000	0	391.10-BND	283	\$455,000	591.21-710	283	\$1,455,000	4.35-5.25%
1,330,000	0	391.10-BND	284	250,000	591.22-710	284	1,080,000	2.0 -3.5%
3,420,000	0	391.10-BND	370	295,000	591.75-710	287	3,125,000	2.0 -4.2%
675,000	0	391.10-BND	370	215,000	591.75-710	272	460,000	3.0-5.0%
4,890,000	0	391.10-BND	272	10,000	591.75-710	272	4,880,000	4.0-5.0%
1,173,811	0	391.10-BND	392	118,125	59175-710	281	1,055,686	2.34-4.72%
490,000	0	391.10-BND	331	75,000	59176-710	281	415,000	4.0-4.5%
1,470,000	0	391.10-BND	142	155,000	591.42-710	281	1,315,000	4.0-5.0%
735,000	0	391.10-BND	332	45,000	591.22-710	281	690,000	4.0-5.0%
1,340,000	0	391.10-BND	321	80,000	591.42-710	281	1,260,000	4.0-4.5%
705,000	0	391.10-BND	332	50,000	591.22-710	281	655,000	3.25-4.0%
1,980,000	0	391.10-BND	142	170,000	591.42-710	281	1,810,000	3.25-4.0%
6,860,000	0	391.10-BND	322	180,000	591.42-710	272	6,680,000	3.0-6.60%
<u>\$26,978,811</u>	<u>\$0</u>			<u>\$2,098,125</u>			<u>\$24,880,686</u>	
84,563	0	39110-BND	484	41,250	582.34-720	484	43,313	4.00-4.3%
940,437	0	39110-BND	484	458,750	582.35-720	484	481,687	4.00-4.3%
1,720,000	0	39110-BND	477	165,000	582.34-720	486	1,555,000	4.00-5.0%
13,465,000	0	39110-BND	478	725,000	582.35-720	493	12,740,000	2.0-5.0%
5,175,000	0	39110-BND	478	200,000	582.35-720	488	4,975,000	4.00-5.0%
4,695,000	0	39110-BND	479	115,000	582.38-720	491	4,580,000	2.0-4.8%
<u>\$26,080,000</u>	<u>\$0</u>			<u>\$1,705,000</u>			<u>\$24,375,000</u>	
89,000	0	39170-770	345	22,000	59135-770	289	67,000	8.75%
82,500	0	39170-770	345	5,000	59135-770	289	77,500	8.75%
85,000	0	39170-770	345	22,000	59135-770	289	63,000	8.75%
0	375,881	39170-770	345	172,920	59135-770	289	202,961	5.50%
0	488,212	39170-770	345	79,212	59135-770	289	409,000	5.50%
<u>\$256,500</u>	<u>\$864,093</u>			<u>\$301,132</u>			<u>\$819,461</u>	

SCHEDULE 9
LONG-TERM DEBT

For the Year Ended December 31, 2010

Page 3 of 5

	<u>ID No.</u>	<u>Purpose</u>	<u>Amount of Issue</u>	<u>Date of Issue</u>	<u>Date of Final Maturity</u>
Intergovernment Loans					
(Public Works Trust And State Revolving Fund)					
PW-5-90-280-050	263.81	595.30.65	\$603,313	05/07/90	07/01/10
PW-5-91-280-070	263.81	595.30.65	1,039,500	09/29/91	07/01/11
PW-5-91-280-071	263.81	595.40.65	1,143,716	09/29/91	07/01/11
PW-5-92-280-046	263.82	594.35.64	1,120,000	09/03/92	07/01/12
PW-5-93-280-054	263.82	594.35.65	3,221,708	06/01/93	07/01/13
PW-5-94-784-049	263.82	594.35.64	1,220,900	05/16/94	07/01/14
PW-5-95-791-052	263.81	595.30.65	1,000,000	06/14/95	07/01/15
PW-5-95-791-053	263.82	594.35.64	3,030,558	08/07/95	07/01/15
PW-5-95-791-054	263.82	594.35.64	188,430	06/14/95	07/01/15
PW-00-691-062	263.81	594.30.65	1,180,000	06/14/00	06/10/10
PW-01-691-071	263.82	594.35.65	1,466,250	06/01/01	07/01/21
PW-03-027	263.82	594.34.65	2,694,000	09/01/03	07/01/23
PW-05-691-064	263.82	594.35.65	2,307,000	12/30/05	07/01/25
PW-07-962-019	263.82	594.35.65	2,300,000	04/30/07	07/07/27
SRF-04-65104-037	263.82	594.34.65	966,772	06/27/05	10/01/25
PC08-951-051	263.82	594.34.65	2,257,200	04/15/09	07/01/28
PC08-951-052	263.81	595.50.65	3,000,000	08/14/09	07/01/28
L1000030-0	263.81	594.35.65	1,214,000	05/06/10	06/01/30
CERB Loan #C95-107	263.81	594.50.65	425,448	08/21/95	07/01/16
Total			\$30,378,796		
Due To Other Governmental Units					
Yakima County	263.82		44,000	06/01/02	06/01/11
Yakima County	263.82		75,000	06/01/04	06/01/10
Yakima County	263.82		25,000	06/01/06	06/01/10
Yakima County	263.82		0	06/01/06	06/01/10
Yakima County	263.82		64,500	06/01/06	06/01/12
Yakima County	263.82		50,000	06/01/07	06/01/12
Yakima County	263.82		27,500	06/01/08	06/01/12
Yakima County	263.82		214,000	06/01/08	06/01/13
Total			\$500,000		
Lease Purchase Agreements					
Chevrolet Trucks-Codes	263.53	594.18.66	38,293	12/04/07	09/04/10
Telephone System Upgrade	263.53	594.28.66	98,288	10/01/10	09/30/13
#1223521 - Printer/Copier	263.53	594.18.66	51,000	01/01/10	12/31/14
Total			\$187,581		
Grand Total			\$102,842,581		

**SCHEDULE 9
LONG-TERM DEBT**

For the Year Ended December 31, 2010

Page 4 of 5

Beginning Outstanding Balance	Amount Issued	BARS Code for Receipt	Rec Fund #	Amount Redeemed	BARS Code for Redemption	Red Fund #	Ending Outstanding Balance	Nominal Interest Rate
\$31,756	0	39180-DCD		\$31,756	59142-780	142	\$0	3%
99,942	0	39180-DCD		49,971	59142-780	142	49,971	1%
121,337	0	39180-DCD		60,669	59138-780	342	60,668	3%
185,193	0	39180-DCD	476	61,731	58235-78P	473	123,462	1%
682,023	0	39180-DCD	478	170,506	58235-78P	473	511,517	1%
204,495	0	39180-DCD	476	40,899	58235-78P	473	163,596	1%
319,504	0	39180-DCD		53,250	59142-780	142	266,254	1%
980,247	0	39180-DCD	478	163,374	58235-78P	473	816,873	1%
70,111	0	39180-DCD	476	11,685	58235-78P	473	58,426	1%
126,048	0	39180-DCD	142	126,048	58235-78P	142	0	1%
931,500	0	39180-DCD	476/477	77,625	58235-78P	473	853,875	0.5%
1,886,150	0	39180-DCD	477	134,725	58234-78P	474	1,751,425	0.5%
1,872,583	115,350	39180-DCD	476	124,246	58235-78P	473	1,863,687	0.5%
2,185,000	0	39180-DCD	478	121,389	58235-78P	473	2,063,611	0.5%
743,590	0	39180-DCD	477	47,073	58234-78P	474	696,517	0.5%
1,015,740	564,300	39180-DCD	477	83,160	58234-78P	474	1,496,880	0.5%
600,000	1,500,000	39180-DCD	392	71,053	59142-780	342	2,028,947	0.5%
0	190,451	39180-DCD	392	0	58231-780	473	190,451	2.9%
202,321	0	39180-DCD		24,474	59119-780	000	177,847	5.5%
<u>\$12,257,540</u>	<u>\$2,370,101</u>			<u>\$1,453,634</u>			<u>\$13,174,007</u>	
10,300	0	39180-COU		5,044	59142-780	142	5,256	4.20%
10,714	0	39180-COU		10,714	59173-780	170	(0)	1.10%
5,466	0	39180-COU	476	5,466	58235-78P	473	0	1.10%
0	0	39180-COU	142	0	59142-780	142	0	4.50%
29,570	0	39180-COU	474	9,323	58234-780	474	20,247	5.62%
32,968	0	39180-COU	142	10,337	59142-780	142	22,631	6.18%
16,933	0	39180-COU	142	5,338	59142-780	142	11,595	5.62%
173,889	0	39180-COU	142	41,102	59142-780	142	132,787	6.18%
<u>\$279,840</u>	<u>\$0</u>			<u>\$87,324</u>			<u>\$192,516</u>	
10,059	0	39150-CLF	000	10,059	59118-750	000	0	4.36%
0	98,288	39150-CLF	151	7,584	59118-750	000	90,704	4.17%
0	51,000	39150-CLF	000	9,237	59118-750	000	41,763	4.85%
<u>\$10,059</u>	<u>\$149,288</u>			<u>\$26,880</u>			<u>\$132,467</u>	
<u><u>\$65,862,749</u></u>	<u><u>\$3,383,482</u></u>			<u><u>\$5,672,095</u></u>			<u><u>\$63,574,136</u></u>	

SCHEDULE 9
LONG-TERM DEBT

For the Year Ended December 31, 2010

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NOTE:

The Public Works Trust Loans are from the State of Washington's
Department of Community Development.

