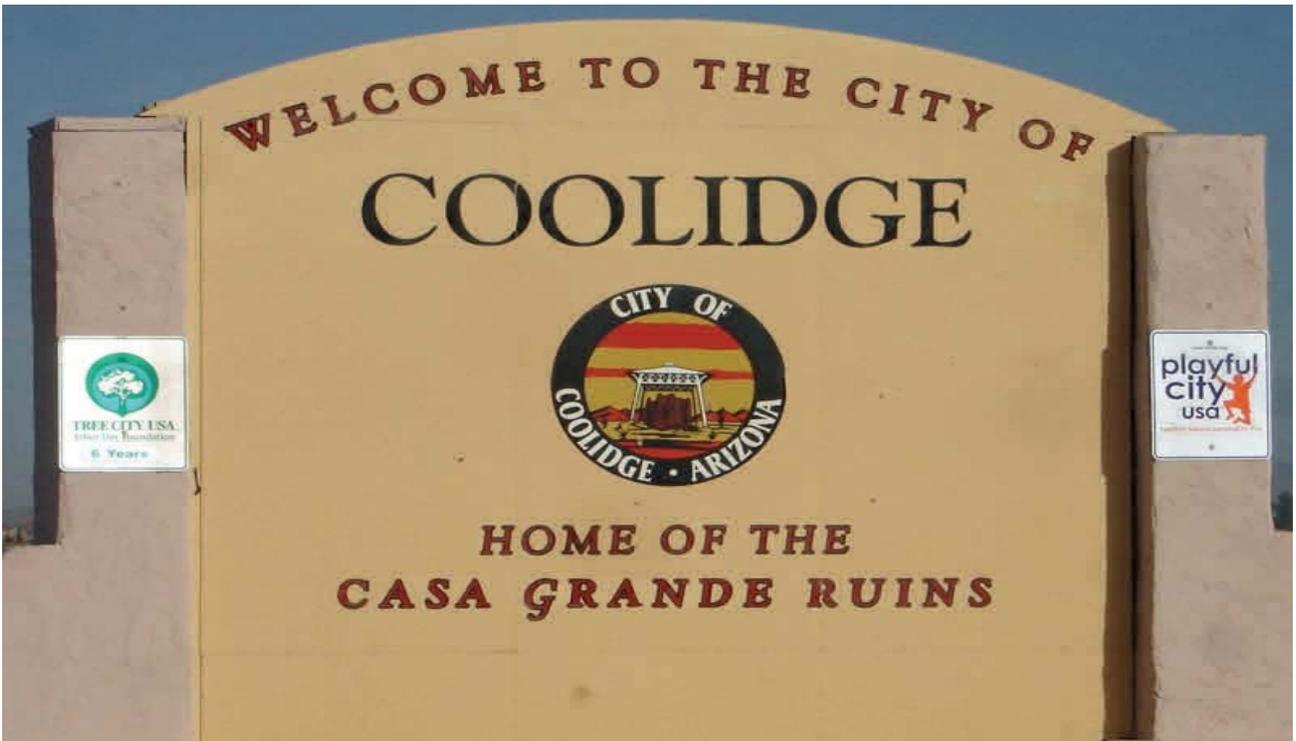




City of Coolidge, Arizona



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2012

City of Coolidge, Arizona



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2012

**Prepared by the Finance Department
Lisa Pannella, Finance Director**

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INTRODUCTORY SECTION





City of Coolidge

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Coolidge, Arizona 85128
(520) 723-5361

TDD: (520) 723-4653 / Fax: (520) 723-7910

December 12, 2012

To the Honorable Mayor, Members of Council, and Citizens of the City of Coolidge. We are pleased to submit to you the City of Coolidge Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012.

The Primary purpose of this report is to provide the City Council, Coolidge citizens, legislative bodies, and investors and creditors with detailed information concerning the financial condition and performance of the City of Coolidge, Arizona. In addition, this report provides assurance that the City presents fairly its financial position as verified by independent auditors. These financial statements have been prepared by the Finance Department in accordance with generally accepted accounting principles (GAAP) for local governments promulgated by the Governmental Accounting Standards Board (GASB).

The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Coolidge for the fiscal year ending June 30, 2012, are free of material misstatement. The City of Coolidge financial statements have been audited by the independent audit firm of Colby and Powell, PLC Certified Public Accountants. This audit was conducted 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. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed 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 disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Coolidge's MD&A is in the financial section immediately following the independent Auditor's Report.

Police Dept./City Court	Library	Public Works	Parks & Recreation	Growth Management	Fire Department
110 W. Central Ave.	160 W. Central Av	411 S. 1 st St.	670 W. Pima Ave.	141 W. Main St.	103 W. Pinkley
(520) 723-3091	(520) 723-6030	(520) 723-4882	(520) 723-4551	(520) 723-6075	(520) 723-5361

PROFILE OF THE CITY

The City of Coolidge is an historic, beautiful, small town friendly city located at the center of the Arizona Sun Corridor. It was founded in 1925 and became incorporated on the 24th day of September, 1945. At the time of incorporation the City encompassed one square mile and claimed a population of 4,306. Presently the City covers approximately sixty two square miles with an approximate population of 12,074. The City of Coolidge, whose name honors the 30th U.S. President Calvin Coolidge, is situated halfway between the state's two largest metropolitan areas of Tucson and Phoenix. We are proud to have the Casa Grande Ruins National Monument, of the prehistoric HoHoKam people, nestled within the northern boundaries of the city. The Ruins include the Casa Grande (Spanish for "Big House"), a unique four-story caliche structure built in the early 1300's, and the surrounding walled neighborhood. It was the first historic site to receive protected status by the United States Government in 1892. Hundreds of thousands of people visit the "Ruins" each year.

The City of Coolidge operates under the Council-Manager form of government. The City Council, who has policy making and legislative authority, is comprised of one Mayor and six Council Members. The Mayor is elected every two years, while Council Members are elected to four year overlapping terms, on a non-partisan, at large basis. City Council is responsible for appointing the City Manager, Chief Fiscal Officer, City Magistrate and City Attorney. The City Manager is responsible for carrying out the policies and Ordinances of the City Council and for the general administrative supervision and control of the affairs of the city.

The City of Coolidge provides a full range of municipal services to include: police and fire protection; recreational and cultural events, library services, planning and zoning services, building code enforcement, animal control, sewer and sanitation services, airport, public transit system, Government television station, and construction and maintenance of streets.

In 2008 the City updated the Strategic Plan. This process endeavors a mission to provide exceptional quality services, in partnership with the community, while maintaining a financially sustainable city. This process provides a mechanism in which staff can identify major challenges, short and long term issues and projects, and goals and objectives that the City is expected to face in the next five to fifteen years, the role that city Government plays in responding to these issues and challenges, and the resources needed by the City government to fulfill their role. The plan is scheduled to be updated in 2013.

The annual budget serves as the foundation for the City of Coolidge's financial planning and control. The initial budgetary goal of each department is to request sufficient funds to carry out the responsibilities within general guidelines established by the City Council. The department is responsible for establishing priorities within its programs and justifying them to the City Manager. All departments evaluate their programs and services classifying their values and priorities. The Finance Director analyzes departmental budget requests, in comparison with estimated revenues, and presents recommendations for a balanced budget to the City Manager. The City Manager then presents a proposed, balanced budget to City Council for review in March of each year. City Council budget sessions take place during the months of March, April and May affording the public input on the proposed budget. These sessions are also aired on the City's public television station. Once final additions and deletions are made, the Tentative Budget is adopted by City Council in June and the Final Budget in July.

FINANCIAL CONTROLS

Internal Controls

The management of the City of Coolidge is responsible for establishing and maintaining a system of internal controls. These controls are designed to provide reasonable, but not absolute, assurance regarding: (1) safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. Reasonable assurance recognizes: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Internal Controls encompass both internal and external audit functions and measure the procedures established within the City's automated accounting and budgeting system framework. They are subject to periodic evaluation by management and considered by the independent auditors as a basis for designing the city's auditing procedures for the purpose of expressing an opinion on the financial statements. All internal control evaluations occur within the above framework. The Finance Department staff believes the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

The City of Coolidge, like many cities in the State of Arizona, operates under the Local Alternative Expenditure Limitation – Pure Home Rule Option that must be adopted by the local voters every four years. This allows the Mayor and Council, as part of the annual budget process; to adopt an Alternative Expenditure Limitation equal to the total amount of budgeted expenditures/expenses as it appears on the annual budget to be adopted each year after a public hearing at which the citizens of the City of Coolidge may comment. No expenditures may be made in violation of such Alternative Expenditure Limitation, nor may any proposed expenditures be in excess of estimated available revenues. The City of Coolidge last adopted the Local Alternative Expenditure Limitation in March of 2010 to be used through June 30, 2014. Under the Local Alternative Expenditure Limitation the City is allowed to adjust the state imposed expenditure base (per Article IX, Section 20(1) of the Arizona Constitution) from \$87,862,828 to \$134,398,670 for fiscal year 2012/13.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated operating budget approved by the Mayor and Council. Activities of the general fund, special revenue fund, debt service fund, capital projects fund, and enterprise funds, are included in the annual appropriated budget. The legal level of budgetary control (i.e. the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level with any budget revisions requiring a transfer between funds approved by the City Council. The City additionally exercises management control and oversight of the budget at the department level within each fund.

MAJOR BUDGETARY INITIATIVES

The City of Coolidge had some positive budgetary initiatives to off set the burden of declining revenues experienced over the past five years. Those initiatives that had a significant impact on the current year's financial statements included:

- City Council continued the freeze on the Capital Projects Fund for projects listed in the Capital Improvement Plan unless funded by a grant or impact fees. This enabled the City to scrutinize the projects in the Capital Improvement Plan for necessity and timeframe for completion.
- The City continued with the freeze on hiring. All positions vacated during the year had to be approved by Council prior to advertising and filling in keeping with budgetary restraints.
- The City trimmed \$400,000 from the General Fund in operating expenses.
- The City discontinued the Longevity Pay program saving the city \$15,000.
- The City discontinued the Sick Leave Incentive program saving the city \$26,000.
- Two staff members signed up for the Smartworks retirement program saving the City \$71,000 in salary and benefit costs.

LOCAL ECONOMY

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Coolidge operates.

From Coolidge's founding until the early 1950's, the economy was mainly dependent on agriculture, and to a lesser extent, mining. Growth was relatively steady until the late 1940's. As water use reached an optimum and mechanical equipment replaced farm workers, it leveled off. The Coolidge economy diversified as manufacturers located in and near the City and greater emphasis was placed on winter tourism. Today it is a regional trade and service center for agricultural producers, providing equipment, supplies and personal services for farming. Community efforts and the completion of the 500 acre Pima-Coolidge Industrial Park just north of the city on the Gila River Indian Reservation have helped manufacturing grow. Government agencies, such as the Arizona Training Program, Central Arizona College, the Arizona State Prisons and the Pinal County Courthouse are also major sources of jobs.

The City of Coolidge experienced considerable growth from 2001 through 2010 with the City's population increasing by 52% since the 2000 Census. However, due to the downturn in the economy, the Recession, and housing foreclosures this past three years, the City has experienced a significant decline in building permits and new growth. The unemployment rate, as of June 2012, was approximately 16.2% percent compared with the state's unemployment rate of 8.5% percent.

LONG TERM PLANNING

A major challenge confronting rapidly growing cities and towns today is developing programs in an era of budgetary constraints. Finances do not seem to increase at the same pace as the demands for effective services. Balancing these contradictory factors seems impossible at times. Sound budget and finance techniques are both a point of view and a process to obtain and make maximum use of all resources available. Sound administration of the local budget process is a necessity. The City of Coolidge is dedicated to enhancing the quality of life for its citizens and to providing municipal services in the most effective and efficient manner while exercising fiscal responsibility. The City has completed several major capital projects this past year to include:

- The City is continuing the design and permitting phase of upgrading the existing Wastewater Treatment Plant to a 4.0 MGD class A effluent facility.
- The City completed the purchase and installation of the Automatic Weather Observation System (AWOS) at the Coolidge Municipal Airport utilizing a grant from the U.S Department of Transportation in the amount of \$143,974 and a grant from the Arizona

Department of Transportation in the amount of \$3,841. This system will allow pilots and the community to obtain temperature and wind information at the airport.

- The City has completed the design of the Taxiway A Extension at the Airport utilizing a grant from the U.S Department of Transportation in the amount of \$105,119 and a grant from the Arizona Department of Transportation in the amount of \$2,766. The construction phase will begin early in 2013. This project was approved to remove a back taxi hazard on runway 17/35. The new taxiway will allow safe passage of aircraft to the runway takeoff area.
- The City completed the widening of Skousen Rd Bridge. The project elements included bridge removal and replacement with a four lane ConArch bridge and widening of the intersection to include a left turn lane at SR87 onto Skousen Road. The project was partnered with the Pima/Maricopa Irrigation Project with the City contributing \$300,000 in funds from the city's Transportation fund. The design process was started in FY 2010/2011 and construction was completed in April, 2012.
- Improvements were done to Attaway Road in partnership with Pinal County. The total project cost was \$379,059 with Pinal County providing manpower, equipment, and materials in the amount of \$238,234; and the City of Coolidge contributing funds in the amount of \$140,825.

Future Projects include:

- The complete reconstruction of Coolidge Ave from Arizona Blvd to First Street to include replacing the existing roadway, drainage structures, concrete curbs/gutters, sidewalks, and street lights. The project is funded using \$1,100,000 in funding through the Arizona Department of Transportation (ADOT) Strategic Transportation Program (STP) and \$1,131,632 matching funds from the city's Transportation fund. The design process was started in FY 2010 and it is expected to be completed in March 2013.
- The replacement of the asphalt surface, curbs/gutters, sidewalks, and landscaping on Central Ave. from Arizona Blvd to Main Street. The project is funded using \$1,375,000 of Transportation Enhancement (TE) funds through the Arizona Department of Transportation (ADOT), and \$101,080 in matching funds from the city's Transportation fund. The design process was started in FY 2010 and it is expected to be completed in March 2013.
- The citywide "Signing & Striping" project funded through the Highway Safety and Improvement Program (HSIP) through the Arizona Department of Transportation in the amount of \$270,000. The sign inventory will begin in January, 2012 and construction is expected to be completed in January, 2013.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) last awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Coolidge for its comprehensive annual financial report for the fiscal year ended June 30, 2011. We believe that our current comprehensive annual financial report meets the program's requirements and we are submitting it to GFOA to determine its eligibility for the fiscal year 2011-12 certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department, department directors, and administration. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and Members of the City Council for their continued support in maintaining the highest standards and accountability in the management of the City of Coolidge's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lisa Pannella". The signature is fluid and cursive, with a large initial "L" and "P".

Lisa Pannella
Finance Director/CFO

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Coolidge
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



Linda C. Dandson

President

Jeffrey R. Emer

Executive Director

CITY OF COOLIDGE
LIST OF PRINCIPAL OFFICIALS

MAYOR

Thomas R. Shope

VICE MAYOR

Gilbert Lopez

COUNCIL MEMBERS

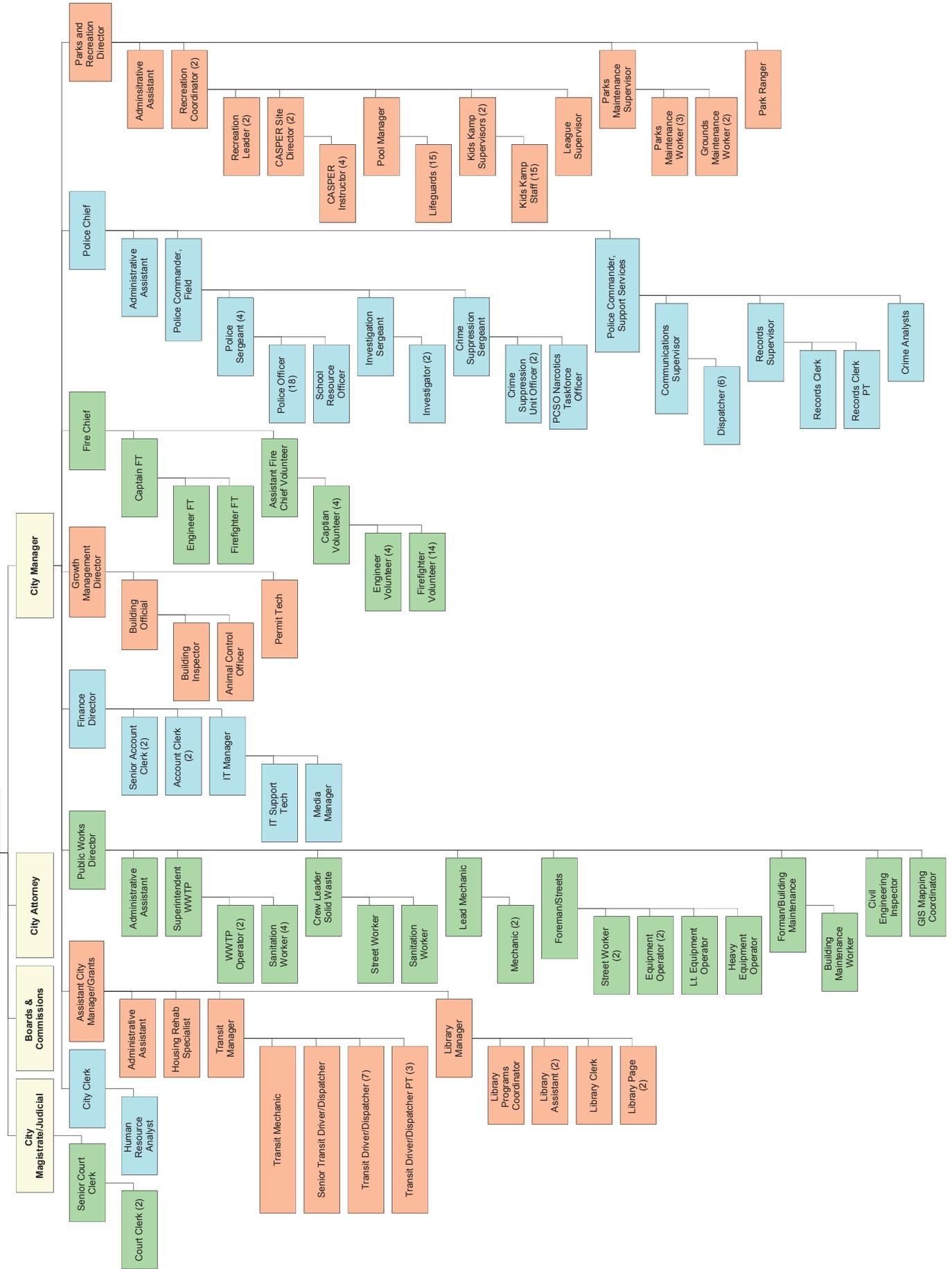
Judy Rotz-Lopez Steve Hudson
Jacque Hendrie/Henry Jon Thompson
Richard Lister

SENIOR MANAGEMENT STAFF

	Robert Flatley City Manager	
Jill Dusenberry Assistant City Manager		Susanna Struble Public Works Director
Norma Ortiz City Clerk		Mickey McHugh Fire Chief
Lisa Pannella Finance Director		Rachel Duran Human Resource Analyst
Georgie Garcia Magistrate		Robby Criswell IT Director
Joseph Brugman Chief of Police		Joyce Baker Library Manager
Rick Miller Economic Development Director		Mike Meyer Transit Manager

City of Coolidge

City Council



FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

To the City Council
City of Coolidge, Arizona

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of the City of Coolidge, Arizona as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 aggregate remaining fund information of the City of Coolidge, Arizona as of June 30, 2012, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Grant Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2012, 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. 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 important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 14 and 71 through 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Coolidge, Arizona's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, capital assets schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and capital assets schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in cursive script that reads "Colby & Powell".

