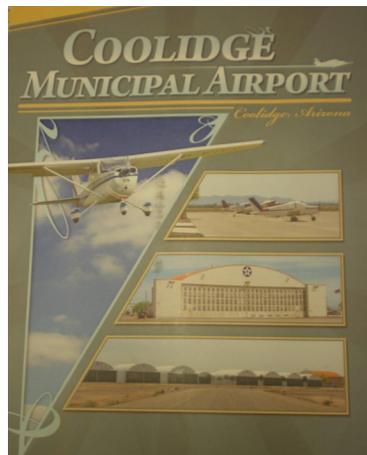




City of Coolidge, Arizona



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2011

City of Coolidge, Arizona



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2011

**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 16, 2011

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, 2011.

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, 2011, 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 11,825. 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, 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 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 \$71,322,982 to \$107,518,937 for fiscal year 2011/12.

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 four years. Those initiatives that had a significant impact on the current year's financial statements included:

- City Council froze 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 keep 100% of all City Sales Tax revenues in the General Fund.
- City Council placed a freeze on hiring. Employees who held positions that were designated as non-essential were offered vacant positions in other departments. All positions vacated during the year had to be approved by Council prior to advertising and filling. This created a savings of approximately \$371,000 to the General Fund.
- There was no raise in salaries avoiding additional wage and fringe costs.
- City Council instituted a 5% reduction in pay thru an unpaid furlough program that saved the City approximately \$263,000.
- The City was forced to lay off four personnel in the planning and media departments for a savings of approximately \$280,000 to the General Fund.
- City Council eliminated “take home vehicles” except for emergency personnel living within the Coolidge city limits for a savings of approximately \$30,000.
- City Council eliminated “extra duty pay” for police officers and changed the criteria for computation of overtime for an approximate savings of \$50,000 to the General Fund.
- The City hired an independent tax auditor to audit city sales tax payments.

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 two years, the City has experienced a significant decline in building permits and new growth. The unemployment rate, as of June 2011, was approximately 20.04% percent compared with the state’s unemployment rate of 9.9% 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 designed and completed construction of Phase I, the conversion of our existing Waste Water Treatment Facility (lagoon) to a 2 MGD Water Reclamation Facility (WRF) (mechanical plant), in the amount of \$2,381,083 with \$1,381,083 in the form of a low interest loan and \$800,000 allocated from the American Recovery and Reinvestment Act (ARRA) as a grant. This upgraded the treatment capabilities and increased the area of service for the Waste Water Treatment Plant (WWTP).
- The City has begun the design and permitting phase of upgrading the existing Wastewater Treatment Plant to a 4.0 MGD class A effluent facility.
- The City built a Transit Facility with funding received through the existing 5311 Transportation Grant from the Arizona Department of Transportation in the amount of \$581,911 and \$2,415,806 from an American Recovery and Reinvestment Act (ARRA) grant. This facility serves as a central hub between the neighboring communities of Casa Grande, Eloy, Florence, and the Gila River Indian Reservation. The City is currently operating a regional route between Casa Grande and Florence in a trial phase funded 100% by the Arizona Department of Transportation (ADOT). ADOT is hoping this project will entice those communities to start community transportation within their cities that will connect to Coolidge and surrounding areas.
- The City developed a new Industrial Park at the South end of town known as the “Randolph Industrial Park”. The City expects this park to become a core employment center for the City. Currently there are two businesses in the Park. (1) An asphalt distribution center that serves not only Coolidge, but the entire central region of Pinal County employing 30-50 people. As part of the project they constructed 12,000 feet of rail siding that opens up substantial use for future businesses. (2) A \$500,000,000 dollar electricity peaking plant broke ground in August, 2009 and began operations in May of 2011. While it created only 15 permanent jobs, it created several hundred jobs during the construction phase over the two year period. In addition they will be financing a number of infrastructure improvements in the area alleviating the need to utilize City funds.
- The City built an addition to the Fire Department complex to house the Fire Apparatus that was purchased during the growth period from 2005-2009. The additional indoor parking preserves the life of the equipment. The project was funded using \$131,191 of Fire Impact Fees for the new growth.

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 widening of Skousen Rd Bridge. The project elements include 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 is 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 is expected to be completed in December, 2011.
- The reconstruction of Palo Verde & 4th St. between the new Transit facility and the Police Department. The project is funded using \$360,000 of funds through the Arizona Department of Transportation (ADOT), and \$90,000 in matching funds from the city's Transportation funds. The design process will be started in FY 2010/2011 and construction is expected to be completed in June 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, 2010. 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 2010-11 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,



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, 2010

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



President

Executive Director

CITY OF COOLIDGE
LIST OF PRINCIPAL OFFICIALS

MAYOR

Thomas R. Shope

VICE MAYOR

Gilbert Lopez

COUNCIL MEMBERS

Judy Rotz-Lopez

Steve Hudson

Les Curry

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 Manager

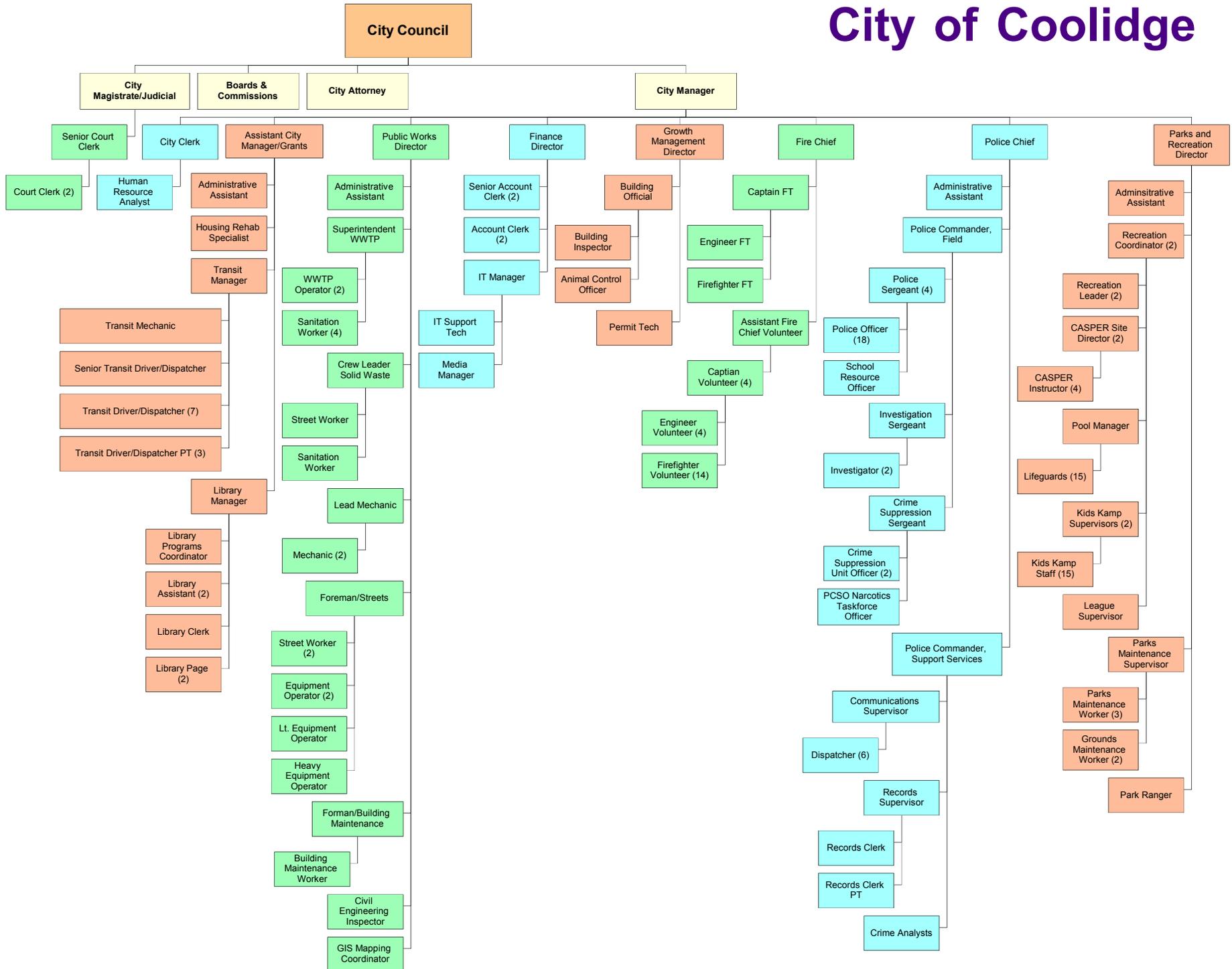
Joseph Brugman
Chief of Police

Adrianna Saavedra
Library Manager

Alton Bruce
Economic Development Director

Marcus Hoffman
Transit Manager

City of Coolidge



FINANCIAL SECTION





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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, 2011, 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, 2011, 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 16, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 69 through 70 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 16, 2011



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, 2011. 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 \$90,714,310 (net assets). Of this amount \$5,427,932 (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 \$8,549,587, an increase of \$2,349,320 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,394,109 or 71 percent of total General Fund expenditures.
- General Fund revenues (on a budgetary basis) were more than budgeted revenues by \$10,914 for fiscal year 2011. Additionally, budgetary basis expenditures were less than the budget by \$4,268,098 in the General Fund.
- General Fund revenues exceeded expenditures by \$2,658,088; a positive variance of \$4,279,012 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 40 and 41. 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 17-19 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of 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 20-27 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 30-37 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 38-39 of this report.

Notes to the basic financial statements. The notes to the basic financial statements (pages 40-62) 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 63-66.

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, 2011 showing that assets exceeded liabilities by \$90,714,310.

Condensed Statement of Net Assets
June 30, 2011 and 2010

	Government Activities		Business -type Activities		Totals	
	2011	2010	2011	2010	2011	2010
ASSETS						
Current and other assets	\$ 9,475,221	\$ 8,484,730	\$ 1,317,885	\$ 1,694,636	\$ 10,793,106	\$ 10,179,366
Capital assets						
Non-depreciable	2,246,919	4,542,941	1,627,407	2,668,916	3,874,326	7,211,857
Depreciable (net)	60,400,247	60,139,961	23,318,296	21,460,113	83,718,543	81,600,074
Total Assets	<u>72,122,387</u>	<u>73,167,632</u>	<u>26,263,588</u>	<u>25,823,665</u>	<u>98,385,975</u>	<u>98,991,297</u>
LIABILITIES						
Other liabilities	772,700	1,164,280	281,104	722,155	1,053,804	1,886,435
Non-current liabilities						
Due within one year	568,079	747,904	147,360	71,572	715,439	819,476
Due in more than one year	4,184,933	4,316,329	1,717,489	671,463	5,902,422	4,987,792
Total liabilities	<u>5,525,712</u>	<u>6,228,513</u>	<u>2,145,953</u>	<u>1,465,190</u>	<u>7,671,665</u>	<u>7,693,703</u>
NET ASSETS						
Invested in capital assets, net of related debt	58,981,146	60,590,221	23,137,047	23,426,566	82,118,193	84,016,787
Restricted	2,896,898	3,377,216	271,287	244,382	3,168,185	3,621,598
Unrestricted	4,718,631	2,971,682	709,301	687,527	5,427,932	3,659,209
Total net assets	<u>\$ 66,596,675</u>	<u>\$ 66,939,119</u>	<u>\$ 24,117,635</u>	<u>\$ 24,358,475</u>	<u>\$ 90,714,310</u>	<u>\$ 91,297,594</u>

The net assets of the City are \$66,596,675 in governmental activities and \$24,117,635 in business-type activities at June 30, 2011.

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 \$1,898,594 largely due to the completion of the Transit facility 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 \$5,427,932 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 \$1,746,949 increase and the business-type activities reported a \$21,774 increase. 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, 2011 and 2010**

	Government Activities		Business -type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues						
Fees, Fines and charges for svcs	\$ 812,463	\$ 754,401	\$ 1,769,086	\$ 1,690,903	\$ 2,581,549	\$ 2,445,304
Operating grants and contributions	2,858,145	2,125,970	-	-	2,858,145	2,125,970
Capital grants and contributions	1,919,637	2,344,111	20,033	800,927	1,939,670	3,145,038
General Revenues						
Local Taxes	7,020,203	5,846,141	-	-	7,020,203	5,846,141
State shared revenues	1,947,219	2,168,886	-	-	1,947,219	2,168,886
Investment earnings	13,528	28,712	1,306	5,065	14,834	33,777
Miscellaneous	114,123	46,316	70,036	74,145	184,159	120,461
Total Revenues	14,685,318	13,314,537	1,860,461	2,571,040	16,545,779	15,885,577
Expenses						
General government	2,885,857	3,104,535	-	-	2,885,857	3,104,535
Public Safety	5,061,857	5,182,718	-	-	5,061,857	5,182,718
Highways and streets	4,463,941	3,819,264	-	-	4,463,941	3,819,264
Culture and recreation	901,294	954,825	-	-	901,294	954,825
Redevelopment and housing	1,506,637	1,883,403	-	-	1,506,637	1,883,403
Interest on long-term debt	166,222	173,270	-	-	166,222	173,270
Liquid Waste	-	-	1,035,117	1,202,275	1,035,117	1,202,275
Solid Waste	-	-	1,043,195	903,225	1,043,195	903,225
Municipal Airport	-	-	64,943	102,608	64,943	102,608
Cable Television	-	-	-	-	-	-
Total Expenses	14,985,808	15,118,015	2,143,255	2,208,108	17,129,063	17,326,123
Increase/Decrease in net assets						
before transfers	(300,490)	(1,803,478)	(282,794)	362,932	(583,284)	(1,440,546)
Transfers	(41,954)	(114,296)	41,954	114,296	-	-
Change in net assets	(342,444)	(1,917,774)	(240,840)	477,228	(583,284)	(1,440,546)
Net assets, beginning of year						
	66,939,119	68,856,893	24,358,475	23,881,247	91,297,594	92,738,140
Net assets, end of year	\$ 66,596,675	\$ 66,939,119	\$ 24,117,635	\$ 24,358,475	\$ 90,714,310	\$ 91,297,594

Governmental Activities.