Terms of the loans authorize maximum sums as follows:

PW-5-89-962-0056	\$765,000
PW-5-89-962-0057	174,879
PW-5-89-962-0058	495,000
PW-5-90-280-050	803,157
PW-5-91-280-070	1,155,000
PW-5-91-280-071	1,188,000
PW-5-92-280-046	1,120,000
PW-5-93-280-054	3,221,708
PW-5-94-784-049	1,481,000
PW-5-95-791-052	1,000,000
PW-5-95-791-054	209,367
PW-5-95-791-053	3,030,558
PW-00-691-062	1,180,000
PW-01-691-071	1,466,250
PW-03-027	2,694,000
PW-05-691-064	2,307,000
PW-07-962-019	2,300,000
	<hr/>
	<u>\$24,590,919</u>

SCHEDULE 10
LIMITATIONS OF INDEBTEDNESS

For the Year Ended December 31, 2010

Page 1 of 1

Total Taxable Property Value - \$5,599,278,437

		<u>Remaining Debt Capacity</u>
2.50% (\$139,981,961) General Purposes Limit is Allocated Between:		
Up to 1.5% Debt without a Vote (Councilmanic)	\$83,989,177	
Less : Outstanding Debt	34,582,400	
Less: Contracts Payable	132,467	
Less: Excess of Debt with a Vote	0	
Add: Available Assets	8,462,899	
Equals: Remaining Debt Capacity without a Vote		<u>\$57,737,209</u>
1% General Purposes Debt with a Vote	\$55,992,784	
Less : Outstanding Debt	1,080,000	
Less: Contracts Payable	0	
Add: Available Assets	204,124	
Equals: Remaining Debt Capacity with a Vote		<u>\$55,116,908</u>
2.5% Utility purpose Limit, Voted	\$139,981,961	
Less : Outstanding Debt	0	
Less: Contracts Payable	0	
Add: Available Assets	0	
Equals: Remaining Debt Capacity - Utility Purpose, Voted		<u>\$139,981,961</u>
2.5% Open Space, Park and Capital Facilities, Voted	\$139,981,961	
Less : Outstanding Debt	0	
Less: Contracts Payable	0	
Add: Available Assets	0	
Equals: Remaining Debt Capacity - Open Space, Park and Capital Facilities, Voted		<u><u>\$139,981,961</u></u>

SCHEDULE 16
EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2010

Page 1 of 2

Grantor / Pass-Through Grantor Program Title	CFDA No.	Other I.D. Number	From Pass- Through Awards	From Direct Awards	Note
U. S. Department of Housing & Urban Development					
Community Development Block Grant	14.218	B 10-MC-53-0008		\$135,918	6
Community Development Block Grant	14.218	B 09-MC-53-0008		1,100,782	6
Community Development Block Grant	14.218	CDBG Program Income		115,315	3
Sub-Total Community Development Block Grants				1,352,015	
Home Investment Partnerships Program	14.239	M10-MC53-0203		204,594	
Home Investment Partnerships Program	14.239	M09-MC53-0203		776,290	
Home Investment Partnerships Program	14.239	Home Program Income		757,276	3
Sub-Total Home Investment Partnerships Programs				1,738,160	
ARRA Community Development Block Grant	14.253	B-09-MY-53-008		306,460	6
Passed-through Washington State Department of Commerce CDBG Neighborhood Stabilization Program	14.228	08-F6401-027	\$597,067		
Total Department of Housing and Urban Development			597,067	3,396,635	
U. S. Department of Justice					
Edward Byrne Memorial State and Local	16.580	2008-DD-BX-0482		109,957	
State Criminal Alien Assistant Program	16.606	2009-AP-BX-0439		22,630	
Bullet Proof Vest Partnership Program	16.607			13,163	
CFDA 16.710					
Public Safety Partnership & Community Policing Grants	16.710	2009-CKW X0186		304,454	
Public Safety Partnership & Community Policing Grants	16.710	2008-CKW X0543		137,564	
ARRA Public Safety Partnership & Community Policing	16.710	2009RKW X0902		293,529	7
Sub-Total CFDA 16.710				735,547	
Edward Byrne Memorial Justice Assistance Grant	16.738	2009-DJ-BX-0499		66,047	6
ARRA Edward Byrne Memorial Justice Assistance Grant	16.804	ARRA 2009-SB-B9-1257		282,233	6,7
Total U.S. Department of Justice				1,229,577	
U. S. Department of Transportation					
Passed-through Washington State Department of Transportation					
Highway Planning & Construction					
Railroad Grade Separation	20.205	STPX-000S (062)	3,558,861		2
Transportation Model	20.205	STPUS-9930(015)	21,888		2
Fair Ave / Nob Hill	20.205	STPUS-4566(007)	4,132		2
Trolley Restoration	20.205	STPE-1485(019)	148,498		2
William Douglas Trail / 6th Ave	20.205	STPE-1485(020)	325,486		2
William Douglas Trail / Bridge	20.205	STPE-1485(020)	8,754		2
Coolidge Road Widening	20.205	CM-4560(001)	73,378		2
Nob Hill Blvd. Overpass	20.205	BHM4566(008)	797,067		2
ARRA Highway Planning & Construction-Nob Hill	20.205	ARRA-4566(009)	89,963		2,7
Sub-Total Passed-through WSDOT			5,028,027		

SCHEDULE 16

EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2010

Page 2 of 2

Grantor / Pass-Through Grantor Program Title	CFDA No.	Other I.D. Number	From Pass- Through Awards	From Direct Awards	Note
Federal Transit Administration					
Federal Transit - Formula Grant	20.507	WA-90X452-01		\$1,923,409	
ARRA Federal Transit - Formula Grant	20.507	WA-96-X016-00		2,001,000	7
Federal Transit - Formula Grant	20.507	WA-95-X036	\$50,000		
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	GCA6233	96,000		
Job Access - Reverse Commute	20.516	GCA6232	105,176		
Sub-Total Federal Transit Administration			251,176	3,924,409	
Total U.S. Department of Transportation			5,279,203	3,924,409	
U. S. Department of Energy					
ARRA Energy Efficiency and Conservation Block Grant	81.128	ARRA-DE-SC0003043		387,011	7
U. S. Department of Health and Human Services					
Passed-through Yakima County					
CFDA 93.043					
Special Programs for the Aging / Disease Prevention	93.043	0969-54703	420		
Special Programs for the Aging / Disease Prevention	93.043	0969-54703	33,904		
Sub-Total CFDA 93.043			34,324		
Special Programs for the Aging / Grants for Sup Svcs	93.044	0969-54703	7,968		
Sub-Total Passed-through Yakima County			42,292		
Passed-through DSHS Division of Child Support (DCS)					
Healthy Marriage Promo & Responsible Fatherhood	93.086	0664-94430	73,694		
Total U.S. Department Health Passed-through			115,986		
Corporation for National and Community Service					
Passed-through WA State Employment Security					
AmeriCorps Recovery	94.006	K987	54,523		
Homeland Security					
Passed-through Yakima County - Emergency Management					
CFDA 97.067					
Homeland Security Grant	97.067	YVOEM 10-001	35,605		
Homeland Security Grant	97.067	YVOEM 10-001	46,384		
Sub-Total CFDA 97.067			81,989		
Staffing for Adequate Fire & Emergency Response (SAFER)	97.083	EMW-2005-FF-00188		27,000	
Total Homeland Security			81,989	27,000	
			\$6,128,768	\$8,964,632	
Total Federal Assistance Direct & Pass-Through Awards			\$15,093,400		

SCHEDULE 16
EXPENDITURES OF STATE AND LOCAL AWARDS

For the Year Ended December 31, 2010

Page 1 of 2

Grantor/ Pass-Through Grantor Program Title	BARS Account No.	Other Identification Information	Current Year Expenditures
State Assistance			
Washington State Department of Transportation (WSDOT)			
Freight Mobility RR Grade	334.03	Project 1818	\$2,502,436
Washington Avenue RR Crossing	334.03	Project 2063	187,200
Capital Transit Grant	334.03		47,256
JARC Transit Grant	334.03		48,126
Subtotal			<u>2,785,018</u>
Washington State Department of Community, Trade and Economic Development - Downtown Revitalization	334.04		965,802
Washington State Recreation & Conservation Office			
Washington Wildlife and Recreation Program	334.02	Project 2239	367,957
Washington State Transportation Improvement Board			
RR Grade Separation	334.03	Project 1818	1,423,085
WA Avenue, 16th Intersection	334.03	Project 2232	60,565
Subtotal			<u>1,483,650</u>
Washington State Department of Ecology			
Ecology Mapping Grant	334.03		140,474
Utility System Stormwater Grant	334.03	Project 2094	6,840
Richardson Airway Dirt Cleanup	334.03	Project 2145	147,986
Yakima Airport Tank Cleanup	334.03	Project 2274	126,066
Subtotal			<u>421,366</u>
Washington State Department of Social and Health Services			
State Respite	334.04		21,640
Pre-hospital (Emergency Mgmt)	334.04		2,186
Subtotal			<u>23,826</u>
Washington State Office of Public Defense			
Indigent Defense Cities Grant	334.01		150,000
Washington State Department of Education			
School District #7	337.00		5,000
Washington Traffic Safety Commission			
Police Overtime and Equipment	334.03		76,743
Total State Assistance			<u><u>\$6,279,362</u></u>

SCHEDULE 16
EXPENDITURES OF STATE AND LOCAL AWARDS

For the Year Ended December 31, 2010

Page 2 of 2

Grantor/ Pass-Through Grantor Program Title	BARS Account No.	Other Identification Information	Current Year Expenditures
Local Assistance			
Yakima County Interlocal Grant			
County Bond Funding	337.00		\$258,942
N. 1st Street Corridor Revitalize	337.07		25,000
Richardson Airway Dirt Cleanup	337.00		55,673
Yakima Airport Tank Cleanup	337.00		45,469
Subtotal			385,084
Yakama Indian Nation			
Yakima Fire Department	337.07		3,000
Upper Kiwanis Development	337.00		325,107
Total Local Assistance			\$713,191
Total State and Local Assistance			\$6,992,553

SCHEDULE 16
NOTES TO THE SCHEDULE OF EXPENDITURES

For the Year Ended December 31, 2010

Page 1 of 2

Note 1 - Basis of Accounting

The Schedule of Expenditures of Federal Award is prepared on the same basis of accounting as the City of Yakima financial statements. The City of Yakima uses modified accrual system for all governmental funds: full accrual system for proprietary, nonexpendable and pension trust funds.

