

Fiscal Year 2021-2022

Annual Comprehensive Financial Report

City of Casa Grande



Arizona

June 30, 2022

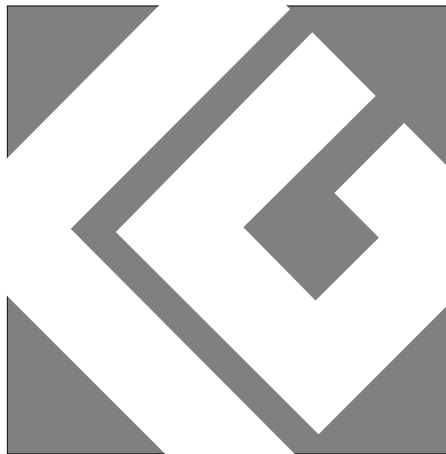
FY2022



City of Casa Grande, Arizona

**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

For the Fiscal Year Ended June 30, 2022



Prepared by the Finance Department

CITY OF CASA GRANDE, ARIZONA
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Introductory Section



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City of Casa Grande

February 28, 2023

Honorable Mayor,
City Council,
City Manager, and the
Citizens of Casa Grande, Arizona

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Casa Grande, Arizona (the City) for the fiscal year ended June 30, 2022. This report was prepared by the City's Finance Department.

The ACFR represents management's report to its governing body, constituents, legislative and oversight bodies, investors, and creditors. Copies of this report are sent to elected officials, management personnel, bond rating agencies, grant agencies, Nationally Recognized Municipal Securities Information Repositories, and other agencies with an expressed interest in the City's financial matters. Copies of this financial report will be placed in the City libraries for use by the general public and posted on the City's web page at www.casagrandeaz.gov.

Management is responsible for the contents of the ACFR. The City established and maintains a comprehensive internal control framework designed to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of financial statements. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) safeguarding of assets against loss from unauthorized use or disposition, and 2) reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of 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. We believe the data presented in this report is accurate in all material respects and fairly sets forth the financial position and results of operations of the City on both a city-wide and fund basis.

The system of internal control is subject to periodic evaluation by management and is also considered by the independent auditors in connection with the annual audit of the City's financial statements. All internal control evaluations occur within the above framework. The City's internal accounting controls are considered to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America for local governments as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The City Council approved the selection of BakerTilly US, LLP to audit the City of Casa Grande, Arizona's financial statements. The independent audit report is presented as the first component in the financial section. The examination satisfies Article VI, Section 6, of the City Charter, which requires an annual audit of all accounts of the City by an independent certified public accountant. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Casa Grande, Arizona, for the fiscal year ended June 30, 2022, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that a reasonable basis exists for rendering an unmodified ("clean") opinion that the financial statements of the City of Casa Grande, Arizona for the fiscal year ended June 30, 2022, are fairly presented, in all material respects, in conformity with GAAP.

Additionally, the City is required to have an independent audit ("Single Audit") of federal financial assistance received by the City directly from federal agencies or passed through to the City by the State of Arizona, or other governmental entities during the fiscal year. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements having a direct and material impact on major programs, with special emphasis on internal controls and compliance requirements involving the administration of major federal awards.

The results of the City's Single Audit for the fiscal year ended June 30, 2022, found no material weaknesses in the internal control structure, and no instances of significant violations of applicable laws and regulations with respect to major programs. Additional information is available within the separately issued Single Audit Report which is included along with the ACFR.

Included within the ACFR is the Management Discussion and Analysis (MD&A). The purpose of the MD&A is to introduce the basic financial statements and to provide an analytical overview of the government's activities. It includes additional information intended to enable the reader to gain an understanding of the City's financial activity and financial stability.

This letter of transmittal is intended to complement the information provided in the MD&A.

Profile of the City

Located in the Heart of the Arizona Innovation and Technology Corridor, Casa Grande serves as the manufacturing, logistics, health care, retail and commercial hub for Pinal County, conveniently located between the state's major metropolitan areas of Phoenix and Tucson. Casa Grande is less than 30 minutes from Phoenix and 45 minutes from Tucson, making our City ideal for servicing both markets that boast a population of 5.5 million people.

Founded in 1879, the city is named after the Hohokam Indian Ruins. Since its incorporation in 1915, Casa Grande has grown to be the largest city in Pinal County. The City of Casa Grande, chartered in December 1974, has a Council-Manager form of government consisting of the Mayor and six Council members. The Mayor is elected at-large for a two-year term and cannot serve more than four consecutive terms. Council members are elected to four-year terms. The City Council is vested with policy and legislative authority and is responsible for appointing the positions of City Manager, City Attorney and City Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, as well as overseeing the day-to-day operations.

Profile of the City (Continued)

The City of Casa Grande's legal boundaries grew substantially over the past several years to just over 110 squares miles. The City's population has more than doubled from 25,224 in 2000 to 53,658 in 2020 with the majority of this growth occurring prior to 2009. The City's growth is attributed to affordable housing, proximity to labor opportunities in the metropolitan and local areas, and the rural quality of life offered to the residents.

The City provides a full range of municipal services, including police and fire protection, street maintenance, wastewater, and sanitation. The City also features a municipal airport, recreational and cultural events, an aquatic center, a recreational center, a senior center, two libraries, business friendly planning and development, and a municipal golf course. In addition, the City provides municipal water services to an area just outside city limits.

The Annual Comprehensive Financial Report (ACFR) consists of three sections: Introductory, Financial, and Statistical. As mentioned previously, the Financial section begins with the Independent Auditor's Report and is followed by the management's discussion and analysis that provides summary information about the results of operations.

The financial statements provided are on both a government-wide and fund basis for the primary government as well as its component units. Component units are separate legal entities included in the reporting entity due to the significance of their financial or operational relationship with the City. Criteria used by the City for inclusion of activities in preparing its financial statements are in conformity with GASB Statement No. 14, The Financial Reporting Entity. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the financial reporting entity consists of the City and four blended component units, the Copper Mountain Ranch Community Facilities District, the Mission Royale Community Facilities District, the Villago Community Facilities District and the Post Ranch Community Facilities District as discussed further in Note 1 (A) of the notes to the financial statements.

Budgetary Process

The City of Casa Grande, like all cities in the State Arizona, is subject to numerous budget and related legal requirements. Article IX, Section 20 (1) of the Arizona Constitution sets limits on the City's legal budget capacity. The City operates under the Permanent Base Adjustment Alternative Expenditure Limit. The limit provides a cap on expenditures for the City. The base year is 1979-80 and the base amount is increased annually by population change and by the implicit price deflator.

In May 2007, the voters approved a permanent base adjustment to the state-imposed expenditure limit. This option allowed Casa Grande to adjust the state-imposed expenditure base from the original 1979 -80 base of \$3,743,397 to \$18,793,221. After adjustments for inflation and population growth, the City's expenditure limitation for FY22 is \$248.9 million.

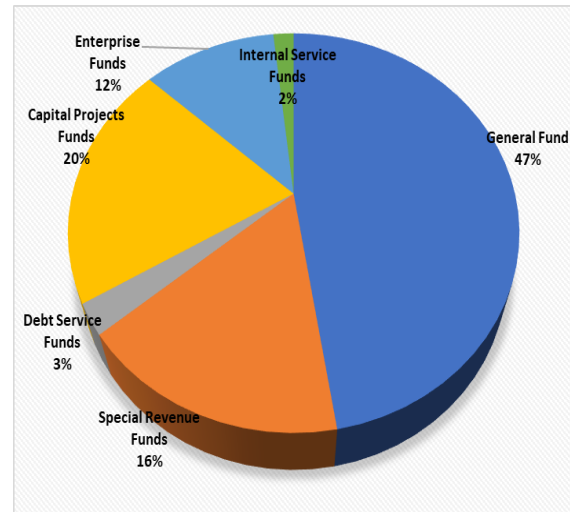
The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated operating budget approved by the Mayor and Council. Activities of the general fund, special revenue funds, debt service funds, capital projects funds, enterprise funds, and internal service 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 the total budget, as adopted by the City Council. The City additionally exercises management control and oversight of the budget at the department and project level within the capital projects fund.

The City's FY22 final expenditure budget was \$327.2 million. The graph provides a percentage breakdown of the FY22 allocation of resources by fund type.

Economic Conditions and Outlook

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

The economy of Casa Grande is a diverse combination of manufacturing, logistics, health care, commercial, and service activities, as well as a haven for retired individuals who spend winters in Arizona.



Because of the City's proximity to the metro areas, companies locating in Casa Grande have access to a highly educated and skilled workforce of over 3 million. Casa Grande residents enjoy a lower cost of living than the Phoenix metro area, especially when considering the cost of housing (20% – 50% lower) and cost of transportation (16%-30% lower).

The City's location, robust infrastructure, and unparalleled connectivity to modes of transportation (i.e., major interstate highways, commercial airports, and being directly served by the main line of the Union Pacific railroad) has led to the City's success in recruiting several new companies over this past year to include Kohler, Chang Chun, Jing He Science, Solvay, LCY, and KPCT that represent over 800 new jobs with average wages of approximately \$55,000, and over \$1.0 billion in capital investment. The city's continued investment in infrastructure and support of ongoing workforce development efforts have helped the expansion of several of our existing companies to include Lucid Motor's current 2.8 million square feet expansion and their investment in another 1,300 acres for possible future expansion. In addition, Attesa Motorsports launched the Podium Club, which is its private racing club, and opened the first phase of its racing track that is 2.32 miles and encompasses 15 turns and can be configured in over 30 different ways. At least four additional phases for the track are planned that will ultimately create the premier racing venue in the state. The remaining 1,800 acres of the property will be developed to include several hundred acres of industrial park, retail, commercial, and residential housing.

The community serves as the provider of many goods and services to the rural areas surrounding the City, as well as several growing communities located in the area. This combination of diverse economic activities keeps the community from becoming overly dependent on any single segment of the economy. The Community has adopted a Strategic Plan for Community and Economic Development with the purpose of developing a process to successfully attract and retain diverse types of businesses, attract new revenue, and expand/maintain the community revenues essential to sustaining Casa Grande and improving the overall quality-of-life.

The continued expansion of Casa Grande's industrial sector resulting in population and economic growth has enabled the city to maintain a low unemployment rate of 4.2%. The City's current labor force is primarily composed of workers in manufacturing, health care, social services, and logistics. Growth in the City's labor force is forecasted to continue in the manufacturing, technology, construction, transportation, and warehousing sectors. Over the next five years more than 7,500 new jobs are projected to be created throughout the City.

Long-term Financial Planning

The City engages in various types of long-term financial planning as part of the budget process. This includes ensuring that budget requests are aligned with the City's mission, vision, and strategic plan goals, establishing revenue and expenditure forecasts, and a five-year capital improvement plan. Mayor and Council seek to align the City's vision statement with well-defined strategic focus areas. Following are the City's Mission, Vision Statement, and Strategic Focus Areas:

Mission Statement

To Provide a Safe, Pleasant Community for All Citizens

Vision Statement

Results Oriented Statement Experience (ROSE)

We will leverage the current economic climate, new opportunities, and our strong community to improve quality of life, civic pride and quality jobs. Casa Grande's strategic location and strongly motivated City Leadership will honor diversity and provide opportunities for all residents to be successful. By building a sustainable and attractive community we can create a place where people can safely live, work and play.

Five Strategic Focus Areas

Quality of Life | Marketing | Education | Fiscal Responsibility | Infrastructure

The financial data in the report includes programs that support each of the focus areas key and the following strategic goals:

The City of Casa Grande will maintain a high quality of life by striving to 1) Increase positive citizen interaction by 10% each year for the next 5 years, 2) Allocate 5% of the City's General Fund resources to blight removal and improvement over 5 years (1% per year), 3) Ensure City event attendance demographics will be an 80% match to population in 4 years, and 4) Increase citizen's sense of security by 20% each year for 5 years.

The City of Casa Grande must continue to thrive as an organization by striving to 1) Create an image of the City that 90% of residents rate favorably within 5 years, 2) Create an image of the City that 90% of businesses rate favorably within 5 years, 3) Increase the number of positive comments/posts on City's social media sites by 20% each year for 5 years.

The City of Casa Grande will partner with educational institutions and key industries to address needs and 1) Increase the number of baccalaureate degrees achieved by Casa Grande Residents by 10% over 5 years, 2) Increase the number of students attending post graduate institutions or vocational education by 20% through 2030, 3) Welcome five (5) industrial companies participating in an apprenticeship/internship program to place five (5) apprentices each year for the next five (5) years, and 4) Place five (5) interns within City Departments each year for the next five (5) years.