Program revenues, which include fines, fees and charges for services, operating grants and contributions and capital grants and contributions increased over the prior fiscal year by \$365,763 dollars. The City's fees, fines and charges for services reported a \$58,062 dollar increase. Operating grants and contributions increased by \$732,175 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 \$424,474 dollar decrease

largely due to the completion of the Transit facility that was federally funded under the American Recovery and Reinvestment Act (ARRA).

General revenues, which include local taxes, impact fees, state shared revenues and investment earnings increased by \$1,005,018 dollars. Local taxes, including property and city sales taxes, increased by \$1,174,062, which can be attributed to a slight increase in new construction; while, state shared revenues decreased by \$221,667 dollars. The economic downturn has affected the state more significantly than the city. In addition these revenues are distributed to the cities based on population. The State used population estimates that were significantly lower than the City's actual population, thus the significant decrease in state shared revenues for this fiscal year. The recent completion of the 2010 Census resulted in a 45% increase in the City's population. These figures will be used in the fiscal year ending June 30, 2012 and the City anticipates that state shared revenues will increase by 22% over this past fiscal year.

Expenses decreased by \$132,207 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 construction sector has experienced a significant decline accounting for a 98% decrease in impact fees for the past three fiscal years. However, they increased by \$16,718 this fiscal year as new construction is up slightly. The capital grants for the airport vary from year-to-year based upon funding from various federal and state grants.

Investment earnings decreased due to the decline in interest gained on investments.

Business-type expenses decreased in the Liquid Waste and Airport Funds due to cuts in spending; and increased in the Solid Waste Fund primarily due to increased fuel costs and 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 improved. As of the end of the current fiscal year the City's governmental funds reported combined ending fund balances of \$8,549,587, an increase of \$2,349,320 in comparison with the prior year. Approximately 66% of this total amount (\$5,664,138) constitutes General Fund balance. At fiscal year-end 2010-2011 fund balances were as follows:

<u>Fund</u>	<u>Balance</u>	<u>Increase (Decrease) From 2010-11</u>
General Fund	\$ 5,664,138	\$ 2,483,048
Grants Fund	287,082	569,222
Impact Fee Fund	641,082	837,710
Capital Projects Fund	62,525	(1,555,030)
Road Tax Fund	1,775,549	(18,463)
Non-major Governmental Funds	<u>119,211</u>	<u>32,833</u>
TOTAL	\$ 8,549,587	\$ 2,349,320

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 \$5,664,138, an increase of \$2,483,048 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 74 percent of total General Fund expenditures, while total fund balance represents 64 percent of total City expenditures.

The increase to the General Fund balance during the current fiscal year can be attributed to the increase in city sales tax as previously discussed and the suspension of depositing 25% of said tax to the Capital Projects fund. Also, as previously discussed, current year expenditures decreased by \$1,310,236 dollars due to decreased departmental spending.

The Grants Fund reported a \$569,222 fund balance increase largely due to an increase in community development block grants.

The Impact Fee Fund reported an \$837,710 fund balance increase due to a transfer of funds made from the Capital Projects Fund to the Parks and Recreation Impact Fee fund to cover the debt service on the Kenilworth Sports Complex until such time as the Impact Fee fund receives enough contributions to cover the debt service as originally planned. This will be accomplished as new construction increases. The restricted fund balance will be carried over to future years for planned capital projects.

The Capital Projects Fund reported a \$1,555,030 fund balance decrease due to 1) City Council suspending the deposit of 25% of all City Sales Tax to the Capital Fund for fiscal year 10/11 to avoid further cuts to the General Fund and 2) The transfer from this fund to the Parks and Recreation Impact Fee fund 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 \$18,463 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 \$32,833 fund balance increase largely due to the contribution made from the Town of Queen Creek to the City of Coolidge toward the Regional Transit project.

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 69-70. 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 \$10,288,618, on a budgetary basis, were more than budgeted revenues of \$10,277,704 by \$10,914 and budgetary basis expenditures of \$7,630,530 were less than the budget by \$4,268,098. The excess of actual revenues over budgeted revenues is primarily due to the increase in city sales tax.

Capital Assets and Debt Administration

The City's capital assets, for its governmental and business-type activities as of June 30, 2011, amounts to \$62,647,166 and \$24,945,703 respectively, (net of accumulated depreciation). Capital assets include land, buildings, and improvements, machinery and equipment, roads and improvements, vehicles and infrastructure. During fiscal year 2010-2011 the annual depreciation expense was \$3,126,059 and \$562,094 for the governmental and business-type capital assets, respectively. Additions to capital assets during the fiscal year totaled \$1,279,307 and \$1,395,948 for the governmental and business-type capital assets, respectively.

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

Government Funds

- Buildings and Improvements – construction of a Transit Facility in the amount of \$2,997,717 and a Fire Station Annex in the amount of \$131,191 recorded as fixed assets.
- Equipment – Purchase of one Transit bus in the amount of \$169,950 dollars and a Front Loader in the amount of \$67,575 dollars.

Business Funds

- Buildings and Improvements - construction of Phase I of the Water Reclamation Facility in the amount of \$2,280,599 recorded as a fixed asset; and Design and Permitting of a 4.0 MGD Wastewater Treatment Plant in the amount of \$79,499 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, 2011 and 2010
(Net of depreciation)

	Government Activities		Business -type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Land	\$ 1,969,759	\$ 1,953,409	\$ 1,182,500	\$ 1,200,000	\$ 3,152,259	\$ 3,153,409
Construction in Progress	277,160	2,589,532	444,907	1,468,916	722,067	4,058,448
Airport hangar and other improvements					-	-
Buildings and improvements	12,140,152	9,281,877	48,663	48,824	12,188,815	9,330,701
Infrastructure and land improvements	46,052,400	48,318,911	1,216,317	1,248,462	47,268,717	49,567,373
Sewer treatment plant and collection system			21,410,285	19,585,489	21,410,285	19,585,489
Furniture, machinery, equipment and vehicles	2,207,695	2,539,173	643,031	577,338	2,850,726	3,116,511
Total Capital Assets	\$ 62,647,166	\$ 64,682,902	\$ 24,945,703	\$ 24,129,029	\$ 87,592,869	\$ 88,811,931

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 \$6,617,861. Of the outstanding debt, \$4,433,656 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, 2011 and 2010. Further detail on the City's outstanding debt may be found in Note 8 on pages 55.

Outstanding Debt at June 30, 2011 and 2010

	Governmental Activities		Business Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Notes Payable	\$ 2,625,000	\$ 2,790,000	\$ 1,808,656	\$ 702,463	\$ 4,433,656	\$ 3,492,463
Capital leases	1,041,020	1,302,681	-	-	1,041,020	1,302,681
Landfill closure and post-closure costs	652,948	650,309	-	-	652,948	650,309
Compensated absences	434,044	321,243	56,193	40,572	490,237	361,815
Total Outstanding Debt	\$ 4,753,012	\$ 5,064,233	\$ 1,864,849	\$ 743,035	\$ 6,617,861	\$ 5,807,268

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 96% 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. 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 \$562,221 for fiscal year ending June 30, 2012 based on the 2010 Census figures. However, the overall decline in the State's economy 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. The two factors contributing to this decline are 1) the 2010 Census showed an increase in the City's population, which increased the city's share of state shared revenues; however, the State of Arizona decided to withhold 37.8 million dollars from the cities and towns from the Highway User Revenue Fund (HURF), which will result in a loss of \$93,620 in road funds for the City and, 2) The City's increase in population within the County, as compared to other cities in the county, was lower. This will result in a \$175,000 dollar decrease in the City's share of the County's ½ cent road tax for an overall 14% decrease in Road funds.
- The necessity to put all construction sales tax into a capital fund for ongoing debt service and capital projects, which will lower 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, 2011

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 7,358,874	\$ 839,532	\$ 8,198,406
Receivables (net of allowance for uncollectibles)	171,196	139,305	310,501
Due from other governments	1,945,151	339,048	2,284,199
Capital assets			
Land and construction in progress	2,246,919	1,627,407	3,874,326
Other capital assets (net of accumulated depreciation)	60,400,247	23,318,296	83,718,543
Total assets	72,122,387	26,263,588	98,385,975
LIABILITIES			
Accounts payable and other current liabilities	539,119	35,092	574,211
Accrued payroll and employee benefits	126,568	24,070	150,638
Retainages payable	-	219,000	219,000
Accrued interest payable	60,625	-	60,625
Unearned revenue	46,388	2,942	49,330
Noncurrent liabilities			
Due within one year			
Compensated absences	201,619	30,618	232,237
Capital leases	191,460	-	191,460
Current portion of loans payable	175,000	116,742	291,742
Due in more than one year			
Compensated absences	232,425	25,575	258,000
Capital leases	849,560	-	849,560
Loans payable	2,450,000	1,691,914	4,141,914
Landfill closure and postclosure care payable	652,948	-	652,948
Total liabilities	5,525,712	2,145,953	7,671,665
NET ASSETS			
Invested in capital assets, net of related debt	58,981,146	23,137,047	82,118,193
Restricted for			
Highways and streets	1,803,837	-	1,803,837
Court purposes	60,015	-	60,015
Grant purposes	290,660	-	290,660
Debt service	-	43,177	43,177
Development	-	68,235	68,235
Capital improvements	742,386	159,875	902,261
Unrestricted	4,718,631	709,301	5,427,932
Total net assets	\$ 66,596,675	\$ 24,117,635	\$ 90,714,310

CITY OF COOLIDGE, ARIZONA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 2,885,857	\$ 154,360	\$ 336,415	\$ 2,815
Public safety	5,061,857	444,401	355,433	108,040
Highways and streets	4,463,941	18,272	1,359,766	1,466,644
Public works	-	-	-	334,832
Culture and recreation	901,294	117,708	6,314	7,306
Redevelopment and housing	1,506,637	77,722	800,217	-
Interest on long-term debt	166,222	-	-	-
Total governmental activities	<u>14,985,808</u>	<u>812,463</u>	<u>2,858,145</u>	<u>1,919,637</u>
Business-type activities:				
Liquid waste	1,030,066	914,912	-	-
Solid waste	1,042,725	811,908	-	-
Liquid waste impact fees	5,051	-	-	19,415
Solid waste impact fees	470	-	-	618
Municipal airport	64,943	42,266	-	-
Total business-type activities	<u>2,143,255</u>	<u>1,769,086</u>	<u>-</u>	<u>20,033</u>
Total primary government	<u>\$ 17,129,063</u>	<u>\$ 2,581,549</u>	<u>\$ 2,858,145</u>	<u>\$ 1,939,670</u>

General revenues:

Sales taxes
Property taxes
Franchise taxes
State shared revenues-not restricted
to specific programs
Investment income
Miscellaneous

Transfers in (out)

Total general revenues and transfers

Changes 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>
\$ (2,392,267)	\$ -	\$ (2,392,267)
(4,153,983)	-	(4,153,983)
(1,619,259)	-	(1,619,259)
334,832	-	334,832
(769,966)	-	(769,966)
(628,698)	-	(628,698)
(166,222)	-	(166,222)
<u>(9,395,563)</u>	<u>-</u>	<u>(9,395,563)</u>
-	(115,154)	(115,154)
-	(230,817)	(230,817)
-	14,364	14,364
-	148	148
-	(22,677)	(22,677)
<u>-</u>	<u>(354,136)</u>	<u>(354,136)</u>
<u>(9,395,563)</u>	<u>(354,136)</u>	<u>(9,749,699)</u>
6,037,445	-	6,037,445
699,862	-	699,862
282,896	-	282,896
1,947,219	-	1,947,219
13,528	1,306	14,834
114,123	70,036	184,159
(41,954)	41,954	-
<u>9,053,119</u>	<u>113,296</u>	<u>9,166,415</u>
(342,444)	(240,840)	(583,284)
<u>66,939,119</u>	<u>24,358,475</u>	<u>91,297,594</u>
<u>\$ 66,596,675</u>	<u>\$ 24,117,635</u>	<u>\$ 90,714,310</u>

CITY OF COOLIDGE, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

ASSETS	General	Grants	Impact Fees
Cash and cash equivalents	\$ 4,529,164	\$ 278,294	\$ 641,082
Taxes receivable	54,533	-	-
Accounts receivable	-	-	-
Due from other governments	987,470	957,681	-
Due from other funds	753,950	-	-
Total assets	<u>\$ 6,325,117</u>	<u>\$ 1,235,975</u>	<u>\$ 641,082</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 496,729	\$ 9,366	\$ -
Accrued payroll and employee benefits	78,067	11,813	-
Due to other funds	-	753,950	-
Deferred revenue	86,183	173,764	-
Total liabilities	<u>660,979</u>	<u>948,893</u>	<u>-</u>
Fund balances			
Restricted	-	287,082	641,082
Assigned	270,029	-	-
Unassigned	5,394,109	-	-
Total fund balances	<u>5,664,138</u>	<u>287,082</u>	<u>641,082</u>
Total liabilities and fund balances	<u>\$ 6,325,117</u>	<u>\$ 1,235,975</u>	<u>\$ 641,082</u>

Capital Projects	Road Tax Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ 71,070	\$ 1,691,213	\$ 148,051	\$ 7,358,874
-	-	69,757	124,290
-	45,949	-	45,949
-	-	957	1,946,108
-	46,981	-	800,931
<u>\$ 71,070</u>	<u>\$ 1,784,143</u>	<u>\$ 218,765</u>	<u>\$ 10,276,152</u>
\$ 8,545	\$ 8,594	\$ 15,885	\$ 539,119
-	-	36,688	126,568
-	-	46,981	800,931
-	-	-	259,947
<u>8,545</u>	<u>8,594</u>	<u>99,554</u>	<u>1,726,565</u>
-	1,775,549	80,432	2,784,145
62,525	-	38,779	371,333
-	-	-	5,394,109
<u>62,525</u>	<u>1,775,549</u>	<u>119,211</u>	<u>8,549,587</u>
<u>\$ 71,070</u>	<u>\$ 1,784,143</u>	<u>\$ 218,765</u>	<u>\$ 10,276,152</u>



CITY OF COOLIDGE, ARIZONA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
June 30, 2011

Total governmental fund balances \$ 8,549,587

Amounts reported for governmental activities in the Statement of
Net Assets are different because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported in the
governmental funds.