Note 2 - Program Costs

The amounts shown as current year expenditures represent only the federal portion of program costs. Actual program costs, including the City of Yakima's portion may be more than shown.

Note 3 - Program Income

The City of Yakima has a loan program for low income housing. Under this federal grant, repayments to the City of Yakima are considered program revenues (income) and loans of such funds to eligible recipients are considered expenditures.

Note 4 - Federal Loans

In 2003, the City of Yakima was authorized to administer a Section 108 Loan program. There were no new loans in 2010. Since the City is only contingently liable, this amount is not included in the Schedule of Long-Term Debt. See Note 8 - Contingencies in the Basic Financial Statements section for details of the entire program.

Note 5 - Noncash Awards

Not Applicable.

Note 6 - Amount Paid to Subrecipients

The City of Yakima paid the following amounts to subrecipients:

CDBG-14.218	\$77,733
ARRA-14.253	\$47,267
ARRA-16.738	\$25,913
ARRA-16.804	\$97,968

Note 7 - American Recovery and Reinvestment Act (ARRA) of 2009

Expenditures for this program were funded by ARRA.

SCHEDULE 17**LIMITATION ON PUBLIC WORKS PROJECTS PERFORMED BY PUBLIC EMPLOYEES**

For the Year Ended December 31, 2010

Page 1 of 1

1. Total current public works construction budget as amended (annual or biennial as applicable)	\$49,009,254
2. Total allowable public works (10 percent of line 1)	4,900,925
3. Less: Amount (if any) in excess of permitted amount from prior year	0
4. Total allowable public works (line 2 minus line 3)	<u>4,900,925</u>
5. Total public works projects performed by public employees during the current year (including work performed by a county)	85,256
6. If this is the second year of a biennial budget, total public works performed by public employees during the prior year	0
7. Restricted (over) under allowable (line 4 minus line 5 minus line 6)	<u><u>\$4,815,669</u></u>

NOTE: If the restricted amount is over allowable, this amount must be carried forward to next year's report.

SCHEDULE 19
LABOR RELATIONS CONSULTANTS

For the Year Ended December 31, 2010

Page 1 of 2

Name Of Firm:

Menke Jackson Beyer Elofson Ehliis & Harper, LLP

Name of Consultant:

A. Menke/R. Jackson/K. Harper/K. Ehliis

Business Address:

807 North 39th Avenue
Yakima, Washington 98901

Amount Paid To Consultant During Fiscal Year:

\$200.00

Terms And Conditions, As Applicable, Including:

Rates (E.G., Hourly, ETC.):

\$80 to \$140 an hour plus reimbursable cost (long distance, postage and copy charges)

Maximum Compensation Allowed:

None

Duration of Services:

On Going

Services Provided:

Labor negotiations and arbitration for Police, Fire and AFSCME.

Certified correct this _____ day of _____, 2009 to the best of my knowledge

Signature : _____

Name: Cindy J. Epperson

Title: Deputy Director of Accounting and Budgeting

SCHEDULE 19
LABOR RELATIONS CONSULTANTS

For the Year Ended December 31, 2010

Page 2 of 2

Name Of Firm:

Summit Law Group

Name of Consultant:

Bruce Schroeder/Beth Kennar
Sofia Mabee/Kristin Anger

Business Address:

315 Fifth Avenue S, Suite 1000
Seattle, Washington 98104

Amount Paid To Consultant During Fiscal Year:

\$43.00

Terms And Conditions, As Applicable, Including:

Rates (E.G., Hourly, ETC.):

\$215 an hour plus reimbursable cost (long distance, postage and copy charges)

Maximum Compensation Allowed:

None

Duration of Services:

On Going

Services Provided:

Labor negotiations and arbitration for Police, Fire and AFSCME.

Certified correct this _____ day of _____, 2009 to the best of my knowledge

Signature: _____

Name: Cindy J. Epperson

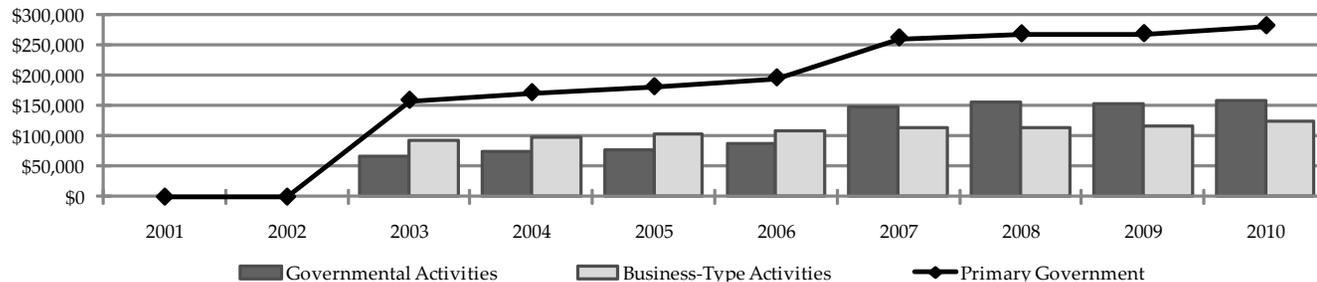
Title: Deputy Director of Accounting and Budgeting

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands – Accrual Basis of Accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$0	\$0	\$50,464	\$60,441	\$63,513	\$72,842	\$121,925	\$130,196	\$128,071	\$137,521
Restricted	0	0	4,914	4,831	4,792	4,238	10,991	9,804	9,286	9,350
Unrestricted	0	0	11,195	8,060	8,951	9,668	14,327	16,073	14,928	10,545
Total Governmental Activities Net Assets	\$0	\$0	\$66,573	\$73,332	\$77,256	\$86,748	\$147,243	\$156,073	\$152,285	\$157,416
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$0	\$0	\$80,072	\$84,227	\$86,609	\$89,124	\$90,617	\$86,560	\$98,161	\$101,913
Restricted	0	0	2,610	2,665	2,701	2,705	2,722	2,362	2,366	2,370
Unrestricted	0	0	9,692	11,250	14,613	17,156	20,771	22,963	15,449	19,461
Total Business-Type Activities Net Assets	\$0	\$0	\$92,374	\$98,142	\$103,923	\$108,985	\$114,110	\$111,885	\$115,976	\$123,744
Primary Government										
Invested in Capital Assets, Net of Related Debt	\$0	\$0	\$130,536	\$144,668	\$150,122	\$161,966	\$212,542	\$216,756	\$226,232	\$239,434
Restricted	0	0	7,524	7,496	7,493	6,943	13,713	12,166	11,652	11,720
Unrestricted	0	0	20,887	19,310	23,564	26,824	35,098	39,036	30,377	30,006
Total Primary Government Net Assets	\$0	\$0	\$158,947	\$171,474	\$181,179	\$195,733	\$261,353	\$267,958	\$268,261	\$281,160



(1) First year of accounting for the universe of infrastructure.

NOTE: Less than ten years data is provided because 2003 was the first year for government-wide expense under GASB #34.

CHANGE IN NET ASSETS**LAST TEN FISCAL YEARS**

(Amounts Expressed in Thousands – Accrual Basis of Accounting)

Page 1 of 3

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses										
Governmental Activities										
General Government	\$0	\$0	\$6,774	\$7,147	\$7,381	\$7,336	\$7,867	\$8,145	\$8,656	\$8,512
Security of Persons and Property	0	0	26,468	28,391	30,222	32,059	33,706	36,959	40,009	40,088
Physical Environment	0	0	1,225	1,176	1,232	1,339	872	1,355	1,190	828
Transportation	0	0	5,811	5,584	5,962	6,821	11,516	11,213	11,109	11,604
Economic Environment	0	0	3,143	3,422	3,747	3,937	4,007	4,146	4,821	5,670
Mental and Physical Health	0	0	15	17	43	17	20	19	86	87
Cultural & Recreational Environment	0	0	6,891	7,066	7,601	7,819	6,807	7,156	7,021	7,471
Interest on Long Term Debt	0	0	1,063	850	809	815	871	863	1,004	1,217
Total Governmental Activities Expenses	0	0	51,390	53,653	56,997	60,143	65,666	69,856	73,896	75,477
Business-Type Activities										
Transit	0	0	5,282	5,526	6,282	6,769	7,317	8,323	7,929	8,365
Refuse	0	0	2,861	2,751	3,154	3,176	3,521	3,971	4,218	4,362
Wastewater	0	0	10,172	11,565	11,173	11,545	11,794	12,167	12,297	12,813
Water	0	0	4,406	4,586	4,921	5,044	5,395	5,520	5,748	5,654
Irrigation	0	0	1,222	1,220	1,645	1,572	1,568	1,695	1,733	1,811
Stormwater	0	0	0	0	0	0	0	583	1,028	1,240
Total Business-Type Activities Expenses	0	0	23,943	25,648	27,175	28,106	29,595	32,259	32,953	34,245
Total Expenses	\$0	\$0	\$75,333	\$79,301	\$84,172	\$88,249	\$95,261	\$102,115	\$106,849	\$109,722