December 12, 2012



FINANCIAL SECTION

MANAGEMENT'S DISCUSSION & ANALYSIS

Management's Discussion and Analysis

The City of Coolidge, Arizona (City) is pleased to provide an overview of our financial activities for the fiscal year ended June 30, 2012. This Management's Discussion and Analysis (MD&A) is intended to provide an introduction to the basic financial statements that provides an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions.

Financial Highlights

- The assets of the City of Coolidge, Arizona exceeded its liabilities at the close of the most recent fiscal year by \$88,567,342 (net assets). Of this amount \$5,510,782 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Coolidge, Arizona's governmental funds reported combined ending fund balances of \$8,492,794, a decrease of \$56,793 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,203,097 or 51 percent of total General Fund expenditures.
- General Fund revenues (on a budgetary basis) were less than budgeted revenues by \$145,742 for fiscal year 2012. Additionally, budgetary basis expenditures were less than the budget by \$5,279,851 in the General Fund.
- General Fund expenditures exceeded revenues by \$223,601; with a positive variance of \$5,134,109 from the original budget.
- The City includes four separate legal entities in its report – a Municipal Property Corporation, an Industrial Development Authority and two Community Facilities Districts. Although legally separate, these “component units” are important because the city is financially accountable for them. A description of these blended component units is available in Note 1 on pages 39 and 40. Separate Financial Statements are not available for these entities.

Overview of the Financial Statements

The Annual Financial Report for the City of Coolidge, Arizona consists of this discussion and analysis, the basic financial statements and the required supplementary schedules presented after the basic financial statements. The basic financial statements include the government-wide financial statements, fund financial statements, including the budgetary statements for the General Fund and major special revenue funds, and notes to the basic financial statements.

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

The statement of net assets presents information on all of the City of Coolidge, Arizona's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or

decreases in net assets may serve as useful indicators of whether the financial position of the City of Coolidge, Arizona is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Coolidge, Arizona that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Coolidge, Arizona include general government, public safety, highways and streets, culture and recreation, and redevelopment and housing. The business-type activities include liquid waste, solid waste, and the municipal airport.

The government-wide financial statements can be found on pages 16-18 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Coolidge, Arizona, 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 Coolidge, Arizona can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City of Coolidge, Arizona adopts an annual appropriated budget for its General Fund by department and by fund for special revenue, debt service and capital project funds. A budgetary comparison statement has been provided for the General Fund and any major special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 19-27 of this report.

Proprietary funds. The City of Coolidge, Arizona maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Coolidge, Arizona uses enterprise funds to account for its liquid waste, solid waste, and municipal airport.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the liquid waste, solid waste, and airport funds, each of which are considered to be major funds of the City of Coolidge, Arizona.

The basic proprietary fund financial statements can be found on pages 29-36 of 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 Coolidge, Arizona's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 37-38 of this report.

Notes to the basic financial statements. The notes to the basic financial statements (pages 39-62) provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and should be read with the financial statements.

Required supplementary information other than MD&A. Governments have an option of including the budgetary comparison statements for the General fund and major special revenue funds as either part of the fund financial statements within the basic financial statements, or as required supplementary information after the footnotes. The City has chosen to present these budgetary statements as part of the basic financial statements. Additionally, governments are required to disclose certain information about employee pension funds. The City has disclosed this information on page 65-68.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on the public safety personnel retirement system schedule of funding progress.

Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Assets of the City for June 30, 2012 showing that assets exceeded liabilities by \$88,567,342.

**Condensed Statement of Net Assets
June 30, 2012 and 2011**

	Government Activities		Business -type Activities		Totals	
	2012	2011	2012	2011	2012	2011
ASSETS						
Current and other assets	\$ 9,112,588	\$ 9,475,221	\$ 1,089,763	\$ 1,317,885	\$ 10,202,351	\$ 10,793,106
Capital assets						
Non-depreciable	2,382,032	2,246,919	1,951,947	1,627,407	4,333,979	3,874,326
Depreciable (net)	58,272,379	60,400,247	22,749,392	23,318,296	81,021,771	83,718,543
Total Assets	69,766,999	72,122,387	25,791,102	26,263,588	95,558,101	98,385,975
LIABILITIES						
Other liabilities	629,662	772,700	211,142	281,104	840,804	1,053,804
Non-current liabilities						
Due within one year	609,648	568,079	161,258	147,360	770,906	715,439
Due in more than one year	3,786,578	4,184,933	1,592,471	1,717,489	5,379,049	5,902,422
Total liabilities	5,025,888	5,525,712	1,964,871	2,145,953	6,990,759	7,671,665
NET ASSETS						
Invested in capital assets, net of related debt	57,354,851	58,981,146	23,009,425	23,137,047	80,364,276	82,118,193
Restricted	2,460,226	2,896,898	232,058	271,287	2,692,284	3,168,185
Unrestricted	4,926,034	4,718,631	584,748	709,301	5,510,782	5,427,932
Total net assets	\$ 64,741,111	\$ 66,596,675	\$ 23,826,231	\$ 24,117,635	\$ 88,567,342	\$ 90,714,310

The net assets of the City are \$64,741,111 in governmental activities and \$23,826,231 in business-type activities at June 30, 2012.

Net assets consist of three components, the largest portion of the City of Coolidge, Arizona's net assets (91%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt, used to acquire those assets, that is still outstanding. The City of Coolidge, Arizona uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Coolidge, Arizona's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City's investment in capital assets, net of related debt decreased \$1,753,917 largely due to the city's delay in starting scheduled projects in this fiscal year.

An additional portion of the City of Coolidge, Arizona's net assets (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$5,510,782 may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net assets changed from the prior year for the city as a whole; as, the governmental activities reported a \$207,403 increase and the business-type activities reported a \$124,553 decrease. The net decrease in the governmental activities and business-type activities, respectively, are discussed in more detail following the table below. However, generally the governmental activities decreased due to the decline in state shared revenues, permits and engineering fees. The business-type activities decreased due to a loan for the first phase of the water reclamation facility discussed in more detail following the table below.

At the end of the current fiscal year, the City of Coolidge, Arizona is able to report positive balances in all three categories of net assets for the government as a whole.

**Changes in Net Assets
For the Fiscal Year Ended June 30, 2012 and 2011**

	Government Activities		Business -type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues						
Fees, Fines and charges for svcs	\$ 908,059	\$ 812,463	\$ 1,741,522	\$ 1,769,086	\$ 2,649,581	\$ 2,581,549
Operating grants and contributions	2,472,170	2,858,145	-	-	2,472,170	2,858,145
Capital grants and contributions	1,251,550	1,919,637	250,158	20,033	1,501,708	1,939,670
General Revenues						
Local Taxes	5,838,629	7,020,203	-	-	5,838,629	7,020,203
State shared revenues	2,442,437	1,947,219	-	-	2,442,437	1,947,219
Investment earnings	16,081	13,528	2,083	1,306	18,164	14,834
Miscellaneous	140,834	114,123	-	70,036	140,834	184,159
Total Revenues	13,069,760	14,685,318	1,993,763	1,860,461	15,063,523	16,545,779
Expenses						
General government	2,501,833	2,885,857	-	-	2,501,833	2,885,857
Public Safety	5,900,691	5,061,857	-	-	5,900,691	5,061,857
Highways and streets	4,421,687	4,463,941	-	-	4,421,687	4,463,941
Culture and recreation	1,053,273	901,294	-	-	1,053,273	901,294
Redevelopment and housing	916,594	1,506,637	-	-	916,594	1,506,637
Interest on long-term debt	139,697	166,222	-	-	139,697	166,222
Liquid Waste	-	-	1,120,950	1,035,117	1,120,950	1,035,117
Solid Waste	-	-	1,041,663	1,043,195	1,041,663	1,043,195
Municipal Airport	-	-	114,103	64,943	114,103	64,943
Cable Television	-	-	-	-	-	-
Total Expenses	14,933,775	14,985,808	2,276,716	2,143,255	17,210,491	17,129,063
Increase/Decrease in net assets						
before transfers	(1,864,015)	(300,490)	(282,953)	(282,794)	(2,146,968)	(583,284)
Transfers	8,451	(41,954)	(8,451)	41,954	-	-
Change in net assets	(1,855,564)	(342,444)	(291,404)	(240,840)	(2,146,968)	(583,284)
Net assets, beginning of year	66,596,675	66,939,119	24,117,635	24,358,475	90,714,310	91,297,594
Net assets, end of year	\$ 64,741,111	\$ 66,596,675	\$ 23,826,231	\$ 24,117,635	\$ 88,567,342	\$ 90,714,310

Governmental Activities.

Program revenues, which include fines, fees and charges for services, operating grants and contributions and capital grants and contributions decreased over the prior fiscal year by \$958,466 dollars. The City's fees, fines and charges for services reported a \$95,596 dollar increase. Operating grants and contributions decreased by \$385,975 dollars over the prior year largely due to the housing grants received through the Community Development Block Grant Program (CDBG). The capital grants and contributions reported a \$668,087 dollar decrease largely due to the decrease in Transit capital funding.

General revenues, which include local taxes, impact fees, state shared revenues and investment earnings decreased by \$657,092 dollars. Local taxes, including property and city sales taxes, decreased by \$1,181,574, which can be attributed to a decrease in new construction; while, state shared revenues increased by \$495,218 dollars. The recent completion of the 2010 Census resulted in a 45% increase in the City's population. These figures were used in the fiscal year ending June 30, 2012 and the City anticipates that state shared revenues will increase by 11% over this past fiscal year.

Expenses decreased by \$52,033 dollars largely due to General Government cuts in spending.

Business-type Activities.

As discussed above, the City imposes an impact fee to developers for new construction to assist the City in future development and growth. The decline in new construction as well as new State legislation which prohibits the collection of impact fees for certain categories of public service, beginning in January of 2012, accounts for a 98% decrease in impact fees for the past four fiscal years. The capital grants for the airport vary from year-to-year based upon funding from various federal and state grants.

Investment earnings increased due to a slight increase in interest gained on investments.

Business-type expenses increased in the Liquid Waste and Airport Funds due to increased spending on debt service and capital projects respectively; and decreased in the Solid Waste Fund primarily due to a slight decrease in solid waste disposal fees.

Financial Analysis of the City's Funds.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Government funds reported by the City include the General Fund, Grants Fund, Impact Fees Fund, Capital Projects Fund, Road Tax Fund, and Non-Major Governmental Funds.

The City of Coolidge's overall financial position has held steady. As of the end of the current fiscal year the City's governmental funds reported combined ending fund balances of \$8,492,794, a small decrease of \$56,793 in comparison with the prior year. Approximately 66% of this total amount (\$5,379,389) constitutes General Fund balance. At fiscal year-end 2011-2012 fund balances were as follows:

<u>Fund</u>	<u>Balance</u>	<u>Increase (Decrease) From 2010-11</u>
General Fund	\$ 5,379,389	\$ (284,749)
Grants Fund	466,874	179,792
Impact Fee Fund	439,262	(201,820)
Capital Projects Fund	613,674	551,149
Road Tax Fund	1,490,326	(285,223)
Non-major Governmental Funds	<u>103,269</u>	<u>(15,942)</u>
TOTAL	\$ 8,492,794	\$ (56,793)

The General Fund is the chief operating fund of the City of Coolidge, Arizona. At the end of the current fiscal year, the fund balance of the General Fund was \$5,379,389, a decrease of \$284,749 over the prior year. This fund balance is available for contribution to the assigned, and unassigned fund balances. As a measure of the General Fund's liquidity, it may be useful to compare both General Fund balance and total fund balance to total expenditures. General Fund balance represents 66 percent of total General Fund expenditures, while total fund balance represents 65 percent of total City expenditures.

The decrease to the General Fund balance during the current fiscal year can be attributed to the restoration of depositing 25% of all City Sales Tax into the Capital Fund. Also, as previously discussed, current year expenditures increased by \$560,307 dollars due to the restoration of 5% to employee salaries taken away the previous year in the furlough program; and the addition of the full time firefighters moved from a private sector contribution agreement to the General Fund.

The Grants Fund reported a \$179,792 fund balance increase largely due to an increase in transportation funding.

The Impact Fee Fund reported a \$201,820 fund balance decrease due to a decrease in capital projects and new State legislation which prohibits the collection of impact fees for certain categories of public service, beginning in January of 2012. The restricted fund balance will be carried over to future years for planned capital projects.

The Capital Projects Fund reported a \$551,149 fund balance increase due to City Council restoring the deposit of 25% of all City Sales Tax to the Capital Fund for fiscal year 11/12 as mentioned above. The fund balance in this fund is considered assigned to Capital projects by Council Resolution.

The Road Tax Fund reported a decrease of \$285,223 to fund balance due to increased road projects. The restricted fund balance will be carried over to future years for planned construction projects.

The Non-Major Governmental Funds reported a \$15,942 fund balance decrease largely due to the one time contribution made from the Town of Queen Creek to the City of Coolidge toward the Regional Transit project in the prior year. No donations of this type were made this year.

Budgetary Highlights

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements are required for the General Fund and all major special revenue funds and may be found on pages 71-72. These statements compare the original adopted budget, the budget if amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis. The City did not amend its budget during the fiscal year.

General Fund revenues of \$7,967,236, on a budgetary basis, were less than budgeted revenues of \$8,112,978 by \$145,742 and budgetary basis expenditures of \$8,190,837 were less than the budget by \$5,279,851. The decline of actual revenues over budgeted revenues is primarily due to the return of the policy to deposit 25% of all city sales tax into the capital fund.

Capital Assets and Debt Administration

The City's capital assets, for its governmental and business-type activities as of June 30, 2012, amounts to \$60,654,411 and \$24,701,339 respectively, (net of accumulated depreciation). Capital assets include land, buildings, and improvements, machinery and equipment, roads and improvements, vehicles and infrastructure. During fiscal year 2011-2012 the annual depreciation expense was \$3,227,364 and \$614,400 for the governmental and business-type capital assets, respectively. Additions to capital assets during the fiscal year totaled \$1,234,609 and \$370,036 for the governmental and business-type capital assets, respectively.

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

Government Funds

- Infrastructure – 1) the completion of the Skousen Road bridge expansion in the amount of \$408,941 recorded in fixed assets, and 2) the improvements to Attaway Road in the amount of \$331,559 recorded in fixed assets, and 3) the ongoing Coolidge Avenue reconstruction project in the amount of \$129,320 recorded as construction in progress,
- Equipment – Purchased and equipped three police vehicles for a total of \$142,821 recorded in fixed assets.

Business Funds

- Infrastructure - 1) complete the purchase and installation of an Automatic Weather Operating System (AWOS) for the Airport in the amount of \$153,648 recorded in fixed assets, 2) the ongoing Design of Taxiway A at the Airport in the amount of \$110,652 recorded as construction in progress.

The following table provides a breakdown of the capital assets of the City at June 30, 2011 and 2010.

Capital Assets at June 30, 2012 and 2011
(Net of depreciation)

	Government Activities		Business -type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Land	\$ 1,972,209	\$ 1,969,759	\$ 1,182,500	\$ 1,182,500	\$ 3,154,709	\$ 3,152,259
Construction in Progress	409,823	277,160	585,360	444,907	995,183	722,067
Airport hangar and other improvements					-	-
Buildings and improvements	12,013,628	12,140,152	48,502	48,663	12,062,130	12,188,815
Infrastructure and land improvements	44,413,185	46,052,400	1,184,172	1,216,317	45,597,357	47,268,717
Sewer treatment plant and collection system			20,952,706	21,410,285	20,952,706	21,410,285
Furniture, machinery, equipment and vehicles	1,845,566	2,207,695	748,099	643,031	2,593,665	2,850,726
Total Capital Assets	\$ 60,654,411	\$ 62,647,166	\$ 24,701,339	\$ 24,945,703	\$ 85,355,750	\$ 87,592,869

See Note 4. in the notes to the Basic Financial Statements for further information regarding capital assets.

Long-term Debt

At the end of the current fiscal year, the City of Coolidge, Arizona had total long-term obligations outstanding of \$6,149,955. Of the outstanding debt, \$4,141,914 represents outstanding notes payable. The remaining balance represents compensated absences, capital leases and the City's obligation related to the landfill closure and post-closure care costs. The City has no outstanding bonds.

The following schedule shows the outstanding debt of the City (both current and long-term) as of June 30, 2012 and 2011. Further detail on the City's outstanding debt may be found in Note 8 on page 55.

Outstanding Debt at June 30, 2012 and 2011

	Governmental Activities		Business Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Notes Payable	\$ 2,450,000	\$ 2,625,000	\$ 1,691,914	\$ 1,808,656	\$ 4,141,914	\$ 4,433,656
Capital leases	849,560	1,041,020	-	-	849,560	1,041,020
Landfill closure and post-closure costs	666,856	652,948	-	-	666,856	652,948
Compensated absences	429,810	434,044	61,815	56,193	491,625	490,237
Total Outstanding Debt	\$ 4,396,226	\$ 4,753,012	\$ 1,753,729	\$ 1,864,849	\$ 6,149,955	\$ 6,617,861

Economic Factors and Next Year's Budgets and Rates

The City relies heavily on state shared revenues, impact fees and local sales tax. During the year, more than 88% of the City's general revenues were derived from state shared revenues and local sales tax. The retail picture provides sufficient sales tax revenue to sustain the operational costs of the general government. However, based on an ordinance passed in 2005, the City has

supplemented its capital revenues with impact fees. The impact fees are currently used and will be used in future fiscal years to assist the City in keeping up with capital costs related to new growth. However, new State legislation prohibits the collection of impact fees for certain categories of public service, beginning in January of 2012, which will surely reduce the funds available for capital projects. The retail picture will depend upon future development of housing, commercial and industrial businesses within the community.

The City's share of state shared revenues is estimated to increase by \$350,672 for fiscal year ending June 30, 2013 based on the 2010 Census figures. However, the expiration of the temporary addition of 1% state sales tax due to expire early in 2013, may lead to reductions in state shared revenues. This has created a need to evaluate all of the City's programs and services. Increases in some programming and user fees have been implemented in order to generate additional revenues to cover the City's costs of providing services.

Other factors affecting next year's budget include:

- Declining revenues in Road Funds - Road Funds shared by the state and county are driven by population. The City does not anticipate an increase in population, while other cities and towns are still growing. This means the city receives a smaller share of funds each year, while the need to repair streets continues to grow.
- The necessity to put 25% of all city sales tax into a capital fund for ongoing debt service and capital projects lowers fund balance in the General Fund.
- Nationwide Recession affecting all aspects of Government.
- Maintaining current level of service.