Governmental capital assets	\$ 88,009,364	
Less accumulated depreciation	<u>(25,362,198)</u>	62,647,166

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

Grants	173,764	
Property taxes	<u>39,795</u>	213,559

Interest payable on long-term debt is not reported in the
governmental funds. (60,625)

Long-term liabilities are not due and payable in the
current period and therefore are not reported in the funds.

Compensated absences	(434,044)	
Capital leases	(1,041,020)	
Landfill closure and postclosure care payable	(652,948)	
Loans payable	<u>(2,625,000)</u>	<u>(4,753,012)</u>

Net assets of governmental activities \$ 66,596,675

CITY OF COOLIDGE, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2011

REVENUES	General	Grants	Impact Fees
Taxes	\$ 7,051,885	\$ -	\$ -
Intergovernmental	1,947,219	3,889,178	-
Fines and forfeitures	236,547	-	-
Licenses and permits	111,167	-	-
Charges for services	388,094	11,850	105,204
Investment income	6,351	-	1,193
Contributions	505,000	-	-
Miscellaneous	42,355	-	-
Total revenues	<u>10,288,618</u>	<u>3,901,028</u>	<u>106,397</u>
EXPENDITURES			
Current			
General government	2,435,724	-	-
Public safety	3,906,562	738,100	350
Highways and streets	-	711,221	-
Culture and recreation	588,631	12,093	138,820
Redevelopment and housing	699,613	797,262	-
Capital outlay	-	1,031,176	94,932
Debt service			
Principal retirement	-	-	183,750
Interest and debt cost	-	-	48,922
Total expenditures	<u>7,630,530</u>	<u>3,289,852</u>	<u>466,774</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,658,088</u>	<u>611,176</u>	<u>(360,377)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	133,953	-	1,198,087
Transfers out	<u>(308,993)</u>	<u>(41,954)</u>	<u>-</u>
Total other financing sources and (uses)	<u>(175,040)</u>	<u>(41,954)</u>	<u>1,198,087</u>
Net change in fund balances	2,483,048	569,222	837,710
Fund balances, beginning of year	<u>3,181,090</u>	<u>(282,140)</u>	<u>(196,628)</u>
Fund balances, end of year	<u>\$ 5,664,138</u>	<u>\$ 287,082</u>	<u>\$ 641,082</u>

Capital Projects	Road Tax	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 8,416	\$ 7,060,301
-	550,164	693,388	7,079,949
-	-	6,051	242,598
-	-	-	111,167
45,257	-	24,444	574,849
2,720	3,102	162	13,528
-	-	20,717	525,717
-	448	4,813	47,616
<u>47,977</u>	<u>553,714</u>	<u>757,991</u>	<u>15,655,725</u>
-	-	-	2,435,724
-	-	1,778	4,646,790
-	37,968	1,286,330	2,035,519
-	-	-	739,544
-	-	3,423	1,500,298
35,754	61,699	86,974	1,310,535
-	77,911	165,000	426,661
-	2,508	117,950	169,380
<u>35,754</u>	<u>180,086</u>	<u>1,661,455</u>	<u>13,264,451</u>
<u>12,223</u>	<u>373,628</u>	<u>(903,464)</u>	<u>2,391,274</u>
-	-	936,297	2,268,337
<u>(1,567,253)</u>	<u>(392,091)</u>	<u>-</u>	<u>(2,310,291)</u>
<u>(1,567,253)</u>	<u>(392,091)</u>	<u>936,297</u>	<u>(41,954)</u>
(1,555,030)	(18,463)	32,833	2,349,320
<u>1,617,555</u>	<u>1,794,012</u>	<u>86,378</u>	<u>6,200,267</u>
<u>\$ 62,525</u>	<u>\$ 1,775,549</u>	<u>\$ 119,211</u>	<u>\$ 8,549,587</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
 Year Ended June 30, 2011

Net change in fund balances - total governmental funds \$ 2,349,320

Amounts reported for governmental activities in the Statement of Activities are different 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 statement and are reported in the Statement of Activities.

Expenditures for capitalized assets	\$ 1,279,307	
Loss on disposal of capitalized assets	(188,984)	
Less current year depreciation	<u>(3,126,059)</u>	(2,035,736)

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 Activities in prior years are reported as revenues in the funds.

Developer contributions	(505,000)	
Grants	(463,152)	
Property taxes	<u>(2,255)</u>	(970,407)

Interest expense in the Statement of Activities differs from 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.

3,158

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

Debt principal retirement	426,661	
Increase in landfill closure and postclosure care costs	<u>(2,639)</u>	424,022

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

Compensated absences		(112,801)
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Change in net assets of governmental activities.		<u>\$ (342,444)</u>
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CITY OF COOLIDGE, ARIZONA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 5,373,947	\$ 5,373,947	\$ 7,051,885	\$ 1,677,938
Intergovernmental	1,891,297	1,891,297	1,947,219	55,922
Fines and forfeits	180,000	180,000	236,547	56,547
License and permits	206,500	206,500	111,167	(95,333)
Charges for services	394,248	394,248	388,094	(6,154)
Contributions	352,964	352,964	505,000	152,036
Investment income	12,000	12,000	6,351	(5,649)
Miscellaneous	1,866,748	1,866,748	42,355	(1,824,393)
Total revenues	<u>10,277,704</u>	<u>10,277,704</u>	<u>10,288,618</u>	<u>10,914</u>
EXPENDITURES				
Current				
General government	3,601,588	3,601,588	2,435,724	1,165,864
Public safety	4,339,420	4,339,420	3,906,562	432,858
Culture and recreation	652,613	652,613	588,631	63,982
Redevelopment and housing	805,007	805,007	699,613	105,394
Capital outlay	2,500,000	2,500,000	-	2,500,000
Total Expenditures	<u>11,898,628</u>	<u>11,898,628</u>	<u>7,630,530</u>	<u>4,268,098</u>
Excess (deficiency) of revenues over expenditures	<u>(1,620,924)</u>	<u>(1,620,924)</u>	<u>2,658,088</u>	<u>4,279,012</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	133,953	133,953
Transfers out	<u>(447,269)</u>	<u>(447,269)</u>	<u>(308,993)</u>	<u>138,276</u>
Total other financing sources (uses)	<u>(447,269)</u>	<u>(447,269)</u>	<u>(175,040)</u>	<u>272,229</u>
Net changes in fund balances	(2,068,193)	(2,068,193)	2,483,048	4,551,241
Fund balance, beginning of year	<u>2,568,689</u>	<u>2,568,689</u>	<u>3,181,090</u>	<u>612,401</u>
Fund balances, end of year	<u>\$ 500,496</u>	<u>\$ 500,496</u>	<u>\$ 5,664,138</u>	<u>\$ 5,163,642</u>



CITY OF COOLIDGE, ARIZONA
GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 12,980,843	\$ 12,980,843	\$ 3,889,178	\$ (9,091,665)
Charges for services	722,925	722,925	11,850	(711,075)
Contributions	10,000,000	10,000,000	-	(10,000,000)
Total revenues	<u>23,703,768</u>	<u>23,703,768</u>	<u>3,901,028</u>	<u>(19,802,740)</u>
EXPENDITURES				
Current:				
Public safety	1,022,322	1,022,322	738,100	284,222
Highways and streets	2,065,553	2,065,553	711,221	1,354,332
Culture and recreation	27,332	27,332	12,093	15,239
Redevelopment and housing	3,601,048	3,601,048	797,262	2,803,786
Capital outlay	15,018,702	15,018,702	1,031,176	13,987,526
Total expenditures	<u>21,734,957</u>	<u>21,734,957</u>	<u>3,289,852</u>	<u>18,445,105</u>
Excess (deficiency) of revenues over (under) expenditures	1,968,811	1,968,811	611,176	(1,357,635)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(41,954)	(41,954)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(41,954)</u>	<u>(41,954)</u>
Net change in fund balance	1,968,811	1,968,811	569,222	(1,399,589)
Fund balance, beginning of year	-	-	(282,140)	(282,140)
Fund balance, end of year	<u>\$ 1,968,811</u>	<u>\$ 1,968,811</u>	<u>\$ 287,082</u>	<u>\$ (1,681,729)</u>

CITY OF COOLIDGE, ARIZONA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011

	<u>Business-type Activities-Enterprise Funds</u>		
	<u>Liquid Waste</u>	<u>Solid Waste</u>	<u>Liquid Waste Impact Fees</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 230,634	\$ 214,803	\$ 261,820
Accounts receivable, net	65,626	73,679	-
Due from other governments	336,106	-	-
Total current assets	<u>632,366</u>	<u>288,482</u>	<u>261,820</u>
Noncurrent assets			
Non-depreciable capital assets	1,451,838	-	-
Depreciable capital assets, net	21,704,749	350,088	-
Total noncurrent assets	<u>23,156,587</u>	<u>350,088</u>	<u>-</u>
Total assets	<u>23,788,953</u>	<u>638,570</u>	<u>261,820</u>
LIABILITIES			
Current liabilities			
Accounts payable	5,973	28,152	-
Accrued payroll and benefits	7,414	15,841	-
Retainages payable	-	-	219,000
Unearned revenue	-	-	-
Compensated absences	8,123	22,495	-
Loans payable	116,742	-	-
Total current liabilities	<u>138,252</u>	<u>66,488</u>	<u>219,000</u>
Noncurrent liabilities			
Compensated absences	9,214	16,361	-
Loans payable	1,691,914	-	-
Total noncurrent liabilities	<u>1,701,128</u>	<u>16,361</u>	<u>-</u>
Total liabilities	<u>1,839,380</u>	<u>82,849</u>	<u>219,000</u>
NET ASSETS			
Invested in capital assets, net of related debt	21,347,931	350,088	-
Restricted - Debt service	43,177	-	-
Restricted - Development	68,235	-	-
Restricted - Capital projects	-	-	42,820
Unrestricted	490,230	205,633	-
Total net assets	<u>\$ 21,949,573</u>	<u>\$ 555,721</u>	<u>\$ 42,820</u>

Business-type Activities-Enterprise Funds

Solid Waste Impact Fees	Airport	Total
\$ 117,055	\$ 15,220	\$ 839,532
-	-	139,305
-	2,942	339,048
<u>117,055</u>	<u>18,162</u>	<u>1,317,885</u>
-	175,569	1,627,407
-	1,263,459	23,318,296
-	1,439,028	24,945,703
<u>117,055</u>	<u>1,457,190</u>	<u>26,263,588</u>
-	967	35,092
-	815	24,070
-	-	219,000
-	2,942	2,942
-	-	30,618
-	-	116,742
<u>-</u>	<u>4,724</u>	<u>428,464</u>
-	-	25,575
-	-	1,691,914
-	-	1,717,489
<u>-</u>	<u>4,724</u>	<u>2,145,953</u>
-	1,439,028	23,137,047
-	-	43,177
-	-	68,235
117,055	-	159,875
-	13,438	709,301
<u>\$ 117,055</u>	<u>\$ 1,452,466</u>	<u>\$ 24,117,635</u>

CITY OF COOLIDGE, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2011

	<u>Business-type Activities-Enterprise Funds</u>		
	<u>Liquid Waste</u>	<u>Solid Waste</u>	<u>Liquid Waste Impact Fees</u>
Operating revenues			
Charges for service	\$ 914,912	\$ 811,908	\$ -
Total operating revenues	<u>914,912</u>	<u>811,908</u>	<u>-</u>
Operating expenses			
Costs of sales and services	519,869	991,307	-
Depreciation	<u>477,440</u>	<u>51,854</u>	<u>-</u>
Total operating expenses	<u>997,309</u>	<u>1,043,161</u>	<u>-</u>
Operating loss	<u>(82,397)</u>	<u>(231,253)</u>	<u>-</u>
Nonoperating revenues (expenses)			
Investment income	183	487	450
Interest expense	(15,257)	-	-
Developer expense	-	-	(5,051)
Gain (Loss) on capital assets	(17,500)	67,661	-
Other nonoperating revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(32,574)</u>	<u>68,148</u>	<u>(4,601)</u>
Income (loss) before capital contributions and transfers	<u>(114,971)</u>	<u>(163,105)</u>	<u>(4,601)</u>
Capital contributions	-	-	19,415
Transfers in	56,468	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(56,468)</u>
Change in net assets	(58,503)	(163,105)	(41,654)
Net assets, beginning of year	<u>22,008,076</u>	<u>718,826</u>	<u>84,474</u>
Net assets, end of year	<u>\$ 21,949,573</u>	<u>\$ 555,721</u>	<u>\$ 42,820</u>

Business-type Activities-Enterprise Funds

Solid Waste Impact Fees	Airport	Total
\$ -	\$ 43,082	\$ 1,769,902
-	43,082	1,769,902
-	32,967	1,544,143
-	32,800	562,094
-	65,767	2,106,237
-	(22,685)	(336,335)
176	18	1,314
-	-	(15,257)
(470)	-	(5,521)
-	-	50,161
-	2,811	2,811
(294)	2,829	33,508
(294)	(19,856)	(302,827)
618	-	20,033
-	41,954	98,422
-	-	(56,468)
324	22,098	(240,840)
116,731	1,430,368	24,358,475
\$ 117,055	\$ 1,452,466	\$ 24,117,635