CHANGE IN NET ASSETS

LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands – Accrual Basis of Accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$0	\$0	\$47	\$196	\$156	\$170	\$145	\$19	\$12	\$4
Security of Persons and Property	0	0	1,995	1,746	1,561	1,389	1,625	1,823	2,539	2,183
Physical Environment	0	0	422	605	875	1,101	901	980	649	1,544
Transportation	0	0	98	130	84	64	261	161	59	259
Economic Environment	0	0	1,141	1,146	1,059	1,259	2,072	1,664	1,673	1,719
Cultural & Recreational Environment	0	0	1,515	1,565	1,533	1,744	1,922	2,037	2,070	2,100
Operating Grants and Contributions	0	0	5,051	4,542	5,134	5,235	4,640	5,488	6,378	7,981
Capital Grants and Contributions	0	0	2,866	9,311	3,921	9,301	14,595	4,961	5,090	15,490
Total Government Activities	0	0	13,135	19,241	14,323	20,263	26,161	17,133	18,470	31,280
Business-Type Activities										
Charges for Services										
Transit	0	0	427	422	450	484	578	1,234	931	935
Refuse	0	0	3,080	3,335	3,508	3,861	3,952	4,244	4,655	4,880
Wastewater	0	0	12,102	14,691	14,125	14,614	14,433	14,898	15,941	16,442
Water	0	0	4,973	5,208	5,381	6,158	6,360	6,394	7,097	7,058
Irrigation	0	0	1,792	2,479	2,435	2,449	2,486	2,563	2,646	2,711
Stormwater	0	0	0	0	0	0	0	1,065	1,707	1,976
Operating Grants and Contributions	0	0	1,552	1,803	3,103	2,801	2,386	2,102	2,019	2,410
Capital Grants and Contributions	0	0	4,103	2,053	2,387	1,912	2,789	3,345	1,659	4,993
Total Business-Type Activities	0	0	28,029	29,991	31,389	32,279	32,984	35,845	36,655	41,405
Total Program Revenues	\$0	\$0	\$41,164	\$49,232	\$45,712	\$52,542	\$59,145	\$52,978	\$55,125	\$72,685
Net Expense/Revenue										
Governmental Activities	\$0	\$0	(\$38,255)	(\$34,412)	(\$42,674)	(\$39,880)	(\$39,505)	(\$52,723)	(\$55,426)	(\$44,197)
Business-Type Activities	0	0	4,086	4,343	4,214	4,173	3,389	3,586	3,702	7,160
Total Net Expense	\$0	\$0	(\$34,169)	(\$30,069)	(\$38,460)	(\$35,707)	(\$36,116)	(\$49,137)	(\$51,724)	(\$37,037)

CHANGE IN NET ASSETS

LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands – Accrual Basis of Accounting)

Page 3 of 3

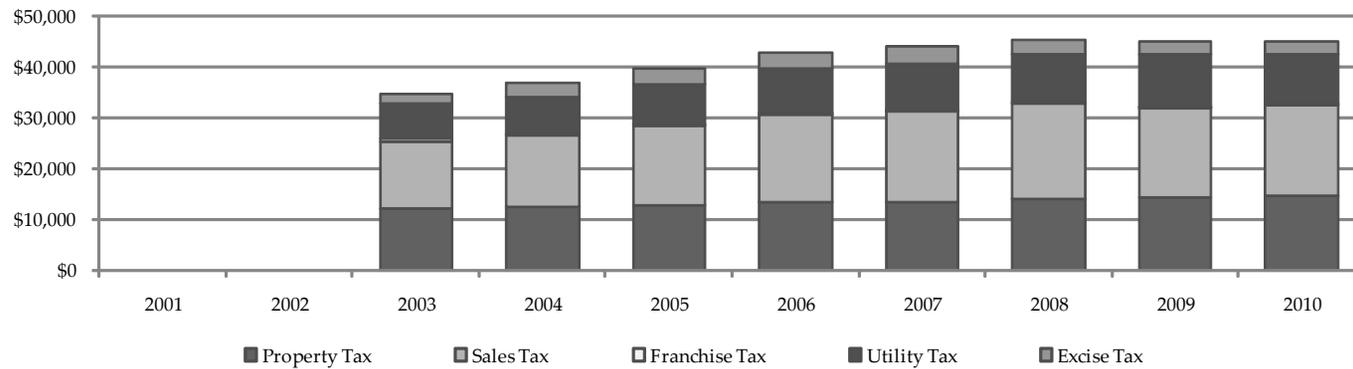
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Rev. & Other Changes in Net Assets										
Governmental Activities										
Taxes										
Property Taxes	\$0	\$0	\$11,853	\$12,199	\$12,435	\$13,265	\$13,071	\$13,782	\$14,261	\$14,535
Sales and Use Taxes	0	0	13,328	14,055	15,690	17,113	18,393	18,990	17,810	17,920
Franchise and Utility Taxes	0	0	7,582	7,763	8,302	9,045	9,025	9,584	10,293	9,959
Excise Tax	0	0	1,646	2,612	3,213	3,081	3,469	2,839	2,412	2,281
Penalties and Interest	0	0	12	2	1	11	10	3	5	1
Grants and Contributions not Restricted	0	0	175	0	0	0	0	0	0	0
State Entitlements	0	0	2,675	2,774	2,953	3,497	3,790	3,614	3,739	3,589
Unrestricted Investment Interest	0	0	426	415	735	695	913	863	556	403
Miscellaneous	0	0	(260)	41	57	137	(38)	147	101	(64)
Gain on Sale of Capital Assets	0	0	(7)	(1,012)	257	(695)	(553)	135	85	(922)
Intergovernmental Agreements	0	0	(1,406)	0	0	(39)	0	0	0	0
Transfers	0	0	2,637	2,797	2,950	3,084	2,624	3,664	4,188	3,927
Debt Issue Cost	0	0	0	0	4	0	0	(3)	(31)	0
Acctg Loss on Gen Oblig of Debt Ref	0	0	(295)	(474)	0	140	0	0	0	0
Total Government Activities	0	0	38,366	41,172	46,597	49,334	50,704	53,615	53,419	51,629
Business-Type Activities:										
Sales and Use Taxes	0	0	3,895	4,138	4,234	4,511	4,789	4,828	4,490	4,485
Unrestricted Investment Interest	0	0	124	269	560	656	380	198	100	21
Gain on Sale of Capital Assets	0	0	(139)	8	(56)	100	(227)	1,286	(1)	(6)
Transfers	0	0	(3,122)	(2,990)	(3,171)	(3,315)	(3,207)	(4,188)	(4,201)	(3,892)
Extraordinary Item	0	0	(8,332)	0	0	0	0	0	0	0
Total Business-Type Activities	0	0	(7,574)	1,425	1,567	1,952	1,735	2,124	388	608
Total Primary Government	\$0	\$0	\$30,792	\$42,597	\$48,164	\$51,286	\$52,439	\$55,739	\$53,807	\$52,237
Change in Net Assets										
Governmental Activities	\$0	\$0	\$111	\$6,760	\$3,923	\$9,454	\$11,199	\$892	(\$2,007)	\$7,432
Business-Type Activities	0	0	(3,488)	5,768	5,781	6,125	5,124	5,710	4,090	7,768
Total Change in Net Assets	\$0	\$0	(\$3,377)	\$12,528	\$9,704	\$15,579	\$16,323	\$6,602	\$2,083	\$15,200

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands – Accrual Basis of Accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Utility Tax</u>	<u>Excise Tax</u>	<u>Total</u>
2001	\$0	\$0	\$0	\$0	\$0	\$0
2002	0	0	0	0	0	0
2003	11,853	13,328	417	7,165	1,646	34,409
2004	12,199	14,055	421	7,342	2,612	36,629
2005	12,435	15,690	427	7,875	3,213	39,640
2006	13,265	17,113	343	8,702	3,081	42,504
2007	13,071	18,393	42	8,984	3,470	43,960
2008	13,782	18,990	40	9,544	2,839	45,195
2009	14,261	17,810	53	10,240	2,412	44,776
2010	14,535	17,920	45	9,915	2,281	44,696



NOTE: Less than ten years data is provided because 2003 was the first year for government-wide expense under GASB #34.

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands – Accrual Basis of Accounting)

Page 1 of 1

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$0	\$0	\$481	\$384	\$278	\$377	\$458	\$464	\$356	\$446
Unreserved	0	0	8,476	8,467	8,686	9,145	10,034	10,583	8,486	8,264
Total General Fund	0	0	8,957	8,851	8,964	9,522	10,492	11,047	8,842	8,710
Community Development										
Reserved	0	0	631	1,120	1,016	1,045	2,257	290	377	284
Unreserved	0	0	(157)	(813)	(661)	(779)	(1,861)	0	0	0
Total Community Development Fund	0	0	474	307	355	266	396	290	377	284
Parks & Recreation										
Reserved	0	0	24	8	1	0	0	0	0	0
Unreserved	0	0	459	464	478	0	0	0	0	0
Total Parks & Recreation fund	0	0	483	472	479	0	0	0	0	0
Streets & Traffic Engineering										
Reserved	0	0	340	346	108	0	0	0	0	0
Unreserved	0	0	1,047	989	1,233	0	0	0	0	0
Total Streets & Traffic Engineering Fund	0	0	1,387	1,335	1,341	0	0	0	0	0
All Other Governmental Funds										
Reserved	0	0	3,139	2,973	3,389	2,817	2,909	1,685	2,943	1,435
Unreserved Reported in:										
Special Revenue Funds	0	0	4,258	3,470	3,874	4,937	5,962	7,096	6,591	5,413
Capital Project Funds	0	0	3,382	2,478	3,288	3,981	6,312	6,039	8,672	6,711
Total all Other Governmental Funds	0	0	10,779	8,921	10,551	11,735	15,183	14,820	18,206	13,559
Governmental Funds										
Reserved	0	0	4,615	4,831	4,792	4,239	5,624	2,439	3,676	2,165
Unreserved	0	0	17,465	15,055	16,898	17,284	20,447	23,718	23,749	20,388
Grand Total Governmental Funds	\$0	\$0	\$22,080	\$19,886	\$21,690	\$21,523	\$26,071	\$26,157	\$27,425	\$22,553

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands – Modified Accrual Basis of Accounting)