Financial Contact

The financial report is designed to provide a general overview of the City's finances for all of those with an interest in the government's finances and to demonstrate accountability for the use of public funds. Questions about any of the information provided in this report, or requests for additional financial information should be addressed to:

Lisa Pannella, Finance Director/CFO
City of Coolidge, Arizona
Accounting Department
130 West Central Avenue
Coolidge, AZ 85128

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

CITY OF COOLIDGE, ARIZONA
STATEMENT OF NET ASSETS
June 30, 2012

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 7,110,483	\$ 871,839	\$ 7,982,322
Receivables (net of allowance for uncollectables)	225,910	137,789	363,699
Due from other governments	1,776,195	344	1,776,539
Prepaid expenses	-	79,791	79,791
Capital assets			
Land and construction in progress	2,382,032	1,767,860	4,149,892
Other capital assets (net of accumulated depreciation)	58,272,379	22,933,479	81,205,858
Total assets	<u>69,766,999</u>	<u>25,791,102</u>	<u>95,558,101</u>
 LIABILITIES			
Accounts payable and other current liabilities	292,062	32,204	324,266
Accrued expenses and employee benefits	289,644	24,938	314,582
Retainages payable	-	154,000	154,000
Accrued interest payable	47,956	-	47,956
Noncurrent liabilities			
Due within one year			
Compensated absences	230,158	40,799	270,957
Capital leases	199,490	-	199,490
Current portion of loans payable	180,000	120,459	300,459
Due in more than one year			
Compensated absences	199,652	21,016	220,668
Capital leases	650,070	-	650,070
Loans payable	2,270,000	1,571,455	3,841,455
Landfill closure and postclosure care	666,856	-	666,856
Total liabilities	<u>5,025,888</u>	<u>1,964,871</u>	<u>6,990,759</u>
 NET ASSETS			
Invested in capital assets, net of related debt	57,354,851	23,009,425	80,364,276
Restricted for			
Highways and streets	1,490,326	-	1,490,326
Court purposes	63,764	-	63,764
Grant purposes	466,874	-	466,874
Debt service	-	43,177	43,177
Development	-	68,328	68,328
Capital improvements	439,262	120,553	559,815
Unrestricted	4,926,034	584,748	5,510,782
Total net assets	<u>\$ 64,741,111</u>	<u>\$ 23,826,231</u>	<u>\$ 88,567,342</u>

CITY OF COOLIDGE, ARIZONA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

Functions / Programs	Expenses	Program Revenue		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities				
General government	\$ 2,501,833	\$ 266,048	\$ 262,937	\$ -
Public safety	5,900,691	352,314	503,158	248,879
Highways and streets	4,421,687	66,212	1,087,410	998,752
Culture and recreation	1,053,273	107,561	11,270	3,919
Redevelopment and housing	916,594	115,924	607,395	-
Interest on long-term debt	139,697	-	-	-
Total governmental activities	<u>14,933,775</u>	<u>908,059</u>	<u>2,472,170</u>	<u>1,251,550</u>
Business-type activities				
Liquid waste	1,120,950	840,139	-	20,248
Solid waste	1,041,663	860,889	-	-
Liquid waste impact fees	-	-	-	-
Solid waste impact fees	-	-	-	-
Municipal airport	114,103	40,494	-	229,910
Total business-type activities	<u>2,276,716</u>	<u>1,741,522</u>	<u>-</u>	<u>250,158</u>
Total primary government	<u>\$ 17,210,491</u>	<u>\$ 2,649,581</u>	<u>\$ 2,472,170</u>	<u>\$ 1,501,708</u>

General revenue:
Sales Taxes
Property taxes
Franchise tax
State shared revenues-not restricted
to specific programs
Investment income
Miscellaneous

Transfers in (out)
Total general revenue and transfers

Change in net assets

Net assets, beginning of year

Net assets, end of year

Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (1,972,848)	\$ -	\$ (1,972,848)
(4,796,340)	-	(4,796,340)
(2,269,313)	-	(2,269,313)
(930,523)	-	(930,523)
(193,275)	-	(193,275)
(139,697)	-	(139,697)
<u>(10,301,996)</u>	<u>-</u>	<u>(10,301,996)</u>
-	(260,563)	(260,563)
-	(180,774)	(180,774)
-	-	-
-	-	-
-	156,301	156,301
<u>-</u>	<u>(285,036)</u>	<u>(285,036)</u>
<u>(10,301,996)</u>	<u>(285,036)</u>	<u>(10,587,032)</u>
4,836,847	-	4,836,847
707,216	-	707,216
294,566	-	294,566
2,442,437	-	2,442,437
16,081	2,083	18,164
140,834	-	140,834
<u>8,451</u>	<u>(8,451)</u>	<u>-</u>
<u>8,446,432</u>	<u>(6,368)</u>	<u>8,440,064</u>
(1,855,564)	(291,404)	(2,146,968)
<u>66,596,675</u>	<u>24,117,635</u>	<u>90,714,310</u>
<u>\$ 64,741,111</u>	<u>\$ 23,826,231</u>	<u>\$ 88,567,342</u>

CITY OF COOLIDGE, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	<u>General</u>	<u>Grants</u>	<u>Impact Fees</u>
ASSETS			
Cash and cash equivalents	\$ 4,397,990	\$ 234,731	\$ 450,441
Taxes receivable	45,756	-	-
Accounts receivable	-	-	-
Due from other governments	770,545	905,183	-
Due from other funds	573,020	-	-
Total assets	<u>5,787,311</u>	<u>1,139,914</u>	<u>450,441</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 143,383	\$ 58,144	\$ 11,179
Accrued payroll and employee benefits	226,451	21,848	-
Due to other funds	-	593,048	-
Deferred revenue	38,088	-	-
Total liabilities	<u>407,922</u>	<u>673,040</u>	<u>11,179</u>
Fund balances			
Restricted	-	466,874	439,262
Assigned	1,176,292	-	-
Unassigned	4,203,097	-	-
Total fund balance	<u>5,379,389</u>	<u>466,874</u>	<u>439,262</u>
Total liabilities and fund balance	<u>\$ 5,787,311</u>	<u>\$ 1,139,914</u>	<u>\$ 450,441</u>

Capital Projects	Road Tax Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ 460,377	\$ 1,434,207	\$ 132,737	\$ 7,110,483
178,217	-	99	224,072
-	-	1,838	1,838
-	32,715	67,752	1,776,195
-	61,429	-	634,449
<u>638,594</u>	<u>1,528,351</u>	<u>202,426</u>	<u>9,747,037</u>
\$ 24,920	\$ 38,025	\$ 16,411	292,062
-	-	41,345	289,644
-	-	41,401	634,449
-	-	-	38,088
<u>24,920</u>	<u>38,025</u>	<u>99,157</u>	<u>1,254,243</u>
-	1,490,326	63,764	2,460,226
613,674	-	39,505	1,829,471
-	-	-	4,203,097
<u>613,674</u>	<u>1,490,326</u>	<u>103,269</u>	<u>8,492,794</u>
\$ 638,594	\$ 1,528,351	\$ 202,426	\$ 9,747,037



CITY OF COOLIDGE, ARIZONA
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
 GOVERNMENTAL FUNDS
 June 30, 2012

Total governmental fund balances \$ 8,492,794

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 reported in the
 governmental funds.

Governmental capital assets	89,243,973	
Less accumulated depreciation	<u>(28,589,562)</u>	60,654,411

Certain revenues earned but not received within 60 days of
 year-end are deferred for the governmental statements,
 but are recognized as revenue for government-wide
 statements.

Property taxes		38,088
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Interest payable on long-term debt is not reported in the governmental funds.		(47,956)
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Long-term liabilities are not due and payable in the
 current period and therefore are not reported in the funds

Compensated absences	(429,810)	
Capital leases	(849,560)	
Landfill closure and postclosure care payable	(666,856)	
Loans payable	<u>(2,450,000)</u>	<u>(4,396,226)</u>

Net assets of governmental activities		<u>\$ 64,741,111</u>
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CITY OF COOLIDGE, ARIZONA
STATEMENT OF REVENUES, EXPNEDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2012

	General	Grants	Impact Fees
Revenue			
Taxes	\$ 4,661,735	\$ -	\$ -
Intergovernmental	2,442,436	2,333,055	-
Fines and forfeitures	286,926	38,610	-
Licenses and permits	149,226	-	-
Charges for services	188,339	-	96,684
Investment income	10,030	213	1,289
Contributions	135,360	-	-
Miscellaneous	93,184	24,756	-
	<u>7,967,236</u>	<u>2,396,634</u>	<u>97,973</u>
Total revenue			
Expenditures			
Current			
General government	2,262,925	-	-
Public safety	4,600,319	873,051	3,404
Highways and streets	-	619,663	-
Culture and recreation	899,145	-	-
Redevelopment and housing	404,402	506,178	-
Capital outlay	24,046	217,950	293,054
Debt service			
Principal	-	-	191,460
Interest and debt cost	-	-	41,216
Total expenditures	<u>8,190,837</u>	<u>2,216,842</u>	<u>529,134</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(223,601)</u>	<u>179,792</u>	<u>(431,161)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	229,341
Transfers out	(61,148)	-	-
Total other financing sources (uses)	<u>(61,148)</u>	<u>-</u>	<u>229,341</u>
Net change in fund balances	(284,749)	179,792	(201,820)
Fund balance, beginning of year	<u>5,664,138</u>	<u>287,082</u>	<u>641,082</u>
Fund balance, end of year	<u><u>5,379,389</u></u>	<u><u>466,874</u></u>	<u><u>439,262</u></u>

Capital Projects	Road Tax	Non-Major Governmental Funds	Total Governmental Funds
\$ 1,209,212	\$ -	\$ 6,700	\$ 5,974,331
-	405,818	739,019	5,920,328
-	-	6,624	332,160
-	-	47,887	197,113
-	-	-	188,339
806	3,581	162	16,081
-	-	15,415	150,775
-	667	6,812	125,419
<u>1,210,018</u>	<u>410,066</u>	<u>822,619</u>	<u>12,904,546</u>
-	-	-	2,262,925
-	-	2,997	5,479,771
-	45,712	1,333,230	1,998,605
-	-	-	899,145
-	-	6,014	916,594
143,378	215,496	-	893,924
-	-	175,000	366,460
-	-	111,150	152,366
<u>143,378</u>	<u>261,208</u>	<u>1,628,391</u>	<u>12,969,790</u>
<u>1,066,640</u>	<u>148,858</u>	<u>(805,772)</u>	<u>(65,244)</u>
-	-	789,830	1,019,171
(515,491)	(434,081)	-	(1,010,720)
<u>(515,491)</u>	<u>(434,081)</u>	<u>789,830</u>	<u>8,451</u>
551,149	(285,223)	(15,942)	(56,793)
<u>62,525</u>	<u>1,775,549</u>	<u>119,211</u>	<u>8,549,587</u>
<u>613,674</u>	<u>1,490,326</u>	<u>103,269</u>	<u>8,492,794</u>



CITY OF COOLIDGE, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
June 30, 2012

Net change in fund balances - total governmental funds \$ (56,793)

Amounts reported for governmental activities in the
Statement of Activities are difference because:

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 as depreciation
expense. Also, assets contributed to the City are not reported in
the fund statements and are reported in the Statement of Activities

Expendiures for capitalized assets	893,924	
Contributed assets	340,685	
Less current year depreciation	<u>(3,227,364)</u>	(1,992,755)

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in the funds and
revenues received in the current year that were accrued in the
Statement of Activates in prior years are reported as revenues
in the funds.

Grants	(173,764)	
Property taxes	<u>(1,707)</u>	(175,471)

Interest expense in the Statement of Activates differs form the
amount reported in governmental funds because accrued
interest was calculated for loans payable for the Statement
of Activities, but is expensed when due for the governmental
fund statements.

12,669

Repayment of long-term debt are expenditure in the
governmental funds, but the repayment reduces long-term
liabilities in the Statement of Net Assets.

Debt principal retirement	366,460	
Increase in landfill closure and postclosure care costs	<u>(13,908)</u>	352,552

Expenses reported in the Statement of Activates that do not require
the use of current financial resources and therefore are not
reported as expenditures in governmental funds.

Compensated absences		<u>4,234</u>
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Change in net assets of governmental activities \$ (1,855,564)

CITY OF COOLIDGE, ARIZONA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET
TO ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenue				
Taxes	\$ 4,897,890	\$ 4,897,890	\$ 4,661,735	\$ (236,155)
Intergovernmental	2,415,088	2,415,088	2,442,436	27,348
Fines and forfeitures	230,000	230,000	286,926	56,926
Licenses and permits	170,000	170,000	149,226	(20,774)
Charges for services	144,000	144,000	188,339	44,339
Investment income	6,000	6,000	10,030	4,030
Contributions	135,000	135,000	135,360	360
Miscellaneous	115,000	115,000	93,184	(21,816)
Total revenue	<u>8,112,978</u>	<u>8,112,978</u>	<u>7,967,236</u>	<u>(145,742)</u>
	8,112,978			
Expenditures				
Current				
General government	5,461,316	5,461,316	2,262,925	3,198,391
Public Safety	5,629,398	5,629,398	4,600,319	1,029,079
Redevelopment and housing	430,389	430,389	404,402	25,987
Culture and recreation	949,585	949,585	899,145	50,440
Capital outlay	<u>1,000,000</u>	<u>1,000,000</u>	<u>24,046</u>	<u>975,954</u>
Total expenditures	<u>13,470,688</u>	<u>13,470,688</u>	<u>8,190,837</u>	<u>5,279,851</u>
Excess (deficiency) of revenue over expenditures	<u>(5,357,710)</u>	<u>(5,357,710)</u>	<u>(223,601)</u>	<u>5,134,109</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	210,683	210,683	-	(210,683)
Transfers out	<u>(270,029)</u>	<u>(270,029)</u>	<u>(61,148)</u>	<u>208,881</u>
Total other financing sources (uses)	<u>(59,346)</u>	<u>(59,346)</u>	<u>(61,148)</u>	<u>(1,802)</u>
Net change in fund balance	(5,417,056)	(5,417,056)	(284,749)	5,132,307
Fund balance, beginning of year	<u>5,417,056</u>	<u>5,417,056</u>	<u>5,664,138</u>	<u>247,082</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,379,389</u>	<u>\$ 5,379,389</u>

CITY OF COOLIDGE, ARIZONA
GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET
TO ACTUAL
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenue				
Intergovernmental	\$ 19,441,429	\$ 19,441,429	\$ 2,333,055	\$ (17,108,374)
Fines and forfeitures	-	-	38,610	38,610
Charges for services	146,759	146,759	-	(146,759)
Investment income	-	-	213	213
Miscellaneous	-	-	24,756	24,756
Total revenue	<u>19,588,188</u>	<u>19,588,188</u>	<u>2,396,634</u>	<u>(17,191,554)</u>
Expenditures				
Current				
Public Safety	1,416,893	1,416,893	873,051	543,842
Highways and streets	3,819,659	3,819,659	619,663	3,199,996
Redevelopment and housing	11,351,636	11,351,636	506,178	10,845,458
Capital outlay	<u>3,000,000</u>	<u>3,000,000</u>	<u>217,950</u>	<u>2,782,050</u>
Total expenditures	<u>19,588,188</u>	<u>19,588,188</u>	<u>2,216,842</u>	<u>17,371,346</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>-</u>	<u>179,792</u>	<u>179,792</u>
Net change in fund balances	-	-	179,792	179,792
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>287,082</u>	<u>287,082</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 466,874</u>	<u>\$ 466,874</u>

CITY OF COOLIDGE, ARIZONA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2012

	Business-type Activities--Enterprise Funds		
	Liquid Waste	Solid Waste	Liquid Waste Impact Fees
ASSETS			
Current assets			
Cash and cash equivalents	\$ 577,958	\$ -	\$ 197,280
Accounts receivables, net	58,545	79,244	-
Due from other governments	344	-	-
Due from other funds	73,593	-	-
Prepaid expenses	-	79,791	-
Total current assets	<u>710,440</u>	<u>159,035</u>	<u>197,280</u>
Noncurrent assets			
Non-depreciable capital assets	1,451,838	-	-
Depreciable assets, net	<u>21,215,968</u>	<u>333,204</u>	<u>-</u>
Total noncurrent assets	<u>22,667,806</u>	<u>333,204</u>	<u>-</u>
Total assets	<u>23,378,246</u>	<u>492,239</u>	<u>197,280</u>
LIABILITIES			
Current liabilities			
Accounts payable	3,276	24,697	-
Accrued PAYROLL AND BENEFITS	7,733	15,547	-
Retainages payable	-	-	154,000
Due to other funds	-	73,593	-
Compensated absences	9,143	31,656	-
Current portion of loans payable	<u>120,459</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>140,611</u>	<u>145,493</u>	<u>154,000</u>
Noncurrent liabilities			
Compensated absences	6,620	14,396	-
Loans payable	<u>1,571,455</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>1,578,075</u>	<u>14,396</u>	<u>-</u>
Total liabilities	<u>1,718,686</u>	<u>159,889</u>	<u>154,000</u>
Net assets			
Investment in capital assets, net of related debt	20,975,892	333,204	-
Restricted for			
Debt service	43,177	-	-
Development	68,328	-	-
Capital projects	-	-	43,280
Unrestricted (deficit)	<u>572,163</u>	<u>(854)</u>	<u>-</u>
Total net assets	<u>\$ 21,659,560</u>	<u>\$ 332,350</u>	<u>\$ 43,280</u>

Business-type Activities--Enterprise Funds

<u>Solid Waste Impact Fees</u>	<u>Airport</u>	<u>Total</u>
\$ 77,273	\$ 19,328	\$ 871,839
-	-	137,789
-	-	344
-	-	73,593
-	-	79,791
<u>77,273</u>	<u>19,328</u>	<u>1,163,356</u>
-	316,022	1,767,860
-	<u>1,384,307</u>	<u>22,933,479</u>
-	<u>1,700,329</u>	<u>24,701,339</u>
<u>77,273</u>	<u>1,719,657</u>	<u>25,864,695</u>
-	4,231	32,204
-	1,658	24,938
-	-	154,000
-	-	73,593
-	-	40,799
-	-	120,459
-	<u>5,889</u>	<u>445,993</u>
-	-	21,016
-	-	<u>1,571,455</u>
-	-	<u>1,592,471</u>
-	<u>5,889</u>	<u>2,038,464</u>
-	1,700,329	23,009,425
-	-	43,177
-	-	68,328
77,273	-	120,553
-	13,439	584,748
<u>\$ 77,273</u>	<u>\$ 1,713,768</u>	<u>\$ 23,826,231</u>

CITY OF COOLIDGE, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2012

	Business-type Activities--Enterprise Funds		
	Liquid Waste	Solid Waste	Liquid Waste Impact Fees
Operating revenue			
Charges for service	\$ 840,139	\$ 860,889	\$ -
Total operating revenue	<u>840,139</u>	<u>860,889</u>	<u>-</u>
Operating expenses			
Costs of services	554,393	984,779	-
Depreciation	524,716	56,884	-
Total operating expenses	<u>1,079,109</u>	<u>1,041,663</u>	<u>-</u>
Operating income (loss)	<u>(238,970)</u>	<u>(180,774)</u>	<u>-</u>
Nonoperating revenue (expenses)			
Investment revenue	1,056	342	460
Interest expense	<u>(41,841)</u>	<u>-</u>	<u>-</u>
Total nonoperating revenue (expenses)	<u>(40,785)</u>	<u>342</u>	<u>460</u>
Income (loss) before capital contributions, and transfers	(279,755)	(180,432)	460
Capital contributions from grants	20,248	-	-
Transfers in	-	-	-
Transfers out	<u>(30,506)</u>	<u>(42,939)</u>	<u>-</u>
Change in net assets	(290,013)	(223,371)	460
Total net assets, beginning of year	<u>21,949,573</u>	<u>555,721</u>	<u>42,820</u>
Total net assets, end of year	<u>\$ 21,659,560</u>	<u>\$ 332,350</u>	<u>\$ 43,280</u>