CITY OF COOLIDGE, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2011

	<u>Business-type Activities Enterprise Funds</u>		
	<u>Liquid Waste</u>	<u>Solid Waste</u>	<u>Liquid Waste Impact Fees</u>
Cash flows from operating activities:			
Received from customers	\$ 888,999	\$ 847,427	\$ -
Payments to suppliers	(550,792)	(444,883)	-
Payments to employees	(260,205)	(527,148)	-
Net cash provided (used) by operating activities	<u>78,002</u>	<u>(124,604)</u>	<u>-</u>
Cash flows from noncapital and related financing activities			
Payments (to) from other funds	(329,617)	-	196,628
Transfers in	56,468	-	-
Transfers out	-	-	(56,468)
Net cash provided (used) for noncapital and related financing activities	<u>(273,149)</u>	<u>-</u>	<u>140,160</u>
Cash flows from capital and financing activities			
Purchases of capital assets	(1,391,897)	(67,896)	(52,587)
Receipts from developers	-	-	19,415
Receipts from sale of assets	-	67,661	-
Principal paid on capital debt	(113,141)	-	-
Proceeds of capital debt	1,877,741	-	-
Interest paid on capital debt	(15,257)	-	-
Net cash provided (used) for capital and related financing activities	<u>357,446</u>	<u>(235)</u>	<u>(33,172)</u>
Cash flows from investing activities			
Investment income	183	487	450
Net cash provided by investing activities	<u>183</u>	<u>487</u>	<u>450</u>
Net change in cash and cash equivalents	162,482	(124,352)	107,438
Cash and cash equivalents, beginning of year	<u>68,152</u>	<u>339,155</u>	<u>154,382</u>
Cash and cash equivalents, end of year	<u>\$ 230,634</u>	<u>\$ 214,803</u>	<u>\$ 261,820</u>

Business-type Activities Enterprise Funds

<u>Solid Waste Impact Fees</u>	<u>Airport</u>	<u>Total</u>
\$ -	\$ 45,468	\$ 1,781,894
-	(27,795)	(1,023,470)
-	(1,847)	(789,200)
-	15,826	(30,776)
-	-	(132,989)
-	41,954	98,422
-	-	(56,468)
-	41,954	(91,035)
(470)	(43,031)	(1,555,881)
618	-	20,033
-	-	67,661
-	-	(113,141)
-	-	1,877,741
-	-	(15,257)
148	(43,031)	281,156
176	18	1,314
176	18	1,314
324	14,767	160,659
116,731	453	678,873
<u>\$ 117,055</u>	<u>\$ 15,220</u>	<u>\$ 839,532</u>

CITY OF COOLIDGE, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2011

	<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	\$ (82,397)	\$ (231,253)	\$ -
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	477,440	51,854	-
(Increase) decrease in:			
Accounts receivable	(25,913)	35,519	-
Due from other governments	-	-	-
Increase (decrease) in:			
Accounts payable	(295,647)	2,282	-
Accrued payroll and employee benefits	2,980	2,912	-
Compensated absences payable	1,539	14,082	-
Net cash provided (used) by operating activities	<u>\$ 78,002</u>	<u>\$ (124,604)</u>	<u>\$ -</u>

Business-type Activities-Enterprise Funds

<u>Solid Waste Impact Fees</u>	<u>Airport</u>	<u>Total</u>
\$ -	\$ (19,874)	\$ (333,524)
-	32,800	562,094
-	-	9,606
-	2,386	2,386
-	514	(292,851)
-	-	5,892
-	-	15,621
<u>\$ -</u>	<u>\$ 15,826</u>	<u>\$ (30,776)</u>

CITY OF COOLIDGE, ARIZONA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2011

	<u>Pension Trust</u>
ASSETS	
Cash and cash equivalents	\$ 59,861
Investments	<u>188,019</u>
Total assets	<u>247,880</u>
LIABILITIES	
Total liabilities	<u>-</u>
NET ASSETS	
Held in trust for pension benefits	<u>\$ 247,880</u>

CITY OF COOLIDGE, ARIZONA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended June 30, 2011

	<u>Pension Trust</u>
ADDITIONS	
Other revenue	\$ 4,828
Employer contributions	1,965
Employee contributions	<u>1,965</u>
Total other revenue	<u>8,758</u>
Investment income	
Net increase in fair value of investments	5,469
Interest on investments	<u>7,545</u>
Total investment income	<u>13,014</u>
Total additions	<u>21,772</u>
DEDUCTIONS	
Administration	3,860
Benefits	<u>67,925</u>
Total deductions	<u>71,785</u>
Net decrease	(50,013)
Net assets, beginning of year	<u>297,893</u>
Net assets, end of year	<u>\$ 247,880</u>

CITY OF COOLIDGE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

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, 2011

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, 2011, 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 determined by a formal action of City Council. City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by City Council.

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, 2011

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 services 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, 2011

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, 2011

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)
Local Transportation Assistance Fund (LTAF)
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, 2011

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, 2011

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:

<u>Assets</u>	<u>Years</u>
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, 2011

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 2011.

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, 2011

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, 2011, cash and cash equivalents are presented in the funds as follows:

	Governmental Activities	Business Activities	Fiduciary Fund	Total
Cash and cash equivalents	<u>\$ 7,358,874</u>	<u>\$ 839,532</u>	<u>\$ 247,880</u>	<u>\$ 8,446,286</u>

Deposits

At June 30, 2011, the City had \$33,948 of cash on hand. The carrying amount of the City's cash in bank totaled \$7,905,319 and the bank balance was \$8,028,500 on June 30, 2011. The City's deposits at June 30, 2011 were covered by Federal Depository Insurance to the extent of \$439,467. Deposits of \$7,589,033 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, 2011

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, 2011 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, 2011, the City's funds invested with the State Treasurer totaled \$313,451.

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 \$193,568 at June 30, 2011.

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

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 2 CASH AND INVESTMENTS (Continued)

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		Ratings as of Year-End	
<u>Investment Type</u>	<u>Total</u>	<u>Unrated</u>	
LGIP	\$ 282,295	\$ 282,295	
	<u>\$ 282,295</u>	<u>\$ 282,295</u>	
Proprietary funds		Ratings as of Year-End	
<u>Investment Type</u>	<u>Total</u>	<u>Unrated</u>	
LGIP	\$ 31,156	\$ 31,156	
	<u>\$ 31,156</u>	<u>\$ 31,156</u>	
Fiduciary funds		Ratings as of Year-End	
<u>Investment Type</u>	<u>Total</u>	<u>Unrated</u>	
Money market funds	\$ 5,549	\$ 5,549	
Mutual funds	188,019	188,019	
	<u>\$ 193,568</u>	<u>\$ 193,568</u>	

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:

	<u>General Fund</u>	<u>Grants</u>	<u>Capital Projects Fund</u>	<u>Road Tax Capital Projects</u>	<u>Non-Major Governmental Fund</u>	<u>Total</u>
Receivables:						
Taxes	\$ 54,533	\$ -	\$ -	\$ -	\$ 69,757	\$124,290
Accounts	-	-	-	45,949	-	45,949
	<u>54,533</u>	<u>-</u>	<u>-</u>	<u>45,949</u>	<u>69,757</u>	<u>170,239</u>
Less:						
Allowance	-	-	-	-	-	-
Net receivables	<u>\$ 54,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,949</u>	<u>\$ 69,757</u>	<u>\$ 170,239</u>

CITY OF COOLIDGE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 3 RECEIVABLES (Continued)

The following table summarizes the City's receivables for the enterprise funds as of June 30, 2011.

Business-type Activities:

	Liquid Waste Fund	Solid Waste Fund	Liquid Waste Impact Fees Fund	Solid Waste Impact Fees Fund	Airport Fund	Total
Receivables:						
Accounts	\$ 378,781	\$ 441,295	\$ -	\$ -	\$ -	\$ 820,076
Less:						
Allowance	(313,155)	(367,616)	-	-	-	(680,771)
Net receivables	<u>\$ 65,626</u>	<u>\$ 73,679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,305</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 \$4,500 and \$59,657, respectively.

NOTE 4 CAPITAL ASSETS

A summary of capital assets activity for the fiscal year ended June 30, 2011 follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 1,953,409	\$ -	\$ -	\$ 16,350	\$ 1,969,759
Construction in progress	2,589,532	261,660	(188,984)	(2,385,048)	277,160
Total capital assets not being depreciated	<u>4,542,941</u>	<u>261,660</u>	<u>(188,984)</u>	<u>(2,368,698)</u>	<u>2,246,919</u>
Capital assets, being depreciated:					
Infrastructure	64,345,961	31,952	-	-	64,377,913
Buildings and improvements	12,272,872	743,860	-	2,368,698	15,385,430
Vehicles, furniture and equipment	6,051,352	241,835	(294,085)	-	5,999,102
Total capital assets being depreciated	<u>82,670,185</u>	<u>1,017,647</u>	<u>(294,085)</u>	<u>2,368,698</u>	<u>85,762,445</u>
Less accumulated depreciation for:					
Infrastructure	(16,027,050)	(2,298,463)	-	-	(18,325,513)
Buildings and improvements	(2,990,995)	(254,283)	-	-	(3,245,278)
Vehicles, furniture and equipment	(3,512,179)	(573,313)	294,085	-	(3,791,407)
Total accumulated depreciation	<u>(22,530,224)</u>	<u>(3,126,059)</u>	<u>294,085</u>	<u>-</u>	<u>(25,362,198)</u>
Total capital assets, being depreciated, net	<u>60,139,961</u>	<u>(2,108,412)</u>	<u>-</u>	<u>2,368,698</u>	<u>60,400,247</u>
Governmental activities capital assets, net	<u>\$ 64,682,902</u>	<u>\$ (1,846,752)</u>	<u>\$ (188,984)</u>	<u>\$ -</u>	<u>\$ 62,647,166</u>

CITY OF COOLIDGE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 4 CAPITAL ASSETS (Continued)

Business-Type Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 1,200,000	\$ -	\$ (17,500)	\$ -	\$ 1,182,500
Construction in progress	1,468,916	79,499	-	(1,103,508)	444,907
Total capital assets not being depreciated	2,668,916	79,499	(17,500)	(1,103,508)	1,627,407
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	22,014,125	1,177,091	-	1,103,508	24,294,724
Vehicles, machinery and equipment	1,134,825	139,358	(4,954)	-	1,269,229
Total capital assets being depreciated	24,827,099	1,316,449	(4,954)	1,103,508	27,242,102
Less accumulated depreciation for:					
Land improvements	(314,527)	(32,145)	-	-	(346,672)
Airport hangar and improvements	(66,336)	(161)	-	-	(66,497)
Sewer treatment plant and collection system	(2,428,636)	(455,803)	-	-	(2,884,439)
Vehicles, machinery and equipment	(557,167)	(73,985)	4,954	-	(626,198)
Total accumulated depreciation	(3,366,666)	(562,094)	4,954	-	(3,923,806)
Total capital assets, being depreciated, net	21,460,433	754,355	-	1,103,508	23,318,296
Business-Type activities capital assets, net	\$ 24,129,349	\$ 833,854	\$ (17,500)	\$ -	\$ 24,945,703

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 175,000
Public safety	366,154
Highway and streets	2,430,777
Culture and recreation	154,128
Total depreciation expense	<u>\$ 3,126,059</u>
Business-type activities	
Wastewater	\$ 477,440
Sanitation	51,854
Airport	32,800
Total depreciation expense	<u>\$ 562,094</u>

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

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, 2011, are as follows:

Description	Interest Rate (Including Fees)	Maturity	Outstanding Principal June 30, 2011	Due Within One Year
Governmental activities:				
Greater Arizona Development Authority Note	2.00%	08/01/03 - 22	\$ 2,625,000	\$ 175,000
Total Governmental activities			<u>\$ 2,625,000</u>	<u>175,000</u>
Business-type activities:				
Water Infrastructure Finance Authority Note	3.75%	07/01/98 - 18	293,727	32,163
Water Infrastructure Finance Authority Note	2.97%	07/01/10 - 29	1,514,929	84,579
Total Business-type activities			<u>\$ 1,808,656</u>	<u>\$ 116,742</u>
Total			<u>\$ 4,433,656</u>	<u>\$ 291,742</u>

Annual debt service requirements to maturity on the loans payable at June 30, 2011 are summarized as follows:

Fiscal year ending June 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	175,000	111,150	116,742	72,014	291,742	183,164
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
2017-2021	1,150,000	262,083	639,816	216,936	1,789,816	479,019
2022-2026	535,000	25,768	546,748	108,876	1,081,748	134,644
Total	<u>\$2,625,000</u>	<u>\$ 769,947</u>	<u>\$ 1,808,656</u>	<u>\$ 646,885</u>	<u>\$4,433,656</u>	<u>\$1,416,832</u>

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 6 CAPITAL LEASES

Leases at June 30, 2011, included the following:

Governmental activities:

Lease with option to purchase the Kenilworth Sports 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.

1,041,020

Total Governmental Activities Capital Lease Obligation

\$ 1,041,020

The minimum lease payments by year are:

Fiscal year ending June 30,	Governmental Activities
2012	\$ 232,676
2013	232,677
2014	232,672
2015	232,675
2016	<u>232,673</u>
Total minimum lease payments	1,163,373
Less: amount representing interest	<u>(122,353)</u>
Present value of future minimum lease payments	1,041,020
Less: current portion	<u>(191,460)</u>
Noncurrent portion	<u>\$ 849,560</u>

Leased Capital Assets

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

Asset	Governmental Activities
Land	\$ 2,500,000
Equipment	<u>366,256</u>
Subtotal	2,866,256
Less accumulated depreciation	<u>(325,550)</u>
Total	<u>\$ 2,540,706</u>

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

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 \$415,037 and \$237,911, 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, 2011. 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.