Page 1 of 2

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes and Special Assessments	\$0	\$0	\$36,977	\$39,490	\$42,557	\$45,601	\$47,061	\$48,427	\$48,256	\$48,273
Licenses and Permits	0	0	470	530	691	741	982	993	712	768
Intergovernmental Revenues	0	0	10,260	12,797	11,839	17,346	16,756	11,994	14,984	23,795
Charges for Services	0	0	5,291	5,846	5,596	5,543	6,996	6,536	6,496	7,225
Fines and Forfeits	0	0	1,397	1,364	1,190	1,309	1,420	1,583	1,632	1,693
Interest	0	0	695	553	870	1,168	1,696	1,407	753	531
Other Revenues	0	0	854	1,201	1,240	1,852	1,647	1,681	1,834	2,156
Total Revenues	0	0	55,944	61,781	63,983	73,560	76,558	72,621	74,667	84,441
Expenditures										
General Government	0	0	9,054	9,905	10,090	10,452	10,757	11,367	11,626	11,594
Security of Persons and Property	0	0	25,440	26,959	28,684	30,929	32,691	34,815	37,907	37,742
Physical Environment	0	0	1,583	1,707	1,699	1,704	1,675	1,680	1,653	1,496
Transportation	0	0	4,310	4,204	4,601	5,129	5,129	5,777	5,395	5,713
Economic Environment	0	0	3,117	3,380	3,681	3,976	3,869	4,144	4,778	5,658
Mental & Physical Health	0	0	15	17	43	18	20	19	86	87
Cultural & Recreational Environment	0	0	6,331	6,452	6,900	6,951	5,712	6,217	6,062	6,580
Capital Outlay	0	0	10,004	9,488	5,333	12,153	12,754	8,857	10,642	19,312
Debt Service										
Principal Retirement	0	0	1,906	1,932	2,130	2,351	2,890	2,552	2,633	2,916
Interest	0	0	1,063	850	813	822	832	861	979	1,228
Total Expenditures	0	0	62,823	64,894	63,974	74,485	76,329	76,289	81,761	92,326
Excess (Deficiencies) of Revenues Over (Under) Expenditures	\$0	\$0	(\$6,879)	(\$3,113)	\$9	(\$925)	\$229	(\$3,668)	(\$7,094)	(\$7,885)

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands – Modified Accrual Basis of Accounting)

Page 2 of 2

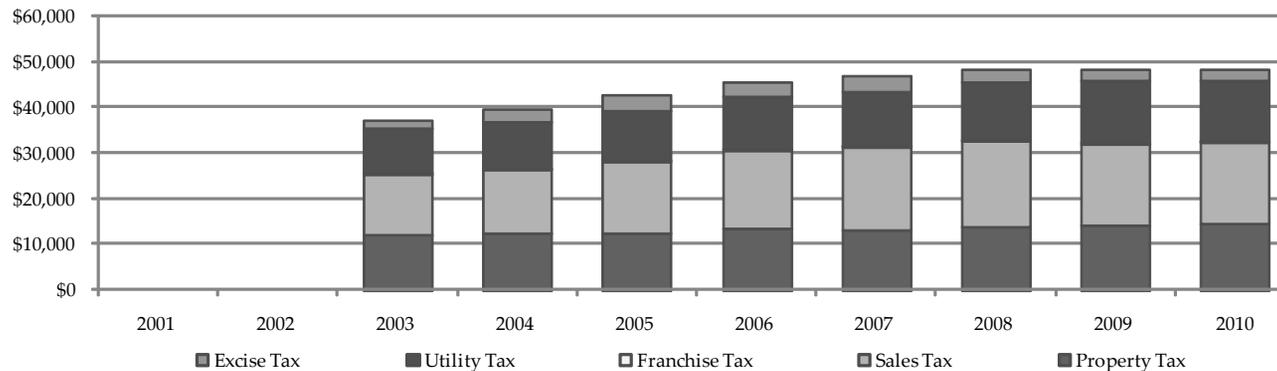
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other Financing Sources (Uses)										
Proceeds from Capital Lease Financing	\$0	\$0	\$492	\$473	\$0	\$0	\$38	\$0	\$0	\$149
Proceeds from L.T. Debt - G.O. Bonds	0	0	1,511	7	760	0	4,686	2,946	7,004	0
Proceeds from Intergovernmental Loans	0	0	75	0	148	50	0	242	600	1,690
Other Note Proceeds	0	0	0	0	371	546	0	0	0	864
Transfers In	0	0	3,779	3,893	3,878	5,049	5,196	5,774	6,139	5,299
Transfers (Out)	0	0	(3,697)	(3,954)	(3,845)	(5,050)	(5,664)	(5,338)	(5,426)	(4,949)
Intergovernmental Agreements	0	0	(1,406)	0	0	(39)	(81)	(39)	(39)	(97)
Sale of Capital Assets	0	0	49	131	317	109	26	13	10	0
Comp. for Loss of Gen. Capital Assets	0	0	52	54	162	90	129	142	82	47
Total Other Financing Sources (Uses)	0	0	855	604	1,791	755	4,330	3,740	8,370	3,003
Net Change in Fund Balances	\$0	\$0	(\$6,024)	(\$2,509)	\$1,800	(\$170)	\$4,559	\$72	\$1,276	(\$4,882)
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	5.6%	5.0%	5.0%	5.1%	5.9%	5.1%	5.1%	5.7%

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE

LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands – Modified Accrual Basis of Accounting)

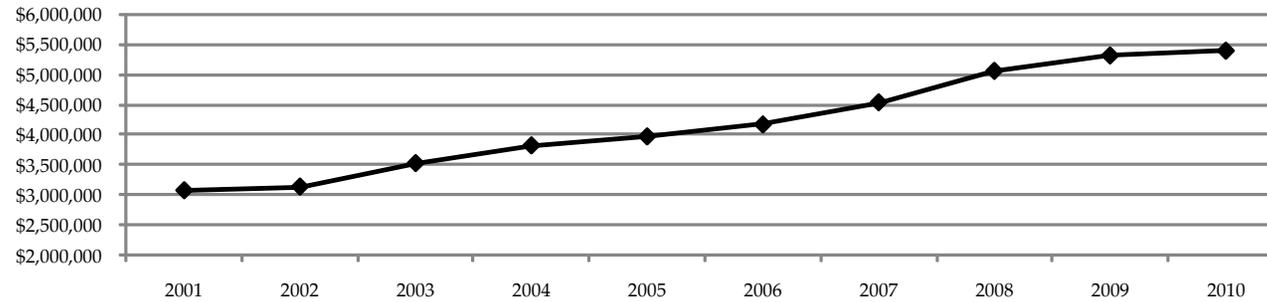
Source	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Property Tax	\$0	\$0	\$11,853	\$12,199	\$12,435	\$13,265	\$13,071	\$13,782	\$14,261	\$14,535
Sales Tax	0	0	13,328	14,055	15,690	17,113	18,393	18,990	17,810	17,920
Franchise Tax	0	0	417	421	427	343	42	40	52	45
Utility Tax	0	0	9,720	10,200	10,792	11,787	12,076	12,772	13,716	13,492
Excise Tax	0	0	1,646	2,612	3,213	3,092	3,479	2,843	2,412	2,281
Total	\$0	\$0	\$36,964	\$39,487	\$42,557	\$45,600	\$47,061	\$48,427	\$48,251	\$48,273



NOTE: Less than ten years data is provided because 2003 was the first year for government-wide expense under GASB #34.

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Count</u>	<u>Real Property Assessed Value ⁽¹⁾</u>	<u>Personal Property Assessed Value ⁽¹⁾</u>	<u>Total Taxable Assessed Value ⁽¹⁾</u>	<u>Total Direct Tax Rate ⁽²⁾</u>
2001	28,687	\$2,880,160	\$200,845	\$3,081,005	3.5145
2002	28,919	2,934,639	207,991	3,142,630	3.5264
2003	29,138	3,322,171	208,221	3,530,392	3.5213
2004	29,552	3,417,860	406,237	3,824,097	3.4718
2005	29,851	3,550,847	420,821	3,971,668	3.4395
2006	30,170	3,748,045	421,694	4,169,739	3.3813
2007	31,650	4,175,681	360,017	4,535,698	3.1165
2008	32,463	4,744,476	311,384	5,055,860	2.9549
2009	32,762	4,898,175	412,358	5,310,533	2.9392
2010	32,972	4,964,162	425,057	5,389,219	2.9907



Source: Yakima County

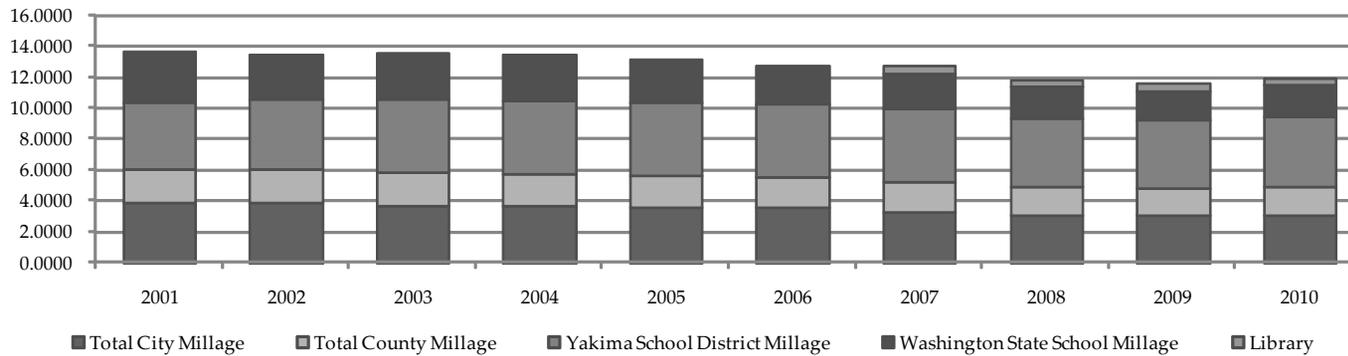
(1) Amounts expressed in thousands

(2) Tax rates are per \$1,000 of assessed value

PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS ⁽¹⁾

LAST TEN FISCAL YEARS (RATE/1,000)