The City of Casa Grande must manage financial and human resources to provide maximum efficiency and effectiveness in the delivery of City services by focusing to 1) Develop a sustainable budget that can withstand a 5% revenue reduction, 2) Develop a plan to have 100% of the benchmarked job positions mid-point of the salary range to be competitive with the market, and 3) Analyze and evaluate 5 programs or services a year to ensure efficiency/effectiveness against the private sector.

The City of Casa Grande will enhance the quality and availability of internet, transportation, traffic and trail infrastructure by striving to 1) Identify and fund a transit plan within 5 years, 2) Implement traffic plan to improve travel system on major arterials by 25%, and 3) Increase trail system by 5% annually over 5 years.

Approximately 77% of the City's General Fund resources are derived from local taxes and intergovernmental revenues. With this concentration and reliance of resources, management conducts both short-term and long-term revenue and expenditure modeling. Key to modeling, are developing major assumptions, scenario planning and stress testing of the models and plans. This includes the evaluation of the fiscal impact that policy changes, legislation, changes in the federal, state or county fiscal policies, and the goals of local service providers may influence. County government and "other" coexisting jurisdictions, such as school districts, produce various and sometimes fluctuating policies which may influence local partnership arrangements. Local service providers such as the utility companies can also affect the City's ability to grow and may also affect the financial future of the community.

Financial Policies

The City has adopted a comprehensive set of financial policies to establish specific guidelines for the day-to-day financial activities of the City. Significant policies are highlighted below:

1. The City Council will strive to set a property tax levy that provides for a primary rate of less than \$1 per \$100 of net assessed value.
2. The City will maintain a consistent secondary property tax rate. Management calculates a secondary property tax rate for City Council consideration. The calculation includes the following factors: annual debt service, net cash available from the general obligation fund, estimated interest, property tax revenue, federal subsidy payments, voluntary contributions in lieu of property taxes, and anticipated cash defeasances, as applicable. The calculated rate is also adjusted for an estimated delinquency factor for uncollected taxes, and allowable cash reserves.
3. The City will maintain an equipment and vehicle replacement fund to replace vehicles and major equipment.
4. The City will focus on providing new programs and services that are financed with new revenue sources or reductions in existing programs or services.
5. The City will use one-time revenues to fund one-time expenses. One-time revenues and expenditures are defined as those items that are non-recurring.
6. The City will maintain a performance measurement program to ensure that services are provided in a cost-effective manner and produce the desired outcomes.
7. The City will evaluate the comprehensive fee schedule annually to ensure that the cost of services are fair and equitable.
8. The City will continue to maintain general fund reserve that equals up to 50% of annual anticipated general fund expenditures. The reserve is intended to establish resources that would be readily available in a fluctuating economy. The reserve also ensures that the City maintains a strong financial position.
9. The City will maintain its debt management policy to improve the quality of decisions, articulate policy goals, provide guidelines for the structure of debt issuance, and demonstrate a commitment

to long-term capital and financial planning. The core objectives of this Debt Policy include the following:

- Minimize debt service costs and issuance costs;
- Maintain access to cost-effective borrowing;
- Achieve and maintain the highest practical credit ratings;
- Balance pay-go financing with debt financing;
- Ensure full and timely repayment of debt;
- Maintain full and complete financial and non-financial disclosure and reporting with respect to outstanding debt;
- Ensure compliance with federal and State laws and regulations;
- Promote the City's best interests and protect the City's financial stability when deciding whether to issue debt;
- Increase transparency to debt stakeholders and consistency in debt decision making.

10. The city will present to Mayor and Council an annual mid-year budget report and a projected year-end report.

Major Initiatives

In FY22, the City focused on minimizing the effect of rising personnel costs, while ensuring that the City remained competitive in the local job market. Highlighted below are some of the major initiatives that are reflected in the financial statements:

- Allocate 1% of the General Fund resources to blight removal and improvement;
- Develop a plan to have 100% of the benchmarked job positions mid-point of the salary range to be competitive with the market;
- Analyze and evaluate five programs or services to ensure efficiency and effectiveness.
- Finance the payment of the City's unfunded liabilities with PSPRS.

Awards and Acknowledgements

Casa Grande has received recognition as/for:

- One of Travelocity's 25 Most Giving Cities in the US (#14)
- A Tree City USA by the National Arbor Day Foundation (14 Years)
- A Playful City USA designated by Kaboom!
- Excellence in Financial Reporting from the Government Finance Officers Association (27 years)
- Distinguished Budget Presentation from the Government Finance Officers Association (21 years)

The preparation of the City's Annual Comprehensive Financial Report was made possible by the dedication and hard work of every member of the Finance Department, and the firm of BakerTilly US, LLP. We offer our sincere thanks for their effort in the creation of this report.

Our thanks and appreciation go to the City Manager, and Mayor and Council for their continued support and leadership.

Sincerely,



Angele Ozoemelum, CPA
Finance Director

City of Casa Grande, Arizona
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2022

CITY COUNCIL

Mayor

Craig McFarland

Mayor Pro-Tem

Jeff Lavender

Council Members

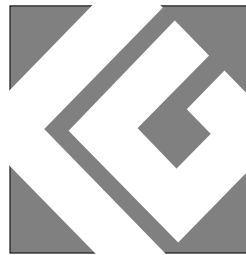
Lisa Fitzgibbons

Matt Herman

Robert Huddleston

Donna McBride

Anthony Edwards



City Manager

Larry Rains



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

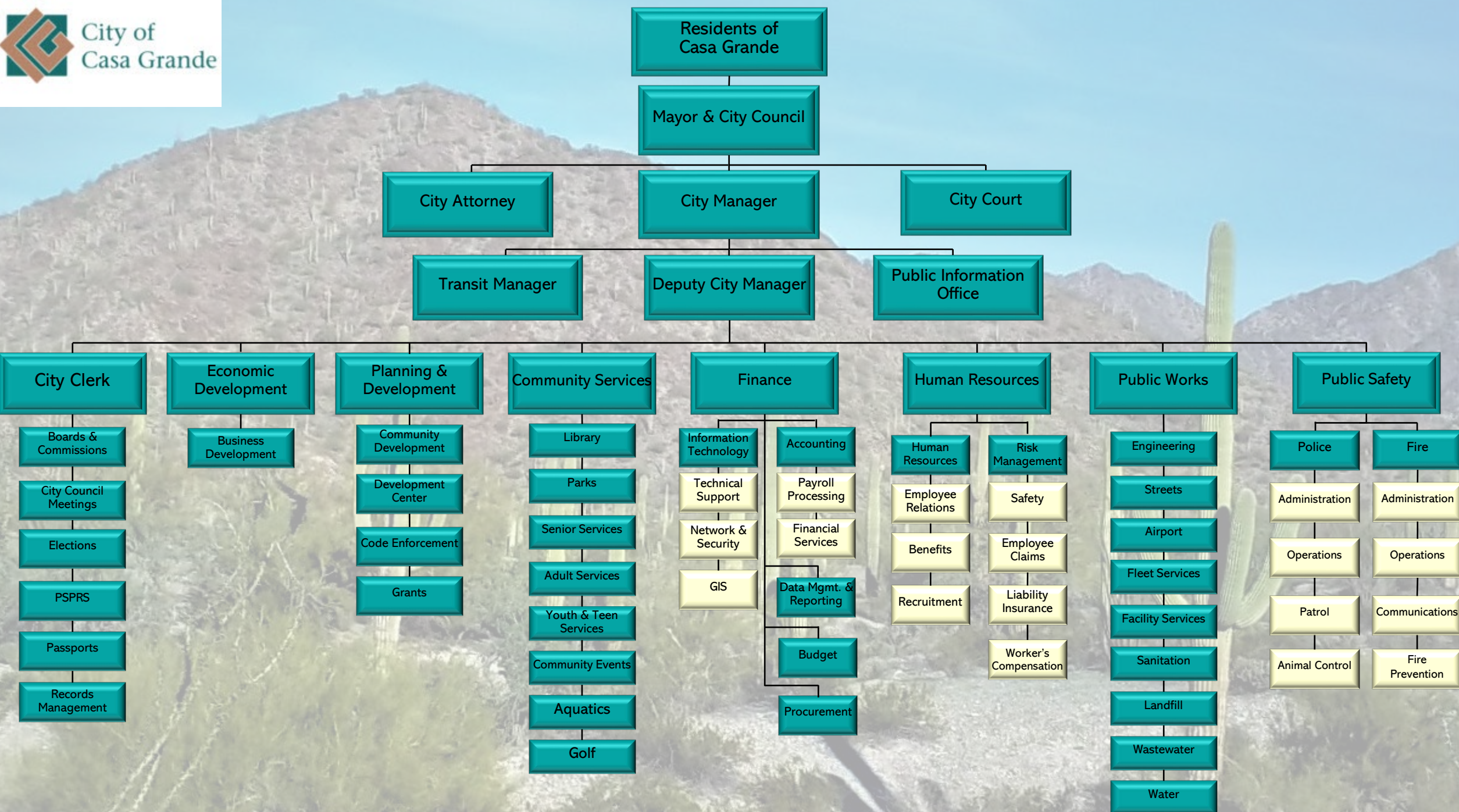
**City of Casa Grande
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



Financial Section



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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council
City of Casa Grande, Arizona
Casa Grande, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Casa Grande, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Casa Grande's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Casa Grande, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Casa Grande and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, for the year ended June 30, 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Casa Grande's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Casa Grande's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Casa Grande's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Casa Grande's basic financial statements. The introductory section, the other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the financial information listed as other supplementary information in the table of contents and the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic 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 them.

Other Information

Compliance Over the Use of Highway User Revenue Fund and Other Dedicated State Transportation Revenue Monies

In connection with our audit, nothing came to our attention that caused us to believe that the City of Casa Grande, Arizona failed to use highway user revenue fund monies received by the City pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the City of Casa Grande solely for the authorized transportation purposes, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City of Casa Grande's noncompliance with the use of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

The communication related to compliance over the use of highway user revenue fund and other dedicated state transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, management, and other responsible parties with the City and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2023 on our consideration of the City of Casa Grande'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 solely 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 effectiveness of the City of Casa Grande's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Casa Grande's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Casa Grande, Arizona
February 28, 2023

Financial Section

MANAGEMENT'S DISCUSSION & ANALYSIS



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**CITY OF CASA GRANDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

As management of the City of Casa Grande, Arizona (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, (4) identify any significant deviations from the approved annual budget, and (5) identify individual fund issues or concerns. Please read it in conjunction with the Letter of Transmittal, Basic Financial Statements and the Accompanying Notes to the financial statements.

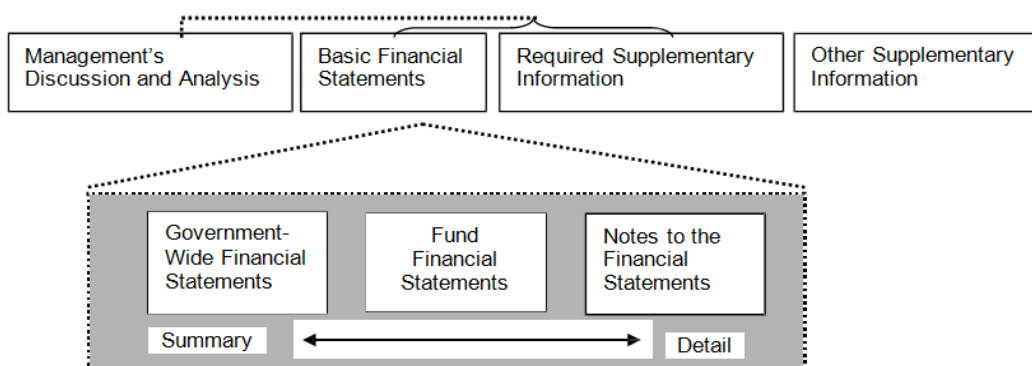
Financial Highlights

The following are some of the more significant financial highlights, on a government-wide bases.