NOTE 8 CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 321,243	\$ 252,518	\$ (139,717)	\$ 434,044	\$ 201,619
Notes payable	2,790,000	-	(165,000)	2,625,000	175,000
Capital leases	1,302,681	-	(261,661)	1,041,020	191,460
Landfill closure and postclosure costs	650,309	2,639	-	652,948	-
Governmental activities long-term liabilities	<u>\$ 5,064,233</u>	<u>\$ 255,157</u>	<u>\$ (566,378)</u>	<u>\$ 4,753,012</u>	<u>\$ 568,079</u>
Business-type activities					
Compensated absences	\$ 40,572	\$ 37,895	\$ (22,274)	\$ 56,193	\$ 30,618
Notes payable	702,463	1,219,334	(113,141)	1,808,656	116,742
Business-type activities long-term liabilities	<u>\$ 743,035</u>	<u>\$ 1,257,229</u>	<u>\$ (135,415)</u>	<u>\$ 1,864,849</u>	<u>\$ 147,360</u>

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2011, interfund balances were as follows:

Interfund receivable/payable:

Fund	Receivable Amount	Payable Amount
General Fund	\$ 753,950	\$ -
Grants Fund	-	753,950
Road Tax Capital Projects	46,981	-
Non-Major Governmental Funds	-	46,981
Total	\$ 800,931	\$ 800,931

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

Interfund transfers:

Fund	Transfers Out	Transfers In
General Fund	\$ 308,993	\$ 133,953
Grants	41,954	-
Impact Fees	-	1,198,087
Capital Projects	1,567,253	-
Road Tax Capital Projects	392,091	-
Non-Major Governmental Funds	-	936,297
Liquid Waste Fund	-	56,468
Liquid Waste Impact Fees Fund	56,468	-
Airport	-	41,954
Total	\$ 2,366,759	\$ 2,366,759

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, 2011; 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, 2011

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, 2011, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 9.85 percent (9.6 percent retirement and .25 percent long-term disability) of the member's annual covered payroll. The City's contributions to ASRS for the years ended June 30, 2011, 2010, and 2009 were \$397,309, \$418,690, and \$430,374, respectively, which were equal to the required contributions for the year.

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

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, 2011, 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, 2011, 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.

Contribution Rates:	<u>PSPRS – Police</u>	<u>PSPRS - Fire</u>
City – retirement	16.60%	7.23%
City – health insurance premium	1.33%	0.47%
Plan members	7.65%	7.65%
Annual pension cost		
Retirement	\$ 297,177	\$ 14,562
Health insurance premium	\$ 23,810	\$ 947
Pension contributions made		
Retirement	\$ 297,177	\$ 14,562
Health insurance premium	\$ 23,810	\$ 947
Actuarial valuation date	June 30, 2009	June 30, 2009
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Actuarial assumptions:		
Investment rate of return	8.5%	8.5%
Projected salary increases	5.5% - 8.5%	5.5% - 8.5%
Includes inflation at cost-of-living adjustment	5.5%	5.5%
Amortization method	Level Percent Closed	Level Percent Closed
Remaining amortization period	27 years underfunded 20 years overfunded	27 years underfunded 20 years overfunded
Asset valuation method	Smoothed market	Smoothed market

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

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, 2011	\$ 297,177	100.0%	-
June 30, 2010	219,265	100.0%	-
June 30, 2009	161,639	100.0%	-
PSPRS - Police - Health Insurance			
June 30, 2011	23,810	100.0%	-
June 30, 2010	17,568	100.0%	-
June 30, 2009	9,111	100.0%	-
PSPRS - Fire - Pension			
June 30, 2011	14,562	100.0%	-
June 30, 2010	13,054	100.0%	-
June 30, 2009	3,924	100.0%	-
PSPRS - Fire - Health Insurance			
June 30, 2011	947	100.0%	-
June 30, 2010	849	100.0%	-
June 30, 2009	219	100.0%	-

Funding Progress - An analysis of funding progress for each of the agent plans as most recent actuarial valuations, June 30, 2011 follows:

PSPR - 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)
2011	\$ 4,126,077	\$ 6,108,449	\$ 1,982,372	67.5%	\$1,638,561	121.0%
2010	3,884,227	5,612,257	\$ 1,728,030	69.2%	1,734,347	99.6%
2009	3,633,892	5,789,982	\$ 2,156,090	62.8%	1,594,868	135.2%

CITY OF COOLIDGE, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 12 RETIREMENT PLANS (Continued)

PSPR - 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)
2011	\$ -	\$ 205,349	\$ 205,349	0.0%	\$1,638,561	12.53%
2010	-	156,322	\$ 156,322	0.0%	1,734,347	9.01%
2009	-	200,337	\$ 200,337	0.0%	1,594,868	12.56%

PSPR - Coolidge Fire Pension Plan:

June 30,	Actuarial Value of Plan 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)
2011	\$ 87,616	\$ 57,054	\$ (30,562)	153.6%	\$ 151,844	0.0%
2010	37,115	27,481	\$ (9,634)	135.1%	189,428	0.0%
2009	8,279	870	\$ (7,409)	951.6%	185,182	4.0%

PSPR - Coolidge Fire Pension Plan:

June 30,	Actuarial Value of Plan 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)
2011	\$ -	\$ 1,445	\$ 1,445	0.0%	\$ 151,844	0.95%
2010	-	676	\$ 676	0.0%	189,428	0.36%
2009	-	114	\$ 114	0.0%	185,182	0.06%

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, 2011

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
2009	2011	0.71%	0.62%	1.33%	\$ 22,026
2008	2010	0.54%	0.44%	0.98%	16,997
2007	2009	0.68%	0.59%	1.27%	24,256

PSPRS - Goodyear Fire Health Insurance Plan:

June 30,	Fiscal Year Ended June 30,	Normal Cost (a)	Actuarial Accrued Liability (b)	Total (a+b)	Dollar Amount
2009	2011	0.38%	0.00%	0.38%	\$ 720
2008	2010	0.37%	0.02%	0.39%	739
2007	2009	0.37%	0.14%	0.51%	35,133

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, 2011, there were 22 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, 2011, was \$39,291 and the City's required and actual contributions amounted to \$1,965.

CITY OF COOLIDGE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 12 RETIREMENT PLANS (Continued)

As of June 30, 2011, the plan's assets consisted of the following:

Cash	\$	54,312
Money market funds		5,549
Mutual funds		188,019
	\$	<u>247,880</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, 2011

	Special Revenue		
	Highway User Fund	LTAF	Court Surcharge
ASSETS			
Cash and cash equivalents	\$ 8,488	\$ 41,614	\$ 59,058
Taxes receivable	69,757	-	-
Due from other governments	-	-	957
Total assets	<u>\$ 78,245</u>	<u>\$ 41,614</u>	<u>\$ 60,015</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 8,488	\$ 7,397	\$ -
Accrued payroll and employee benefits	22,776	13,800	-
Due to other funds	46,981	-	-
Total liabilities	<u>78,245</u>	<u>21,197</u>	<u>-</u>
Fund balances			
Restricted	-	20,417	60,015
Assigned	-	-	-
Total fund balances	<u>-</u>	<u>20,417</u>	<u>60,015</u>
Total liabilities and fund balances	<u>\$ 78,245</u>	<u>\$ 41,614</u>	<u>\$ 60,015</u>

Debt Service	Capital Projects		Total Non-Major Governmental Funds
	Sandia CFD	Martin Valley CFD	
\$ -	\$ 11,897	\$ 26,994	\$ 148,051
-	-	-	69,757
-	-	-	957
<u>\$ -</u>	<u>\$ 11,897</u>	<u>\$ 26,994</u>	<u>\$ 218,765</u>
\$ -	\$ -	\$ -	\$ 15,885
-	20	92	36,688
-	-	-	46,981
<u>-</u>	<u>20</u>	<u>92</u>	<u>99,554</u>
-	-	-	80,432
-	11,877	26,902	38,779
-	11,877	26,902	119,211
<u>-</u>	<u>11,877</u>	<u>26,902</u>	<u>119,211</u>
<u>\$ -</u>	<u>\$ 11,897</u>	<u>\$ 26,994</u>	<u>\$ 218,765</u>

CITY OF COOLIDGE, ARIZONA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2011

	Special Revenue		
	Highway User Fund	LTAF	Court Surcharge
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	679,850	9,763	3,775
Fines and forfeitures	-	-	6,051
Charges for services	1,430	23,014	-
Investment income	-	29	92
Contributions	-	20,717	-
Miscellaneous	4,813	-	-
Total revenues	<u>686,093</u>	<u>53,523</u>	<u>9,918</u>
EXPENDITURES			
Current			
Public safety	-	-	1,778
Highway and streets	1,078,184	208,146	-
Community development	-	-	-
Capital outlay	-	86,216	-
Debt service			
Principal retirement	-	-	-
Interest and debt costs	-	-	-
Total expenditures	<u>1,078,184</u>	<u>294,362</u>	<u>1,778</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(392,091)</u>	<u>(240,839)</u>	<u>8,140</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	392,091	261,256	-
Total other financing sources (uses)	<u>392,091</u>	<u>261,256</u>	<u>-</u>
Net change in fund balances	-	20,417	8,140
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>51,875</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 20,417</u>	<u>\$ 60,015</u>

Debt Service	Capital Projects		Total Non-Major Government Funds
	Sandia CFD	Martin Valley CFD	
\$ -	\$ 3,656	\$ 4,760	\$ 8,416
-	-	-	693,388
-	-	-	6,051
-	-	-	24,444
-	20	21	162
-	-	-	20,717
-	-	-	4,813
<u>-</u>	<u>3,676</u>	<u>4,781</u>	<u>757,991</u>
-	-	-	1,778
-	-	-	1,286,330
-	592	2,831	3,423
-	358	400	86,974
165,000	-	-	165,000
117,950	-	-	117,950
<u>282,950</u>	<u>950</u>	<u>3,231</u>	<u>1,661,455</u>
<u>(282,950)</u>	<u>2,726</u>	<u>1,550</u>	<u>(903,464)</u>
<u>282,950</u>	<u>-</u>	<u>-</u>	<u>936,297</u>
<u>282,950</u>	<u>-</u>	<u>-</u>	<u>936,297</u>
-	2,726	1,550	32,833
-	9,151	25,352	86,378
<u>\$ -</u>	<u>\$ 11,877</u>	<u>\$ 26,902</u>	<u>\$ 119,211</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, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 1,312,260	\$ 1,312,260	\$ 105,204	\$ (1,207,056)
Investment income	2,150	2,150	1,193	(957)
Miscellaneous	143,983	143,983	-	(143,983)
Total revenues	<u>1,458,393</u>	<u>1,458,393</u>	<u>106,397</u>	<u>(1,351,996)</u>
EXPENDITURES				
Current				
Public safety	-	-	350	(350)
Highways and streets	150,000	150,000	-	150,000
Culture and recreation	-	-	138,820	(138,820)
Redevelopment and housing	-	-	-	-
Capital outlay	787,199	787,199	94,932	692,267
Debt service				
Principal retirement	176,355	176,355	176,355	-
Interest and debt cost	56,317	56,317	56,317	-
Total expenditures	<u>1,169,871</u>	<u>1,169,871</u>	<u>466,774</u>	<u>703,097</u>
Excess (deficiency) of revenues over (under) expenditures	<u>288,522</u>	<u>288,522</u>	<u>(360,377)</u>	<u>(648,899)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,198,087	1,198,087
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,198,087</u>	<u>1,198,087</u>
Net change in fund balance	288,522	288,522	837,710	549,188
Fund balance, beginning of year	<u>(288,522)</u>	<u>(288,522)</u>	<u>(196,628)</u>	<u>91,894</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 641,082</u>	<u>\$ 641,082</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, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
REVENUES				
Charges for service	\$ 45,257	\$ 45,257	\$ 45,257	\$ -
Investment income	5,000	5,000	2,720	(2,280)
Total revenues	<u>50,257</u>	<u>50,257</u>	<u>47,977</u>	<u>(2,280)</u>
EXPENDITURES				
Current				
Capital outlay	1,238,226	1,238,226	35,754	1,202,472
Total expenditures	<u>1,238,226</u>	<u>1,238,226</u>	<u>35,754</u>	<u>1,202,472</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,187,969)</u>	<u>(1,187,969)</u>	<u>12,223</u>	<u>1,200,192</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(392,706)</u>	<u>(392,706)</u>	<u>(1,567,253)</u>	<u>(1,174,547)</u>
Total other financing sources (uses)	<u>(392,706)</u>	<u>(392,706)</u>	<u>(1,567,253)</u>	<u>(1,174,547)</u>
Net change in fund balance	(1,580,675)	(1,580,675)	(1,555,030)	25,645
Fund balance, beginning of year	<u>1,580,675</u>	<u>1,580,675</u>	<u>1,617,555</u>	<u>36,880</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,525</u>	<u>\$ 62,525</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
REVENUES				
Intergovernmental	\$ 1,129,158	\$ 1,129,158	\$ 550,164	\$ (578,994)
Investment income	5,000	5,000	3,102	(1,898)
Miscellaneous	-	-	448	448
Total revenues	<u>1,134,158</u>	<u>1,134,158</u>	<u>553,714</u>	<u>(580,444)</u>
EXPENDITURES				
Current:				
Highway and streets	1,631,632	1,631,632	37,968	1,593,664
Capital outlay	480,000	480,000	61,699	418,301
Debt service				
Principal retirement	77,910	77,910	77,911	(1)
Interest and debt cost	2,508	2,508	2,508	-
Total expenditures	<u>2,192,050</u>	<u>2,192,050</u>	<u>180,086</u>	<u>2,011,964</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,057,892)</u>	<u>(1,057,892)</u>	<u>373,628</u>	<u>1,431,520</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	490,346	490,346	(392,091)	(882,437)
Total other financing sources (uses)	<u>490,346</u>	<u>490,346</u>	<u>(392,091)</u>	<u>(882,437)</u>
Net change in fund balance	(567,546)	(567,546)	(18,463)	549,083
Fund balance, beginning of year	<u>1,548,238</u>	<u>1,548,238</u>	<u>1,794,012</u>	<u>245,774</u>
Fund balance, end of year	<u>\$ 980,692</u>	<u>\$ 980,692</u>	<u>\$ 1,775,549</u>	<u>\$ 794,857</u>