Business-type Activities--Enterprise Funds

<u>Solid Waste Impact Fees</u>	<u>Airport</u>	<u>Total</u>
\$ -	\$ 40,494	\$ 1,741,522
-	40,494	1,741,522
-	81,303	1,620,475
-	32,800	614,400
-	114,103	2,234,875
-	(73,609)	(493,353)
218	7	2,083
-	-	(41,841)
218	7	(39,758)
218	(73,602)	(533,111)
-	229,910	250,158
-	104,994	104,994
(40,000)	-	(113,445)
(39,782)	261,302	(291,404)
117,055	1,452,466	24,117,635
<u>\$ 77,273</u>	<u>\$ 1,713,768</u>	<u>\$ 23,826,231</u>

CITY OF COOLIDGE, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2012

	Business-type Activities--Enterprise Funds		
	Liquid Waste	Solid Waste	Liquid Waste Impact Fees
Cash Flows from Operating Activities:			
Received from customers	\$ 847,220	\$ 855,324	\$ -
Payments to suppliers	(333,559)	(554,241)	(65,000)
Payments to employees	(224,786)	(506,882)	-
Net cash provided (used) by operating activities	<u>288,875</u>	<u>(205,799)</u>	<u>(65,000)</u>
Cash flows from noncapital and related financing activities			
Transfers in	-	-	-
Transfers out	(30,506)	-	-
Received from other funds	-	73,593	-
Payment to other funds	(73,593)	(42,939)	-
Net cash provided (used) for noncapital and related financing activities	<u>(104,099)</u>	<u>30,654</u>	<u>-</u>
Cash flows from capital and financing activities			
Contributions from grants	20,248	-	-
Proceeds of capital debt	335,762	-	-
Purchase of fixed assets	(35,935)	(40,000)	-
Principal payments of notes payable	(116,742)	-	-
Net cash provided (used) for capital and related financing activities	<u>203,333</u>	<u>(40,000)</u>	<u>-</u>
Cash Flows from Investing Activities			
Investment income	1,056	342	460
Interest paid	(41,841)	-	-
Net cash provided (used) by investing activities	<u>(40,785)</u>	<u>342</u>	<u>460</u>
Net increase (decrease) in cash and cash equivalents	347,324	(214,803)	(64,540)
Cash and cash equivalents, beginning of year	<u>230,634</u>	<u>214,803</u>	<u>261,820</u>
Cash and cash equivalents, end of year	<u>\$ 577,958</u>	<u>\$ -</u>	<u>\$ 197,280</u>

Business-type Activities--Enterprise Funds

<u>Solid Waste Impact Fees</u>	<u>Airport</u>	<u>Total</u>
\$ -	\$ 40,494	\$ 1,743,038
-	(53,196)	(1,005,996)
-	(24,000)	(755,668)
-	(36,702)	(18,626)
-	104,994	104,994
(40,000)	-	(70,506)
-	-	73,593
-	-	(116,532)
(40,000)	104,994	(8,451)
-	229,910	250,158
-	-	335,762
-	(294,101)	(370,036)
-	-	(116,742)
-	(64,191)	99,142
218	7	2,083
-	-	(41,841)
218	7	(39,758)
(39,782)	4,108	32,307
117,055	15,220	839,532
<u>\$ 77,273</u>	<u>\$ 19,328</u>	<u>\$ 871,839</u>

CITY OF COOLIDGE, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2012

	<u>Business-type Activities--Enterprise Funds</u>		
	<u>Liquid Waste</u>	<u>Solid Waste</u>	<u>Liquid Waste Impact Fees</u>
Reconciliation of operating loss to net cash provided (used) by operating activities			
Operating (loss)	\$ (238,970)	\$ (180,774)	\$ -
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:			
Depreciation	524,716	56,884	-
(Increase) decrease in:			
Accounts receivable	7,081	(5,565)	-
Due from other governments	-	-	-
Prepaid expense	-	(79,791)	-
Increase (decrease) in:			
Accounts payable	(2,697)	(3,455)	(65,000)
Accrued payroll and employee benefits	319	(294)	-
Unearned revenue	-	-	-
Compensated absences payable	(1,574)	7,196	-
Net cash provided (used) by operating activities	<u>\$ 288,875</u>	<u>\$ (205,799)</u>	<u>\$ (65,000)</u>

Business-type Activities--Enterprise Funds

Solid Waste Impact Fees	Airport	Total
\$ -	\$ (73,609)	\$ (493,353)
-	32,800	614,400
-	-	1,516
-	2,942	2,942
-		(79,791)
-	3,264	(67,888)
-	843	868
-	(2,942)	(2,942)
-	-	5,622
\$ -	\$ (36,702)	\$ (18,626)

CITY OF COOLIDGE, ARIZONA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2012

	<u>Investment Trust Funds</u>
ASSETS	
Cash and cash equivalents	\$ 60,291
Investments	<u>201,451</u>
Total assets	<u>261,742</u>
NET ASSETS	
Held in trust for investment trust participants	<u><u>\$ 261,742</u></u>

CITY OF COOLIDGE, ARIZONA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended June 30, 2012

	Investment Trust Funds
	<u> </u>
Additions	
State fire insurance premiums	\$ 4,888
Contributions	4,057
Investment income:	
Interest and dividends	4,123
Unrealized gain	<u> 4,569</u>
Total additions	<u> 17,637</u>
Deductions	
Professional/technical services	3,775
Realized loss on sale of investments	<u> -</u>
	<u> 3,775</u>
Change in net assets	13,862
Net assets, beginning of year	<u> 247,880</u>
Net assets, end of year	<u><u> \$ 261,742</u></u>

CITY OF COOLIDGE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Coolidge, Arizona (City) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The City is a municipal government that is governed by a separately elected governing body. It is legally separate from and fiscally independent of other state and local governments. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are combined with data from the City, the primary government.

Blended Component Units - The *City of Coolidge Municipal Property Corporation*. The Coolidge Municipal Property Corporation's (CMPC) board of directors consists of six members who are appointed by the Coolidge City Council. CMPC, which is a nonprofit corporation incorporated under the laws of the State of Arizona, was formed for the sole purpose of assisting the City in obtaining financing for various capital projects. All related receivables and payables between the City and the CMPC have been eliminated.

The *City of Coolidge Industrial Development Authority*. The Industrial Development Authority (IDA) board of directors consists of a seven-member board, which is appointed by the Coolidge City Council. The IDA, which is a nonprofit corporation incorporated under the laws of the State of Arizona, was formed to assist the City in obtaining financing for various capital projects and promoting economic development.

The *Martin Valley Community Facilities District*. The Martin Valley Community Facilities District (MVCFD) board of directors consists of a seven-member board comprised of all members of the City of Coolidge City Council. The MVCFD, which is a political subdivision under the laws of the State of Arizona, was formed to assist the developer with financing of public infrastructure.

The *Sandia Community Facilities District*. The Sandia Community Facilities District (SCFD) board of directors consists of a seven-member board comprised of all members of the City of Coolidge City Council. The SCFD, which is a political subdivision under the laws of the State of Arizona, was formed to assist the developer with financing of public infrastructure.

CITY OF COOLIDGE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Separate financial statements of the blended component units are not prepared.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) present financial information about the City as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the City. Governmental activities normally are supported by taxes and intergovernmental revenues, and 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. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, state-shared revenues, investment income and other items not included among program revenues are reported instead as general revenues.

Separate 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.

C. Fund Balances - Governmental Funds

As of June 30, 2012, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes pursuant to constraints imposed internally by formal action of the Council. Formal action by the City Council through resolution is required to establish, modify, or rescind committed fund balance.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, only City Council or the City's Finance Director may assign amounts for specific purposes.

CITY OF COOLIDGE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Balances - Governmental Funds (Continued)

Unassigned - all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council or the City's Finance Director has provided otherwise in its commitment or assignment actions.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. 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 revenues as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect on internal activity has been eliminated from the government-wide financial statements.

Fund Financial Statements - 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 60 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.

Property taxes, sales taxes, franchise taxes, licenses and permits, charges for service, special assessments and investment income associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenues as soon as all eligibility requirements imposed by the grantor or provider have been met. Miscellaneous revenue is not susceptible to accrual because generally they are not measurable until received in cash. Deferred revenues also arise when the City receives resources before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

CITY OF COOLIDGE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Delinquent property taxes have been recorded as deferred revenue if not collected within 60 days. Receivables that will not be collected within the available period have also been reported as deferred revenue on the governmental fund financial statements.

The City reports the following major governmental funds:

General Fund - This fund is the general operating fund of the City. It accounts for all financial resources of the City, except those required to be accounted for in other funds.

Grants Fund - This fund accounts for the activity of various state and federal grants.

Impact Fees Fund - This fund accounts for the activity of the development fees assessed to offset the costs associated with providing necessary public services to new developments.

Capital Projects Fund - This fund accounts for the capital improvement, acquisitions and construction of various City projects funded by unrestricted resources.

Road Tax - Capital Projects Fund - This fund accounts for the capital improvement, acquisitions and construction of major roads through the use of county sales taxes.

The City reports the following major proprietary funds:

Liquid Waste Fund - This fund accounts for the costs to operate, construct and finance the City's sewer utility operations.

Solid Waste Fund - This fund is used to account for the activities of the City's sanitation operations.

Liquid Waste Impact Fees Fund - This fund is used to account for monies collected from developers for the City's sewer utility operations.

Solid Waste Impact Fees Fund - This fund is used to account for monies collected from developers for the City's sanitation operations.

Municipal Airport Fund - This fund is used to account for the activities of the City's airport operations.

CITY OF COOLIDGE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following fiduciary fund:

Pension Trust Fund - This Pension Trust Fund is used to account for the City's Volunteer Firefighter's Relief and Pension Fund, a defined contribution plan for which the assets are held by the City in a trustee capacity.

Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting, the City follows GASB guidance as applicable to its proprietary funds, and generally accepted accounting principles issued on or before November 30, 1989 that do not conflict with or contradict GASB Pronouncements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprises fund are charges to customers for wastewater and sanitation services, sales, and development fees. Operating expenses for these funds include the cost of sales and services, administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The City's non-major funds are as follows:

Special Revenue Funds

Highway User Revenue Fund (HURF)
Transit Fund
Court Surcharge Fund

Debt Service Fund

Capital Projects Funds

Sandia Community Facilities District Capital Projects
Martin Valley Community Facilities District Capital Projects

Fiduciary funds are reported by fund type.

CITY OF COOLIDGE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

Cash represents amounts in demand deposits and amounts held in trust by financial institutions. The funds held in trust are available to the City upon demand. Cash equivalents are defined as short-term (original maturities of three months or less), highly liquid investments that are 1) readily convertible to known amounts of cash and 2) so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

F. Investments

Arizona Revised Statutes (ARS) authorize the City to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings account, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona counties, cities, school districts, and special districts as specified by statute. The City's interest rate policy is to coordinate its investment maturities to closely match cash flow needs. The City's credit risk policy is to hold investments as authorized by the Arizona Revised Statutes.

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of the interfund loans).

All trade and property tax receivables are shown net of allowance for uncollectibles. Trade accounts receivable in excess of 90 days comprise the trade accounts receivables allowance for uncollectibles.

Property taxes are levied by the City and collected by the Pinal County Treasurer. Property taxes are levied no later than the third Monday in August and are payable in two installments due October 1 of the current year and March 1 of the subsequent year. Taxes become delinquent after the first business day of November and May, respectively. Interest attaches on installments after the delinquent date. Pursuant to ARS, a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

H. Prepaid Items

Certain payments to vendors reflect the cost applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, vehicles, machinery, equipment, construction in progress, intangibles and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated fair market value at the date of donation.

The costs 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 capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized in the current year.

Certain capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Estimated Useful Life (years)
Infrastructure	20-50
Buildings and improvements	20-50
Sewer collection system	20-50
Land improvements	20
Furniture, vehicles, machinery and equipment	5-20

J. Compensated Absences

The City's employee vacation and sick leave policies provide for granting vacation and sick leave with pay. Sick leave and vacation benefits vest at the employee's current rate of pay. The current and long-term liabilities for accumulated vacation and sick leave are reported on the government-wide financial statements and in the proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignation and retirements. Resources from the General Fund are generally used to liquidate the governmental funds liabilities compensated absences.

K. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

CITY OF COOLIDGE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

M. Estimates

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

N. Budgetary Data

According to the laws of the State of Arizona, all operating budgets must be approved by their governing board on or before the second Monday in August to allow sufficient time for legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August.

In April, the proposed budget for the following fiscal year is presented by the City Manager to the City Council. The budget includes proposed expenditures and the means of financing them. Public meetings are held to obtain citizen comment.

Prior to June 30, the City Council legally enacts the budget, through the passage of an ordinance. The ordinance sets the limit for expenditures for the year, within the voter mandated state expenditure limitation. Additional expenditures may be authorized if directly necessitated by a natural or man-made disaster as prescribed in the state constitution. There were no supplemental appropriations made during fiscal year 2012.

The maximum legal expenditure permitted for the year is the total budget as adopted. All funds of the City have legally adopted budgets except for the Court Surcharge. The City adopts the budget by fund for all funds.

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The initial budget for the fiscal year may be amended during the year in a legally permissible manner.

The City Manager is generally authorized to transfer budgeted amounts within any specific department's expenditure appropriation and between departments within the same fund. Any budget revisions requiring a transfer between funds must be approved by the City Council.

All unencumbered expenditure appropriations expire at the end of the fiscal year.

Encumbered amounts are re-budgeted in the following year as deemed appropriate and necessary after review by the Finance staff. Budgetary carry forwards are approved by the City Council.

The City approves its annual budget consistent with GAAP. GASB Statement #34 requires that budgetary comparison statements for the General Fund and major revenue funds be presented in the annual financial statements. These statements must display original budget, amended budget and actual results (on a budgetary basis).

NOTE 2 CASH AND INVESTMENTS

At June 30, 2012, cash and cash equivalents are presented in the funds as follows:

	Governmental Activities	Business Activities	Fiduciary Fund	Total
Cash and cash equivalents	<u>\$ 7,110,483</u>	<u>\$ 871,839</u>	<u>\$ 261,742</u>	<u>\$ 8,244,064</u>

Deposits

At June 30, 2012, the City had \$6,550 of cash on hand. The carrying amount of the City's cash in bank totaled \$7,722,282 and the bank balance was \$7,949,011 on June 30, 2012. The City's deposits at June 30, 2012 were covered by Federal Depository Insurance to the extent of \$445,019. Deposits of \$7,503,992 were collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the depositor-government's name. The City has entered into an agreement with their bank in which idle funds in their deposit accounts are swept into overnight investment purchases.

CITY OF COOLIDGE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 2 CASH AND INVESTMENTS (Continued)

Investments

ARS authorize the City to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings account, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona counties, cities, school districts, and special districts as specified by statute.

The City invests in the Local Government Investment Pool 7 (LGIP), an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. The LGIP is not registered with the Securities Exchange Commission under the 1940 Investment Advisors Act. The State Board of Investment has oversight responsibilities of the investment pool in accordance with ARS 35-311. The pool's policy is to invest in fixed-rate securities with a final maturity less than 36 months from the settlement date of the purchase and variable-rate securities with final maturity less than 5 years. The dollar weighted average portfolio maturity is less than 240 days. The net asset value per share of the pool at June 30, 2012 was \$1.00. The Arizona State Treasurer issues a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, Arizona 85007.

Funds held in the State Treasurer's Local Government Investment Pool represent a proportionate interest in the pool's portfolio; however, the City's portion is not identified with specific investments and is not subject to custodial credit risk. At June 30, 2012, the City's funds invested with the State Treasurer totaled \$313,781.

The City also owns investments that belong to the City's Volunteer Fire Department. These funds are held by Wilmington Trust and consist of multiple money market funds and mutual funds. The maturities of these investments are usually less than 30 days. The Fiduciary Fund investments have a value of \$201,451 at June 30, 2012.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City has a formal investment policy adopted by City Council. Per that policy the City maintains a list of financial institutions and depositories authorized to provide investment services. This list is evaluated annually for the financial institutions credit worthiness by the Finance Director.

Interest Rate Risk

Interest rate risk is the risk of changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City coordinates its

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012

NOTE 2 CASH AND INVESTMENTS (Continued)

investment maturities to closely match cash flow needs. All investments have maturities of less than 12 months.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City policy limits investments to those authorized by State statutes. Presented below is the actual rating as of year-end for each investment type.

Governmental funds		<u>Ratings as of Year-End</u>
<u>Investment Type</u>	<u>Total</u>	<u>Unrated</u>
LGIP	<u>\$ 282,592</u>	<u>\$ 282,592</u>

Proprietary funds		<u>Ratings as of Year-End</u>
<u>Investment Type</u>	<u>Total</u>	<u>Unrated</u>
LGIP	<u>\$ 31,189</u>	<u>\$ 31,189</u>

Fiduciary funds		<u>Ratings as of Year-End</u>
<u>Investment Type</u>	<u>Total</u>	<u>Unrated</u>
Money market funds	\$ 4,799	\$ 4,799
Mutual funds	196,652	196,652
	<u>\$ 201,451</u>	<u>\$ 201,451</u>

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012

NOTE 3 RECEIVABLES

Receivables, net of allowance for uncollectibles, as of year-end for the City's individual major governmental funds and nonmajor governmental funds in the aggregate are as follows:

Governmental Activities:

	General Fund	Grants	Capital Projects Fund	Road Tax Capital Projects	Non-Major Governmental Fund	Total
Receivables:						
Taxes	\$ 45,756	\$ -	\$ -	\$ 178,217	\$ 99	\$ 224,072
Accounts	-	-	-	-	1,838	1,838
	<u>45,756</u>	<u>-</u>	<u>-</u>	<u>178,217</u>	<u>1,937</u>	<u>225,910</u>
Less:						
Allowance	-	-	-	-	-	-
Net Receivables	<u>45,756</u>	<u>-</u>	<u>-</u>	<u>178,217</u>	<u>1,937</u>	<u>225,910</u>

The following table summarizes the City's receivables for the enterprise funds as of June 30, 2012.

Business-type Activities:

	Liquid Waste Fund	Solid Waste Fund	Liquid Waste Impact Fees Fund	Solid Waste Impact Fees Fund	Airport Fund	Total
Receivables:						
Accounts	\$ 412,300	\$ 494,521	\$ -	\$ -	\$ -	\$ 906,821
Less:						
Allowance	(353,755)	(415,277)	-	-	-	(769,032)
Net Receivables	<u>\$ 58,545</u>	<u>\$ 79,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,789</u>

Revenues of the Liquid Waste Fund and Solid Waste Fund are reported net of uncollectible amounts. Total uncollectible amounts related to liquid waste and solid waste revenues of the current period are \$41,358 and \$48,419, respectively.