- The City's total net position totaled \$330 million at June 30, 2022. This is an increase of \$42.8 million compared to fiscal year 2021.
- Net pension liabilities as of June 30, 2022 totaled \$67.7 million; \$64.9 million from Governmental Activities and \$2.7 million from Business-Type Activities. This is an increase of \$13.7 million compared to fiscal year 2021.
- Current and Long-Term Debt totaled \$139.5 million as of June 30, 2022, compared to \$85.6 million in the previous year. The difference of \$53.9 million represents net debt service activities accomplished during fiscal year 2021. \$63.3 million in new debt was issued to fund the City's Public Safety Personnel Retirement System unfunded liabilities.
- With no significant changes to operations, Government Activities ended fiscal year 2022 with Net Inflows of \$33.7 million. In fiscal year 2022, Government Activities outflows and inflows totaled \$79.3 million and \$113.0 million, respectively. In fiscal year 2021, total Government Activities outflows and inflows totaled \$75.2 million and \$92.8 million, respectively.
- There was an increase of \$2.9 million in net income for Business-Type Activities compared to last year. In fiscal year 2022 there were \$9.5 million in net revenues, compared to \$11.8 million in fiscal year 2021. In fiscal year 2022, expenses and revenues for Business-Type Activities totaled \$17.5 million and \$26.9 million, respectively. In fiscal year 2021, expenses and revenues for Business-Type Activities totaled \$16.3 million and \$28.7 million, respectively.
- General Revenues for fiscal year 2022 were \$75.9 million, compared to \$65.0 million in the previous year. The net increase of \$10.9 million from the previous year was driven by increased revenues in sales taxes of \$11.3 million and a slight increase in property taxes of \$1.6 million

OVERVIEW OF THE FINANCIAL STATEMENTS

Required Components of the Annual Financial Report



Government-wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the City's finances in a manner similar to those used by private businesses. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The activities of the City are broken into two columns on these statements – Governmental Activities and Business-Type Activities. A total column is also provided.

Governmental Activities include the basic services of the City including general government administration (finance, accounting, human resources, information technology, etc.), community services (parks, library, recreation, etc.), public safety (police, fire, communications, and court), planning and development and public works (streets, engineering, etc.). Taxes and intergovernmental revenues support the majority of these activities.

Business-Type Activities include the private sector type activities such as municipal golf, sanitation, water and wastewater. These activities are primarily supported through user charges and fees.

The *statement of net position* presents information on all of the City's assets and liabilities, both current and long-term. The difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources is reported as net position. The focus on net position is designed to focus on government as a business. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, to accurately assess the overall health of the City, other indicators, including non-financial indicators like the City's property tax base, GASB changes, and condition of infrastructure should also be considered.

The *statement of activities* presents information showing how the City's net position changed over the most recent fiscal year. Full accrual accounting is used for the government-wide financial statements and all changes to net position are reported at the time that the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also focuses on both the gross and net costs of the various functions of the City, based only on direct functional revenues and expenses. The statement is designed to show the extent to which the various functions depend on general taxes and revenue for support.

Fund Financial Statements

Also presented in the basic financial statements are the traditional fund financial statements for the major funds of the City. A major fund is determined based on the percentage a certain fund value is, in relation to all other funds of the same fund type – either governmental or proprietary. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or conditions. Funds ensure and demonstrate compliance with finance-related legal requirements as well as for managerial control to demonstrate fiduciary responsibility over the assets of the City.

The City has four (4) types of funds:

- Governmental funds – Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government wide statements, we provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.
- Proprietary funds – Proprietary funds account for business-type activities of the City. Proprietary funds, like the government-wide statements, provide both long and short term financial information. Enterprise funds are used to account for activities that primarily serve customers for which fees are charged. The City has four enterprise funds: golf course, sanitation, water and wastewater funds.
- Internal Service funds - The internal service funds reflect activities in which the City is the customer. The fleet services, facilities maintenance, risk management and self-insurance funds are the City's four internal service funds. Their purpose is to provide vehicle maintenance and facilities services to City departments and to provide cost accounting for property, casualty and certain medical insurance costs and risk management.
- Fiduciary funds – Fiduciary funds account for resources held for the benefit of others. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support projects of the City.

Notes to the financial statements – The notes to the financial statements provide additional information essential to gaining a full understanding of the data provided in the government-wide and fund financial statements. They should be considered with the financial statements in their entirety.

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 notes. The City has chosen to present these budgetary statements as part of the basic financial statements and in the supplementary information. Additionally, governments are required to disclose certain information about employee pension funds. The City has disclosed this information in Note 8 to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the year ended June 30, 2022.

Statement of Net Position

Net position may serve over time as a useful indicator of the City's financial position. The following table reflects the condensed statement of net position as of June 30, 2022 and June 30, 2021. The City has chosen to account for its golf course, water, wastewater and sanitation operations in enterprise funds which are shown as Business Activities.

Statement of Net Position (In Thousands)						
	Governmental Activities		Business Activities		Total Primary Government	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Current and Other Assets	\$ 193,671	\$ 157,821	\$ 44,110	\$ 34,581	\$ 237,782	\$ 192,403
Capital Assets	164,749	170,691	85,760	89,515	250,509	260,206
Total Assets	358,420	328,513	129,870	124,096	488,291	452,609
Deferred Outflow of Resources	76,064	20,063	715	674	76,778	20,737
Current Liabilities	16,000	17,914	6,720	6,583	22,720	24,497
Long-term Liabilities	171,505	127,205	29,453	33,722	200,958	160,928
Total Liabilities	187,505	145,119	36,173	40,305	223,677	185,425
Deferred Inflows of Resources	11,350	1,554	1,013	179	12,362	1,733
Net Position						
Net investment in Capital Assets	118,760	121,638	59,480	58,472	178,240	180,110
Restricted	77,492	67,060	24,747	19,755	102,239	86,814
Unrestricted	39,378	13,205	9,173	6,059	48,551	19,264
	<u>\$ 235,630</u>	<u>\$ 201,902</u>	<u>\$ 93,400</u>	<u>\$ 84,286</u>	<u>\$ 329,030</u>	<u>\$ 286,188</u>

As of June 30, 2022 the net position of the City totaled \$329.0 million, an increase of \$42.8 million from June 30, 2021. Net position is comprised of \$235.6 million in Governmental Activities and \$93.4 million in the Business-Type Activities.

Net Position consists of three components. The largest portion of net position (\$178.2 million or 54%) reflects the City's investment in capital assets net of accumulated depreciation and any related outstanding debt used to acquire or construct those assets. The City uses these capital assets to provide services to its citizens. It is not the City's intent to sell these assets; therefore, they are not considered available resources.

The restricted portion of the City's net position (\$102.2 million or 31%) represents resources subject to external restrictions on how they may be spent. This component is primarily made up of required fund balance reserves and accumulated development impact fees collected by the City. These funds are specifically reserved for capital improvements pertaining to growth as it relates to maintaining a consistent level of service to all citizens.

Statement of Net Position (Continued)

The third portion consists of unrestricted net position (\$48.6 million or 15%), which may be used to meet the City's ongoing obligations to its residents and creditors.

Changes in Net Position

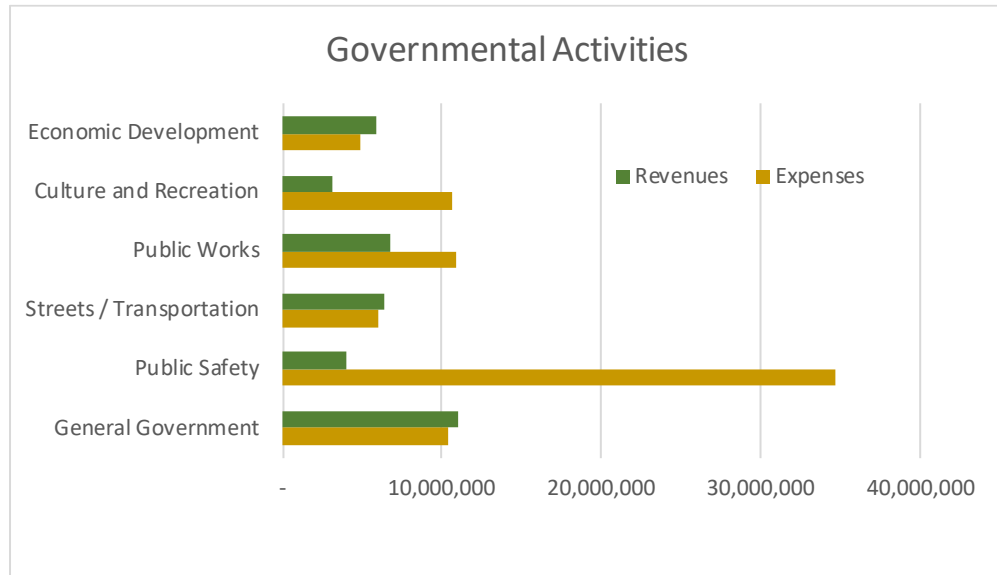
The City's total revenues for the year ended June 30, 2022 were \$139.6 million. The total cost of all programs and services was \$96.8 million. This resulted in a net revenue of \$42.8 million. The following table presents a summary of the changes in net position for the year ended June 30, 2022.

	Changes in Net Position (In Thousands)					
	Governmental Activities		Business Activities		Total Primary Government	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Revenues						
Program Revenues						
Charges for Service	\$ 9,942	\$ 10,459	\$ 21,837	\$ 20,484	\$ 31,779	\$ 30,944
Operating Grants and Contributions	20,279	8,153	-	-	20,279	8,153
Capital Grants and Contributions	6,946	9,230	5,109	7,644	12,055	16,875
General Revenues					-	-
Property Taxes	7,732	6,113	-	-	7,732	6,113
Sales Taxes	47,853	36,505	52	22	47,905	36,527
Franchise Taxes	2,666	2,447	-	-	2,666	2,447
Share Revenues	19,083	19,426	-	-	19,083	19,426
Other	(1,438)	497	(433)	491	(1,870)	988
Total Revenues	113,064	92,832	26,565	28,642	139,629	121,473
Expenses						
General Government	10,356	11,605	-	-	10,356	11,605
Public Safety	34,718	33,789	-	-	34,718	33,789
Streets / Transportation	5,995	3,108	-	-	5,995	3,108
Public Works	10,869	14,547	-	-	10,869	14,547
Culture and Recreation	10,607	7,340	-	-	10,607	7,340
Economic Development	4,870	2,955	-	-	4,870	2,955
Interest on Long Term Debt	1,921	1,968	-	-	1,921	1,968
Water	-	-	293	385	293	385
Golf Course	-	-	9,700	1,263	9,700	1,263
Wastewater	-	-	6,045	9,389	6,045	9,389
Sanitation	-	-	1,413	5,258	1,413	5,258
	79,336	75,313	17,451	16,294	96,787	91,607
Net Revenues (Expense) before Transfers	33,728	17,519	9,114	12,348	42,842	29,867
Net Transfers In (Out)	-	4	-	(4)	-	-
Increase (Decrease) in Net Position	33,728	17,523	9,114	12,344	42,842	29,867
Beginning Net Position	201,902	184,302	84,286	71,942	286,188	256,244
Ending Net Position	\$ 235,630	\$ 201,824	\$ 93,400	\$ 84,286	\$ 329,030	\$ 286,111

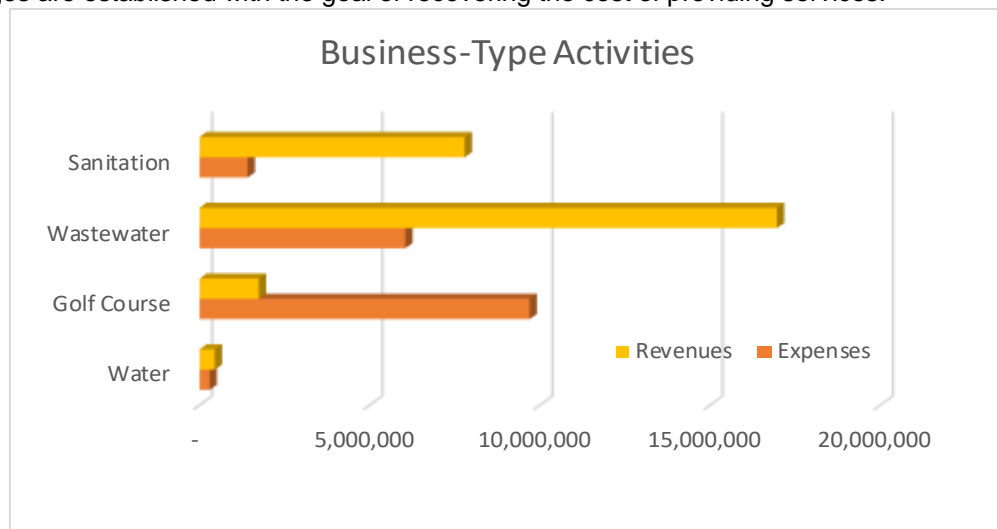
In FY22, Governmental Activities accounted for 81% of the total revenues and 82% of the total expenses for the City, in the amount of \$113.0 million and \$79.3 million, respectively.