CITY OF COOLIDGE, ARIZONA
HIGHWAY USER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET
AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 635,470	\$ 635,470	\$ 679,850	\$ 44,380
Charges for services	-	-	1,430	1,430
Miscellaneous	5,000	5,000	4,813	(187)
Total revenues	<u>640,470</u>	<u>640,470</u>	<u>686,093</u>	<u>45,623</u>
EXPENDITURES				
Current				
Highways and streets	<u>1,130,816</u>	<u>1,130,816</u>	<u>1,078,184</u>	<u>52,632</u>
Total expenditures	<u>1,130,816</u>	<u>1,130,816</u>	<u>1,078,184</u>	<u>52,632</u>
Excess (deficiency) of revenues over (under) expenditures	(490,346)	(490,346)	(392,091)	98,255
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>490,346</u>	<u>490,346</u>	<u>392,091</u>	<u>(98,255)</u>
Total other financing sources (uses)	<u>490,346</u>	<u>490,346</u>	<u>392,091</u>	<u>(98,255)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF COOLIDGE, ARIZONA
 LTAF FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET
 AND ACTUAL
 Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 9,763	\$ 9,763
Charges for Services	46,400	46,400	23,014	(23,386)
Investment income	-	-	29	29
Contributions	-	-	20,717	20,717
Total revenues	<u>46,400</u>	<u>46,400</u>	<u>53,523</u>	<u>7,123</u>
EXPENDITURES				
Current				
Highways and streets	376,437	376,437	208,146	168,291
Capital outlay	109,756	109,756	86,216	23,540
Total expenditures	<u>486,193</u>	<u>486,193</u>	<u>294,362</u>	<u>191,831</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(439,793)</u>	<u>(439,793)</u>	<u>(240,839)</u>	<u>198,954</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>439,793</u>	<u>439,793</u>	<u>261,256</u>	<u>(178,537)</u>
Total other financing sources (uses)	<u>439,793</u>	<u>439,793</u>	<u>261,256</u>	<u>(178,537)</u>
Net change in fund balance	-	-	20,417	20,417
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,417</u>	<u>\$ 20,417</u>

CITY OF COOLIDGE, ARIZONA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET
AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt Service				
Principal retirement	165,000	165,000	165,000	-
Interest and debt costs	<u>117,950</u>	<u>117,950</u>	<u>117,950</u>	<u>-</u>
Total expenditures	<u>282,950</u>	<u>282,950</u>	<u>282,950</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(282,950)</u>	<u>(282,950)</u>	<u>(282,950)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>282,950</u>	<u>282,950</u>	<u>282,950</u>	<u>-</u>
Total other financing sources (uses)	<u>282,950</u>	<u>282,950</u>	<u>282,950</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, 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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,673	\$ 3,673	\$ 3,656	\$ (17)
Investment income	15	15	20	5
Contributions	14,020	14,020	-	(14,020)
Total revenues	<u>17,708</u>	<u>17,708</u>	<u>3,676</u>	<u>(14,032)</u>
EXPENDITURES				
Current:				
Highways and streets	3,000	3,000	592	2,408
Capital outlay	14,708	14,708	358	14,350
Total expenditures	<u>17,708</u>	<u>17,708</u>	<u>950</u>	<u>16,758</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	2,726	2,726
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>9,151</u>	<u>9,151</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,877</u>	<u>\$ 11,877</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,928	\$ 4,928	\$ 4,760	\$ (168)
Investment income	20	20	21	1
Contributions	25,440	25,440	-	(25,440)
Total revenues	<u>30,388</u>	<u>30,388</u>	<u>4,781</u>	<u>(25,607)</u>
EXPENDITURES				
Current				
Community development	5,000	5,000	2,831	2,169
Capital outlay	25,388	25,388	400	24,988
Total expenditures	<u>30,388</u>	<u>30,388</u>	<u>3,231</u>	<u>27,157</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	1,550	1,550
Fund balances, beginning of year	-	-	25,352	25,352
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,902</u>	<u>\$ 26,902</u>

CITY OF COOLIDGE, ARIZONA
LIQUID WASTE ENTERPRISE FUND
SCHEDULE OF OPERATIONS-BUDGET AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for service	\$ 789,133	\$ 789,133	\$ 914,912	\$ 125,779
Total operating revenues	<u>789,133</u>	<u>789,133</u>	<u>914,912</u>	<u>125,779</u>
Operating expenses				
Costs of sales and services	875,714	875,714	519,869	355,845
Depreciation	-	-	477,440	(477,440)
Total operating expenses	<u>875,714</u>	<u>875,714</u>	<u>997,309</u>	<u>(121,595)</u>
Operating income (loss)	<u>(86,581)</u>	<u>(86,581)</u>	<u>(82,397)</u>	<u>4,184</u>
Nonoperating revenues (expenses)				
Investment income	125	125	183	58
Interest expense	(193,712)	(193,712)	(15,257)	178,455
Loss on sale of assets	-	-	(17,500)	(17,500)
Other nonoperating revenues	100	100	-	(100)
Total nonoperating revenues (expenses)	<u>(193,487)</u>	<u>(193,487)</u>	<u>(32,574)</u>	<u>160,913</u>
Income (loss) before capital contributions and transfers	(280,068)	(280,068)	(114,971)	165,097
Transfers in	-	-	56,468	56,468
Change in net assets	(280,068)	(280,068)	(58,503)	221,565
Net assets, beginning of year	<u>280,068</u>	<u>280,068</u>	<u>22,008,076</u>	<u>21,728,008</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$21,949,573</u>	<u>\$ 21,949,573</u>

CITY OF COOLIDGE, ARIZONA
SOLID WASTE ENTERPRISE FUND
SCHEDULE OF OPERATIONS-BUDGET AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for service	\$ 790,439	\$ 790,439	\$ 811,908	\$ 21,469
Total operating revenues	<u>790,439</u>	<u>790,439</u>	<u>811,908</u>	<u>21,469</u>
Operating expenses				
Costs of sales and services	1,428,746	1,428,746	991,307	437,439
Depreciation	-	-	51,854	(51,854)
Total operating expenses	<u>1,428,746</u>	<u>1,428,746</u>	<u>1,043,161</u>	<u>385,585</u>
Operating income (loss)	<u>(638,307)</u>	<u>(638,307)</u>	<u>(231,253)</u>	<u>407,054</u>
Nonoperating revenues (expenses)				
Investment income	1,000	1,000	487	(513)
Gain on capital assets	<u>59,300</u>	<u>59,300</u>	<u>67,661</u>	<u>8,361</u>
Total nonoperating revenues (expenses)	<u>60,300</u>	<u>60,300</u>	<u>68,148</u>	<u>7,848</u>
Change in net assets	(578,007)	(578,007)	(163,105)	414,902
Net assets, beginning of year	<u>578,007</u>	<u>578,007</u>	<u>718,826</u>	<u>140,819</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 555,721</u>	<u>\$ 555,721</u>

CITY OF COOLIDGE, ARIZONA
LIQUID WASTE IMPACT FEES ENTERPRISE FUND
SCHEDULE OF OPERATIONS-BUDGET AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for service	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-
Operating expenses				
Total operating expenses	-	-	-	-
Operating income	-	-	-	-
Nonoperating revenues (expenses)				
Investment income	1,500	1,500	450	(1,050)
Developer expense	(89,977)	(89,977)	(5,051)	84,926
Total nonoperating revenues (expenses)	(88,477)	(88,477)	(4,601)	83,876
Income (loss) before capital contributions and transfers	(88,477)	(88,477)	(4,601)	83,876
Capital contributions	430,844	430,844	19,415	(411,429)
Transfers out	-	-	(56,468)	(56,468)
Change in net assets	342,367	342,367	(41,654)	(384,021)
Net assets, beginning of year	88,477	88,477	84,474	(4,003)
Net assets, end of year	\$ 430,844	\$ 430,844	\$ 42,820	\$ (388,024)

CITY OF COOLIDGE, ARIZONA
SOLID WASTE IMPACT FEES ENTERPRISE FUND
SCHEDULE OF OPERATIONS-BUDGET AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for service	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-
Operating expenses				
Depreciation	-	-	-	-
Total operating expenses	-	-	-	-
Operating income (loss)	-	-	-	-
Nonoperating revenues (expenses)				
Investment income	300	300	176	(124)
Developer expense	(118,320)	(118,320)	(470)	117,850
Total nonoperating revenues (expenses)	(118,020)	(118,020)	(294)	117,726
Income (loss) before capital contributions and transfers	(118,020)	(118,020)	(294)	117,726
Capital contributions	1,236	1,236	618	(618)
Change in net assets	(116,784)	(116,784)	324	117,108
Net assets, beginning of year	116,784	116,784	116,731	(53)
Net assets, end of year	\$ -	\$ -	\$ 117,055	\$ 117,055

CITY OF COOLIDGE, ARIZONA
AIRPORT ENTERPRISE FUND
SCHEDULE OF OPERATIONS-BUDGET AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for service	\$ 45,251	\$ 45,251	\$ 43,082	\$ (2,169)
Total operating revenues	<u>45,251</u>	<u>45,251</u>	<u>43,082</u>	<u>(2,169)</u>
Operating expenses				
Costs of sales and services	168,033	168,033	32,967	135,066
Depreciation	-	-	32,800	(32,800)
Total operating expenses	<u>168,033</u>	<u>168,033</u>	<u>65,767</u>	<u>102,266</u>
Operating income (loss)	<u>(122,782)</u>	<u>(122,782)</u>	<u>(22,685)</u>	<u>100,097</u>
Nonoperating revenues (expenses)				
Investment income	50	50	18	(32)
Miscellaneous	<u>5,500</u>	<u>5,500</u>	<u>2,811</u>	<u>(2,689)</u>
Total nonoperating revenues (expenses)	<u>5,550</u>	<u>5,550</u>	<u>2,829</u>	<u>(2,721)</u>
Income (loss) before capital contributions and transfers	<u>(117,232)</u>	<u>(117,232)</u>	<u>(19,856)</u>	<u>97,376</u>
Transfers in	<u>117,232</u>	<u>117,232</u>	<u>41,954</u>	<u>(75,278)</u>
Change in net assets	-	-	22,098	22,098
Net assets, beginning of year	<u>-</u>	<u>-</u>	<u>1,430,368</u>	<u>1,430,368</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,452,466</u>	<u>\$ 1,452,466</u>

CAPITAL ASSETS

CITY OF COOLIDGE
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY SOURCE
 June 30, 2011

Governmental funds capital assets

Land	\$ 1,969,759
Buildings and improvements	15,385,430
Vehicles, machinery and equipment	5,999,102
Infrastructure	64,377,913
Construction in progress	277,160

Total governmental funds capital assets	\$ 88,009,364
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Investment in governmental funds capital assets by source

Government funds	\$ 88,009,364
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Total governmental funds capital assets	\$ 88,009,364
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CITY OF COOLIDGE
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 June 30, 2011

Function and Activity	Land	Buildings and Improvements	Vehicles, Machinery and Equipment
General Government	\$ 736,615	\$ 3,148,206	\$ 1,344,220
Highways and Streets	788,046	1,081,738	2,914,256
Public Safety	118,504	4,046,429	1,576,037
Culture and Recreation	326,594	7,109,057	164,589
 Total governmental funds capital assets	\$ 1,969,759	\$ 15,385,430	\$ 5,999,102

Infrastructure	Construction in Progress	Total
\$ -	\$ -	\$ 5,229,041
64,185,508	277,160	69,246,708
192,405	-	5,933,375
-	-	7,600,240
<u>\$ 64,377,913</u>	<u>\$ 277,160</u>	<u>\$ 88,009,364</u>

CITY OF COOLIDGE
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 Year Ended June 30, 2011

Function and Activity	Governmental Funds Capital Assets			Governmental Funds Capital Assets June 30, 2011
	July 1, 2010	Additions	Deductions	
General Government	\$ 5,557,708	\$ -	\$ (328,667)	\$ 5,229,041
Highways and Streets	68,056,687	1,216,641	(26,620)	69,246,708
Public Safety	5,981,135	62,666	(110,426)	5,933,375
Culture and Recreation	7,617,596	-	(17,356)	7,600,240
Total governmental funds capital assets	<u>\$ 87,213,126</u>	<u>\$ 1,279,307</u>	<u>\$ (483,069)</u>	<u>\$ 88,009,364</u>

STATISTICAL SECTION



STATISTICAL SECTION

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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 Year			
	2011	2010	2009	2008
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 58,981,146	\$ 60,590,221	\$ 60,576,123	\$ 56,207,935
Restricted	2,896,898	3,377,216	4,933,700	5,314,529
Unrestricted	<u>4,718,631</u>	<u>2,971,682</u>	<u>3,347,070</u>	<u>4,251,207</u>
Total Governmental Activities Net Assets	<u>66,596,675</u>	<u>66,939,119</u>	<u>68,856,893</u>	<u>65,773,671</u>
Business-type Activities				
Invested in Capital Assets, Net of Related Debt	23,137,047	23,426,566	22,659,188	22,457,036
Restricted	271,287	244,382	763,986	869,853
Unrestricted	<u>709,301</u>	<u>687,527</u>	<u>458,073</u>	<u>428,939</u>
Total Business-type Activities Net Assets	<u>24,117,635</u>	<u>24,358,475</u>	<u>23,881,247</u>	<u>23,755,828</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	82,118,193	84,016,787	83,235,311	78,664,971
Restricted	3,168,185	3,621,598	5,697,686	6,184,382
Unrestricted	<u>5,427,932</u>	<u>3,659,209</u>	<u>3,805,143</u>	<u>4,680,146</u>
Total Primary Government Net Assets	<u>\$ 90,714,310</u>	<u>\$ 91,297,594</u>	<u>\$ 92,738,140</u>	<u>\$ 89,529,499</u>