Fiscal Year	City of Yakima			Yakima County			Yakima School District		Total School Levy	State School Levy	Library ⁽²⁾	Total Direct & Overlapping Rates
	Operating	Debt Service	Total City	Operating	Debt Service	Total County	Bonds	M&O				
2001	3.5145	0.2809	3.7954	2.0534	0.0891	2.1425	1.8599	2.5328	4.3927	3.2469	0.0000	13.5775
2002	3.5264	0.2610	3.7874	2.0606	0.0875	2.1481	1.8338	2.7336	4.5674	2.9020	0.0000	13.4049
2003	3.5213	0.0957	3.6170	2.0537	0.0849	2.1386	1.9776	2.7785	4.7561	2.9595	0.0000	13.4712
2004	3.4718	0.0841	3.5559	2.0305	0.0817	2.1122	1.9270	2.8150	4.7420	2.9261	0.0000	13.3362
2005	3.4395	0.0763	3.5158	2.0131	0.0772	2.0903	1.7966	2.9402	4.7368	2.7364	0.0000	13.0793
2006	3.3813	0.0728	3.4541	1.9536	0.0724	2.0260	1.7781	2.9338	4.7119	2.5026	0.0000	12.6946
2007	3.1165	0.0649	3.1814	1.9000	0.0686	1.9686	1.7940	2.9329	4.7269	2.2536	0.4836	12.6141
2008	2.9549	0.0583	3.0132	1.8036	0.0630	1.8666	1.6358	2.7405	4.3763	2.0274	0.4619	11.7454
2009	2.8886	0.0506	2.9392	1.7523	0.0524	1.8047	1.5720	2.7934	4.3654	1.9217	0.4483	11.4793
2010	2.9348	0.0559	2.9907	1.7994	0.0526	1.8520	1.5805	2.9006	4.4811	2.0918	0.4595	11.8751



Source: Yakima County Department of Assessments

- (1) Overlapping rates are those of local and county governments that apply to property owners within the City of Yakima. Not all overlapping rates apply to all City of Yakima owners (e.g. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the district).
- (2) The Library was separated from the City property tax rates beginning with the 2007 tax levy.

PRINCIPAL PROPERTY TAX PAYERS

DECEMBER 31, 2010

(Amounts Expressed in Thousands)

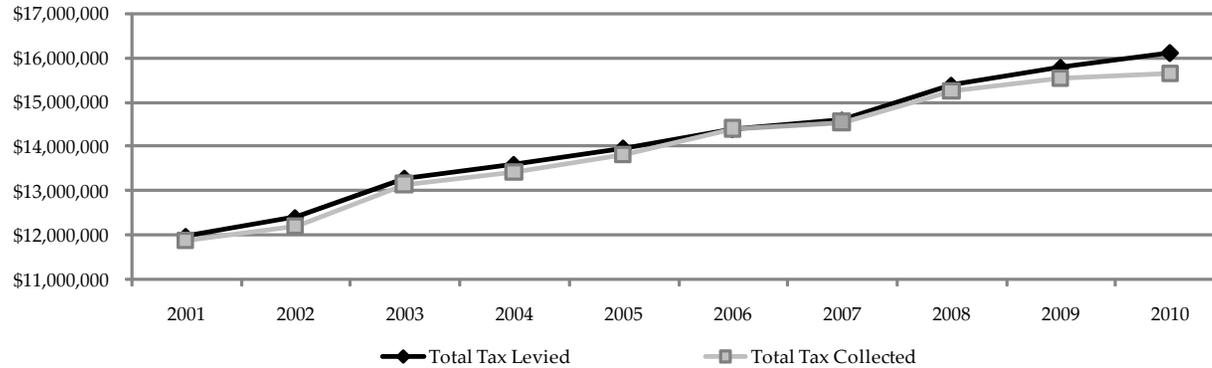
Page 1 of 1

Taxpayer	2010 ⁽¹⁾			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Yakima HMA Inc.	\$65,120	1	1.21%			
Shields Bag & Printing	33,546	2	0.62%			
Qwest Communications	22,371	3	0.42%			
Wide Hollow Development LLC	21,664	4	0.40%			
Safeway Stores, Inc	19,112	5	0.35%			
Cascade Natural Gas Corp.	18,255	6	0.34%	11,283	7	0.37%
Michelsen Packaging Co	17,053	7	0.32%			
WRP Gateway, LLC	16,813	8	0.31%			
Pacificorp / Pacific Power & Light	16,223	9	0.30%	15,366	4	0.50%
Washington Fruit & Produce Co.	13,577	10	0.25%	15,049	5	0.49%
US West Communications				26,232	1	0.85%
Yakima Mall Shopping Center				16,373	2	0.53%
Boise Cascade Corp.				16,229	3	0.53%
Ace Hardware Corporation				12,012	6	0.39%
Hansen Fruit & Cold Storage				10,735	8	0.35%
Roundup Co.				9,225	9	0.30%
Del Monte Corporation				8,582	10	0.28%
TOTALS	\$243,734		4.52%	\$141,086		4.59%

(1) Yakima County Assessors Office

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended	Total Levy for the Year	Collected Within the Year of the Levy		Collected in Subsequent Years	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$11,968,211	\$11,474,128	95.9%	\$413,649	\$11,887,777	99.3%
2002	12,390,073	11,802,380	95.3%	393,532	12,195,912	98.4%
2003	13,280,578	12,848,761	96.7%	302,489	13,151,250	99.0%
2004	13,592,285	13,167,897	96.9%	259,284	13,427,181	98.8%
2005	13,960,632	13,412,195	96.1%	398,570	13,810,765	98.9%
2006	14,399,087	14,047,918	97.6%	348,861	14,396,779	100.0%
2007	14,588,962	14,208,341	97.4%	322,556	14,530,897	99.6%
2008	15,376,850	14,970,413	97.4%	276,625	15,247,038	99.2%
2009	15,776,982	15,270,543	96.8%	248,452	15,518,995	98.4%
2010	16,113,566	15,630,296	97.0%	N/A	15,630,296	97.0%

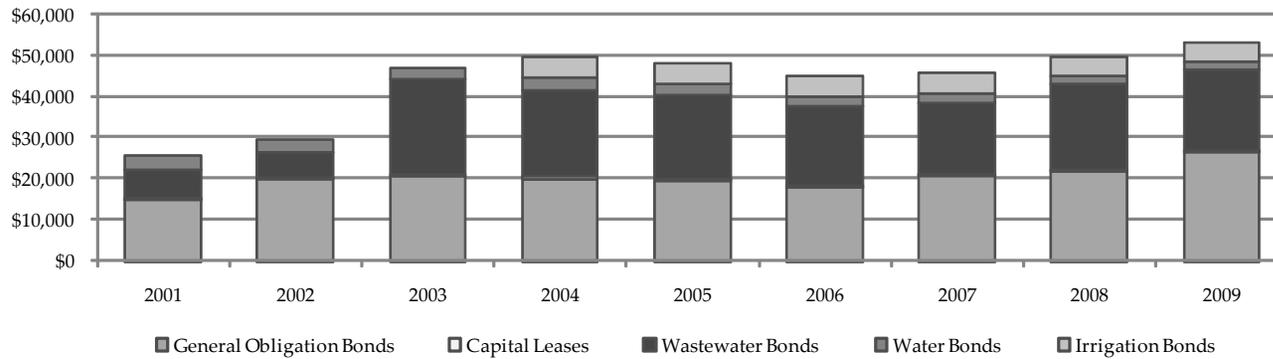


RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands - Except Per Capita Amounts)

Year	— Governmental Activities —		— Business Type Activities —			Total Primary Gov't	Percentage of Income ⁽¹⁾	Per Capita
	General Obligation Bonds	Capital Leases	Wastewater Bonds	Water Bonds	Irrigation Bonds			
2001	\$15,124	\$63	\$6,853	\$3,752	\$0	\$25,792	2.62%	353
2002	20,081	39	6,158	3,337	0	29,615	2.83%	374
2003	20,580	492	23,084	2,911	0	47,067	3.63%	594
2004	19,830	822	21,106	2,754	5,215	49,727	3.84%	626
2005	19,365	640	20,386	2,589	5,120	48,100	3.92%	590
2006	18,040	449	19,021	2,414	5,015	44,939	3.03%	542
2007	20,837	287	17,518	2,233	4,910	45,785	2.64%	547
2008	21,973	72	20,920	2,000	4,805	49,770	3.09%	590
2009	26,979	10	19,580	1,804	4,695	53,068	3.55%	623
2010	24,881	132	18,197	1,598	4,580	49,388	N/A	542



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

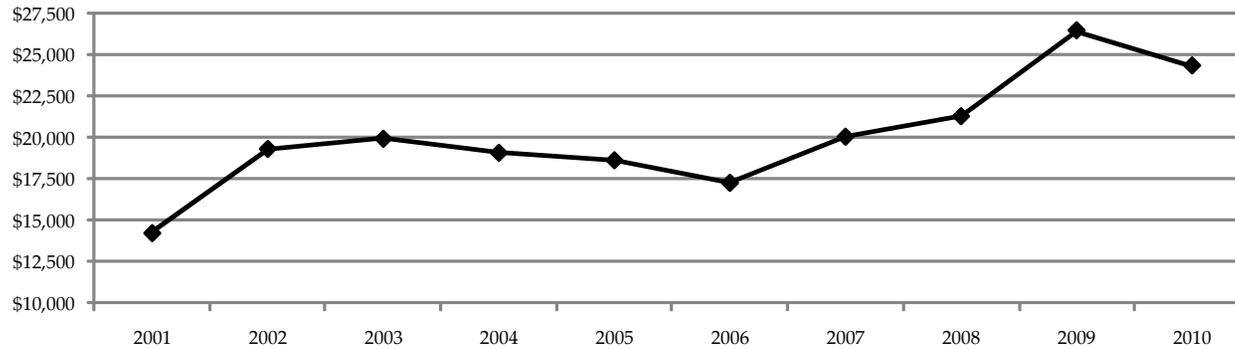
(1) See the Schedule of Demographic and Economic Statistics in this section for personal income and population data.