Changes in Net Position (Continued)

The following graph illustrates revenues and expenses for Governmental Activities by function. Program revenues partially offset program costs in the current year. The General Fund provides an allocation of resources to the various functions, where expenditures are not fully recovered through direct program revenues.



Business Type Activities accounted for the remaining 19% of total revenues and 18% of total expenses, in the amount of \$26.6 million and \$17.5 million, respectively. The following graph illustrates revenues and expenses for the City's Business-Type Activities: Sanitation, Wastewater, Golf Course and Water. Operating revenues are generated by charging service fees to customers who use the services. User fees and charges are established with the goal of recovering the cost of providing services.



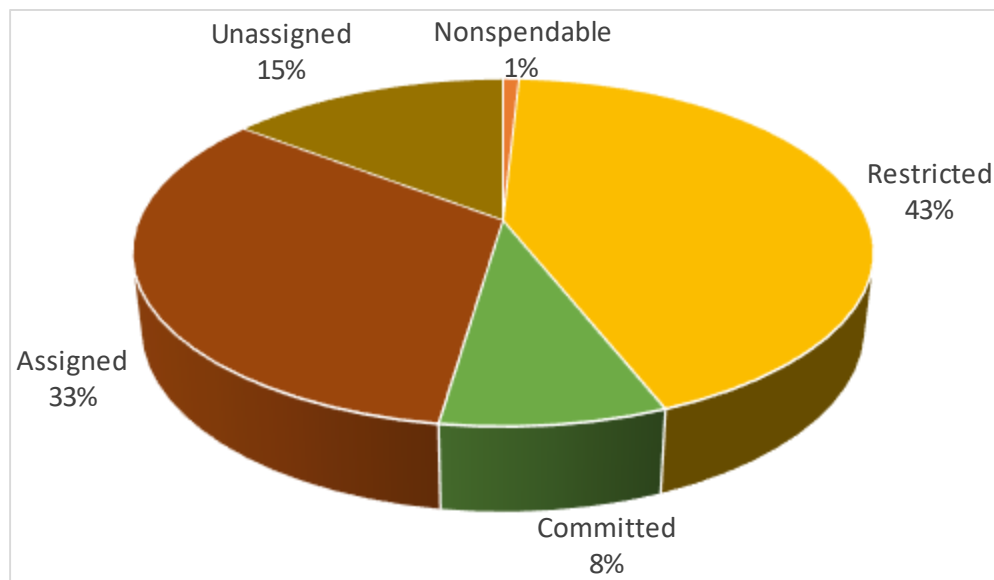
FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City maintains fund accounting to demonstrate compliance with budgetary and legal requirements. The following is a brief discussion of financial highlights from the fund financial statements.

Governmental Funds

The focus of governmental fund financial statements is to provide information on near-term inflows, outflows and the balance of spendable resources. All major governmental funds are discretely presented, while non-major funds are combined into a single column.

The governmental fund financial statement provides fund balance by major fund, as well as a combined total for non-major funds. Fund balance serves as a useful indicator of a government's net resources available for spending at the end of the year. As of June 30, 2022, fund balance for the City's governmental funds totaled \$179.6 million. Total fund balance is categorized in one of five types on the financial statements. Nonspendable fund balance totaled \$1.5 million, representing fund resources that are not in a form that could be spent. Restricted fund balance totaled \$77.5 million, representing fund resources that are subject to restrictions that are legally enforceable by outside parties or enabling legislation. Committed fund balance totaled \$14.9 million, representing fund resources that have self-imposed limitations on its use. Assigned fund balance totaled \$59.4 million, representing fund resources that are less formally limited. Unassigned fund balance totaled \$26.2 million, representing resources that are in spendable form and are not otherwise restricted, committed nor assigned.



The General Fund is the chief operating fund of the City and accounts for our major governmental activities, including public safety, community services, planning and development, and general administrative services. The following activity resulted in a positive net change in fund balance of \$27.5 million, bringing ending fund balance to \$95.8 million. General Fund revenues totaled \$69.4 million, an increase of \$6.4 million over fiscal year 2021. The increase was driven primarily from city sales. Expenses before transfers (in/out) totaled \$100.9 million, **an increase of \$37.8 million** over fiscal year 2021. Transfers-In and Transfers-Out totaled \$0.6 million and \$4.9 million respectively.

Governmental Funds (Continued)

The Highway User Revenue Fund (HURF) is governed by Arizona Revised Statutes. The HURF fund tracks the state allocation of gasoline taxes and other state shared revenues that are restricted for transportation. The following activity resulted in a positive net change of \$3.1 million, bringing ending fund balance to \$13.9 million. Revenues totaled \$10.0 million, an increase of \$1.7 million from the prior fiscal year. Expenses totaled \$6.9 million, a slight decrease of \$46 thousand from the prior fiscal year. There were no Transfers-Out in FY22, compared to \$44 thousand Net Transfers-Out in the prior fiscal year.

The Capital Replacement and Recreation Development Funds account for accumulated resources and capital expenses related to construction and the replacement of infrastructure and equipment. The following activity resulted in a net increase in fund balance of \$5.1 million, bringing ending fund balance to \$33.8 million. Revenues totaled \$7.9 million, an increase of \$2.6 million from the prior fiscal year. Expenses totaled \$2.7 million, a slight decrease of \$55 thousand from the prior fiscal year. There were no Net Transfers-In in FY22 compared to \$5 million Net Transfers-In in the prior year.

The Development Impact Fee Funds account for accumulated resources and costs associated with necessary infrastructure and public services to provide growth areas with the same level of services provided to existing developments. The following activity resulted in a net increase in fund balance of \$0.9 million, bringing ending fund balance to \$27.8 million. Revenues totaled \$6.6 million, a decrease of \$2.8 million from the prior fiscal year. Expenses totaled \$5.7 million, an increase of \$4.4 million from the prior fiscal year. There were no Net Transfers-In or Out in FY22, compared to Net Transfers-Out totaling \$670 thousand in the prior fiscal year.

All non-major governmental funds are combined into "Non-Major Governmental Funds." The following activity resulted in a net increase in fund balance of \$1.3 million, bringing ending fund balance to \$7.8 million. Revenues totaled \$7.1 million, an increase of \$2.4 million from the prior fiscal year. Expenses totaled \$10.7 million, a decrease of \$1.6 million from the prior fiscal year. Net Transfers-In totaled \$4.9 million in FY22, compared to \$4.1 million in the prior fiscal year.

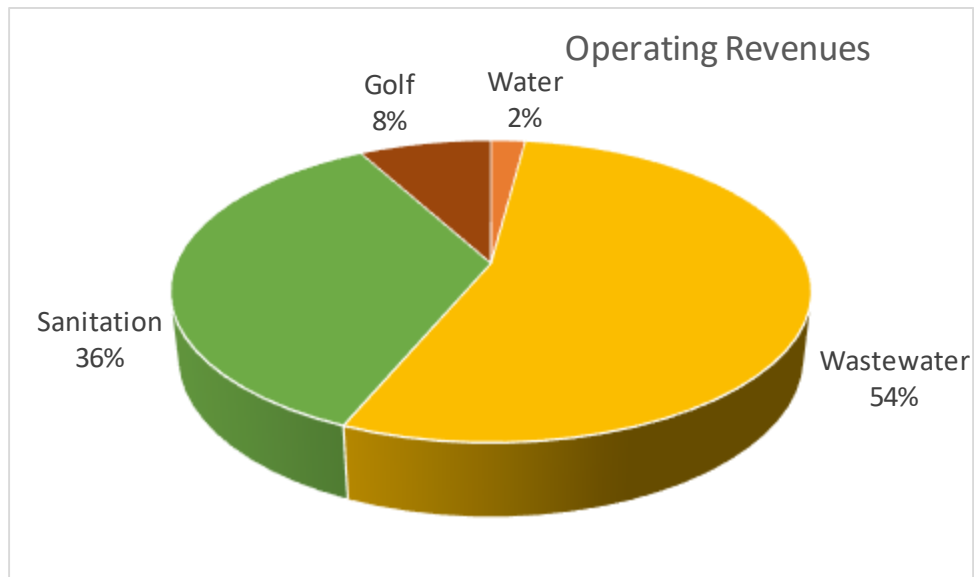
Proprietary Funds

The proprietary funds financial statements are prepared on the same accounting basis and measurement focus as the government-wide financial statements but provide additional detail since each enterprise fund is shown individually on the fund statement. In addition to the enterprise funds, the proprietary fund statements include the internal service funds.

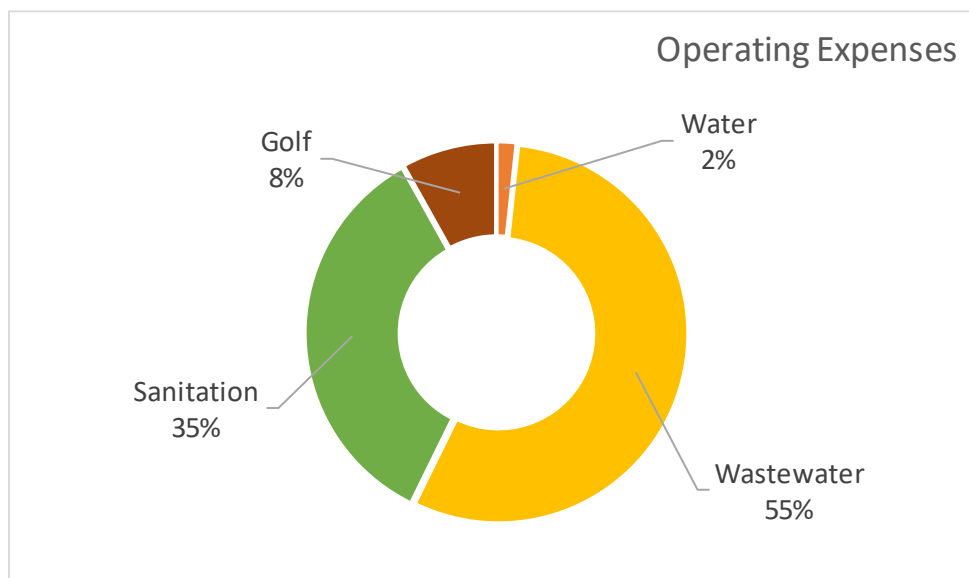
Consolidated net position of the City's enterprise funds totaled \$93.4 million, an increase of \$9.1 million from the prior year. The change in net position was based on the following activity.

Consolidated revenues totaled \$21.8 million, an increase of \$1.4 million from the prior year. The chart below illustrates the percentage of revenues that each business-type activity contributed to consolidated revenues. Water, Wastewater, Sanitation, and Golf Course revenues totaled \$450 thousand, \$11.9 million, \$7.8 million, and \$1.7 million, respectively.

Proprietary Funds (Continued)



Consolidated operating expenses totaled \$16.4 million, an increase of \$1.4 million from the prior year. The chart below illustrates the percentage of expenses that each business-type activity contributed to consolidated revenues. Water, Wastewater, Sanitation, and Golf Course expenses totaled \$293 thousand, \$8.6 million, \$6.0 million, and \$1.4 million, respectively.



Consolidated operating income totaled \$5.4 million. Water, Wastewater, Sanitation, and Golf Course net operating income (loss) totaled \$156 thousand, \$3.2 million, \$1.7 million, and \$328 thousand, respectively.

After non-operating revenues and (expenses) of (\$1.4 million), developer fees and contributions of \$4.0 million and no transfers-out, the total change in net position totaled \$9.1 million.

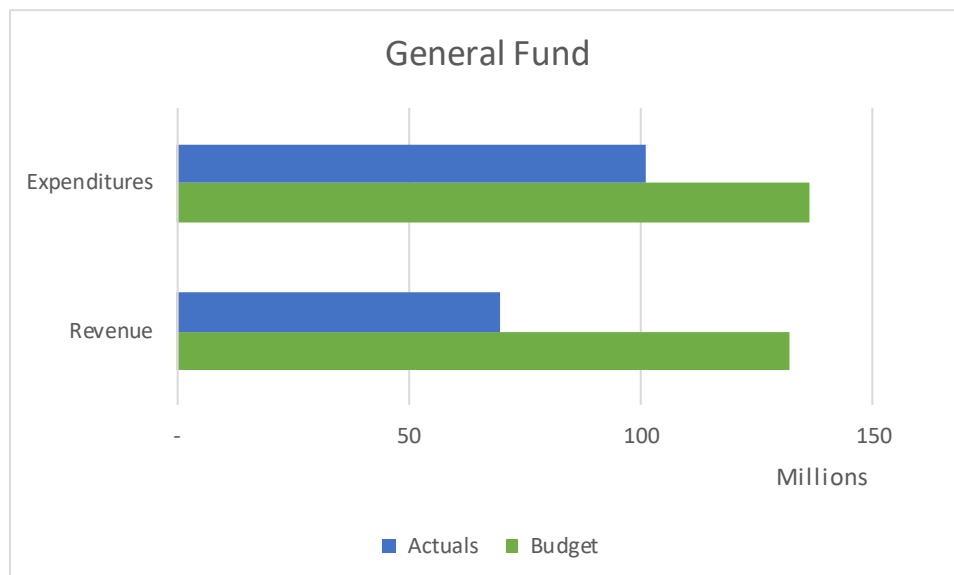
BUDGETARY HIGHLIGHTS

The City's annual budget is the legally adopted expenditure control document of the City. A statement showing the budget amounts for the general fund is provided as required supplementary information. This statement compares the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis.