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

Table 1

Fiscal Year			
2007	2006	2005	2004
\$ 22,099,389	\$ 19,795,743	\$ 20,115,262	\$ 17,484,497
302,185	291,447	330,576	-
<u>9,136,231</u>	<u>6,579,524</u>	<u>937,586</u>	<u>1,384,788</u>
<u>31,537,805</u>	<u>26,666,714</u>	<u>21,383,424</u>	<u>18,869,285</u>
11,307,071	7,220,556	4,026,363	2,783,987
-	-	-	-
<u>2,279,036</u>	<u>4,960,256</u>	<u>1,592,875</u>	<u>589,093</u>
<u>13,586,107</u>	<u>12,180,812</u>	<u>5,619,238</u>	<u>3,373,080</u>
33,406,460	27,016,299	24,141,625	20,268,484
302,185	291,447	330,576	-
<u>11,415,267</u>	<u>11,539,780</u>	<u>2,530,461</u>	<u>1,973,881</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)

	2011	2010	Fiscal Year 2009
Expenses			
Governmental Activities:			
General Government	\$ 2,885,857	\$ 3,104,535	\$ 3,089,919
Public safety	5,061,857	5,182,718	5,027,245
Highways and streets	4,463,941	3,819,264	3,953,393
Transportation	-	-	-
Culture and recreation	901,294	954,825	925,084
Redevelopment and housing	1,506,637	1,883,403	2,257,917
Interest on Long-term Debt	166,222	173,270	226,066
Total Governmental Activities Expenses	<u>\$ 14,985,808</u>	<u>\$ 15,118,015</u>	<u>\$ 15,479,624</u>
Business-type Activities			
Liquid waste	\$ 1,030,066	\$ 1,155,920	\$ 1,086,783
Solid waste	1,042,725	893,302	909,606
Liquid waste impact fees	5,051	46,355	23,010
Solid waste impact fees	470	9,923	26,857
Other enterprise funds [†]	64,943	102,608	136,184
Total Business-type Activities Expenses	<u>\$ 2,143,255</u>	<u>\$ 2,208,108</u>	<u>\$ 2,182,440</u>
Total Primary Government Expenses	<u>\$ 17,129,063</u>	<u>\$ 17,326,123</u>	<u>\$ 17,662,064</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

2008	Fiscal Year		2005	2004
	2007	2006		
\$ 3,258,080	\$ 3,622,686	\$ 3,844,106	\$ 2,572,541	\$ 1,556,409
4,795,539	3,877,332	3,075,765	2,755,774	2,696,908
4,755,972	1,927,366	1,727,973	1,434,374	1,122,987
-	-	-	-	289,306
951,912	1,758,037	1,268,431	849,190	935,767
2,023,618	565,959	-	-	-
313,485	232,185	164,264	178,771	209,739
<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>
\$ 935,975	\$ 534,890	\$ 399,020	\$ 441,007	\$ 421,886
952,094	790,003	674,740	598,502	556,257
18,904	-	-	-	-
19,064	-	-	-	-
124,050	92,681	181,373	115,114	188,568
<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>\$ 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		
	2011	2010	2009
Program Revenue			
Governmental Activities:			
Fees, Fines and Charges for Services:			
General Government	\$ 154,360	\$ 146,116	\$ 194,339
Public safety	444,401	25,516	46,480
Highway and streets	18,272	26,996	19,100
Transportation	-	-	-
Culture and recreation	117,708	380,973	297,968
Redevelopment and housing	77,722	174,800	303,002
Interest on long-term debt	-	-	-
Operating Grants and Contributions	2,858,145	2,125,970	2,853,636
Capital Grants and Contributions	1,919,637	2,344,111	6,680,438
Total Governmental Activities Program Revenues	<u>\$ 5,590,245</u>	<u>\$ 5,224,482</u>	<u>\$ 10,394,963</u>
Business-type Activities			
Charges for Services:			
Liquid waste	\$ 914,912	\$ 861,102	\$ 899,488
Solid waste	811,908	766,776	916,157
Liquid waste impact fees	-	-	-
Solid waste impact fees	-	-	-
Other enterprise funds ⁺	42,266	63,025	64,930
Operating Grants and Contributions	-	-	-
Capital Grants and Contributions	20,033	800,927	290,109
Total Business-type Activities Revenues	<u>1,789,119</u>	<u>2,491,830</u>	<u>2,170,684</u>
Total Primary Government Revenues	<u>\$ 7,379,364</u>	<u>\$ 7,716,312</u>	<u>\$ 12,565,647</u>
Net (Expense)/Revenue			
Governmental Activities	\$ (9,395,563)	\$ (9,893,533)	\$ (5,084,661)
Business-type Activities	(354,136)	283,722	(11,756)
Total Primary Government Net Revenue	<u>\$ (9,749,699)</u>	<u>\$ (9,609,811)</u>	<u>\$ (5,096,417)</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				
2008	2007	2006	2005	2004
\$ 78,650	\$ 1,892,118	\$ 2,404,493	\$ 1,261,274	\$ 315,329
57,871	136,008	53,590	82,911	60,862
26,190	47,621	30,868	93,074	-
-	-	-	-	-
281,668	118,573	82,423	62,768	-
796,488	-	-	-	-
-	-	-	-	-
1,678,488	1,611,661	1,317,004	1,210,747	1,756,245
<u>8,523,642</u>	<u>1,856,872</u>	<u>1,281,692</u>	<u>320,397</u>	<u>630,389</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>
\$ 721,406	\$ 568,928	\$ 461,190	\$ 411,154	\$ 379,863
998,075	929,452	818,449	733,889	711,239
-	-	-	-	-
-	-	-	-	-
50,856	54,954	66,663	63,737	208,987
-	-	-	-	-
<u>9,529,705</u>	<u>-</u>	<u>763,704</u>	<u>221,832</u>	<u>132,634</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>\$ 22,743,039</u>	<u>\$ 7,216,187</u>	<u>\$ 7,280,076</u>	<u>\$ 4,461,783</u>	<u>\$ 4,195,548</u>
\$ (4,655,609)	\$ (6,320,712)	\$ (4,910,469)	\$ (4,759,479)	\$ (4,048,291)
9,249,955	135,760	854,873	275,989	266,012
<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			
	2011	2010	2009	2008
Governmental Revenues and Other Changes in Net Assets				
Governmental Activities				
Sales taxes	\$ 6,037,445	\$ 4,927,926	\$ 4,785,811	\$ 5,289,729
Property taxes	699,862	648,648	621,989	596,476
Sales taxes, levied for capital projects		-	-	-
Franchise taxes	282,896	269,567	268,359	276,939
Impact Fees		-	-	-
State shared revenues-not restricted* to specific programs	1,947,219	2,168,886	2,411,507	4,107,361
Investment income	13,528	28,712	118,242	282,126
Miscellaneous	114,123	46,316	32,889	169,007
Transfers in (out)	<u>(41,954)</u>	<u>(114,296)</u>	<u>(70,914)</u>	<u>(45,019)</u>
Total Governmental Activities	<u>\$ 9,053,119</u>	<u>\$ 7,975,759</u>	<u>\$ 8,167,883</u>	<u>\$ 10,676,619</u>
Business-type activities				
Impact Fees		\$ -	\$ -	\$ -
Investment income	1,306	5,065	20,057	63,820
Miscellaneous	70,036	74,145	46,204	12,056
Transfers in (out)	<u>41,954</u>	<u>114,296</u>	<u>70,914</u>	<u>45,019</u>
Total Business-type Activities	<u>\$ 113,296</u>	<u>\$ 193,506</u>	<u>\$ 137,175</u>	<u>\$ 120,895</u>
Changes in Net Assets				
Governmental Activities	\$ (342,444)	\$ (1,917,774)	\$ 3,083,222	\$ 6,021,010
Business-type Activities	<u>(240,840)</u>	<u>477,228</u>	<u>125,419</u>	<u>9,370,850</u>
Total Primary Government	<u>\$ (583,284)</u>	<u>\$ (1,440,546)</u>	<u>\$ 3,208,641</u>	<u>\$ 15,391,860</u>

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			
2007	2006	2005	2004
\$ 7,374,385	\$ 5,881,020	\$ 3,550,009	\$ 1,605,582
392,270	342,879	337,436	308,630
-	-	-	535,194
251,512	211,025	179,702	170,195
532,101	1,372,499	601,184	-
2,218,331	2,119,892	1,813,995	1,722,835
437,553	172,420	27,003	28,613
-	-	-	150,120
(14,349)	94,024	117,085	74,147
<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	\$ -
160,450	132,483	14,549	5,255
-	-	-	26,509
14,349	(94,024)	(117,085)	(74,147)
<u>\$ 1,269,535</u>	<u>\$ 5,706,701</u>	<u>\$ 1,482,516</u>	<u>\$ (42,383)</u>
\$ 4,871,091	\$ 5,283,290	\$ 1,866,935	\$ 547,025
1,405,295	6,561,574	1,758,505	223,629
<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				
	2011	2010	2009	2008	2007
General Fund					
Reserved	-	-	-	-	-
Unreserved	-	3,181,090	3,443,906	5,210,254	5,926,985
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	\$ 270,029				
Unassigned	<u>5,394,109</u>				
Total General Fund	<u>\$ 5,664,138</u>	<u>\$ 3,181,090</u>	<u>\$ 3,443,906</u>	<u>\$ 5,210,254</u>	<u>\$ 5,926,985</u>
All Other Governmental Funds					
Reserved		-	-	-	-
Unreserved Reported in:					
Special Revenue Funds		(230,265)	532,632	1,764,768	1,855,617
Capital Projects Funds		3,249,442	4,122,021	3,188,892	2,603,255
Restricted Reported in:					
Special Revenue Funds	367,514				
Capital Projects Funds	2,416,631				
Assigned Reported in:					
Special Revenue Funds					
Capital Projects Funds	101,304				
Unassigned	-				
Total All Other Governmental Funds	<u>\$ 2,885,449</u>	<u>\$ 3,019,177</u>	<u>\$ 4,654,653</u>	<u>\$ 4,953,660</u>	<u>\$ 4,458,872</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				
2006	2005	2004	2003	2002
-	-	-	-	-
4,286,441	1,184,937	240,493	790,485	904,590
\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 4,286,441</u>	<u>\$ 1,184,937</u>	<u>\$ 240,493</u>	<u>\$ 790,485</u>	<u>\$ 904,590</u>
-	-	-	184,000	184,000
2,064,023	996,436	535,127	273,089	302,892
1,454,501	978,245	1,451,139	3,863,529	721,918
-	-	-		
<u>\$ 3,518,524</u>	<u>\$ 1,974,681</u>	<u>\$ 1,986,266</u>	<u>\$ 4,320,618</u>	<u>\$ 1,208,810</u>

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

	Fiscal Year			
	2011	2010	2009	2008
Revenues				
Taxes*	\$ 7,060,301	\$ 5,846,069	\$ 5,675,326	\$ 6,145,070
Intergovernmental	7,079,949	6,080,668	5,957,770	6,091,908
Fines and forfeits	242,598	271,954	188,310	163,586
Licenses and permits	111,167	205,140	331,254	837,581
Charges for services	574,849	431,690	413,699	1,211,551
Investment income	13,528	28,712	118,242	282,126
Contributions	525,717	-	-	300,017
Impact Fees	-	-	-	-
Miscellaneous	47,616	82,451	71,965	98,886
Total Revenues	<u>15,655,725</u>	<u>12,946,684</u>	<u>12,756,566</u>	<u>15,130,725</u>
Expenditures				
General Government	2,435,724	2,794,304	2,919,227	3,139,750
Public Safety	4,646,790	5,009,946	5,039,661	4,849,279
Highways and streets	2,035,519	1,592,245	1,536,435	2,078,617
Transportation	-	-	-	-
Culture and recreation	739,544	785,494	780,092	992,596
Redevelopment and housing	1,500,298	1,340,225	2,062,057	1,929,594
Capital outlay	1,310,535	2,566,784	1,733,953	1,585,902
Debt Service:				
Principal retirement	426,661	453,244	488,622	906,574
Interest and debt cost	169,380	188,438	128,941	240,024
Total Expenditures	<u>13,264,451</u>	<u>14,730,680</u>	<u>14,688,988</u>	<u>15,722,336</u>
Excess of Revenues over (under) Expenditures	<u>2,391,274</u>	<u>(1,783,996)</u>	<u>(1,932,422)</u>	<u>(591,611)</u>
Other financing sources (uses)				
Transfer in	2,268,337	751,123	889,558	385,326
Transfer out	(2,310,291)	(865,419)	(1,022,491)	(430,345)
Proceeds of long-term debt	-	-	-	-
Total Other Financing Sources and (Uses)	<u>(41,954)</u>	<u>(114,296)</u>	<u>(132,933)</u>	<u>(45,019)</u>
Net Change in Fund Balances	<u>\$ 2,349,320</u>	<u>\$ (1,898,292)</u>	<u>\$ (2,065,355)</u>	<u>\$ (636,630)</u>
Debt Service as a Percentage of Noncapital Expenditures	4.97%	5.28%	4.77%	8.11%