CITY OF COOLIDGE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 4 CAPITAL ASSETS

A summary of capital assets activity for the fiscal year ended June 30, 2012 follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,969,759	\$ 2,450	\$ -	\$ -	\$ 1,972,209
Construction in progress	277,160	132,663	-	-	409,823
Total capital assets not being depreciated	2,246,919	135,113	-	-	2,382,032
Capital assets being depreciated:					
Infrastructure	64,377,913	773,778	-	-	65,151,691
Buildings and improvements	15,385,430	87,898	-	-	15,473,328
Vehicles, furniture and equipment	5,999,102	237,820	-	-	6,236,922
Total capital assets being depreciated	85,762,445	1,099,496	-	-	86,861,941
Less accumulated depreciation for:					
Infrastructure	(18,325,513)	(2,412,993)	-	-	(20,738,506)
Buildings and improvements	(3,245,278)	(214,422)	-	-	(3,459,700)
Vehicles, furniture and equipment	(3,791,407)	(599,949)	-	-	(4,391,356)
Total accumulated depreciation	(25,362,198)	(3,227,364)	-	-	(28,589,562)
Total capital assets, being depreciated, net	60,400,247	(2,127,868)	-	-	58,272,379
Governmental activities capital assets, net	\$ 62,647,166	\$ (1,992,755)	\$ -	\$ -	\$ 60,654,411
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 1,182,500	\$ -	\$ -	\$ -	\$ 1,182,500
Construction in progress	444,907	166,905	-	(26,452)	585,360
Total capital assets not being depreciated	1,627,407	166,905	-	(26,452)	1,767,860
Capital assets being depreciated:					
Land improvements	1,562,989	-	-	-	1,562,989
Airport hangar and improvements	115,160	-	-	-	115,160
Sewer treatment plant and collection system	24,294,724	20,248	-	-	24,314,972
Vehicles, machinery and equipment	1,269,229	182,883	-	26,452	1,478,564
Total capital assets being depreciated	27,242,102	203,131	-	26,452	27,471,685
Less accumulated depreciation for:					
Land improvements	(346,672)	(32,145)	-	-	(378,817)
Airport hangar and improvements	(66,497)	(161)	-	-	(66,658)
Sewer treatment plant and collection system	(2,884,439)	(477,827)	-	-	(3,362,266)
Vehicles, machinery and equipment	(626,198)	(104,267)	-	-	(730,465)
Total accumulated depreciation	(3,923,806)	(614,400)	-	-	(4,538,206)
Total capital assets, being depreciated, net	23,318,296	(411,269)	-	26,452	22,933,479
Business-type activities capital assets, net	\$ 24,945,703	\$ (244,364)	\$ -	\$ -	\$ 24,701,339

CITY OF COOLIDGE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 4 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 225,000
Public safety	425,154
Highways and streets	2,423,082
Culture and recreation	154,128
Total depreciation expense	<u>\$ 3,227,364</u>
Business-type activities:	
Wastewater	\$ 524,716
Sanitation	56,884
Airport	32,800
Total depreciation expense	<u>\$ 614,400</u>

NOTE 5 LOANS PAYABLE

The City issued long-term loans payable to provide funds for the acquisition and construction of major capital facilities. The loans payable at June 30, 2012, are as follows:

Description	Interest Rate (Including Fees)	Maturity	Outstanding Principal June 30, 2012	Due Within One Year
Governmental activities:				
Greater Arizona Development Authority Note	2.00%	08/01/03 - 22	\$ 2,450,000	\$ 180,000
Total Governmental activities			<u>\$ 2,450,000</u>	<u>\$ 180,000</u>
Business-type activities:				
Water Infrastructure Finance Authority Note	3.75%	07/01/98 - 18	\$ 261,564	\$ 33,369
Water Infrastructure Finance Authority Note	2.97%	07/01/10 - 29	1,430,350	87,090
Total Business-type activities			<u>\$ 1,691,914</u>	<u>\$ 120,459</u>
Total			<u>\$ 4,141,914</u>	<u>\$ 300,459</u>

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012

NOTE 5 LOANS PAYABLE (Continued)

Annual debt service requirements to maturity on the loans payable at June 30, 2012 are summarized as follows:

Fiscal year ending June 30,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 180,000	\$ 104,050	\$ 120,459	\$ 68,238	\$ 300,459	\$ 172,288
2014	185,000	96,750	124,295	64,341	309,295	161,091
2015	195,000	89,150	128,254	60,317	323,254	149,467
2016	205,000	80,996	132,342	56,163	337,342	137,159
2017	210,000	72,280	136,561	51,875	346,561	124,155
2018-2022	1,200,000	209,040	616,570	197,502	1,816,570	406,542
2023-2027	275,000	6,531	433,433	76,435	708,433	82,966
Total	<u>\$ 2,450,000</u>	<u>\$ 658,797</u>	<u>\$ 1,691,914</u>	<u>\$ 574,871</u>	<u>\$ 4,141,914</u>	<u>\$ 1,233,668</u>

NOTE 6 CAPITAL LEASES

Leases at June 30, 2012, included the following:

Governmental activities:

Lease with option to purchase the Kenilworth Sport Complex. Semiannual payments of \$300,200 including interest of 4.40%, due through September 30, 2010. On August 29, 2008, the City amended the terms of this lease agreement. The new terms of the agreement requires semiannual payments of approximately \$116,338 including interest of 4.15%, due through March 30, 2016.

\$ 849,560

The minimum lease payments by year are:

Fiscal year ending June 30,	Governmental Activities
2013	\$ 232,677
2014	232,672
2015	232,675
2016	232,673
Total minimum lease payments	930,697
Less: amount representing interest	(81,137)
Present value of future minimum lease payments	849,560
Less: current portion	(199,490)
Noncurrent portion	<u>\$ 650,070</u>

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012

NOTE 6 CAPITAL LEASES (CONTINUED)

Leased Capital Assets

The following is an analysis of the leased assets included in capital assets:

Asset	<u>Governmental Activities</u>
Land	\$ 2,500,000
Equipment	<u>366,256</u>
Subtotal	2,866,256
Less accumulated depreciation	<u>(366,256)</u>
Total	<u><u>\$ 2,500,000</u></u>

NOTE 7 LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require that the City place a final cover on its landfill when it stopped accepting waste in 1993 and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City reached 100 percent capacity in 1993. The City started installing its final cover in 2000. The estimated liabilities for landfill closure and post closure care are \$423,877 and \$242,979, respectively, which represent the estimated current costs that would be incurred if all equipment, facilities and services required to close, monitor and maintain the landfill were acquired as of June 30, 2012. However, the actual costs of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012

NOTE 8 CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 434,044	\$ 371,779	\$ (376,013)	\$ 429,810	\$ 230,158
Notes payable	2,625,000	-	(175,000)	2,450,000	180,000
Capital leases	1,041,020	-	(191,460)	849,560	199,490
Landfill closure and postclosure costs	652,948	13,908	-	666,856	-
Governmental activities long-term liabilities	<u>\$ 4,753,012</u>	<u>\$ 385,687</u>	<u>\$ (742,473)</u>	<u>\$ 4,396,226</u>	<u>\$ 609,648</u>
Business-type activities:					
Compensated absences	\$ 56,194	\$ 60,674	\$ (55,052)	\$ 61,816	\$ 40,799
Notes payable	1,808,656	-	(116,742)	1,691,914	120,459
Business-type activities long-term liabilities	<u>\$ 1,864,850</u>	<u>\$ 60,674</u>	<u>\$ (171,794)</u>	<u>\$ 1,753,730</u>	<u>\$ 161,258</u>

NOTE 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2012, interfund balances were as follows:

Interfund receivable/payable:

Fund	Receivable Amount	Payable Amount
General Fund	\$ 573,020	\$ -
Grants Fund	-	593,048
Road Tax Capital Projects Fund	61,429	-
Non-Major Governmental Funds	-	41,401
Liquid Waste Fund	73,593	-
Solid Waste Fund	-	73,593
Total	<u>\$ 708,042</u>	<u>\$ 708,042</u>

All interfund borrowing resulted from the borrowing of funds to cover cash deficits.

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012

NOTE 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund transfers:

Fund	Transfers Out	Transfers In
General Fund	\$ 61,148	\$ -
Grants Fund	-	-
Impact Fees Fund	-	229,341
Capital Projects Fund	515,491	-
Road Tax Capital Projects Fund	434,081	-
Non-Major Governmental Funds	-	789,830
Liquid Waste Fund	30,506	-
Liquid Waste Impact Fees Fund	-	-
Solid Waste Fund	42,939	-
Solid Waste Impact Fees Fund	40,000	-
Airport	-	104,994
Total	\$ 1,124,165	\$ 1,124,165

NOTE 10 CONTINGENT LIABILITIES

Federal and State grants and loans- The City has received a number of grants and loans from both the Federal and State governments. Although the programs have been audited, not all audits have been approved as of June 30, 2012; however, the City expects no material disallowances of expenditures.

Lawsuits - The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

CITY OF COOLIDGE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 11 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the City is a participating member.

The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has authority to assess its members additional premiums should reserve and annual premiums be insufficient to meet the pool's obligations. The maximum liability for the City for the fiscal year is \$10,000 and the deductible is \$5,000 per occurrence.

The City is insured by the Workers' Compensation Insurance Fund for potential worker-related accidents.

NOTE 12 RETIREMENT PLANS

All full-time City employees are covered by one of two contributory retirement and pension plans, which are administered by the State of Arizona under State Statute.

Arizona State Retirement Plan

Plan Description - The Arizona State Retirement System (ASRS) administers a cost-sharing multiple-employer defined benefits pension plan that covers general employees of the City. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of ARS Title 38, Chapter 5, Article 2. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. ASRS issues a publicly available report that includes financial statements and required supplementary information. The report may be obtained in writing at Arizona State

Retirement System, 3300 Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067 or by calling 602-240-2200 or 1-800-621-3778.

Funding Policy - The Arizona State Legislature establishes and may amend active plan members' and the City's contribution rates. For the year ended June 30, 2012, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 10.74 percent (10.50 percent retirement and 0.24 percent long-term disability) of the member's annual covered payroll. The City's contributions to ASRS for the years ended June 30, 2012, 2011, and 2010 were \$436,134, \$397,309, and \$418,690, respectively, which were equal to the required contributions for the year.

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012

NOTE 12 RETIREMENT PLANS (Continued)

Arizona Public Safety Personnel Retirement System

Plan Description - The Public Safety Personnel Retirement System (PSPRS) is an agent multiple-employer defined benefit pension plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS acting as a common investment and administrative agent is governed by a five-member board, known as The Fund Manager, and 167 local boards according to the provisions of ARS Title 38, Chapter 5, Article 4. The City contributes to one PSPRS plan for police and one for firefighters. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. PSPRS issues a publicly available report that includes financial statements and required supplementary information. The report may be obtained in writing at PSPRS, 1020 East Missouri Avenue, Phoenix, Arizona 85014 or by calling 602-255-5575.

Funding Policy - The Arizona State Legislature establishes and may amend active plan members' and the City's contribution rates. For the year ended June 30, 2012, active PSPRS members were required by statute to contribute 7.65 percent of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 14.83% and 7.53% of the covered payroll to the Plan for the Police and Firefighters, respectively.

Annual Pension Cost - The City's pension cost for the agent plan for the year ended June 30, 2012, and related information follows. The information in the required schedules was determined as part of the actuarial valuations completed 24 months prior to the effective date.

	PSPRS - Police	PSPRS - Fire
Contribution rates		
City - retirement	17.62%	7.89%
Plan members	8.65%	8.65%
Annual pension cost		
Retirement	\$303,631	\$12,752
Health insurance premium	\$22,796	\$1,084
Pension contributions made		
Retirement	\$303,631	\$12,752
Health insurance premium	\$22,796	\$1,084
Actuarial valuation date	June 30, 2012	June 30, 2012
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	8.0%	8.0%
Projected salary increases	5.0% - 9.0%	5.0% - 9.0%
Includes inflation at cost-of-living adjustment	5.0%	5.0%
Amortization method	Level percent Closed	Level percent Closed
Remaining amortization period	24 years underfunded 20 years overfunded	24 years underfunded 20 years overfunded
Asset valuation method	Smoothed market value	Smoothed market value

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012

NOTE 12 RETIREMENT PLANS (Continued)

Trend Information - Information for the PSPRS plan as of the most recent actuarial valuations follows:

Plan	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PSPRS - Police - Pension			
June 30, 2012	\$ 303,631	100.0%	\$ -
June 30, 2011	297,177	100.0%	-
June 30, 2010	161,639	100.0%	-
PSPRS - Police - Health Insurance			
June 30, 2012	22,796	100.0%	-
June 30, 2011	23,810	100.0%	-
June 30, 2010	17,568	100.0%	-
PSPRS - Fire - Pension			
June 30, 2012	12,752	100.0%	-
June 30, 2011	14,562	100.0%	-
June 30, 2010	13,054	100.0%	-
PSPRS - Fire - Health Insurance			
June 30, 2012	1,084	100.0%	-
June 30, 2011	947	100.0%	-
June 30, 2010	849	100.0%	-

Funding Progress - An analysis of funding progress for each of the agent plans as most recent actuarial valuations, June 30, 2012 follows:

PSPRS - Coolidge Police Pension Plan:

June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability AAL (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ((b-a)/c)
2012	\$ 5,143,910	\$ 8,509,770	\$ (3,365,860)	60.4%	\$ 1,445,925	232.8%
2011	5,042,947	7,503,322	(2,460,375)	67.2%	1,405,010	175.1%
2010	4,654,167	6,649,579	(1,995,412)	70.0%	1,681,861	118.6%

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012

NOTE 12 RETIREMENT PLANS (Continued)

PSPRS - Coolidge Police Health Insurance Plan:

June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability AAL (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ((b-a)/c)
2012	\$ -	\$ 261,683	\$ (261,683)	0.0%	\$ 1,445,925	18.1%
2011	-	265,139	(265,139)	0.0%	1,405,010	18.9%
2010	-	224,708	(224,708)	0.0%	1,681,861	13.4%

PSPRS - Coolidge Fire Pension Plan:

June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability AAL (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ((b-a)/c)
2012	\$ 246,467	\$ 161,078	\$ 85,389	153.0%	\$ 158,600	0.0%
2011	175,705	116,770	58,935	150.5%	150,617	0.0%
2010	131,463	83,701	47,762	157.1%	155,457	0.0%

PSPRS - Coolidge Fire Health Pension Plan:

June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability AAL (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ((b-a)/c)
2012	\$ -	\$ 5,963	\$ (5,963)	0.0%	\$ 158,600	3.8%
2011	-	4,743	(4,743)	0.0%	150,617	3.1%
2010	-	2,214	(2,214)	0.0%	155,457	1.4%

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial valuations of an ongoing plan 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. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012

NOTE 12 RETIREMENT PLANS (Continued)

Annual Required Contribution

PSPRS - Coolidge Police Health Insurance Plan:

June 30,	Fiscal Year Ended June 30,	Normal Cost (a)	Actuarial Accrued Liability (b)	Total (a+b)	Dollar Amount
2010	2012	0.73%	0.67%	1.40%	\$ 26,207
2009	2011	0.71%	0.62%	1.33%	24,256
2008	2010	0.54%	0.44%	0.98%	16,997

PSPRS - Coolidge Fire Health Insurance Plan:

June 30,	Fiscal Year Ended June 30,	Normal Cost (a)	Actuarial Accrued Liability (b)	Total (a+b)	Dollar Amount
2010	2012	0.43%	0.09%	0.52%	\$ 900
2009	2011	0.41%	0.06%	0.47%	794
2008	2010	0.37%	0.02%	0.39%	739

City of Coolidge Volunteer Fireman's Pension Plan

The City of Coolidge Part-time Firemen's Pension Plan is a single-employer defined contribution plan, which was approved by the City Council on January 1, 1988. The authority to establish and amend benefit provisions rests with the City Council.

The assets of the plan are valued annually and the earnings or loss is distributed among the participant's accounts in the plan. The only expenditures being made from this fund are administration fees, retirement payments, and refunds to those firefighters who leave the service of the Fire Department before becoming eligible for pension benefits. The cost of administering the plan is financed from investment earnings. Retirement with full benefits can be at age sixty-two (62) or twenty years of credited service. Volunteer fire fighters are 50% vested after 20 years of service with a 10% increase for each additional year. Fire fighters are fully vested after 25 years of service. As of June 30, 2012, there were 25 eligible employees participating in the plan. The plan is administered by the City and a board of trustees for the City's volunteer fire fighters.

Each participant must contribute 5% of covered compensation, which is equally matched by the City. Total covered compensation to volunteer fire fighters for the year ended June 30, 2012, was \$43,214 and the City's required and actual contributions amounted to \$2,028.

CITY OF COOLIDGE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 12 RETIREMENT PLANS (Continued)

As of June 30, 2012, the plan's assets consisted of the following:

Cash	\$ 60,291
Money market funds	4,799
Mutual funds	<u>196,652</u>
	<u>\$ 261,742</u>

The plan has never had an actuarial valuation; however, benefits cannot exceed plan assets. The market values of mutual funds are determined from readily available market quotations.

The fund uses the accrual basis of accounting. Contributions are recognized when earned; benefits and refunds are expensed when incurred.