Amendments to the adopted budget may occur throughout the year in a legally permissible manner (see Note 1 (E) for more information on budget policies). Use of contingency is required for capital projects with budget overages, and other unanticipated expenses. Budget amendments are processed to provide expenditure authority from unanticipated revenue sources. These include new or increased grants and intergovernmental agreements. It is generally the policy of the City to not include revenues and operational expenditure authority for these types of items in the operational budgets unless the funding is reasonably assured at the time of completion of the annual budget. Instead, the City budgets contingency accounts to allow for later transfer to operational budgets when the funding is received.

The City's total adopted budget was \$281.4 million during fiscal year 2022, compared to the Economic Estimates Commission Expenditure Limitation of \$248.8 million. Budget amendments between funds or departments or from budgeted contingencies into operational expense/expenditure accounts did occur. However, the total amount of the amended budget remained the same overall.

Actual General Fund revenues of \$133.2 million were \$4.8 million more than the estimated \$128.4 million of budgeted General Fund revenues. Actual General Fund expenses of \$105.7 million were \$27.9 million less than budgeted expenditures of \$133.6 million.



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, the City had \$250.5 million invested in various capital assets, net of accumulated depreciation. Of this amount, \$165 million (66%) is invested in governmental activities and \$85 million (34%) is invested in business-type activities.

The table below provides a breakdown of the capital asset balances net of accumulated depreciation at June 30, 2022. Additional information on the City's capital assets may be found in Note 7 Capital Assets.

	Governmental Activities		Business Activities		Total Primary Government	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Land and Construction in Progress	\$ 29,261	\$ 23,838	\$ 5,080	\$ 4,221	\$ 34,341	\$ 28,059
Building and Improvements	121,501	130,820	74,590	78,017	196,092	208,837
Heavy Machinery and Equipment	11,222	12,713	6,426	7,276	17,648	19,990
Right to use assets						
Buildings	-	275	-	-	-	275
Improvements	2,765	3,045	-	-	2,765	3,045
Total	\$ 164,749	\$ 170,691	\$ 86,097	\$ 89,515	\$ 250,846	\$ 260,206

Long-Term Debt

The City's outstanding long-term debt, including bonds, capital leases, compensated absences, excise tax revenue bonds, net pension liabilities, notes, and post closure costs, was \$210.8 million at June 30, 2022, with \$9.8 million due within one year. Of this total, \$177.9 million was in governmental activities and \$32.9 million was in business-type activities. Of the outstanding debt, \$71.6 million is excise tax revenue obligation bond collateralized by the City's excise tax stream.

The following schedule shows the outstanding debt of the City (both current and long term), including the Landfill Closure and Post Closure and Net Pension Liabilities as of June 30, 2022. Further details can be found in Notes 10 through Note 16.

	Governmental Activities		Business Activities		Total Primary Government	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
General Obligation Bonds	\$ 31,770	\$ 33,225	-	-	\$ 31,770	\$ 33,225
Leases payable	4,149	4,589	-	-	4,149	4,589
Compensated Absences	3,080	3,311	265	299	3,345	3,610
Excise Tax Revenue Obligations	71,635	10,612	-	1,408	71,635	12,020
Bond Premium	2,286	2,480	-	151	2,286	2,630
Net Pension Liability	64,936	77,606	2,743	3,739	67,679	81,344
Notes and Loans Payable	-	-	26,280	29,484	26,280	29,484
Post Closure	-	-	3,616	3,388	3,616	3,388
Total	\$ 177,856	\$ 131,823	\$ 32,905	\$ 38,468	\$ 210,761	\$ 170,291

ECONOMIC FACTORS

The local economy continues to experience consistent growth. Casa Grande's population has grown steadily since FY2012, when the city's population was 49,804. The growth rate over the past 10 years has averaged 1.84%. Casa Grande's current population is 62,376. The unemployment rate in Casa Grande (Pinal County) has improved from 9.1% in FY2013 to 4% in FY2022. In FY2022, we attracted exciting new businesses, and saw new housing increase significantly across the city.

Construction was completed on Casa Grande's first Community Recreation Center and Dave White Park. Major renovations were approved for one of the City's largest green spaces, Carr McNatt Park. Casa Grande remains the retail and commercial center of the Pinal County region.

PROJECTS IN CASA GRANDE

Lucid Motors has completed their manufacturing facility and is currently producing the company's electric-powered sedans. The construction of Lucid Phase II is underway, which will add 2.85 million square feet to support the production of additional Lucid Air Vehicles and the upcoming Lucid Gravity SUV. Lucid Air sets new records in performance including the longest range, most aero-efficient, most comprehensive sensor suite (Dream Drive), quickest ¼ mile, fastest charging, class leading interior space and largest trunk ever offered in a production EV. All of these, and its incredible design, is helping to solidify the Lucid Air as the next generation luxury electric sedan. The plant has created jobs for the City and will continue to create thousands more driving billions of dollars in related economic activity.

New businesses planned include Filiberto's, Starbucks, three Super Star Car Washes, Take 5 Auto and Caliber Collision. Aldi's, which has over 10,000 stores in 20 countries is planned for the future as well. Industrial and manufacturing projects underway include Kohler, Desert 100 Flex, Air Products, Solvay and CCP-Chang Chun. These will also create thousands of new jobs and increase the economic activity for the City.

The housing market is still strong with over 1,000 single-family building permits projected to be issued. This projection continues to be higher than the activity occurring over the past decade. Single-family home construction trends continue as land developers seek approval for new Preliminary and Final Plats that create thousands of new single family home lots to meet the housing demands created. The City has received applications for the construction of over 4,000 Build to Rent single-family homes and 800 apartment units. Several are currently under construction.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the City of Casa Grande, Arizona'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 information should be addressed to the City's Finance Director at the following address: City of Casa Grande, 510 E. Florence Blvd. Casa Grande, AZ 85122 or send an e-mail to finance@casagrandeaz.gov. Copies of this report and other financial information can also be found on the city's website www.casagrandeaz.gov.

Financial Section

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements - include the Statement of Net Position and Statement of Activities and use the accrual basis of accounting for financial reporting.

Governmental Funds Financial Statements - include the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance for the major governmental funds that use the modified accrual basis of reporting. Also includes the reconciliations to the government-wide financial statements and the Budget and Actual statements for the General Fund and all major Special Revenue Funds.

Proprietary Funds Financial Statements - include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows for the business-type activities that use the accrual basis of accounting for financial reporting.

Notes to the Financial Statements



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CITY OF CASA GRANDE, ARIZONA
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash	\$ 62,790,664	\$ 22,241,426	\$ 85,032,090
Investments	112,411,431	18,867,420	131,278,851
Receivables (net of allowance for uncollectibles)	3,370,343	2,966,351	6,336,694
Lease receivables	875,001	-	875,001
Internal balances	75,886	(75,886)	-
Due from other governments	9,845,754	-	9,845,754
Inventories	584,340	103,174	687,514
Prepays	1,186,205	8,000	1,194,205
Restricted cash and cash equivalents	2,531,453	-	2,531,453
Capital assets-not being depreciated/amortized	29,260,511	5,080,164	34,340,675
Capital assets-being depreciated/amortized, net	135,488,806	81,016,715	216,505,521
Total assets	<u>358,420,394</u>	<u>130,207,364</u>	<u>488,627,758</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	74,371,294	714,562	75,085,856
Deferred amount on refunding	1,692,436	-	1,692,436
Total deferred outflows of resources	<u>76,063,730</u>	<u>714,562</u>	<u>76,778,292</u>
LIABILITIES			
Accounts payable and other current liabilities	5,203,326	890,653	6,093,979
Retainages payable	91,811	-	91,811
Deposits held	2,040,791	580,752	2,621,543
Accrued wages and benefits	1,211,798	127,934	1,339,732
Accrued interest payable	880,896	264,710	1,145,606
Unearned revenue	220,450	1,403,498	1,623,948
Noncurrent liabilities:			
Due within one year:			
Compensated absences	1,386,045	119,330	1,505,375
Leases payable	469,576	-	469,576
Notes/Loans payable	-	3,333,142	3,333,142
Excise tax revenue obligations	2,960,000	-	2,960,000
Bonds payable	1,535,000	-	1,535,000
Due in more than one year:			
Compensated absences	1,694,054	145,848	1,839,902
Leases payable	3,679,661	-	3,679,661
Notes/Loans payable	-	22,947,284	22,947,284
Excise tax revenue obligations	68,675,000	-	68,675,000
Bonds payable	32,520,677	-	32,520,677
Closure and postclosure liability	-	3,616,187	3,616,187
Net pension liability	64,935,640	2,743,296	67,678,936
Total liabilities	<u>187,504,725</u>	<u>36,172,634</u>	<u>223,677,359</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	10,490,355	1,012,578	11,502,933
Deferred inflows of resources related to leases	859,259	-	859,259
Total deferred inflows of resources	<u>11,349,614</u>	<u>1,012,578</u>	<u>12,362,192</u>
NET POSITION			
Net investment in capital assets	118,760,028	59,816,453	178,576,481
Restricted for:			
Highways and streets	13,948,949	-	13,948,949
Grant purposes	352,992	-	352,992
Community development	312,907	-	312,907
Public safety purposes	604,192	-	604,192
Debt service	3,464,481	4,935,049	8,399,530
Capital projects	58,808,254	19,811,822	78,620,076
Unrestricted	<u>39,377,982</u>	<u>9,173,390</u>	<u>48,551,372</u>
Total net position	<u>\$ 235,629,785</u>	<u>\$ 93,736,714</u>	<u>\$ 329,366,499</u>

See accompanying notes.

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 10,356,216	\$ 373,267	\$ 10,594,680	\$ 48,350
Public safety	34,718,144	1,175,524	1,666,431	1,146,536
Streets/Transportation	5,994,902	-	6,353,856	-
Public works	10,869,184	1,813,678	590,563	4,391,437
Culture and recreation	10,607,102	1,314,897	479,317	1,359,959
Economic development	4,869,721	5,265,062	594,392	-
Interest on long-term debt	1,920,661	-	-	-
Total governmental activities	<u>79,335,930</u>	<u>9,942,428</u>	<u>20,279,239</u>	<u>6,946,282</u>
Business-type activities:				
Water	293,197	449,525	-	-
Wastewater	9,362,609	11,853,656	-	5,108,555
Sanitation	6,045,171	7,792,109	-	-
Golf course	1,413,141	1,741,329	-	-
Total business-type activities	<u>17,114,118</u>	<u>21,836,619</u>	<u>-</u>	<u>5,108,555</u>
Total primary government	<u>\$ 96,450,048</u>	<u>\$ 31,779,047</u>	<u>\$ 20,279,239</u>	<u>\$ 12,054,837</u>

General revenues:

- Property taxes
- Sales taxes
- Franchise taxes
- Shared revenues - unrestricted:
 - State sales taxes
 - Urban revenue sharing
 - Auto-in-lieu
- Investment income
- Interest earnings
- Change in fair value of investments
- Gain on disposal of capital assets
- Miscellaneous
- Total general revenues and transfers
- Change in net position
- Net position-beginning
- Net position-ending

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ 660,081	\$ -	\$ 660,081
(30,729,653)	-	(30,729,653)
358,954	-	358,954
(4,073,506)	-	(4,073,506)
(7,452,929)	-	(7,452,929)
989,733	-	989,733
(1,920,661)	-	(1,920,661)
(42,167,981)	-	(42,167,981)
-	156,328	156,328
-	7,599,602	7,599,602
-	1,746,938	1,746,938
-	328,188	328,188
-	9,831,056	9,831,056
(42,167,981)	9,831,056	(32,336,925)
7,731,777	-	7,731,777
47,852,821	52,161	47,904,982
2,665,583	-	2,665,583
7,672,107	-	7,672,107
7,172,180	-	7,172,180
4,239,122	-	4,239,122
398,722	42,822	441,544
(3,226,953)	(475,447)	(3,702,400)
202,205	-	202,205
1,188,512	-	1,188,512
75,896,076	(380,464)	75,515,612
33,728,095	9,450,592	43,178,687
201,901,690	84,286,122	286,187,812
\$ 235,629,785	\$ 93,736,714	\$ 329,366,499