* 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						
	2007	2006	2005	2004	2003	2002
\$	8,016,742	\$ 6,437,813	\$ 4,050,749	\$ 2,619,601	\$ 2,512,621	\$ 2,645,554
	5,207,664	4,718,588	3,331,401	4,242,103	4,802,510	4,416,683
	120,204	87,957	58,607	60,862	34,997	49,118
	1,667,286	2,099,540	1,142,703	227,828	98,376	73,505
	239,978	166,709	195,443	87,501	107,552	85,162
	437,553	172,420	27,003	28,613	35,823	47,236
	479,200	-	13,738	-	-	-
	532,101	1,372,499	601,184	-	-	-
	166,852	217,168	103,274	150,120	63,937	149,495
	<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>	<u>7,466,753</u>
	3,766,760	4,430,279	2,632,451	1,494,394	1,247,021	1,256,983
	3,855,302	3,026,564	3,122,149	2,737,747	2,764,862	2,795,946
	1,869,810	1,160,771	1,294,253	1,062,714	1,109,615	1,336,722
	-	-	-	387,649	304,009	239,600
	1,749,837	1,230,097	859,001	1,435,408	2,157,850	1,576,573
	565,959	-	-	-	-	-
	4,337,591	401,048	225,219	3,020,433	629,017	678,069
	761,151	308,348	396,484	249,266	437,220	265,000
	232,185	164,264	178,771	209,739	36,684	31,849
	<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>8,180,742</u>
	<u>(271,015)</u>	<u>4,551,323</u>	<u>815,774</u>	<u>(3,180,722)</u>	<u>(1,030,462)</u>	<u>(713,989)</u>
	555,473	836,782	991,721	649,623	1,036,815	757,601
	(569,822)	(742,758)	(874,636)	(575,476)	(1,033,444)	(755,582)
	2,866,256	-	-	222,231	4,024,794	333,000
	<u>2,851,907</u>	<u>94,024</u>	<u>117,085</u>	<u>296,378</u>	<u>4,028,165</u>	<u>335,019</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>	<u>(378,970)</u>
	7.76%	4.58%	6.78%	Not Available**	Not Available**	Not Available**

Table 5

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

Industry	Fiscal Year					
	2011*			2002		
	Tax Paid	Rank	Percentage of Total	Tax Paid	Rank	Percentage of Total
Retail Trade	\$ 2,458,067	1	41.05%	\$ 1,363,355	1	46.28%
Construction	2,256,505	2	37.68%	102,439	3	3.48%
Communications & Utilities	621,849	3	10.38%	200,585	2	6.81%
Restaurants/Bars	254,534	4	4.25%	113,503	4	3.85%
Real Estate, Rental, Leasing & Fire Insurance	247,895	5	4.14%	850,621	6	28.87%
Manufacture	62,928	6	1.05%	18,146	7	0.62%
Accommodation	31,885	7	0.53%	24,954	8	0.85%
Wholesale Trade	28,536	8	0.48%	254,086	5	8.62%
Mining	3,692	9	0.06%	-	N/A	0.00%
All Other	22,084	10	0.37%	18,500	9	0.63%
Total	\$ 5,987,975		100.00%	\$ 2,946,189		100.00%

Source: Arizona Department of Revenue

Table 6

City of Coolidge
Direct and Overlapping Sales Tax Rates
As of June 30, 2011
(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

Table 7

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				
2011	\$ -	\$ 2,625,000	\$ 1,041,020	\$ 1,808,656		5,474,676	72.80%	\$ 462.97
2010	\$ -	\$ 2,790,000	\$ 1,302,681	\$ 702,463		4,795,144	67.95%	394.37
2009	\$ -	\$ 2,950,000	\$ 1,599,330	\$ 400,064		4,949,394	65.81%	418.55
2008	-	3,105,000	1,837,912	559,457		5,502,369	77.97%	452.53
2007	-	3,255,000	2,594,486	672,632		6,522,118	98.91%	498.90
2006	-	3,447,250	297,131	804,687		4,549,068	74.21%	369.51
2005	-	3,663,168	389,561	928,165		4,980,894	82.44%	424.95
2004	-	3,872,269	576,944	1,349,374		5,798,587	115.94%	582.77
2003	280,000	4,156,572	319,675	1,435,010		6,191,257	137.57%	756.88
2002	545,000	313,155	360,751	1,515,406		2,734,312	66.57%	330.23

Note The City of Coolidge did not issue general obligation bonds in fiscal year 2011 and the nine years preceding 2011.

* In fiscal year 2010 a loan for a facility valued at \$2,200,000 was acquired.

Table 8

City of Coolidge
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011
(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	\$ 33,365	10.4323%	\$ 3,481
Central Arizona College	-	1.3524%	-
Pinal County Arizona	-	1.3524%	-

(a) Proportion applicable to the City of Coolidge, Arizona is computed on the ratio of secondary assessed valuation for 2010-2011.

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			
	2002	2003	2004	2005
Secondary Assessed Value	\$ 18,633,358	\$ 20,011,676	\$ 21,896,574	\$ 22,346,612
<u>20% Limitation</u>				
Debt Limit Equal to 20% of Assessed Valuation	\$ 3,726,672	\$ 4,002,335	\$ 4,379,315	\$ 4,469,322
Total Debt Applicable to 20% Limit	-	-	-	-
Legal 20% Debt Margin (Available Borrowing Capacity)	<u>\$ 3,726,672</u>	<u>\$ 4,002,335</u>	<u>\$ 4,379,315</u>	<u>\$ 4,469,322</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	\$ 1,118,001	\$ 1,200,701	\$ 1,313,794	\$ 1,340,797
Total Debt Applicable to 6% Limit	-	-	-	-
Legal 6% Debt Margin (Available Borrowing Capacity)	<u>\$ 1,118,001</u>	<u>\$ 1,200,701</u>	<u>\$ 1,313,794</u>	<u>\$ 1,340,797</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					
2006	2007	2008	2009	2010	2011
\$ 26,631,947	\$ 40,203,602	\$ 83,001,211	\$ 64,841,251	\$ 61,937,311	\$ 45,965,151
\$ 5,326,389	\$ 8,040,720	\$ 16,600,242	\$ 12,968,250	\$ 12,387,462	\$ 9,193,030
-	-	-	-	-	-
<u>\$ 5,326,389</u>	<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>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 1,597,917	\$ 2,412,216	\$ 4,980,073	\$ 3,890,475	\$ 3,716,239	\$ 2,757,909
-	-	-	-	-	-
<u>\$ 1,597,917</u>	<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>
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	
2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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 2011 and the eight 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
2002	8,255	190,140	3,594,050	19	2,594	13 to 16	13.0%
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	6,130,400	17	4,682	13 to 16	12.2%
2009	13,073	368,244	6,593,775	18	4,365	13 to 16	20.2%
2010	12,159	356,303	7,057,151	20	4,470	13 to 16	19.6%
2011	11,825	375,770	7,520,527	20	5,033	13 to 16	20.4%

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.

* 2011 amounts estimated based on a nine year trend

+ 2008-2011 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		
	2011			2002		
	Employees	Rank	Percentage of Total City Employment*	Employees	Rank	Percentage of Total City Employment*
Coolidge Schools	511	1	38.31%	425	2	51.27%
Wal Mart	237	2	17.77%	130	3	15.68%
City of Coolidge	167	3	12.52%	134	1	16.16%
Bright International	167	4	12.52%	30	6	3.62%
Imagine Schools	60	5	4.50%	Not open	4	0.00%
Safeway	67	6	5.02%	Unavailable	5	0.00%
McDonalds	46	6	3.45%	38	5	4.58%
Taco Bell/KFC	24	7	1.80%	Not open	8	0.00%
Garrett Motors	28	8	2.10%	34	7	4.10%
Shopes IGA	27	9	2.02%	38	6	4.58%
Total	<u>1,334</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	
2002	21.44	70.00	11.97	4.06	22.05	5.33	134.85
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

Source: City Budget

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

Function	Fiscal Year		
	2011	2010	2009
General Government			
# Registered voters*	-	5,233	-
# Votes cast last primary election*	-	827	-
<i>City Court</i>			
Charges filed/charges adjudicated (resolved)	3,696	4,317	1,368
<i>Communications & Public Information</i>			
News releases/media updates	24	21	20
Traffic construction alerts	2	5	3
Total newsletter pages sent to citizens	16	17	20
Web pages created/updated	91	72	59
Number of visits to website	252,823	436,367	143,322
Number of web pages viewed	253,120	436,480	25,608
Number of graphics/photography projects completed	78	65	61
Police			
# Total arrests	1,216	1,212	1,492
# Moving violations citations	1,081	1,411	1,639
Total calls for service	23,222	26,154	28,546
Total 911 calls	3,561	5,894	7,311
Total Part I Crimes	748	542	791
<i>n/a = not available</i>			
Fire			
# All Emergency Responses	849	872	834
# Fire/Haz Mat Responses	166	84	128
# Emergency Medical Responses	507	513	475
# Other Responses (False Alarms, Mutual Aid, Extrication, rescue, etc.)	176	275	231
Financial Services			
# accounts payable checks issued	7,004	7,362	7,670
# purchase orders	64	37	116
Planning and Development			
Customer wait-time (in minutes) at One Stop Shop	1	1	<1
Total Number of Permits Issued	234	306	300

* 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						
2008	2007	2006	2005	2004	2003	2002
4,345	-	3,645	-	4,515	-	3,375
548	-	566	-	154	-	710
2,254	2,119	2,261	2,063	1,192	3,172	3,520
16	10	6	-	-	-	-
2	2	-	-	-	-	-
16	52	52	52	52	52	52
42	20	10	-	-	-	-
243,644	212,010	197,687	-	-	-	-
23,652	19,465	18,236	-	-	-	-
48	29	12	12	10	7	7
1,651	1,624	1,325	1,207	1,514	1,725	1,648
1,957	1,712	1,330	1,119	917	1,917	2,715
33,237	32,367	26,160	24,989	23,932	26,149	26,813
7,154	5,923	5,130	3,448	3,328	3,458	2,577
720	850	819	713	737	612	567
847	434	314	258	237	280	263
110	187	124	92	84	97	135
486	72	-	-	-	-	-
251	175	190	166	153	183	128
9,099	8,445	7,424	6,789	6,579	6,865	6,769
237	304	209	-	-	-	-
<1	5	5	4	<1	<1	<1
588	684	1,078	838	360	275	233

continued

Table 14

Function	Fiscal Year		
	2011	2010	2009
Human Resources			
# of new hires (FT & PT)	55	46	55
# of new hires (Vol)	4	3	-
HR Operating cost as percentage of city payroll	0.01%	0.01%	0.02%
Parks, Recreation and Library			
# attending Park & Recreation facilities annually (Acquatics)	212,771	207,738	206,100
# of square feet of medians and rights of way maintained	1,606,233	1,606,233	2,637,329
# of Library visits annually	95,273	94,660	90,854
# of Library materials checked out annually	102,603	95,001	88,039
Economic Vitality			
Sales Tax growth (% annual change)	27%	-3%	-9%
Construction Tax (% annual change)	87%	-4%	-21%
Municipal Services			
# of homes serviced by Residential Refuse Collection	3,593	3,517	3,587
Tons of refuse and garbage hauled to transfer station/landfill	5,757	6,105	9,535
Transit Services			
Passenger Trips	39,602	21,397	19,613
Project Miles	229,317	68,651	87,197
Vehicle Service Hours	10,938	7,113	5,819
Wastewater			
Sewer Service Connections	3,736	3,498	3,737
Sewage Treated (millions gallons per day)	0.66	0.67	0.74
Sewage Treated (millions gallons per year)	240	221	270
Other Public Works			
Street resurfacing (miles)	1	-	-
Potholes repaired (estimate)	5,200	5,200	5,200
Streets/Roads Maintained (miles)	194	194	194
Citizen & Neighborhood Resources			
# of new Code Enforcement cases processed per year	134	415	859
Neighborhood Revitalization			
# Home Emergency Repair (roofs, heating, air conditioning, etc.)	2	9	12
# Houses rehabilitated or replaced	9	3	7

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

Table 14

Fiscal Year						
<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
40	44	26	57	51	32	28
-	1	1	3	4	-	4
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
201,978	197,939	193,981	190,102	186,300	182,574	178,923
2,637,329	2,637,329	1,812,020	1,812,020	1,812,020	1,812,020	1,812,020
62,077	21,744	25,497	19,381	18,993	20,967	29,400
60,636	35,010	33,230	27,939	26,546	33,940	32,278
-23%	21%	41%	30%	4%	-7%	12%
-38%	148%	371%	15%	-1%	86%	-38%
3,505	3,155	2,872	2,357	2,242	2,169	2,181
9,348	8,528	7,128	6,644	-	-	-
21,184	23,170	21,962	21,962	21,754	22,293	22,630
65,573	65,324	64,212	65,154	62,935	61,741	68,148
5,645	5,122	5,172	5,177	4,794	4,774	4,758
3,603	3,258	3,001	2,479	2,353	2,344	2,324
0.87	0.73	0.70	0.69	0.71	0.66	0.77
318	266	256	252	259	241	281
-	3	-	5	-	8	7.0
5,200	5,200	4,500	4,500	4,000	4,000	3,500
180	160	100	90	79	59	56
1,101	537	512	582	-	-	-
3	13	10	-	-	-	-
4	2	5	-	-	-	-

concluded

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

Function	Fiscal Year				
	2011	2010	2009	2008	2007
Public Safety					
Police:					
Stations	1	1	1	1	1
Police Vehicles	30	32	40	40	37
Fire Stations					
Stations	3	3	2	2	2
Fire Apparatus	6	6	5	5	5
Other Vehicles	3	3	3	3	3
Highways and Streets					
Street (miles)	194	194	194	194	194
Streetlights	781	780	772	760	726
Traffic signals	7	7	7	7	6
Culture and Recreation					
Parks	12	12	13	12	12
Parks Acreage	91	91	201	186	186
Swimming Pools	1	1	1	1	1
Tennis Courts	8	8	8	8	8
Community Centers	1	2	2	2	2
Libraries	1	1	1	1	1
Transit					
Buses	8	8	5	5	6
Bus Stops	131	120	120	120	65
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				
2006	2005	2004	2003	2002
1	1	1	1	1
30	29	33	51	48
1	1	1	1	1
5	5	5	5	5
2	2	2	2	2
180	160	100	90	79
680	618	609	609	609
6	6	6	4	3
11	10	10	10	9
165	161	161	161	159
1	1	1	1	1
8	8	8	8	8
2	2	2	1	1
1	1	1	1	1
5	4	5	4	4
65	65	65	65	65
40	37	37	37	37
3	2	2	2	2
2.0 MGD	1.35 MGD	1. MGD	1.35 MGD	1.35 MGD