OTHER SUPPLEMENTARY INFORMATION

COMBINING FUND FINANCIAL STATEMENTS

CITY OF COOLIDGE, ARIZONA
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 June 30, 2012

	Special Revenue		
	Highway User Fund	Transit	Court Surcharge
ASSETS			
Cash and cash equivalents	\$ -	\$ 28,967	\$ 63,764
Accounts receivable - net	1,155	683	-
Taxes receivable	-	-	-
Due from other governments	67,752	-	-
Total assets	<u>68,907</u>	<u>29,650</u>	<u>63,764</u>
LIABILITIES			
Accounts payable	\$ 7,397	\$ 8,858	\$ -
Accrued payroll and employee benefits	20,109	20,792	-
Due to other funds	41,401	-	-
Total liabilities	<u>68,907</u>	<u>29,650</u>	<u>-</u>
FUND BALANCES			
Restricted	-	-	63,764
Assigned	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>63,764</u>
Total liabilities and fund balance	<u>\$ 68,907</u>	<u>\$ 29,650</u>	<u>\$ 63,764</u>

Debt Service	Capital Projects		Total Non-Major Governmental Funds
	Sandia CFD	Martin Valley CFD	
\$ -	\$ 12,117	\$ 27,889	\$ 132,737
-	-	-	1,838
-	-	99	99
-	-	-	67,752
-	12,117	27,988	202,426
<hr/>			
\$ -	\$ 65	\$ 91	\$ 16,411
-	222	222	41,345
-	-	-	41,401
-	287	313	99,157
<hr/>			
-	-	-	63,764
-	11,830	27,675	39,505
<hr/>			
-	11,830	27,675	103,269
<hr/>			
\$ -	\$ 12,117	\$ 27,988	\$ 202,426

CITY OF COOLIDGE, ARIZONA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 Year ended June 30, 2012

REVENUE	Special Revenue		
	Highway User Fund	Transit	Court Surcharge
Taxes	\$ -	\$ -	\$ -
Intergovernmental	681,592	57,427	-
Fines and forfeitures	-	-	6,624
Charges for services	4,849	43,038	-
Investment income	-	-	122
Contributions	-	15,415	-
Miscellaneous	1,287	5,525	-
Total revenue	<u>687,728</u>	<u>121,405</u>	<u>6,746</u>
EXPENDITURES			
Current			
Public safety	-	-	2,997
Highways and streets	1,024,571	308,659	-
Redevelopment and housing	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>1,024,571</u>	<u>308,659</u>	<u>2,997</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(336,843)</u>	<u>(187,254)</u>	<u>3,749</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>336,843</u>	<u>166,837</u>	<u>-</u>
Total other financing sources (uses)	<u>336,843</u>	<u>166,837</u>	<u>-</u>
Net change in fund balances	-	(20,417)	3,749
Fund balance, beginning of year	<u>-</u>	<u>20,417</u>	<u>60,015</u>
Fund balance, end of year	<u>-</u>	<u>-</u>	<u>63,764</u>

Debt Service	Capital Projects		Total Non-Major Governmental Funds
	Sandia CFD	Martin Valley CFD	
\$ -	\$ 2,299	\$ 4,401	\$ 6,700
-	-	-	739,019
-	-	-	6,624
-	-	-	47,887
-	21	19	162
-	-	-	15,415
-	-	-	6,812
<u>-</u>	<u>2,320</u>	<u>4,420</u>	<u>822,619</u>
-	-	-	2,997
-	-	-	1,333,230
-	2,367	3,647	6,014
175,000	-	-	175,000
111,150	-	-	111,150
<u>286,150</u>	<u>2,367</u>	<u>3,647</u>	<u>1,628,391</u>
<u>(286,150)</u>	<u>(47)</u>	<u>773</u>	<u>(805,772)</u>
<u>286,150</u>	<u>-</u>	<u>-</u>	<u>789,830</u>
<u>286,150</u>	<u>-</u>	<u>-</u>	<u>789,830</u>
-	(47)	773	(15,942)
<u>-</u>	<u>11,877</u>	<u>26,902</u>	<u>119,211</u>
<u>-</u>	<u>11,830</u>	<u>27,675</u>	<u>103,269</u>



OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

MAJOR GOVERNMENTAL FUNDS

CITY OF COOLIDGE, ARIZONA
GENERAL GOVERNMENT IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 1,545,120	\$ 1,545,120	\$ 96,684	\$ (1,448,436)
Investment income	935	935	1,289	354
Total revenue	<u>1,546,055</u>	<u>1,546,055</u>	<u>97,973</u>	<u>(1,448,082)</u>
EXPENDITURES				
Current				
Public safety	-	-	3,404	(3,404)
Capital outlay	791,637	791,637	293,054	498,583
Debt service				
Principal	191,460	191,460	191,460	-
Interest and other charges	<u>41,216</u>	<u>41,216</u>	<u>41,216</u>	<u>-</u>
Total expenditures	<u>1,024,313</u>	<u>1,024,313</u>	<u>529,134</u>	<u>495,179</u>
Excess (deficiency) of revenue over expenditures	<u>521,742</u>	<u>521,742</u>	<u>(431,161)</u>	<u>(952,903)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	229,341	229,341
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>229,341</u>	<u>229,341</u>
Net changes in fund balances	521,742	521,742	(201,820)	(723,562)
Fund balances, beginning of year	<u>(521,742)</u>	<u>(521,742)</u>	<u>641,082</u>	<u>1,162,824</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 439,262</u>	<u>\$ 439,262</u>

CITY OF COOLIDGE, ARIZONA
 CAPITAL IMPROVEMENT PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
 AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 500,000	\$ 500,000	\$ 1,209,212	\$ 709,212
Charge for services	46,388	46,388	-	(46,388)
Investment income	3,000	3,000	806	(2,194)
Total revenue	<u>549,388</u>	<u>549,388</u>	<u>1,210,018</u>	<u>660,630</u>
EXPENDITURES				
Current				
Capital outlay	1,309,760	1,309,760	143,378	1,166,382
Total expenditures	<u>1,309,760</u>	<u>1,309,760</u>	<u>143,378</u>	<u>1,166,382</u>
Excess (deficiency) of revenue over (under) expenditures	(760,372)	(760,372)	1,066,640	1,827,012
OTHER FINANCING SOURCES (USES)				
Transfers out	(418,950)	(418,950)	(515,491)	(96,541)
Total other financing sources and uses	<u>(418,950)</u>	<u>(418,950)</u>	<u>(515,491)</u>	<u>(96,541)</u>
Net changes in fund balances	(1,179,322)	(1,179,322)	551,149	1,730,471
Fund balances, beginning of year	<u>1,179,322</u>	<u>1,179,322</u>	<u>62,525</u>	<u>(1,116,797)</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 613,674</u>	<u>\$ 613,674</u>



OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

**NON-MAJOR GOVERNMENTAL FUNDS
AND ENTERPRISE FUNDS**

CITY OF COOLIDGE, ARIZONA
ROAD TAX CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Intergovernmental	\$ 1,081,325	\$ 1,081,325	\$ 405,818	\$ (675,507)
Investment income	6,000	6,000	3,581	(2,419)
Miscellaneous	-	-	667	667
Total revenue	<u>1,087,325</u>	<u>1,087,325</u>	<u>410,066</u>	<u>(677,259)</u>
EXPENDITURES				
Current				
Highways and streets	-	-	45,712	(45,712)
Capital outlay	<u>2,264,406</u>	<u>2,264,406</u>	<u>215,496</u>	<u>2,048,910</u>
Total expenditures	<u>2,264,406</u>	<u>2,264,406</u>	<u>261,208</u>	<u>2,003,198</u>
Excess (deficiency) of revenue over expenditures	(1,177,081)	(1,177,081)	148,858	1,325,939
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(419,119)</u>	<u>(419,119)</u>	<u>(434,081)</u>	<u>(14,962)</u>
Total other financing sources and uses	<u>(419,119)</u>	<u>(419,119)</u>	<u>(434,081)</u>	<u>(14,962)</u>
Net changes in fund balances	(1,596,200)	(1,596,200)	(285,223)	1,310,977
Fund balances, beginning of year	<u>1,596,200</u>	<u>1,596,200</u>	<u>1,775,549</u>	<u>179,349</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,490,326</u>	<u>\$ 1,490,326</u>

CITY OF COOLIDGE, ARIZONA
HIGHWAY USER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Intergovernmental	\$ 681,809	\$ 681,809	\$ 681,592	\$ (217)
Charges for services	-	-	4,849	4,849
Miscellaneous	1,500	1,500	1,287	(213)
Total revenue	<u>683,309</u>	<u>683,309</u>	<u>687,728</u>	<u>4,419</u>
EXPENDITURES				
Current				
Highways and streets	1,005,190	1,005,190	1,024,571	(19,381)
Total expenditures	<u>1,005,190</u>	<u>1,005,190</u>	<u>1,024,571</u>	<u>(19,381)</u>
Excess (deficiency) of revenue over expenditures	(321,881)	(321,881)	(336,843)	(14,962)
OTHER FINANCING SOURCES (USES)				
Transfers in	321,881	321,881	336,843	14,962
Total other financing sources (uses)	<u>321,881</u>	<u>321,881</u>	<u>336,843</u>	<u>14,962</u>
Net changes in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF COOLIDGE, ARIZONA
TRANSIT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Intergovernmental	\$ 82,526	\$ 82,526	\$ 57,427	\$ (25,099)
Charges for services	40,000	40,000	43,038	3,038
Contributions	12,000	12,000	15,415	3,415
Miscellaneous	-	-	5,525	5,525
Total revenue	<u>134,526</u>	<u>134,526</u>	<u>121,405</u>	<u>(13,121)</u>
EXPENDITURES				
Current				
Highways and streets	<u>446,196</u>	<u>446,196</u>	<u>308,659</u>	<u>137,537</u>
Total expenditures	<u>446,196</u>	<u>446,196</u>	<u>308,659</u>	<u>137,537</u>
Excess (deficiency) of revenue over expenditures	(311,670)	(311,670)	(187,254)	124,416
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>311,670</u>	<u>311,670</u>	<u>166,837</u>	<u>(144,833)</u>
Total other financing sources and uses	<u>311,670</u>	<u>311,670</u>	<u>166,837</u>	<u>(144,833)</u>
Net changes in fund balances	-	-	(20,417)	(20,417)
Fund balances, beginning of year	-	-	20,417	20,417
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF COOLIDGE, ARIZONA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt service				
Principal	175,000	175,000	175,000	-
Interest and debt costs	<u>111,150</u>	<u>111,150</u>	<u>111,150</u>	<u>-</u>
Total expenditures	<u>286,150</u>	<u>286,150</u>	<u>286,150</u>	<u>-</u>
Excess (deficiency) of revenue over (under) expenditures	(286,150)	(286,150)	(286,150)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>286,150</u>	<u>286,150</u>	<u>286,150</u>	<u>-</u>
Total other financing sources (uses)	<u>286,150</u>	<u>286,150</u>	<u>286,150</u>	<u>-</u>
Net changes in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF COOLIDGE, ARIZONA
SANDIA COMMUNITY FACILITIES DISTRICT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,731	\$ 2,731	\$ 2,299	\$ (432)
Investment Income	15	15	21	6
Other revenue	5,000	5,000	-	(5,000)
Total revenue	<u>7,746</u>	<u>7,746</u>	<u>2,320</u>	<u>(5,426)</u>
EXPENDITURES				
Current				
Highways and streets	<u>16,897</u>	<u>16,897</u>	<u>2,367</u>	<u>14,530</u>
Total expenditures	<u>16,897</u>	<u>16,897</u>	<u>2,367</u>	<u>14,530</u>
Excess (deficiency) of revenue over expenditures	<u>(9,151)</u>	<u>(9,151)</u>	<u>(47)</u>	<u>9,104</u>
Net changes in fund balances	(9,151)	(9,151)	(47)	9,104
Fund balances, beginning of year	<u>9,151</u>	<u>9,151</u>	<u>11,877</u>	<u>2,726</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,830</u>	<u>\$ 11,830</u>

CITY OF COOLIDGE, ARIZONA
MARTIN VALLEY COMMUNITY FACILITIES DISTRICT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 4,563	\$ 4,563	\$ 4,401	\$ (162)
Investment Income	20	20	19	(1)
Total revenue	<u>4,583</u>	<u>4,583</u>	<u>4,420</u>	<u>(163)</u>
EXPENDITURES				
Current				
Redevelopment and housing	<u>30,574</u>	<u>30,574</u>	<u>3,647</u>	<u>26,927</u>
Total expenditures	<u>30,574</u>	<u>30,574</u>	<u>3,647</u>	<u>26,927</u>
Excess (deficiency) of revenue over expenditures	<u>(25,991)</u>	<u>(25,991)</u>	<u>773</u>	<u>26,764</u>
Net changes in fund balances	(25,991)	(25,991)	773	26,764
Fund balances, beginning of year	<u>25,991</u>	<u>25,991</u>	<u>26,902</u>	<u>911</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,675</u>	<u>\$ 27,675</u>

CITY OF COOLIDGE, ARIZONA
LIQUID WASTE ENTERPISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Operating Revenue				
Charges for services	\$ 788,776	\$ 788,776	\$ 840,139	\$ 51,363
Total operating revenue	<u>788,776</u>	<u>788,776</u>	<u>840,139</u>	<u>51,363</u>
Operating Expenses				
Costs of services	978,849	978,849	554,393	424,456
Depreciation	-	-	524,716	(524,716)
Total operating expenses	<u>978,849</u>	<u>978,849</u>	<u>1,079,109</u>	<u>(100,260)</u>
Operating income (loss)	<u>(190,073)</u>	<u>(190,073)</u>	<u>(238,970)</u>	<u>(48,897)</u>
Nonoperating revenue (expenses)				
Investment revenue	125	125	1,056	931
Interest expense	(188,756)	(188,756)	(41,841)	146,915
Total nonoperation revenue (expenses)	<u>(188,631)</u>	<u>(188,631)</u>	<u>(40,785)</u>	<u>147,846</u>
Income (loss) before contributions, gains, losses, and transfers	(378,704)	(378,704)	(279,755)	98,949
Capital contributions from grants	-	-	20,248	20,248
Transfers out	<u>(30,506)</u>	<u>(30,506)</u>	<u>(30,506)</u>	<u>-</u>
Change in net assets	(409,210)	(409,210)	(290,013)	119,197
Fund balances, beginning of year	<u>409,210</u>	<u>409,210</u>	<u>21,949,573</u>	<u>21,540,363</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,659,560</u>	<u>\$ 21,659,560</u>

CITY OF COOLIDGE, ARIZONA
SOLID WASTE ENTERPIRSE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenue				
Charges for services	\$ 921,547	\$ 921,547	\$ 860,899	\$ (60,648)
Total operating revenue	<u>921,547</u>	<u>921,547</u>	<u>860,899</u>	<u>(60,648)</u>
Operating Expenses				
Costs of services	1,018,316	1,018,316	984,779	33,537
Depreciation	-	-	56,884	(56,884)
Total operating expenses	<u>1,018,316</u>	<u>1,018,316</u>	<u>1,041,663</u>	<u>(23,347)</u>
Operating income (loss)	<u>(96,769)</u>	<u>(96,769)</u>	<u>(180,764)</u>	<u>(83,995)</u>
Nonoperating revenue (expenses)				
Investment revenue	600	600	342	(258)
Interest expense	-	-	-	-
Total nonoperation revenue (expenses)	<u>600</u>	<u>600</u>	<u>342</u>	<u>(258)</u>
Income (loss) before contributions, gains, losses, and transfers	(96,169)	(96,169)	(180,422)	(84,253)
Transfers out	<u>(82,939)</u>	<u>(82,939)</u>	<u>(42,939)</u>	<u>40,000</u>
Change in net assets	(179,108)	(179,108)	(223,361)	(44,253)
Fund balances, beginning of year	<u>179,108</u>	<u>179,108</u>	<u>555,721</u>	<u>376,613</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 332,360</u>	<u>\$ 332,360</u>

CITY OF COOLIDGE, ARIZONA
LIQUID WASTE IMPACT FEES ENTERPIRSE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenue				
Charges for services	\$ 16,242	\$ 16,242	\$ -	\$ (16,242)
Total operating revenue	<u>16,242</u>	<u>16,242</u>	<u>-</u>	<u>(16,242)</u>
Operating Expenses				
Costs of services	-	-	-	-
Depreciation	-	-	-	-
Total operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating income (loss)	<u>16,242</u>	<u>16,242</u>	<u>-</u>	<u>(16,242)</u>
Nonoperating revenue (expenses)				
Investment revenue	200	200	460	260
Developer expense	(66,730)	(66,730)	-	66,730
Total nonoperation revenue (expenses)	<u>(66,530)</u>	<u>(66,530)</u>	<u>460</u>	<u>66,990</u>
Change in net assets	(50,288)	(50,288)	460	50,748
Fund balances, beginning of year	<u>50,288</u>	<u>50,288</u>	<u>42,820</u>	<u>(7,468)</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,280</u>	<u>\$ 43,280</u>

CITY OF COOLIDGE, ARIZONA
SOLID WASTE IMPACT FEES ENTERPIRSE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenue				
Charges for services	\$ 618	\$ 618	\$ -	\$ (618)
Total operating revenue	<u>618</u>	<u>618</u>	<u>-</u>	<u>(618)</u>
Operating Expenses				
Costs of services	-	-	-	-
Depreciation	-	-	-	-
Total operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating income (loss)	<u>618</u>	<u>618</u>	<u>-</u>	<u>(618)</u>
Nonoperating revenue (expenses)				
Investment revenue	150	150	218	68
Interest expense	-	-	-	-
Developer expense	<u>(117,971)</u>	<u>(117,971)</u>	<u>-</u>	<u>117,971</u>
Total nonoperation revenue (expenses)	<u>(117,821)</u>	<u>(117,821)</u>	<u>218</u>	<u>118,039</u>
Income (loss) before contributions, gains, losses, and transfers	(117,203)	(117,203)	218	117,421
Transfers out	<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>(40,000)</u>
Change in net assets	(117,203)	(117,203)	(39,782)	77,421
Fund balances, beginning of year	<u>117,203</u>	<u>117,203</u>	<u>117,055</u>	<u>(148)</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,273</u>	<u>\$ 77,273</u>

CITY OF COOLIDGE, ARIZONA
 AIRPORT ENTERPRISE FUND
 SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Operating Revenue				
Charges for services	\$ 46,531	\$ 46,531	\$ 40,494	\$ (6,037)
Total operating revenue	<u>46,531</u>	<u>46,531</u>	<u>40,494</u>	<u>(6,037)</u>
Operating Expenses				
Costs of services	142,205	142,205	81,303	60,902
Depreciation	-	-	32,800	(32,800)
Total operating expenses	<u>142,205</u>	<u>142,205</u>	<u>114,103</u>	<u>28,102</u>
Operating income (loss)	<u>(95,674)</u>	<u>(95,674)</u>	<u>(73,609)</u>	<u>22,065</u>
Nonoperating revenue (expenses)				
Investment revenue	15	15	7	(8)
Miscellaneous income	4,500	4,500	-	(4,500)
Total nonoperation revenue (expenses)	<u>4,515</u>	<u>4,515</u>	<u>7</u>	<u>(4,508)</u>
Income (loss) before contributions, gains, losses, and transfers	(91,159)	(91,159)	(73,602)	17,557
Capital contributions from grants	-	-	229,910	229,910
Transfers in	91,159	91,159	104,994	13,835
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	-	-	261,302	261,302
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>1,452,466</u>	<u>1,452,466</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,713,768</u>	<u>\$ 1,713,768</u>

OTHER SUPPLEMENTARY INFORMATION

CAPITAL ASSETS



CITY OF COOLIDGE
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY SOURCE
 June 30, 2012

Governmental funds capital assets

Land	\$ 1,972,209
Buildings and improvements	15,473,328
Vehicles, machinery and equipment	6,236,922
Infrastructure	65,151,691
Construction in progress	<u>409,823</u>
Total governmental funds capital assets	<u><u>\$ 89,243,973</u></u>

Investment in governmental funds capital assets by source

Government funds	<u>\$ 89,243,973</u>
Total governmental funds capital assets	<u><u>\$ 89,243,973</u></u>

CITY OF COOLIDGE
 CAPTIAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 June 30, 2012

Function and Activity	Land	Buildings and Improvements	Vehicles, Machinery and Equipment
General Government	\$ 739,065	\$ 3,236,104	\$ 1,354,195
Highways and Streets	788,046	1,081,738	2,951,047
Public Safety	118,504	4,046,429	1,761,367
Culture and Recreation	326,594	7,109,057	170,313
Total governmental funds capital assets	<u>\$ 1,972,209</u>	<u>\$ 15,473,328</u>	<u>\$ 6,236,922</u>

Infrastructure	Construction in Progress	Total
\$ -	\$ -	\$ 5,329,364
64,959,286	409,823	70,189,940
192,405		6,118,705
-		7,605,964
<u>\$ 65,151,691</u>	<u>\$ 409,823</u>	<u>\$ 89,243,973</u>

CITY OF COOLIDGE
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 June 30, 2012

Function and Activity	Governmental Funds Capital Assets			Deductions	Governmental Funds Capital Assets
	July 1, 2011	Additions			June 30, 2012
General Government	\$ 5,229,041	\$ 100,323	\$ -	\$ 5,329,364	
Highways and Streets	69,246,708	943,232	-	70,189,940	
Public Safety	5,933,375	185,330	-	6,118,705	
Culture and Recreation	7,600,240	5,724	-	7,605,964	
Total governmental funds capital assets	\$ 88,009,364	\$ 1,234,609	\$ -	\$ 89,243,973	