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Financial Section

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

CITY OF CASA GRANDE, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

ASSETS	General	Highway Users	Grants
Cash and cash equivalents	\$ 28,893,656	\$ 6,562,154	\$ 205,814
Investments	60,400,764	8,595,892	-
Accounts receivable (less allowance for uncollectibles)	1,314,130	-	15,000
Lease receivables	639,298	-	-
Due from other governments	6,210,709	1,222,258	339,913
Due from other funds	1,944,539	-	-
Inventories	-	-	-
Prepays	378,054	-	-
Restricted assets:			
Cash and cash equivalents	1,568,371	-	-
Advances to other funds	1,118,416	-	-
Total assets	<u>\$ 102,467,937</u>	<u>\$ 16,380,304</u>	<u>\$ 560,727</u>
LIABILITIES			
Accounts payable and other current liabilities	\$ 2,161,076	\$ 1,272,396	\$ 73,417
Retainages payable	91,811	-	-
Deposits held	2,034,756	-	-
Accrued wages and benefits	1,083,586	40,543	37,564
Due to other funds	-	-	-
Unearned revenue	-	-	-
Advance from other funds	-	1,118,416	-
Total liabilities	<u>5,371,229</u>	<u>2,431,355</u>	<u>110,981</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	717,291	-	96,754
Leases	629,197	-	-
Total deferred inflows of resources	<u>1,346,488</u>	<u>-</u>	<u>96,754</u>
FUND BALANCES			
Nonspendable	1,496,470	-	-
Restricted	-	13,948,949	352,992
Committed	12,168,076	-	-
Assigned	54,564,183	-	-
Unassigned	27,521,491	-	-
Total fund balances	<u>95,750,220</u>	<u>13,948,949</u>	<u>352,992</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 102,467,937</u>	<u>\$ 16,380,304</u>	<u>\$ 560,727</u>

Capital Replacement/ Recreation/ Development	Development Impact Fee Funds	Non-Major Governmental Funds	Total Governmental Funds
\$ 7,186,217	\$ 12,424,747	\$ 6,255,232	\$ 61,527,820
25,380,354	15,807,350	2,227,071	112,411,431
-	355,778	1,677,276	3,362,184
-	-	235,703	875,001
1,472,184	-	600,690	9,845,754
-	-	-	1,944,539
-	-	65,920	65,920
808,151	-	-	1,186,205
-	-	963,082	2,531,453
-	-	-	1,118,416
<u>\$ 34,846,906</u>	<u>\$ 28,587,875</u>	<u>\$ 12,024,974</u>	<u>\$ 194,868,723</u>
\$ 803,958	\$ 395,027	\$ 314,201	\$ 5,020,075
-	-	-	91,811
-	-	6,035	2,040,791
-	-	16,456	1,178,149
-	-	1,868,653	1,868,653
220,450	-	-	220,450
-	-	-	1,118,416
<u>1,024,408</u>	<u>395,027</u>	<u>2,205,345</u>	<u>11,538,345</u>
-	355,777	1,739,936	2,909,758
-	-	230,062	859,259
-	<u>355,777</u>	<u>1,969,998</u>	<u>3,769,017</u>
-	-	-	1,496,470
28,943,718	27,837,071	6,409,045	77,491,775
-	-	2,763,117	14,931,193
4,878,780	-	-	59,442,963
-	-	(1,322,531)	26,198,960
<u>33,822,498</u>	<u>27,837,071</u>	<u>7,849,631</u>	<u>179,561,361</u>
<u>\$ 34,846,906</u>	<u>\$ 28,587,875</u>	<u>\$ 12,024,974</u>	<u>\$ 194,868,723</u>

See accompanying notes.

CITY OF CASA GRANDE, ARIZONA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2022

Fund balance - total governmental funds balance sheet		\$179,561,361
Amounts reported for governmental activities in the statement of net position 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	\$ 430,990,645	
Governmental right-to-use lease assets	7,109,421	
Less accumulated depreciation/amortization	(273,695,741)	
Internal service capital assets	658,500	
Less accumulated depreciation/amortization	<u>(313,508)</u>	164,749,317
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(3,001,041)	
Leases	(4,149,237)	
Bonds payable	(103,405,000)	
Bond discounts/premiums	(2,285,677)	
Net pension liability	<u>(64,262,819)</u>	(177,103,774)
Delayed revenue is shown on the governmental funds, but is not on the statement of net position.		
Grants and other revenue	1,752,891	
Permit related revenues	582,979	
Property Tax	<u>573,888</u>	2,909,758
Deferred outflows and inflows of resources related to pensions and deferred charges on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred amount on refunding	1,692,436	
Deferred outflows of resources related to pensions	74,187,167	
Deferred inflows of resources related to pensions	<u>(10,214,663)</u>	65,664,940
Interest payable on long-term debt is not reported in the governmental funds.		(880,896)
Internal service funds are used by management to charge the costs of certain activities to individual funds.		
The assets, deferred outflows of resources, liabilities, and deferred inflow of resources of the internal services funds are reported with governmental activities.		<u>729,079</u>
Net position of governmental activities - statement of net position		<u><u>\$235,629,785</u></u>



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CITY OF CASA GRANDE, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2022

REVENUES	General	Highway Users	Grants
Taxes:			
Property taxes	\$ 4,738,245	\$ -	\$ -
City sales tax	35,397,288	-	-
Franchise tax	2,665,583	-	-
Licenses and permits	3,823,439	-	-
Intergovernmental revenues	19,110,409	9,178,138	11,673,260
Charges for services	3,294,589	-	85,477
Fines	597,158	-	-
Investment earnings			
Interest earnings	341,182	7,097	-
Change in fair value of investments	(1,806,430)	(234,757)	-
Contributions and donations	49,719	-	-
Rental and sale of city property	420,536	722	-
Miscellaneous	788,750	1,060,165	-
Total revenues	<u>69,420,468</u>	<u>10,011,365</u>	<u>11,758,737</u>
EXPENDITURES			
Current:			
General government	9,322,291	-	84,580
Public safety	79,551,103	-	11,240,864
Streets/Transportation	-	4,203,686	-
Public works	1,792,507	-	-
Culture and recreation	6,699,042	-	100,021
Planning and economic development	2,562,248	-	45,237
Capital outlay	153,303	2,710,274	191,355
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	23,518	-
Issuance costs	792,590	-	-
Total expenditures	<u>100,873,084</u>	<u>6,937,478</u>	<u>11,662,057</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,452,616)</u>	<u>3,073,887</u>	<u>96,680</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	600,697	-	-
Transfers out	(4,934,217)	-	-
Revenue bonds issued	63,260,000	-	-
Total other financing sources and uses	<u>58,926,480</u>	<u>-</u>	<u>-</u>
Net change in fund balances	27,473,864	3,073,887	96,680
Fund balances - beginning of year	<u>68,276,356</u>	<u>10,875,062</u>	<u>256,312</u>
Fund balances - end of year	<u>\$ 95,750,220</u>	<u>\$ 13,948,949</u>	<u>\$ 352,992</u>

Capital Replacement/ Recreation/ Development	Development Impact Fee Funds	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,961,267	\$ 7,699,512
8,335,119	-	528,901	44,261,308
-	-	-	2,665,583
-	-	-	3,823,439
190,643	-	1,893,323	42,045,773
-	6,983,887	1,250,674	11,614,627
-	-	-	597,158
20,956	13,045	16,442	398,722
(693,310)	(431,643)	(60,813)	(3,226,953)
-	-	1,421	51,140
-	-	475,380	896,638
-	-	31,821	1,880,736
<u>7,853,408</u>	<u>6,565,289</u>	<u>7,098,416</u>	<u>112,707,683</u>
255,205	71,976	123,213	9,857,265
-	29,720	122,489	90,944,176
-	-	-	4,203,686
-	-	-	1,792,507
221,431	-	824,901	7,845,395
3,000	260,727	2,397,765	5,268,977
2,224,811	5,309,545	725,671	11,314,959
-	-	4,131,862	4,131,862
-	-	2,359,294	2,382,812
-	-	5,950	798,540
<u>2,704,447</u>	<u>5,671,968</u>	<u>10,691,145</u>	<u>138,540,179</u>
<u>5,148,961</u>	<u>893,321</u>	<u>(3,592,729)</u>	<u>(25,832,496)</u>
-	-	4,934,217	5,534,914
(83)	-	-	(4,934,300)
-	-	-	63,260,000
<u>(83)</u>	<u>-</u>	<u>4,934,217</u>	<u>63,860,614</u>
5,148,878	893,321	1,341,488	38,028,118
<u>28,673,620</u>	<u>26,943,750</u>	<u>6,508,143</u>	<u>141,533,243</u>
<u>\$ 33,822,498</u>	<u>\$ 27,837,071</u>	<u>\$ 7,849,631</u>	<u>\$ 179,561,361</u>

See accompanying notes.

CITY OF CASA GRANDE, 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, 2022

Net change in fund balances - total governmental funds \$38,028,118

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 and reported as depreciation expense. This is the amount by which
capital outlay exceeded depreciation in the current period.

Expenditures for capital assets	\$ 11,325,462	
Less current year depreciation/amortization	<u>(17,240,604)</u>	(5,915,142)

The net effect of various miscellaneous transactions involving capital assets
(i.e., sales, trade-ins, and donations) is to decrease net position.

Loss on capital assets		(4,890)
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Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the funds.

Property taxes, permit revenues, grants, and other revenue		(69,503)
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City pension contributions are reported as expenditures in the governmental
funds when made. However, they are reported as deferred outflows of
resources in the Statement of Net Position because the reported net pension
liability is measured a year before the City's report date. Pension expense,
which is the change in the net pension liability adjusted for changes in
deferred outflows and inflows of resources related to pensions, is reported
in the Statement of Activities.

City pension contributions	66,536,218	
Pension expense	<u>(6,697,554)</u>	59,838,664

Debt proceeds provide current financial resources to governmental funds,
but issuing debt increases long-term liabilities in the statement of net position.
Repayment of debt principal is an expenditure in the governmental funds, but
reduces long-term liabilities in the statement of net position. Also, governmental
funds report the effect of premiums, discounts, and similar items when debt is
issued, whereas these amounts are amortized in the statement of activities.

Issuance of bonds	(63,260,000)	
Bond payments	3,692,400	
Amortization of bond discount/premium	194,188	
Deferred amount on refunding	(159,614)	
Lease payments	<u>439,462</u>	(59,093,564)

The internal service fund net revenue is reported with governmental activities.		938,202
---	--	---------

Some expenses reported in the statement of activities do not require the use of
current financial resources and, therefore, are not reported as expenditures in
governmental funds.