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands - Except Per Capita Amounts)

<u>Year</u>	<u>General Obligation Bonds ⁽¹⁾</u>	<u>Less: Amount Available in Debt Service Fund ⁽¹⁾</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2001	\$15,124	\$852	\$14,272	0.44%	195
2002	20,080	756	19,324	0.53%	244
2003	20,580	648	19,932	0.52%	252
2004	19,830	739	19,091	0.48%	240
2005	19,365	724	18,641	0.45%	229
2006	18,040	751	17,289	0.38%	209
2007	20,838	781	20,057	0.39%	240
2008	21,973	688	21,285	0.40%	252
2009	26,979	537	26,442	0.49%	310
2010	24,881	548	24,333	0.43%	267



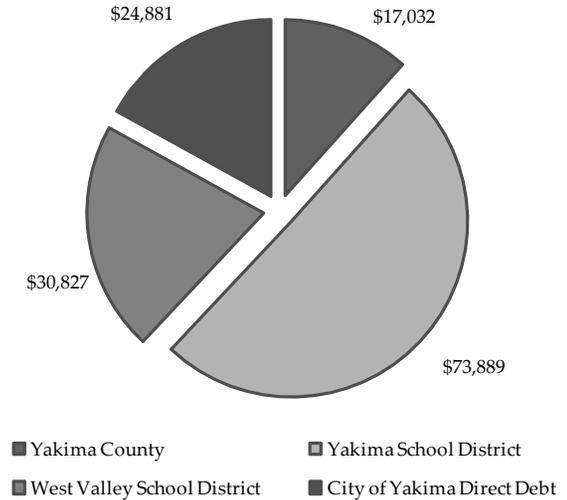
(1) Excludes Local Improvement Districts' bonded debt and their respective funds in the Debt Service Funds

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF DECEMBER 31, 2010

(Amounts Expressed in Thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ⁽¹⁾</u>	<u>Estimated Share of Overlapping Debt ⁽¹⁾</u>
Debt Repaid with Property Taxes			
Yakima County	\$45,730	37.2%	\$17,032
Yakima School District	78,225	94.5%	\$73,889
West Valley School District	51,097	60.3%	\$30,827
Subtotal, Overlapping Debt	\$175,052		\$121,747
City of Yakima Direct Debt			\$24,881
Total Direct and Overlapping Debt			\$146,628



NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Yakima. This process recognizes that, when considering the government's ability to and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. Naches School Districts are excluded in the overlapping debt chart due to estimate debt overlap is less than 1% (.31%).

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data from Yakima county.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$245,145	\$275,508	\$286,806	\$297,876	\$312,729	\$344,019	\$382,824	\$402,672	\$404,191	\$414,145
Total Net Debt Applicable to Limit	14,462	19,268	19,869	20,111	20,493	18,433	20,119	21,220	28,469	26,995
Legal Debt Margin	<u>\$230,683</u>	<u>\$256,240</u>	<u>\$266,937</u>	<u>\$277,765</u>	<u>\$292,236</u>	<u>\$325,586</u>	<u>\$362,705</u>	<u>\$381,452</u>	<u>\$375,722</u>	<u>\$387,150</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.9%	7.0%	6.9%	6.8%	6.6%	5.4%	5.3%	5.3%	7.0%	6.5%

Legal Debt Margin Calculation for Fiscal Year 2010

Total Assessed Value	\$5,599,278
Debt Limit (7.5%) of Total Assessed Value	\$419,946
Debt Applicable to Limit:	
General Obligation Bonds & Other Debt	35,795
Less: Amount Set Aside for Repayment of General Obligation Debt	<u>8,667</u>
Total Net Debt Applicable to Limit	\$27,128
Legal Debt Margin	<u>\$392,818</u>

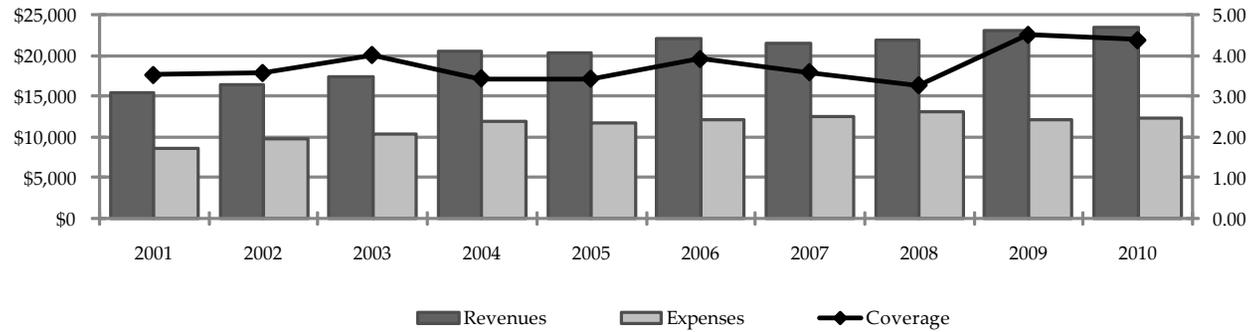
NOTE: The State law provides debt cannot be incurred in excess of the following percentages of the value of the taxable property of the City. The total indebtedness for general purpose with or without a vote cannot exceed 2.5%; for utility or open space, park, and capital facilities with a vote not to exceed 5%.

PLEDGED REVENUE COVERAGE – WATER AND WASTEWATER

LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands)

Year	Water & Wastewater Operating Revenues	Water & Wastewater Revenue Bonds				Coverage
		Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2001	\$15,390	\$8,636	\$6,754	\$1,369	\$543	3.53
2002	16,428	9,727	6,701	1,389	483	3.58
2003	17,455	10,393	7,062	1,290	468	4.02
2004	20,574	11,876	8,698	1,530	989	3.45
2005	20,259	11,644	8,615	1,497	1,011	3.44
2006	22,056	12,207	9,849	1,415	1,098	3.92
2007	21,425	12,404	9,021	1,486	1,022	3.60
2008	21,806	13,055	8,751	1,735	933	3.28
2009	23,038	12,143	10,895	1,535	880	4.51
2010	23,500	12,372	11,128	1,590	950	4.38



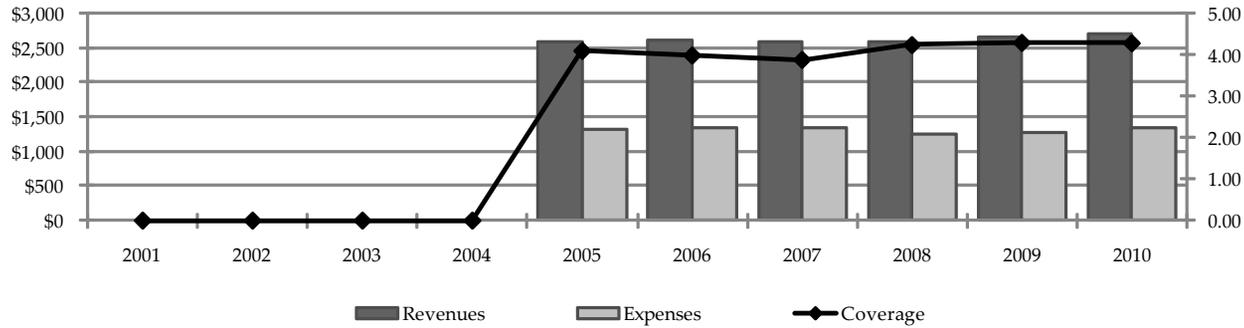
NOTE: Operating expenses exclude depreciation, amortization and City taxes

PLEDGED REVENUE COVERAGE – IRRIGATION

LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands)

Year	Irrigation Revenue Bonds			Debt Service		Coverage
	Irrigation Operating Revenues	Less Operating Expenses	Net Available Revenue	Principal	Interest	
2001	0	0	0	0	0	N/A
2002	0	0	0	0	0	N/A
2003	0	0	0	0	0	N/A
2004	0	0	0	0	0	N/A
2005	2,591	1,304	1,287	95	219	4.10
2006	2,617	1,333	1,284	105	217	3.99
2007	2,592	1,350	1,242	105	215	3.88
2008	2,593	1,245	1,348	105	213	4.24
2009	2,646	1,268	1,378	110	211	4.29
2010	2,711	1,328	1,383	115	208	4.28



NOTE: Debt Service began in 2005. Operating expenses exclude depreciation, amortization and City taxes.

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (Expressed in Thousands)</u>	<u>Per Capita Personal Income ⁽¹⁾</u>	<u>Median Age ⁽¹⁾</u>	<u>Education Level in Years of Formal Schooling ⁽¹⁾</u>	<u>School Enrollment ⁽²⁾</u>	<u>Unemployment Rate ⁽³⁾</u>
2001	73,040	986,132	14,611	30.6	12.4	13,565	9.4%
2002	79,120	1,046,511	14,975	33.1	12.1	14,396	9.6%
2003	79,220	1,297,305	17,245	33.5	12.4	14,662	9.6%
2004	79,480	1,294,066	16,716	32.0	12.5	14,463	8.5%
2005	81,470	1,225,715	16,568	31.8	12.4	14,564	7.4%
2006	82,867	1,483,631	18,563	32.4	12.7	14,436	6.9%
2007	83,731	1,734,125	21,874	31.9	12.5	14,660	6.3%
2008	84,300	1,611,918	20,143	34.4	12.7	14,804	7.4%
2009	84,850	1,493,832	17,703	33.7	12.4	15,327	8.8%
2010	91,067	Not Yet Available				15,247	10.6%

(1) American Community Survey / U.S. Census Bureau web site

(2) Yakima Public Schools District No. 7 web site.