STATISTICAL SECTION



STATISTICAL SECTION

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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	95
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Operating Information

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

City of Coolidge
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal			
	2012	2011	2010	2009
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 57,354,851	\$ 58,981,146	\$ 60,590,221	\$ 60,576,123
Restricted	2,460,226	2,896,898	3,377,216	4,933,700
Unrestricted	<u>4,926,034</u>	<u>4,718,631</u>	<u>2,971,682</u>	<u>3,347,070</u>
Total Governmental Activities Net Assets	<u>64,741,111</u>	<u>66,596,675</u>	<u>66,939,119</u>	<u>68,856,893</u>
Business-type Activities				
Invested in Capital Assets, Net of Related Debt	23,009,425	23,137,047	23,426,566	22,659,188
Restricted	232,058	271,287	244,382	763,986
Unrestricted	<u>584,748</u>	<u>709,301</u>	<u>687,527</u>	<u>458,073</u>
Total Business-type Activities Net Assets	<u>23,826,231</u>	<u>24,117,635</u>	<u>24,358,475</u>	<u>23,881,247</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	80,364,276	82,118,193	84,016,787	83,235,311
Restricted	2,692,284	3,168,185	3,621,598	5,697,686
Unrestricted	<u>5,510,782</u>	<u>5,427,932</u>	<u>3,659,209</u>	<u>3,805,143</u>
Total Primary Government Net Assets	<u>\$ 88,567,342</u>	<u>\$ 90,714,310</u>	<u>\$ 91,297,594</u>	<u>\$ 92,738,140</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

Table 1

I Year	Fiscal Year				
	2008	2007	2006	2005	2004
\$ 56,207,935	\$ 22,099,389	\$ 19,795,743	\$ 20,115,262	\$ 17,484,497	
5,314,529	302,185	291,447	330,576	-	
<u>4,251,207</u>	<u>9,136,231</u>	<u>6,579,524</u>	<u>937,586</u>	<u>1,384,788</u>	
<u>65,773,671</u>	<u>31,537,805</u>	<u>26,666,714</u>	<u>21,383,424</u>	<u>18,869,285</u>	
22,457,036	11,307,071	7,220,556	4,026,363	2,783,987	
869,853	-	-	-	-	
<u>428,939</u>	<u>2,279,036</u>	<u>4,960,256</u>	<u>1,592,875</u>	<u>589,093</u>	
<u>23,755,828</u>	<u>13,586,107</u>	<u>12,180,812</u>	<u>5,619,238</u>	<u>3,373,080</u>	
78,664,971	33,406,460	27,016,299	24,141,625	20,268,484	
6,184,382	302,185	291,447	330,576	-	
<u>4,680,146</u>	<u>11,415,267</u>	<u>11,539,780</u>	<u>2,530,461</u>	<u>1,973,881</u>	
<u>\$ 89,529,499</u>	<u>\$ 45,123,912</u>	<u>\$ 38,847,526</u>	<u>\$ 27,002,662</u>	<u>\$ 22,242,365</u>	

City of Coolidge
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2012	2011	2010
Expenses			
Governmental Activities:			
General Government	\$ 2,501,833	\$ 2,885,857	\$ 3,104,535
Public safety	5,900,691	5,061,857	5,182,718
Highways and streets	4,421,687	4,463,941	3,819,264
Transportation	-	-	-
Culture and recreation	1,053,273	901,294	954,825
Redevelopment and housing	916,594	1,506,637	1,883,403
Interest on Long-term Debt	139,697	166,222	173,270
Total Governmental Activities Expenses	<u>\$ 14,933,775</u>	<u>\$ 14,985,808</u>	<u>\$ 15,118,015</u>
Business-type Activities			
Liquid waste	\$ 1,120,950	\$ 1,030,066	\$ 1,155,920
Solid waste	1,041,663	1,042,725	893,302
Liquid waste impact fees	-	5,051	46,355
Solid waste impact fees	-	470	9,923
Other enterprise funds ⁺	114,103	64,943	102,608
Total Business-type Activities Expenses	<u>\$ 2,276,716</u>	<u>\$ 2,143,255</u>	<u>\$ 2,208,108</u>
Total Primary Government Expenses	<u>\$ 17,210,491</u>	<u>\$ 17,129,063</u>	<u>\$ 17,326,123</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

⁺ Other enterprise funds consist primarily of the Municipal Airport and (Cable Television through fiscal year 2007).

Table 2

Fiscal Year 2009	2008	Fiscal Year 2007	2006	2005	2004
\$ 3,089,919	\$ 3,258,080	\$ 3,622,686	\$ 3,844,106	\$ 2,572,541	\$ 1,556,409
5,027,245	4,795,539	3,877,332	3,075,765	2,755,774	2,696,908
3,953,393	4,755,972	1,927,366	1,727,973	1,434,374	1,122,987
-	-	-	-	-	289,306
925,084	951,912	1,758,037	1,268,431	849,190	935,767
2,257,917	2,023,618	565,959	-	-	-
226,066	313,485	232,185	164,264	178,771	209,739
<u>\$ 15,479,624</u>	<u>\$ 16,098,606</u>	<u>\$ 11,983,565</u>	<u>\$ 10,080,539</u>	<u>\$ 7,790,650</u>	<u>\$ 6,811,116</u>
\$ 1,086,783	\$ 935,975	\$ 534,890	\$ 399,020	\$ 441,007	\$ 421,886
909,606	952,094	790,003	674,740	598,502	556,257
23,010	18,904	-	-	-	-
26,857	19,064	-	-	-	-
136,184	124,050	92,681	181,373	115,114	188,568
<u>\$ 2,182,440</u>	<u>\$ 2,050,087</u>	<u>\$ 1,417,574</u>	<u>\$ 1,255,133</u>	<u>\$ 1,154,623</u>	<u>\$ 1,166,711</u>
<u>\$ 17,662,064</u>	<u>\$ 18,148,693</u>	<u>\$ 13,401,139</u>	<u>\$ 11,335,672</u>	<u>\$ 8,945,273</u>	<u>\$ 7,977,827</u>

continued

City of Coolidge
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year		
	2012	2011	2010
Program Revenue			
Governmental Activities:			
Fees, Fines and Charges for Services:			
General Government	\$ 266,048	\$ 154,360	\$ 146,116
Public safety	352,314	444,401	25,516
Highway and streets	66,212	18,272	26,996
Transportation	-	-	-
Culture and recreation	107,561	117,708	380,973
Redevelopment and housing	115,924	77,722	174,800
Interest on long-term debt	-	-	-
Operating Grants and Contributions	2,472,170	2,858,145	2,125,970
Capital Grants and Contributions	1,251,550	1,919,637	2,344,111
Total Governmental Activities Program Revenues	<u>\$ 4,631,779</u>	<u>\$ 5,590,245</u>	<u>\$ 5,224,482</u>
Business-type Activities			
Charges for Services:			
Liquid waste	\$ 840,139	\$ 914,912	\$ 861,102
Solid waste	860,889	811,908	766,776
Liquid waste impact fees	-	-	-
Solid waste impact fees	-	-	-
Other enterprise funds ⁺	40,494	42,266	63,025
Operating Grants and Contributions	-	-	-
Capital Grants and Contributions	250,158	20,033	800,927
Total Business-type Activities Revenues	<u>1,991,680</u>	<u>1,789,119</u>	<u>2,491,830</u>
Total Primary Government Revenues	<u>\$ 6,623,459</u>	<u>\$ 7,379,364</u>	<u>\$ 7,716,312</u>
Net (Expense)/Revenue			
Governmental Activities	\$ (10,301,996)	\$ (9,395,563)	\$ (9,893,533)
Business-type Activities	(285,036)	(354,136)	283,722
Total Primary Government Net Revenue	<u>\$ (10,587,032)</u>	<u>\$ (9,749,699)</u>	<u>\$ (9,609,811)</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

⁺ Other enterprise funds consist primarily of the Municipal Airport and (Cable Television through fiscal year 2007).

Table 2

	Fiscal Year					
	2009	2008	2007	2006	2005	2004
\$	194,339	\$ 78,650	\$ 1,892,118	\$ 2,404,493	\$ 1,261,274	\$ 315,329
	46,480	57,871	136,008	53,590	82,911	60,862
	19,100	26,190	47,621	30,868	93,074	-
	-	-	-	-	-	-
	297,968	281,668	118,573	82,423	62,768	-
	303,002	796,488	-	-	-	-
	-	-	-	-	-	-
	2,853,636	1,678,488	1,611,661	1,317,004	1,210,747	1,756,245
	<u>6,680,438</u>	<u>8,523,642</u>	<u>1,856,872</u>	<u>1,281,692</u>	<u>320,397</u>	<u>630,389</u>
\$	<u>10,394,963</u>	<u>11,442,997</u>	<u>5,662,853</u>	<u>5,170,070</u>	<u>3,031,171</u>	<u>2,762,825</u>
\$	899,488	\$ 721,406	\$ 568,928	\$ 461,190	\$ 411,154	\$ 379,863
	916,157	998,075	929,452	818,449	733,889	711,239
	-	-	-	-	-	-
	-	-	-	-	-	-
	64,930	50,856	54,954	66,663	63,737	208,987
	-	-	-	-	-	-
	<u>290,109</u>	<u>9,529,705</u>	<u>-</u>	<u>763,704</u>	<u>221,832</u>	<u>132,634</u>
	<u>2,170,684</u>	<u>11,300,042</u>	<u>1,553,334</u>	<u>2,110,006</u>	<u>1,430,612</u>	<u>1,432,723</u>
\$	<u>12,565,647</u>	<u>22,743,039</u>	<u>7,216,187</u>	<u>7,280,076</u>	<u>4,461,783</u>	<u>4,195,548</u>
\$	(5,084,661)	\$ (4,655,609)	\$ (6,320,712)	\$ (4,910,469)	\$ (4,759,479)	\$ (4,048,291)
	(11,756)	9,249,955	135,760	854,873	275,989	266,012
\$	<u>(5,096,417)</u>	<u>4,594,346</u>	<u>(6,184,952)</u>	<u>(4,055,596)</u>	<u>(4,483,490)</u>	<u>(3,782,279)</u>

continued

City of Coolidge
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2012	2011	2010	2009
Governmental Revenues and Other Changes in Net Assets				
Governmental Activities				
Sales taxes	\$ 4,836,847	\$ 6,037,445	\$ 4,927,926	\$ 4,785,811
Property taxes	707,216	699,862	648,648	621,989
Sales taxes, levied for capital projects	-	-	-	-
Franchise taxes	294,566	282,896	269,567	268,359
Impact Fees	-	-	-	-
State shared revenues-not restricted* to specific programs	2,442,437	1,947,219	2,168,886	2,411,507
Investment income	16,081	13,528	28,712	118,242
Miscellaneous	140,834	114,123	46,316	32,889
Transfers in (out)	8,451	(41,954)	(114,296)	(70,914)
Total Governmental Activities	\$ 8,446,432	\$ 9,053,119	\$ 7,975,759	\$ 8,167,883
Business-type activities				
Impact Fees	\$ -	-	\$ -	\$ -
Investment income	2,083	1,306	5,065	20,057
Miscellaneous	-	70,036	74,145	46,204
Transfers in (out)	(8,451)	41,954	114,296	70,914
Total Business-type Activities	\$ (6,368)	\$ 113,296	\$ 193,506	\$ 137,175
Changes in Net Assets				
Governmental Activities	\$ (1,855,564)	\$ (342,444)	\$ (1,917,774)	\$ 3,083,222
Business-type Activities	(291,404)	(240,840)	477,228	125,419
Total Primary Government	\$ (2,146,968)	\$ (583,284)	\$ (1,440,546)	\$ 3,208,641

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004

* State shared revenue-not restricted to specific programs was broken out for the years ended 2004-2007 and included State revenue sharing, State sales tax revenue sharing, and Auto lieu tax revenue sharing.

Table 2

Fiscal Year				
2008	2007	2006	2005	2004
\$ 5,289,729	\$ 7,374,385	\$ 5,881,020	\$ 3,550,009	\$ 1,605,582
596,476	392,270	342,879	337,436	308,630
-	-	-	-	535,194
276,939	251,512	211,025	179,702	170,195
-	532,101	1,372,499	601,184	-
4,107,361	2,218,331	2,119,892	1,813,995	1,722,835
282,126	437,553	172,420	27,003	28,613
169,007	-	-	-	150,120
(45,019)	(14,349)	94,024	117,085	74,147
<u>\$ 10,676,619</u>	<u>\$ 11,191,803</u>	<u>\$ 10,193,759</u>	<u>\$ 6,626,414</u>	<u>\$ 4,595,316</u>
\$ -	\$ 1,094,736	\$ 5,668,242	\$ 1,585,052	\$ -
63,820	160,450	132,483	14,549	5,255
12,056	-	-	-	26,509
45,019	14,349	(94,024)	(117,085)	(74,147)
<u>\$ 120,895</u>	<u>\$ 1,269,535</u>	<u>\$ 5,706,701</u>	<u>\$ 1,482,516</u>	<u>\$ (42,383)</u>
\$ 6,021,010	\$ 4,871,091	\$ 5,283,290	\$ 1,866,935	\$ 547,025
9,370,850	1,405,295	6,561,574	1,758,505	223,629
<u>\$ 15,391,860</u>	<u>\$ 6,276,386</u>	<u>\$ 11,844,864</u>	<u>\$ 3,625,440</u>	<u>\$ 770,654</u>

concluded

City of Coolidge
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2012	2011	2010	2009	2008
General Fund					
Reserved	-	-	-	-	-
Unreserved	-	-	3,181,090	3,443,906	5,210,254
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	\$ 1,176,292	\$ 270,029			
Unassigned	<u>4,203,097</u>	<u>5,394,109</u>			
Total General Fund	<u>\$ 5,379,389</u>	<u>\$ 5,664,138</u>	<u>\$ 3,181,090</u>	<u>\$ 3,443,906</u>	<u>\$ 5,210,254</u>
All Other Governmental Funds					
Reserved	-		-	-	-
Unreserved Reported in:					
Special Revenue Funds			(230,265)	532,632	1,764,768
Capital Projects Funds			3,249,442	4,122,021	3,188,892
Restricted Reported in:			-	-	-
Special Revenue Funds	530,638	367,514			
Capital Projects Funds	1,929,588	2,416,631			
Assigned Reported in:					
Special Revenue Funds					
Capital Projects Funds	653,179	101,304			
Unassigned	-	-			
Total All Other Governmental Funds	<u>\$ 3,113,405</u>	<u>\$ 2,885,449</u>	<u>\$ 3,019,177</u>	<u>\$ 4,654,653</u>	<u>\$ 4,953,660</u>

GASB Statement NO. 54 established new categories for reporting fund balance for Fiscal Year 2011. Fund balances are now reported as Restricted, Assigned, or Unassigned per the City's Fund Balance Policy.

Table 3

Fiscal Year				
2007	2006	2005	2004	2003
-	-	-	-	-
5,926,985	4,286,441	1,184,937	240,493	790,485
\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 5,926,985</u>	<u>\$ 4,286,441</u>	<u>\$ 1,184,937</u>	<u>\$ 240,493</u>	<u>\$ 790,485</u>
-	-	-	-	184,000
1,855,617	2,064,023	996,436	535,127	273,089
2,603,255	1,454,501	978,245	1,451,139	3,863,529
-	-	-	-	-
<u>\$ 4,458,872</u>	<u>\$ 3,518,524</u>	<u>\$ 1,974,681</u>	<u>\$ 1,986,266</u>	<u>\$ 4,320,618</u>

City of Coolidge
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2012	2011	2010	2009
Revenues				
Taxes*	\$ 5,974,331	\$ 7,060,301	\$ 5,846,069	\$ 5,675,326
Intergovernmental	5,920,328	7,079,949	6,080,668	5,957,770
Fines and forfeits	332,160	242,598	271,954	188,310
Licenses and permits	197,113	111,167	205,140	331,254
Charges for services	188,339	574,849	431,690	413,699
Investment income	16,081	13,528	28,712	118,242
Contributions	150,775	525,717	-	-
Impact Fees	-	-	-	-
Miscellaneous	125,419	47,616	82,451	71,965
Total Revenues	<u>12,904,546</u>	<u>15,655,725</u>	<u>12,946,684</u>	<u>12,756,566</u>
Expenditures				
General Government	2,262,925	2,435,724	2,794,304	2,919,227
Public Safety	5,479,771	4,646,790	5,009,946	5,039,661
Highways and streets	1,998,605	2,035,519	1,592,245	1,536,435
Transportation	-	-	-	-
Culture and recreation	899,145	739,544	785,494	780,092
Redevelopment and housing	916,594	1,500,298	1,340,225	2,062,057
Capital outlay	893,924	1,310,535	2,566,784	1,733,953
Debt Service:				
Principal retirement	366,460	426,661	453,244	488,622
Interest and debt cost	152,366	169,380	188,438	128,941
Total Expenditures	<u>12,969,790</u>	<u>13,264,451</u>	<u>14,730,680</u>	<u>14,688,988</u>
Excess of Revenues over (under) Expenditures	<u>(65,244)</u>	<u>2,391,274</u>	<u>(1,783,996)</u>	<u>(1,932,422)</u>
Other financing sources (uses)				
Transfer in	1,019,171	2,268,337	751,123	889,558
Transfer out	(1,010,720)	(2,310,291)	(865,419)	(1,022,491)
Proceeds of long-term debt	-	-	-	-
Total Other Financing Sources and (Uses)	<u>8,451</u>	<u>(41,954)</u>	<u>(114,296)</u>	<u>(132,933)</u>
Net Change in Fund Balances	<u>\$ (56,793)</u>	<u>\$ 2,349,320</u>	<u>\$ (1,898,292)</u>	<u>\$ (2,065,355)</u>
Debt Service as a Percentage of Noncapital Expenditures				
	4.44%	4.97%	5.28%	4.77%

* Taxes consists of Sales taxes, Property taxes and Franchise taxes

** Prior to implementation of GASB 34 in 2004, the Capital outlay number from the CAFR may not include all capital asset purchases.