Compensated absences	236,311	
Interest expense on long-term debt	<u>(230,101)</u>	6,210

Change in net position of governmental activities		<u>\$33,728,095</u>
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Financial Section

PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Business-type Activities-Enterprise Funds	
	Water	Wastewater
ASSETS		
Current assets:		
Cash and cash equivalents	\$ -	\$ 16,121,026
Investments	-	10,470,284
Receivables, net of uncollectibles	48,791	1,816,689
Prepaid expense	-	-
Inventories	-	-
Total current assets	<u>48,791</u>	<u>28,407,999</u>
Noncurrent assets:		
Capital assets-not being depreciated/amortized	125,000	4,447,506
Capital assets-being depreciated/amortized, net	189,161	74,537,491
Total noncurrent assets	<u>314,161</u>	<u>78,984,997</u>
Total assets	<u>362,952</u>	<u>107,392,996</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	<u>5,800</u>	<u>209,663</u>
LIABILITIES		
Current liabilities:		
Accounts payable	13,244	695,336
Deposits held	21,450	250,782
Accrued wages and benefits	2,917	36,449
Accrued interest payable	-	264,710
Due to other funds	75,886	-
Compensated absences	-	39,649
Unearned revenue	-	1,403,498
Notes/Loans payable	-	3,333,142
Total current liabilities	<u>113,497</u>	<u>6,023,566</u>
Noncurrent liabilities:		
Compensated absences	-	48,459
Notes/Loans payable	-	22,947,284
Closure and postclosure liability	-	-
Net pension liability	47,173	791,295
Total noncurrent liabilities	<u>47,173</u>	<u>23,787,038</u>
Total liabilities	<u>160,670</u>	<u>29,810,604</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	<u>8,321</u>	<u>318,555</u>
NET POSITION		
Net investment in capital assets	314,161	52,704,571
Restricted for:		
Debt service	-	4,935,049
Capital projects	-	19,811,822
Unrestricted	<u>(114,400)</u>	<u>22,058</u>
Total net position	<u>\$ 199,761</u>	<u>\$ 77,473,500</u>

Business-type Activities-Enterprise Funds			Governmental Activities
Sanitation	Golf Course	Total	Internal Service Funds
\$ 5,044,485	\$ 1,075,915	\$ 22,241,426	\$ 1,262,844
8,397,136	-	18,867,420	-
1,079,487	21,384	2,966,351	8,159
-	8,000	8,000	-
71,307	31,867	103,174	518,420
<u>14,592,415</u>	<u>1,137,166</u>	<u>44,186,371</u>	<u>1,789,423</u>
155,206	352,452	5,080,164	-
5,301,616	988,447	81,016,715	344,992
<u>5,456,822</u>	<u>1,340,899</u>	<u>86,096,879</u>	<u>344,992</u>
<u>20,049,237</u>	<u>2,478,065</u>	<u>130,283,250</u>	<u>2,134,415</u>
 473,117	 25,982	 714,562	 184,127
 141,062	 41,011	 890,653	 183,251
308,520	-	580,752	-
77,987	10,581	127,934	33,649
-	-	264,710	-
-	-	75,886	-
70,328	9,353	119,330	35,576
-	-	1,403,498	-
-	-	3,333,142	-
<u>597,897</u>	<u>60,945</u>	<u>6,795,905</u>	<u>252,476</u>
85,957	11,432	145,848	43,482
-	-	22,947,284	-
3,616,187	-	3,616,187	-
<u>1,793,656</u>	<u>111,172</u>	<u>2,743,296</u>	<u>672,821</u>
<u>5,495,800</u>	<u>122,604</u>	<u>29,452,615</u>	<u>716,303</u>
<u>6,093,697</u>	<u>183,549</u>	<u>36,248,520</u>	<u>968,779</u>
 649,921	 35,781	 1,012,578	 275,692
5,456,822	1,340,899	59,816,453	344,992
-	-	4,935,049	-
-	-	19,811,822	-
<u>8,321,914</u>	<u>943,818</u>	<u>9,173,390</u>	<u>729,079</u>
<u>\$ 13,778,736</u>	<u>\$ 2,284,717</u>	<u>\$ 93,736,714</u>	<u>\$ 1,074,071</u>

See accompanying notes.

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Business-type Activities-Enterprise Funds	
	Water	Wastewater
Operating revenues:		
Service fees	\$ 248,448	\$ 11,766,051
Rental	-	-
Green fees	-	-
Miscellaneous	201,077	87,605
Total operating revenue	<u>449,525</u>	<u>11,853,656</u>
Operating expenses:		
Personal services	18,519	1,105,970
Contractual services	177,212	2,957,110
Materials and supplies	42,902	814,404
Depreciation	54,564	3,432,407
Closure and postclosure costs	-	-
Other expenses	-	64
Total operating expenses	<u>293,197</u>	<u>8,309,955</u>
Operating income (loss)	<u>156,328</u>	<u>3,543,701</u>
Nonoperating revenues (expense):		
Investment income		
Interest earnings	-	25,989
Change in fair value of investments	-	(247,002)
Interest expense	-	(1,052,654)
City sales tax	-	-
Intergovernmental grant revenues	-	3,893
Total nonoperating revenues (expense)	<u>-</u>	<u>(1,269,774)</u>
Income (loss) before contributions and transfers	156,328	2,273,927
Developer fees	-	5,104,662
Transfers out	<u>-</u>	<u>-</u>
Change in net position	156,328	7,378,589
Total net position-beginning of year	<u>43,433</u>	<u>70,094,911</u>
Total net position-end of year	<u>\$ 199,761</u>	<u>\$ 77,473,500</u>

Business-type Activities-Enterprise Funds			Governmental Activities -
Sanitation	Golf Course	Total	Internal Service Funds
\$ 7,717,298	\$ 333,991	\$ 20,065,788	\$ 6,210,097
-	296,910	296,910	-
-	1,110,428	1,110,428	-
74,811	-	363,493	432,769
<u>7,792,109</u>	<u>1,741,329</u>	<u>21,836,619</u>	<u>6,642,866</u>
2,349,377	280,067	3,753,933	1,040,947
1,264,328	761,968	5,160,618	2,565,216
1,107,825	182,109	2,147,240	1,475,821
1,095,803	188,761	4,771,535	22,066
227,838	-	227,838	-
-	236	300	-
<u>6,045,171</u>	<u>1,413,141</u>	<u>16,061,464</u>	<u>5,104,050</u>
<u>1,746,938</u>	<u>328,188</u>	<u>5,775,155</u>	<u>1,538,816</u>
16,833	-	42,822	-
(228,445)	-	(475,447)	-
-	-	(1,052,654)	-
-	52,161	52,161	-
-	-	3,893	-
<u>(211,612)</u>	<u>52,161</u>	<u>(1,429,225)</u>	<u>-</u>
1,535,326	380,349	4,345,930	1,538,816
-	-	5,104,662	-
-	-	-	(600,614)
1,535,326	380,349	9,450,592	938,202
<u>12,243,410</u>	<u>1,904,368</u>	<u>84,286,122</u>	<u>135,869</u>
<u>\$ 13,778,736</u>	<u>\$ 2,284,717</u>	<u>\$ 93,736,714</u>	<u>\$ 1,074,071</u>

See accompanying notes.

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Business-type Activities- Enterprise Funds	
	Water	Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 444,802	\$ 13,275,589
Receipt (payments) from/to other funds	(35,068)	-
Payments to suppliers	(268,220)	(3,673,294)
Payments to employees	(16,514)	(1,164,705)
Net cash provided (used) by operating activities	<u>125,000</u>	<u>8,437,590</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from intergovernmental grant revenue	-	3,893
Proceeds from city sales tax	-	-
Transfers to other funds	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>3,893</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(125,000)	(861,702)
Developer contributions	-	5,104,662
Principal paid on capital debt	-	(4,611,650)
Interest paid on capital debt	-	(1,251,271)
Net cash provided (used) by capital and related financing activities	<u>(125,000)</u>	<u>(1,619,961)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	(1,416,318)
Interest and dividends received	-	25,989
Net cash provided (used) by investing activities	<u>-</u>	<u>(1,390,329)</u>
Net increase (decrease) in cash	-	5,431,193
Cash and cash equivalents at beginning of year	<u>-</u>	<u>10,689,833</u>
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 16,121,026</u>

Business-type Activities-Enterprise Funds			Governmental Activities -
Sanitation	Golf Course	Total	Internal Service Funds
\$ 7,906,672	\$ 1,739,945	\$ 23,367,008	\$ 6,644,565
-	-	(35,068)	-
(2,504,584)	(1,166,377)	(7,612,475)	(4,174,047)
(2,494,044)	(285,333)	(3,960,596)	(1,085,977)
<u>2,908,044</u>	<u>288,235</u>	<u>11,758,869</u>	<u>1,384,541</u>
-	-	3,893	-
-	52,161	52,161	-
-	-	-	(600,614)
<u>-</u>	<u>52,161</u>	<u>56,054</u>	<u>(600,614)</u>
(297,451)	(69,453)	(1,353,606)	-
-	-	5,104,662	-
-	-	(4,611,650)	-
-	-	(1,251,271)	-
<u>(297,451)</u>	<u>(69,453)</u>	<u>(2,111,865)</u>	<u>-</u>
(6,906)	-	(1,423,224)	-
<u>16,833</u>	<u>-</u>	<u>42,822</u>	<u>-</u>
<u>9,927</u>	<u>-</u>	<u>(1,380,402)</u>	<u>-</u>
2,620,520	270,943	8,322,656	783,927
<u>2,423,965</u>	<u>804,972</u>	<u>13,918,770</u>	<u>478,917</u>
<u>\$ 5,044,485</u>	<u>\$ 1,075,915</u>	<u>\$ 22,241,426</u>	<u>\$ 1,262,844</u>

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Business-type Activities-Enterprise Funds	
	Water	Wastewater
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 156,328	\$ 3,543,701
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Closure and postclosure costs	-	-
Depreciation expense	54,564	3,432,407
Provision for bad debt	-	313,505
(Increase) decrease in:		
Prepaid expense	-	-
Accounts receivable	(6,523)	(432,719)
Inventory	-	-
Due from other funds	(35,068)	-
Deferred outflows of resources related to pensions	136	(9,681)
Increase (decrease) in:		
Accounts payable	(48,106)	98,284
Deposits held	1,800	137,649
Accrued wages	2,892	3,477
Compensated absences	-	(570)
Unearned revenue	-	1,403,498
Net pension liabilities	(6,309)	(320,377)
Deferred inflows of resources related to pensions	5,286	268,416
Total adjustments	<u>(31,328)</u>	<u>4,893,889</u>
Net cash provided (used) by operating activities	<u>\$ 125,000</u>	<u>\$ 8,437,590</u>
Schedule of Noncash Investing, Capital and Financing Activities		
Unrealized change in investments	\$ -	\$ 247,002
Amortization of bond premium	-	150,509

<u>Business-type Activities-Enterprise Funds</u>			<u>Governmental Activities - Internal Service Fund</u>
<u>Sanitation</u>	<u>Golf Course</u>	<u>Total</u>	
\$ 1,746,938	\$ 328,188	\$ 5,775,155	\$ 1,538,816
227,837	-	227,837	-
1,095,803	188,761	4,771,535	22,066
234,564	-	548,069	-
-	(8,000)	(8,000)	-
(246,595)	(1,384)	(687,221)	1,699
(71,307)	(5,471)	(76,778)	(28,371)
-	-	(35,068)	-
(26,879)	(3,847)	(40,271)	(8,763)
(61,124)	(208,593)	(219,539)	(104,639)
126,595	-	266,044	-
19,250	3,058	28,677	5,904
(34,011)	947	(33,634)	5,244
-	-	1,403,498	-
(635,239)	(33,440)	(995,365)	(292,355)
532,212	28,016	833,930	244,940
<u>1,161,106</u>	<u>(39,953)</u>	<u>5,983,714</u>	<u>(154,275)</u>
<u>\$ 2,908,044</u>	<u>\$ 288,235</u>	<u>\$ 11,758,869</u>	<u>\$ 1,384,541</u>
\$ 228,445	\$ -	\$ 475,447	\$ -
-	-	150,509	-

See accompanying notes.



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Financial Section

FIDUCIARY FUNDS

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2022

	Part-Time Firemen's Pension Trust
ASSETS	
Cash	\$ 29,341
Investments at fair value	
Mutual funds	442,030
Total assets	471,371
LIABILITIES	
Accounts payable	70
NET POSITION	
Net position restricted for pensions	\$ 471,301

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2022

	<u>Part-Time Firemen's Pension Trust</u>
ADDITIONS	
Investment earnings:	
Interest and dividends	\$ 189,458
Net increase (decrease) in the fair value of investments	<u>(282,441)</u>
Total additions	<u>(92,983)</u>
DEDUCTIONS	
Administrative expenses	10,865
Beneficiary payments to individuals	<u>8,825</u>
Total deductions	<u>19,690</u>
Change in fiduciary net position	(112,673)
Net position-beginning of year	<u>583,974</u>
Net position-end of year	<u><u>\$ 471,301</u></u>



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Financial Section

NOTES TO THE FINANCIAL STATEMENTS



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CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City's significant accounting policies.

A. Reporting Entity

The reporting entity of the City includes the following services as authorized by its charter: general government, public safety (police, court and fire), streets/transportation, public works, culture and recreation and economic development. In addition, the City owns and operates four major enterprise activities: wastewater system, sanitation operations, golf course and water system.

Individual Component Units – Blended The Mission Royale Community Facilities District, Villago Community Facilities District, Copper Mountain Community Facilities District, and Post Ranch Community Facilities District (the Districts) were formed for the purpose of acquiring or constructing public infrastructure in specific geographic areas of the City. As special purpose districts and separate political subdivisions under the Arizona Constitution, the Districts can levy taxes and issue bonds independently of the City. Property owners in the designated areas are assessed for District taxes, and thus for the costs of operating the Districts. The City Council serves as the Board of Directors; however, the City has no liability for the District's debt. For reporting purposes, the transactions of the Districts are combined together and included as governmental type funds as if they were part of the City's operations.