(3) Employment Security Department

PRINCIPAL EMPLOYERS – YAKIMA COUNTY
CURRENT YEAR AND NINE YEARS AGO

Employer	2010			2001		
	Employees	Rank	Percentage	Employees	Rank	Percentage
Manufacturers						
Walmart - Yakima/Sunnyside/Grandview	1700	1	0.7%	-	-	-
Washington Beef, Inc. / A.B. Foods, Inc.	850	2	0.3%	620	3	0.3%
Tree Top, Inc.	540	3	0.2%	1,300	1	0.6%
Shields Bag & Printing Co.	476	4	0.2%	520	5	0.2%
ACE Hardware Distribution Center	325	5	0.1%	-	-	-
Snokist	302	8	0.1%	876	2	0.4%
Western Recreation Vehicles	-	-	-	582	4	0.3%
Non-manufacturers						
Yakima Valley Memorial Hospital	2,200	1	0.9%	950	4	0.4%
Yakima School District, No. 7	1,723	2	0.7%	1,734	1	0.8%
Yakima Valley Farm Workers Clinic	1,181	3	0.5%	-	-	-
Yakima County	1,015	4	0.4%	1,026	3	0.5%
Yakima Regional Medical Center (HMA)	942	5	0.4%	1,140	2	0.5%
City of Yakima	664	7	0.3%	800	5	0.4%
Total	<u>11,918</u>		<u>4.9%</u>	<u>9,548</u>		<u>4.3%</u>

(1) Yakima County Development Association / Yakima Chamber of Commerce / Business web sites

FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	208.76	214.24	213.24	217.17	221.68	217.43	221.34	223.19	228.70	221.00
Public Safety										
Police										
Officers	111.00	118.00	118.00	119.00	125.00	126.00	137.00	137.00	137.00	138.00
Civilians	51.00	52.00	51.75	53.25	51.00	50.00	50.00	51.00	51.00	51.00
Fire										
Firefighters and officers	68.00	69.00	70.00	79.00	79.00	84.00	85.00	85.00	84.00	84.00
Civilians	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Highways & Streets										
Traffic Engineering	13.50	14.50	14.50	14.50	13.50	15.00	17.00	17.00	16.00	13.00
Street	19.50	23.50	23.50	22.50	24.50	26.50	26.50	26.50	27.00	26.00
Parks & Recreation	28.63	26.88	26.38	27.47	25.47	26.47	26.83	25.83	25.60	23.30
Transit	42.00	44.00	44.25	44.25	48.25	49.75	50.75	51.25	50.00	50.00
Refuse	19.90	19.90	18.90	19.25	19.50	19.50	19.50	19.00	19.00	19.00
Water Operating	28.00	28.00	29.00	29.00	29.00	30.00	30.00	30.00	31.00	31.00
Wastewater Operating	63.26	66.51	66.76	64.76	65.45	66.45	65.05	65.09	69.50	69.50
Irrigation Operating	8.72	8.72	8.72	8.72	8.92	8.92	9.17	9.17	8.00	8.00
Stormwater	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.96	0.00	0.00
	<u>665.27</u>	<u>688.25</u>	<u>688.00</u>	<u>701.87</u>	<u>714.27</u>	<u>723.02</u>	<u>741.14</u>	<u>749.99</u>	<u>749.80</u>	<u>736.80</u>

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

Page 1 of 1

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Physical Arrests	5,312	5,638	5,858	5,767	6,121	5,579	5,433	5,185	4,889	4,745
Parking Violations	9,813	8,403	6,752	6,555	3,326	2,018	2,616	4,321	2,844	4,837
Traffic Violations	18,256	18,397	17,102	16,040	16,754	16,929	18,533	18,025	17,559	15,303
Fire										
Number of Calls Answered	6,737	7,119	8,018	8,052	8,912	8,954	9,200	9,288	9,737	10,011
Inspections	1,772	3,761	3,947	2,876	2,631	2,302	3,101	2,948	2,268	5,131
Highways and Streets										
Street Resurfacing (miles)	8	20	3	0	16	25	32	30	6	5
Refuse										
Refuse Collected (tons/day)	67	69	71	77	81	87	88	91	100	102
Yard Waste Collected (tons/day)	13	14	15	16	14	16	15	17	19	19
Culture and Recreation										
Community Center Admissions	57,936	49,826	54,446	72,395	99,421	107,478	99,035	93,325	96,483	118,867
Water Main Breaks										
New Connections	99	91	140	132	134	148	133	105	68	79
Water Main Breaks	10	3	11	3	8	12	12	8	17	5
Average Daily Consumption (thousands of gallons)	13,088	12,084	12,347	12,463	11,900	12,980	13,051	12,158	11,581	10,338
Wastewater										
Average Daily Sewage Treatment (thousands of gallons)	11,425	10,690	10,883	11,033	10,219	10,778	10,680	10,100	10,100	10,100

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Police										
Stations	1	1	1	2	2	2	2	2	2	2
Patrol Units	61	61	62	62	61	61	61	61	61	62
Fire Stations	4	4	4	5	5	5	5	5	5	5
Refuse										
Collection trucks	13	13	13	13	13	13	13	14	14	15
Highways and Streets ⁽¹⁾										
Streets (miles)	370	399	399	401	414	419	419	419	420	325
Streetlights	3,623	3,862	3,862	3,863	3,872	3,872	3,910	4,459	4,465	4,465
Traffic Signals	111	117	117	117	117	122	130	137	139	140
Culture and Recreation										
Parks Acreage ⁽²⁾	316	325	344	331	265	265	287	284	386	386
Parks	34	29	33	33	33	31	32	32	32	32
Swimming Pools ⁽³⁾	5	5	5	5	2	2	2	2	2	2
Tennis Courts	33	32	32	32	26	26	26	26	26	24
Community Centers	2	2	2	2	3	3	3	3	3	3
Water										
Water Mains	290	290	290	297	297	300	300	300	300	300
Fire Hydrants (City Owned)	2,107	2,107	2,137	2,757	2,169	2,174	2,204	2,204	2,239	2,249
Maximum Daily Capacity (thousands of gallons)	36,520	36,520	36,520	36,520	36,520	36,520	36,520	36,520	36,520	36,520
Wastewater										
Sanitary Sewers (miles)	293	293	293	310	315	322	327	329	337	337
Storm Sewers (miles)	104	104	104	104	104	104	105	105	105	105
Maximum Daily Capacity (thousands of gallons)	22.3	22.3	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5

(1) As a result of a GASB inventory the total numbers for Streets were recalculated in 2007. Beginning in 2010, Streets (miles) is based on the Street Inventory in the Pavement Management program

(2) As a result of a physical inventory the total acreage of Parks was recalculated in 2005.

(3) Three pools were closed in 2005.

2010 GENERAL INFORMATION***Statistics**

Date of Incorporation.....	1886
Form of Government.....	Council-Manager
Type of Government.....	Charter City
Location.....	Central Washington
Land Area.....	28.7 square miles
Rank in Size – State.....	8
Rank in Size – County.....	1
Population.....	91,067
Assessed Valuation.....	\$5,389,218,769
City Employees (Full-time Equivalents).....	736.80
Election and Voter Registration	
Number of Precincts.....	33
Number of Registered Voters.....	40,629

Property Tax Levy

Regular Levy.....	\$15,816,566
Special Levy.....	<u>\$297,000</u>
Total 2010 Property Tax Levy.....	\$16,113,566

Sales Tax Rates

State.....	6.50%
Transit.....	0.30%
City of Yakima.....	0.85%
Yakima County.....	0.15%
Criminal Justice (County).....	<u>0.40%</u>
Total Sales Tax Rate.....	8.20%

Parks and Recreation

Total Acreage.....	334.7
Number of Parks.....	32
Number of Playgrounds.....	16
Major Facilities: Fisher Golf Course, two swimming pools, (one indoor, one outdoor), two water playground areas, 13 ball fields (five lighted), two skate parks, 24 tennis courts, six soccer fields, Senior Citizen Center, Southeast Center, Tahoma Cemetery.	

Bus Passes (1 month)

Adult.....	\$17.00
Student.....	\$12.00
Senior Citizen / Disabled.....	\$5.00

Licenses and Permits Issued

Business Licenses – sliding scale starts at \$42.90 for 1 - 2 employees, maximum of \$1,285.20 for over eighty employees.....	5,721
Regulatory Licenses – Varies from \$11.00 to \$1,000.....	484

Animal License Fees – Rabies Vaccination Required

1 Year License – Altered.....	\$12.00
Senior Citizens Lifetime – Altered.....	\$5.00
Senior Citizens Lifetime – Not Altered.....	\$30.00
1 Year License – Not Altered.....	\$30.00
1 Year License – Not Altered, Renewal.....	\$25.00
Disabled / Guide Dog.....	Free
Replacement License.....	\$5.00

Fire Protection

Commissioned Fire Fighting Personnel.....	83
Number of Non-Commissioned Personnel.....	<u>3</u>
Total Number of Fire Personnel.....	86

Police Protection

Commissioned Police Personnel.....	138
Non-Commissioned Police Personnel.....	<u>51</u>
Total Number of Police Personnel.....	189
Number of Calls for Service.....	155 / day

Utility and Franchise Tax Rates

Electricity, Gas, Telephone (4% Capped @ \$4,000 per customer per month).....	6%
City Utilities – Water, Sewer.....	14%
Refuse.....	9%
TV Cable.....	6%

Utility Rates (2 months)

Water – Base Charge.....	\$18.58
Each Unit.....	\$1.39
Wastewater – Base Charge.....	\$29.58
Each Unit.....	\$2.59
Refuse (Carry-out Available for Additional Charge)	
Automated Collection	
35 Gallon Cart.....	\$18.34
96 Gallon Cart.....	\$31.16
Yard Waste	
96 Gallon Cart.....	\$23.50
Irrigation (per square foot).....	\$.00516

Water / Wastewater Customer Base

Water (Inside the City).....	19,514
Water (Outside the City.....)	<u>137</u>
Total Water Customers.....	19,651
Wastewater Residential (Inside the City).....	22,945
Wastewater Residential (Outside the City).....	50
Wastewater Commercial.....	<u>2,245</u>
Total Wastewater Customers.....	25,240

* For informational purposes only – not intended for official of legal purposes.