Table 4

Fiscal Year						
2008	2007	2006	2005	2004	2003	
\$ 6,145,070	\$ 8,016,742	\$ 6,437,813	\$ 4,050,749	\$ 2,619,601	\$ 2,512,621	
6,091,908	5,207,664	4,718,588	3,331,401	4,242,103	4,802,510	
163,586	120,204	87,957	58,607	60,862	34,997	
837,581	1,667,286	2,099,540	1,142,703	227,828	98,376	
1,211,551	239,978	166,709	195,443	87,501	107,552	
282,126	437,553	172,420	27,003	28,613	35,823	
300,017	479,200	-	13,738	-	-	
-	532,101	1,372,499	601,184	-	-	
98,886	166,852	217,168	103,274	150,120	63,937	
<u>15,130,725</u>	<u>16,867,580</u>	<u>15,272,694</u>	<u>9,524,102</u>	<u>7,416,628</u>	<u>7,655,816</u>	
3,139,750	3,766,760	4,430,279	2,632,451	1,494,394	1,247,021	
4,849,279	3,855,302	3,026,564	3,122,149	2,737,747	2,764,862	
2,078,617	1,869,810	1,160,771	1,294,253	1,062,714	1,109,615	
-	-	-	-	387,649	304,009	
992,596	1,749,837	1,230,097	859,001	1,435,408	2,157,850	
1,929,594	565,959	-	-	-	-	
1,585,902	4,337,591	401,048	225,219	3,020,433	629,017	
906,574	761,151	308,348	396,484	249,266	437,220	
240,024	232,185	164,264	178,771	209,739	36,684	
<u>15,722,336</u>	<u>17,138,595</u>	<u>10,721,371</u>	<u>8,708,328</u>	<u>10,597,350</u>	<u>8,686,278</u>	
<u>(591,611)</u>	<u>(271,015)</u>	<u>4,551,323</u>	<u>815,774</u>	<u>(3,180,722)</u>	<u>(1,030,462)</u>	
385,326	555,473	836,782	991,721	649,623	1,036,815	
(430,345)	(569,822)	(742,758)	(874,636)	(575,476)	(1,033,444)	
-	2,866,256	-	-	222,231	4,024,794	
<u>(45,019)</u>	<u>2,851,907</u>	<u>94,024</u>	<u>117,085</u>	<u>296,378</u>	<u>4,028,165</u>	
<u>\$ (636,630)</u>	<u>\$ 2,580,892</u>	<u>\$ 4,645,347</u>	<u>\$ 932,859</u>	<u>\$ (2,884,344)</u>	<u>\$ 2,997,703</u>	
8.11%	7.76%	4.58%	6.78%	Not Available**	Not Available**	

Table 5

City of Coolidge
Sales Tax Revenue by Industry
Current Year and Ten Years Ago
(Unaudited)

Industry	Fiscal Year					
	2012*			2003		
	Tax Paid	Rank	Percentage of Total	Tax Paid	Rank	Percentage of Total
Retail Trade	\$ 2,711,432	1	57.84%	\$ 1,312,166	1	63.66%
Construction	547,372	2	11.68%	190,721	2	9.25%
Communications & Utilities	722,909	3	15.42%	187,862	3	9.11%
Restaurants/Bars	277,667	4	5.92%	114,007	5	5.53%
Real Estate, Rental, Leasing & Fire Insurance	215,193	5	4.59%	51,371	7	2.49%
Manufacture	61,525	6	1.31%	21,979	8	1.07%
Wholesale Trade	36,736	8	0.78%	126,062	4	6.12%
All Other	<u>115,194</u>	10	<u>2.46%</u>	<u>56,952</u>	6	<u>2.76%</u>
Total	<u>\$ 4,688,028</u>		<u>100.00%</u>	<u>\$ 2,061,120</u>		<u>100.00%</u>

Source: Arizona Department of Revenue

Table 6

City of Coolidge
Direct and Overlapping Sales Tax Rates
As of June 30, 2012
(Unaudited)

Type of Tax	Rates		
	City	State and Pinal County	Combined
Privilege tax, except retail, utilities and telecommunication	3.00%	7.70%	10.70%
Retail	3.00%	7.70%	10.70%
Retail - privilege tax for single item over \$5,000	1.50%	7.70%	9.20%
Hotel/Motel	6.00%	7.70%	13.70%
Restaurant/Bar	3.00%	7.70%	10.70%
Utilities/Telecommunications	3.00%	7.70%	10.70%
Construction	4.00%	8.70%	12.70%

Sources: City of Coolidge Department of Finance, Arizona Department of Revenue

City of Coolidge
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Revenue Bonds	Loans	Capital Leases*	Loans				
2012	\$ -	\$ 2,450,000	\$ 849,560	\$ 1,691,914		4,991,474	59.09%	413.41
2011	\$ -	\$ 2,625,000	\$ 1,041,020	\$ 1,808,656		5,474,676	69.21%	462.97
2010	\$ -	\$ 2,790,000	\$ 1,302,681	\$ 702,463		4,795,144	65.03%	394.37
2009	\$ -	\$ 2,950,000	\$ 1,599,330	\$ 400,064		4,949,394	72.38%	378.60
2008	-	3,105,000	1,837,912	559,457		5,502,369	87.32%	446.95
2007	-	3,255,000	2,594,486	672,632		6,522,118	107.95%	556.45
2006	-	3,447,250	297,131	804,687		4,549,068	90.96%	457.19
2005	-	3,663,168	389,561	928,165		4,980,894	110.67%	608.91
2004	-	3,872,269	576,944	1,349,374		5,798,587	141.17%	700.31
2003	280,000	4,156,572	319,675	1,435,010		6,191,257	162.67%	748.64

Note The City of Coolidge did not issue general obligation bonds in fiscal year 2012 and the nine years preceding 2012.

* In fiscal year 2010 a loan for a facility valued at \$2,397,071 was acquired.

Table 8

City of Coolidge
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes and special assessment liens			
Coolidge Unified School District	\$ 32,256,159	24.8866%	\$ 8,027,477
Central Arizona College	38,175,000	2.0233%	772,378
Pinal County Arizona	-	1.3073%	-

(a) Proportion applicable to the City of Coolidge, Arizona is computed on the ratio of secondary assessed valuation for 2011-2012.

Sources: Pinal County Department of Finance, Pinal County Assessor's Office and Official Statements.

City of Coolidge
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
Secondary Assessed Value	\$ 20,011,676	\$ 21,896,574	\$ 22,346,612	\$ 26,631,947
<u>20% Limitation</u>				
Debt Limit Equal to 20% of Assessed Valuation	\$ 4,002,335	\$ 4,379,315	\$ 4,469,322	\$ 5,326,389
Total Debt Applicable to 20% Limit	-	-	-	-
Legal 20% Debt Margin (Available Borrowing Capacity)	<u>\$ 4,002,335</u>	<u>\$ 4,379,315</u>	<u>\$ 4,469,322</u>	<u>\$ 5,326,389</u>
Total Net Debt Applicable to the 20% Limit as a Percentage of 20% Debt Limit	0.00%	0.00%	0.00%	0.00%
<u>6% Limitation</u>				
Debt Limit Equal to 6% of Assessed Valuation	\$ 1,200,701	\$ 1,313,794	\$ 1,340,797	\$ 1,597,917
Total Debt Applicable to 6% Limit	-	-	-	-
Legal 6% Debt Margin (Available Borrowing Capacity)	<u>\$ 1,200,701</u>	<u>\$ 1,313,794</u>	<u>\$ 1,340,797</u>	<u>\$ 1,597,917</u>
Total Net Debt Applicable to the 20% Limit as a Percentage of 6% Debt Limit	0.00%	0.00%	0.00%	0.00%

Sources: Pinal County Assessor's Office.

Table 9

Fiscal year					
2007	2008	2009	2010	2011	2012
\$40,203,602	\$ 83,001,211	\$ 64,841,251	\$ 61,937,311	\$45,965,151	\$ 44,433,513
\$ 8,040,720	\$ 16,600,242	\$ 12,968,250	\$ 12,387,462	\$ 9,193,030	\$ 8,886,703
-	-	-	-	-	-
<u>\$ 8,040,720</u>	<u>\$ 16,600,242</u>	<u>\$ 12,968,250</u>	<u>\$ 12,387,462</u>	<u>\$ 9,193,030</u>	<u>\$ 8,886,703</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 2,412,216	\$ 4,980,073	\$ 3,890,475	\$ 3,716,239	\$ 2,757,909	\$ 2,666,011
-	-	-	-	-	-
<u>\$ 2,412,216</u>	<u>\$ 4,980,073</u>	<u>\$ 3,890,475</u>	<u>\$ 3,716,239</u>	<u>\$ 2,757,909</u>	<u>\$ 2,666,011</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

City of Coolidge
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Revenue Bonds					Percent Coverage
	Operating Revenue*	Less: Operating Expenses	Net Operating Revenue	Debt Service		
				Principal	Interest	
2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003	1,199,355	1,076,797	122,558	280,000	7,630	42.61%
2002	1,166,026	1,092,557	73,469	265,000	22,349	25.57%

Note The City of Coolidge did not have pledged revenue debt in the fiscal year ended 2012 and the nine years preceding it. Information regarding debt can be found in the "Ratios of Outstanding Debt by Type" Table of the Statistical Section of the CAFR, and the Notes to the Financial Statements.

* The nature of the revenue pledged for the above revenue bond was sales taxes.

Table 11

City of Coolidge
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	City Population*	County Population*	County Personal Income ⁺ (in thousands)	County Per Capita Personal Income	School Enrollment	Education Level in Years of Schooling	City Unemployment Rate
2003	8,270	202,940	3,806,125	19	2,703	13 to 16	12.4%
2004	8,280	217,465	4,107,473	19	2,825	13 to 16	10.7%
2005	8,180	246,660	4,500,589	18	3,127	13 to 16	10.0%
2006	9,950	299,875	5,001,332	17	3,715	13 to 16	8.8%
2007	11,721	327,670	6,041,934	18	4,317	13 to 16	8.3%
2008	12,311	350,558	6,301,134	18	4,682	13 to 16	12.2%
2009	13,073	368,244	6,837,681	19	4,365	13 to 16	20.2%
2010	12,159	356,303	7,374,229	21	4,470	13 to 16	19.6%
2011	11,825	375,770	7,910,777	21	5,033	13 to 16	20.4%
2012	12,074	382,992	8,447,324	22	3,743	13 to 16	16.2%

Sources: Population, County Per Capita Income and City Unemployment Rate - Arizona Department of Commerce, Arizona Department of Economic Security, and Arizona Workforce Informer. School Enrollment - Arizona Department of Education ADMS 46-1 100th day counts.

* 2012 amounts estimated based on a nine year trend

+ 2008-2012 amounts estimated based on an eight year trend

Table 12

City of Coolidge
Principal Employers
Current Year and Ten Years Ago
(Unaudited)

Major Employer ¹	Fiscal Year			Fiscal Year		
	2012			2003		
	Employees	Rank	Percentage of Total City Employment*	Employees	Rank	Percentage of Total City Employment*
Coolidge Schools	485	1	35.48%	425	2	51.27%
Wal Mart	203	2	14.85%	130	3	15.68%
City of Coolidge	167	3	12.22%	134	1	16.16%
Bright International	167	4	12.22%	30	6	3.62%
Imagine Schools	152	5	11.12%	Not open	4	0.00%
Safeway	67	6	4.90%	Unavailable	5	0.00%
McDonalds	45	6	3.29%	38	5	4.58%
Taco Bell/KFC	27	7	1.98%	Not open	8	0.00%
Garrett Motors	31	8	2.27%	34	7	4.10%
Shopes IGA	23	9	1.68%	38	6	4.58%
Total	<u>1,367</u>			<u>829</u>		

¹Source: Census and CAAG

Table 13

City of Coolidge
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Function/Program						Total
	General Government	Public Safety	Highways and Streets	Transportation	Culture and Recreation	Redevelopment and Housing	
2003	23.34	74.24	11.83	4.04	21.66	6.31	141.42
2004	24.24	71.00	9.83	4.66	19.31	4.47	133.51
2005	25.40	70.50	10.33	4.51	23.04	6.50	140.28
2006	26.80	70.50	11.62	4.66	24.06	9.54	147.18
2007	33.80	81.75	13.21	8.19	30.02	14.98	181.95
2008	37.40	87.65	12.59	7.23	39.58	16.12	200.57
2009	30.75	83.67	12.30	7.16	34.67	12.62	181.17
2010	32.00	80.00	10.50	6.16	29.55	12.50	170.71
2011	31.60	80.50	10.90	10.30	26.66	7.10	167.06
2012	31.65	78.50	10.15	10.50	26.66	7.20	164.66

Source: City Budget

City of Coolidge
 Operating Indicators by Function
 Last Ten Fiscal Years
 (Unaudited)

Function	Fiscal Year		
	2012	2011	2010
General Government			
# Registered voters*	5,525	-	5,233
# Votes cast last primary election*	893	-	827
<i>City Court</i>			
Charges filed/charges adjudicated (resolved)	3,639	3,696	4,317
<i>Communications & Public Information</i>			
News releases/media updates	22	24	21
Traffic construction alerts	3	2	5
Total newsletter pages sent to citizens	16	16	17
Web pages created/updated	102	91	72
Number of visits to website	501,743	252,823	436,367
Number of web pages viewed	502,668	253,120	436,480
Number of graphics/photography projects completed	83	78	65
Police			
# Total arrests	1,179	1,216	1,212
# Moving violations citations	1,256	1,081	1,411
Total calls for service	22,892	23,222	26,154
Total 911 calls	2,925	3,561	5,894
Total Part I Crimes	734	748	542
<i>n/a = not available</i>			
Fire			
# All Emergency Responses	811	849	872
# Fire/Haz Mat Responses	197	166	84
# Emergency Medical Responses	475	507	513
# Other Responses (False Alarms, Mutual Aid, Extrication, rescue, etc.)	139	176	275
Financial Services			
# accounts payable checks issued	6,466	7,004	7,362
# purchase orders	69	64	37
Planning and Development			
Customer wait-time (in minutes) at One Stop Shop	1	1	1
Total Number of Permits Issued	231	234	306

* Voter registration is taken every two years.

All years denoted with a "-" indicate that the records for that specific statistic was not determined in that fiscal year.

Table 14

Fiscal Year						
2009	2008	2007	2006	2005	2004	2003
-	4,345	-	3,645	-	4,515	-
-	548	-	566	-	154	-
1,368	2,254	2,119	2,261	2,063	1,192	3,172
20	16	10	6	-	-	-
3	2	2	-	-	-	-
20	16	52	52	52	52	52
59	42	20	10	-	-	-
143,322	243,644	212,010	197,687	-	-	-
25,608	23,652	19,465	18,236	-	-	-
61	48	29	12	12	10	7
1,492	1,651	1,624	1,325	1,207	1,514	1,725
1,639	1,957	1,712	1,330	1,119	917	1,917
28,546	33,237	32,367	26,160	24,989	23,932	26,149
7,311	7,154	5,923	5,130	3,448	3,328	3,458
791	720	850	819	713	737	612
834	847	434	314	258	237	280
128	110	187	124	92	84	97
475	486	72	-	-	-	-
231	251	175	190	166	153	183
7,670	9,099	8,445	7,424	6,789	6,579	6,865
116	237	304	209	-	-	-
<1	<1	5	5	4	<1	<1
300	588	684	1,078	838	360	275

continued

Table 14

#NAME?
Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

Function	Fiscal Year		
	2012	2011	2010
Human Resources			
# of new hires (FT & PT)	52	55	46
# of new hires (Vol)	3	4	3
HR Operating cost as percentage of city payroll	0.01%	0.01%	0.01%
Parks, Recreation and Library			
# attending Park & Recreation facilities annually (Acquatics)	217,026	212,771	207,738
# of square feet of medians and rights of way maintained	1,606,233	1,606,233	1,606,233
# of Library visits annually	87,554	95,273	94,660
# of Library materials checked out annually	89,531	102,603	95,001
Economic Vitality			
Sales Tax growth (% annual change)	-22%	27%	-3%
Construction Tax (% annual change)	-77%	87%	-4%
Municipal Services			
# of homes serviced by Residential Refuse Collection	3,597	3,593	3,517
Tons of refuse and garbage hauled to transfer station/landfill	6,630	5,757	6,105
Transit Services			
Passenger Trips	35,851	39,602	21,397
Project Miles	202,884	229,317	68,651
Vehicle Service Hours	11,558	10,938	7,113
Wastewater			
Sewer Service Connections	3,763	3,736	3,498
Sewage Treated (millions gallons per day)	0.62	0.66	0.67
Sewage Treated (millions gallons per year)	227	240	221
Other Public Works			
Street resurfacing (miles)	0.25	1	-
Potholes repaired (estimate)	6,000	5,200	5,200
Streets/Roads Maintained (miles)	194	194	194
Citizen & Neighborhood Resources			
# of new Code Enforcement cases processed per year	313	134	415
# of Animal control calls for service	1,116	-	-
Neighborhood Revitalization			
# Home Emergency Repair (roofs, heating, air conditioning, etc.)	1	2	9
# Houses rehabilitated or replaced	5	9	3

All years denoted with a "-" indicate that the records for that specific statistic was not determined in that fiscal year.

Table 14

Fiscal Year						
2009	2008	2007	2006	2005	2004	2003
55	40	44	26	57	51	32
-	-	1	1	3	4	-
0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
206,100	201,978	197,939	193,981	190,102	186,300	182,574
2,637,329	2,637,329	2,637,329	1,812,020	1,812,020	1,812,020	1,812,020
90,854	62,077	21,744	25,497	19,381	18,993	20,967
88,039	60,636	35,010	33,230	27,939	26,546	33,940
-9%	-23%	21%	41%	30%	4%	-7%
-21%	-38%	148%	371%	15%	-1%	86%
3,587	3,505	3,155	2,872	2,357	2,242	2,169
9,535	9,348	8,528	7,128	6,644	-	-
19,613	21,184	23,170	21,962	21,962	21,754	22,293
87,197	65,573	65,324	64,212	65,154	62,935	61,741
5,819	5,645	5,122	5,172	5,177	4,794	4,774
3,737	3,603	3,258	3,001	2,479	2,353	2,344
0.74	0.87	0.73	0.70	0.69	0.71	0.66
270	318	266	256	252	259	241
-	-	3	-	5	-	8
5,200	5,200	5,200	4,500	4,500	4,000	4,000
194	180	160	100	90	79	59
859	1,101	537	512	582	-	-
-	-	-	-	-	-	-
12	3	13	10	-	-	-
7	4	2	5	-	-	-

concluded

City of Coolidge
 Capital Asset Statistics by Function
 Last Ten Fiscal Years
 (Unaudited)

Function	Fiscal Year				
	2012	2011	2010	2009	2008
Public Safety					
Police:					
Stations	1	1	1	1	1
Police Vehicles	28	30	32	40	40
Fire Stations					
Stations	3	3	3	2	2
Fire Apparatus	6	6	6	5	5
Other Vehicles	3	3	3	3	3
Highways and Streets					
Street (miles)	194	194	194	194	194
Streetlights	781	781	780	772	760
Traffic signals <i>don't own</i>	7	7	7	7	7
Culture and Recreation					
Parks	12	12	12	13	12
Parks Acreage	91	91	91	201	186
Swimming Pools	1	1	1	1	1
Tennis Courts <i>don't own</i>	8	8	8	8	8
Community Centers	1	1	2	2	2
Libraries	1	1	1	1	1
Transit					
Buses	7	8	8	5	5
Bus Stops	133	131	120	120	120
Wastewater					
Sanitary Sewers (miles)	73	73	73	73	73
Storm Sewers (miles)	3	3	3	3	3
Treatment capacity (thousands of gallons)	2.0 MGD	2.0 MGD	2.0 MGD	2.0 MGD	2.0 MGD

Table 15

Fiscal Year				
2007	2006	2005	2004	2003
1	1	1	1	1
37	30	29	33	51
2	1	1	1	1
5	5	5	5	5
3	2	2	2	2
194	180	160	100	90
726	680	618	609	609
6	6	6	6	4
12	11	10	10	10
186	165	161	161	161
1	1	1	1	1
8	8	8	8	8
2	2	2	2	1
1	1	1	1	1
6	5	4	5	4
65	65	65	65	65
73	40	37	37	37
3	3	2	2	2
2.0 MGD	2.0 MGD	1.35 MGD	1. MGD	1.35 MGD