No separate financial statements were prepared for the Districts.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from Business-type activities, which rely on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses for a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers 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 and other items not properly 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. A fund is considered a major fund if it meets several threshold tests based on size and proportionate share.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Generally, the effect of interfund activity is removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements. Certain charges for interfund services provided and used, such as charges between the Enterprise Fund utility segments and various functional activities, were not eliminated if the charges approximated their exchange values. The “doubling up” effect of internal service fund activity is removed from the government-wide statements with the expenses shown in the various functions and segments on the Statement of Activities.

C. Basis of Presentation – Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the combined financial statements. The City uses the following fund types:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the chief operating fund of the City. It is used to account for all financial resources except for those required to be accounted for in another fund.

Special Revenue Funds - The Special Revenue Funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. City Ordinances or Federal and State Statutes specify the uses and limitations of each special revenue fund. The Highway Users Fund that accounts for the City's share of tax revenues legally restricted to the maintenance of the highways within the City's boundaries is presented as a major fund in the basic financial statement. The Grants Fund accounts for the City's federal, state, and local grants and is presented as a major fund in the basic financial statement.

Debt Service Funds - Debt Service Funds account for the accumulation of resources for and the payment of general obligation long-term debt principal, interest and related costs.

Capital Project Funds - Capital Project Funds account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The Capital Replacement/Recreation/Development Fund and Development Impact Fee Funds are major funds presented in the basic financial statements. This fund accounts for the replacement of fleet, recreation facilities construction and development of infrastructure.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Fund Accounting (Continued)

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds account for operations financed and operated in a manner similar to private business enterprises - the intent of the governing body is for the costs of providing the specific service to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise funds presented as major funds in the basic financial statement are as follows:

Water Fund - accounts for the Copper Mountain water related activities.

Wastewater Fund - accounts for the activities of the wastewater treatment, operations and maintenance.

Sanitation Fund - accounts for the operations of the City's trash and landfill services.

Golf Course Fund - accounts for the operations of the City's public golf course.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, generally on a cost-reimbursement basis. The City has three internal services funds: Fleet Maintenance is used to account for the maintenance and operations of City owned vehicles, Facilities Maintenance is used to account for the maintenance and operations of City owned buildings, and Risk Management is used for property and casualty insurance activities. Each cost center is charged their proportional share of the cost for these services.

On the proprietary fund financial statements, operating revenues are those that flow directly from the operations of that activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items like investment income and interest expense that are not a result of the direct operations of the activity.

FIDUCIARY FUNDS

The fiduciary funds account for assets the City holds in a trust for the benefit of and on behalf of others and therefore are not available to support City programs. The reporting focus is upon net position and changes in net position and employs accounting principles similar to proprietary funds. Fiduciary Funds are not included in the government-wide financial statements since they are not assets of the City available to support City programs.

At June 30, 2022, the City had one fiduciary fund considered a pension trust fund used to report resources that are required to be held in trust for the members and beneficiaries of the part-time firemen's pension plan.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Different measurement focuses are applied to governmental, proprietary, and fiduciary funds. The governmental fund measurement focus is on determination of financial position and changes in financial position. Governmental funds focus on the flow of resources. The proprietary and pension fund measurement focus is on determination of net income, financial position, and changes in financial position.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The modified accrual basis of accounting is followed by the governmental funds. Revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The City considers revenues available if they are earned by June 30 and the revenue is expected to be collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

In applying the susceptible to accrual concept to intergovernmental revenues (grants, subsidies and shared revenues), the legal and contractual requirements of the numerous individual programs are used as guidance. There are essentially two types of these revenues. In one, monies must be expended on the specific purpose of the project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded.

In the other legal and contractual arrangement, monies are virtually unrestricted as to purpose of expenditures and nearly irrevocable, i.e., revocable only for failure to comply with prescribed compliance requirements, e.g., equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the criterion of availability.

Licenses and permits, charges for services, fines, forfeitures and miscellaneous revenues are recorded as revenues when received. Investment interest is recorded as earned since they are measurable and available. City sales tax collected by the State of Arizona and property taxes are accrued in the accounting period they become both measurable and available.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The portion of property tax levies available on June 30, 2022, are recorded as receivable, net of allowance for un-collectibles. The balance of the tax levy not collected within 60 days after year-end are reflected as deferred revenue.

Notes receivables are recorded as revenue as installments are received. The balances of these receivables are reflected as deferred revenue. Direct loans made through Community Development Block Grants are reflected as a reserve in fund balance.

All proprietary and pension funds are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred.

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Budgetary Data

- In the spring of each year, the City Manager submits to City Council an estimate of the expenditures necessary to conduct the affairs of the City for the fiscal year commencing July 1st.
- The Council holds open work sessions relating to budget preparation.
- After required public hearings are held, a budget for all governmental and proprietary funds (excluding internal service and pension funds) is legally enacted prior to the third Monday of July as required by Arizona Revised Statutes. The budget specifies expenditure amounts by activity with each Fund.
- Transfer of budgeted amounts within a department may be authorized by the Director of each department, unless the transfer involves personnel services. This type of budgetary transfer requires City Manager approval. In the adoption of the budget the City Council delegates authority to transfer budget amounts between funds and departments to the City Manager. The original budget was amended for the year ending June 30, 2022.
- All funds are subject to the comprehensive appropriated budget.
- Encumbrances used by the City during the budget year. All appropriations lapse at fiscal year-end unless re-appropriated as a carry-over. Invoices for goods and services received on or before June 30 must be paid within 60 days of the fiscal year-end.
- The budget for the City is adopted on a basis consistent with generally accepted accounting principles.
- Under State statutes, certain annual expenditure limitations must be adhered to.
- Several supplemental appropriations were necessary during the year.
- Expenditures may not exceed budgeted appropriations at the total budget level.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash, Cash Equivalents, and Investments

Cash represents amounts in demand deposits, cash on hand, 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.

The City adheres to the Arizona Revised Statutes (A.R.S. §35-323) that governs the investment of City funds. Eligible investments include certificate of deposits in eligible depositories, interest bearing accounts in qualified banks, repurchase agreements, pooled investments by the State Treasurer, bonds of the U.S. Government that are guaranteed as to principal and interest, and bonds of the state, city, town or school district. All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices.

The State's investment pool is managed by the State Treasurer's office. The pool is not required to register with the Securities and Exchange Commission under the 1940 Investments Advisors Act. The activity and performance of the pool is reviewed monthly by the State Board of Investment in accordance with A.R.S. §35-311. 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. In accordance with GASB Codification the City records all its investments at fair value as defined in the statement. The Part-time Firemen's Pension investments are valued from quoted market prices at year-end.

G. Inventory

Inventories for governmental and proprietary funds consist primarily of expendable supplies. Governmental funds maintain inventories using the consumption method of accounting. All inventories are valued at cost, which approximates market, using the first-in/first-out method.

H. Capital Assets

Capital Assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year.

Assets contributed (donated) to those funds, donated works of art and similar items, and assets received in service concession arrangements should be reported at acquisition value rather than fair value.

General government infrastructure capital assets include those assets acquired or constructed since 1980.

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.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation/amortization of all assets is recorded and calculated using the straight-line method over the following estimated useful lives:

Sewer Systems	20 to 50 years
Street Systems	20 to 30 years
Streetlights and Traffic Control Devices	20 years
Other Improvements and Landscaping	15 years
Vehicles	3 to 15 years
Equipment	5 to 10 years
Furniture and Fixtures	5 to 10 years
Computers/ Software	3 years

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

I. Deferred outflows and inflows of resources

The statement of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will be recognized as a revenue in future periods.

J. Post-employment benefits

For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

ASRS and PSPRS net OPEB asset (liabilities) have not been recorded, or further disclosed at June 30, 2022 in accordance with GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, due to the relative insignificance to the City's financial statements.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated absences

Different measurement focuses for governmental and proprietary funds were considered when determining the compensated absences liability. Because the measurement focus for proprietary funds is the determination of net income, current and long-term liabilities are recorded in the accounting records. The measurement focus for governmental funds is the flow of financial resources; expenditures for vacation time are accrued as current liabilities only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement).

New employees hired between November 1, 2015 and June 30, 2022 are allowed to participate in either the Paid Time Off (PTO) program or the traditional vacation/sick leave program.

Under the PTO program, employees earn paid time off annually ranging from 160 hours to 268 hours per year or 224 to 375 hours per year for firefighters working 24-hour shifts. The maximum amount of PTO which may be accrued by employees is 600 hours or 840 for firefighters working 24-hour shifts. In the event of termination, an employee is reimbursed for the accumulated PTO.

Under the traditional vacation/sick leave program, employees are able to earn between 8 and 20 hours of vacation per month or 11.2 and 30 hours of vacation per month for firefighters working 24-hour shifts. In the event of termination, an employee is reimbursed for the accumulated vacation leave.

The traditional vacation/sick leave program allows city employees with less than ten years of service to be granted non-vesting sick leave. Employees with ten or more years of service will be paid the unused accrued sick leave as follows:

- 10 – 15 years of service will receive 30% up to a maximum of 128 hours or 180 hours for firefighters working 24-hour shifts.
- 15 – 19 years of service will receive 40% up to a maximum of 288 hours or 404 hours for firefighters working 24-hour shifts.
- 20 or more years of service will receive 50% up to a maximum of 640 hours or 896 hours for firefighters working 24-hour shifts.

Sick leave compensation is accounted for in the period in which the event takes place.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Leases

Lessee: As lessee, the City recognizes lease liabilities with an initial, individual value of \$350,000 or more. The City uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The City's estimated incremental borrowing rate is based on the average interest rate of other financing instruments with similar terms and risks as those currently entered into by the City.

Lessor: As lessor, the City recognizes lease receivables with an initial, individual value of \$33,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the City charges the lessee) and the implicit rate cannot be determined, the City uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The City's estimated incremental borrowing rate is calculated as described above.

At the commencement of the lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

M. Long-term Obligations

A distinction is made between proprietary fund long-term liabilities and governmental long-term debt. Governmental funds' long-term obligations are recognized as a liability in the governmental funds when due and expected to be financed from expendable available financial resources. Long-term obligations expected to be financed from proprietary fund operations are accounted for in the fund as a long-term liability.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Interfund Activity

Interfund transactions are categorized as loans, reimbursements, interfund services provided and used or transfers. Loans between funds are reported in the balance sheet of the borrowing and lending funds as a liability and receivable, respectively. Reimbursements are expenditures or expenses of one fund but are attributable to another fund. An example of this type of transaction is when one fund purchases a supply in which another fund uses, thus reimbursing the original funds expenditure/ expense. An interfund service is revenue to the fund providing the service and expenditure to the fund receiving the service. Other interfund transactions are classified as transfers. Transfers usually reflect ongoing operating subsidies between funds.

N. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

O. Fund Balance Policies

In the fund financial statements, fund balance is reported in classifications that comprise a hierarchy based the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications of fund balance are Non-spendable, Restricted, Committed, Assigned, and Unassigned. Non-spendable and Restricted fund balances represent the restricted classifications and Committed, Assigned, and Unassigned represent the unrestricted classifications.

Non-spendable fund balance includes amounts that cannot be spent because it is not in a spendable form such as inventory or prepaid items. Restricted fund balance is externally (outside the City) enforceable limitations imposed by creditors, grantors, contributors and laws and regulations of other governments. Committed fund balance is self-imposed limitations imposed at the highest level of decision-making authority, the City Council.

Council approval through the adoption of an Ordinance is required to commit resources or to rescind the commitment. Assigned fund balance represents limitations imposed by the City Council. Unassigned fund balance represents the residual net resources in excess of the other classifications. The General Fund is the only fund that can report a positive unassigned fund balance and any governmental fund can report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for specific expenditures, restricted resources are considered spent before unrestricted resources. Within fund balance committed is spent first and then assigned resources are used. For fund balance details by classification, see the Fund Balance Details by Classification note disclosure.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Expenditures over Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level for the General Fund and at the Fund level for all other budgeted funds. The individual Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual reports found in the required supplementary information and the other supplementary information present all of the departments and funds which incurred an excess of expenditures/expenses over appropriations for the year ended June 30, 2022, if any.

Q. Change in Accounting Principle

For the year ended June 30, 2022, the City implemented the provisions of GASB Statement No. 87, *Leases*, as amended, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As a result, the City's financial statements have been modified to reflect the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on the contract payment provisions.

NOTE 2 CASH AND INVESTMENTS

The carrying amount of the City's cash in bank totaled \$8,546,351 from which \$8,517,010 are City deposits and \$29,341 are fiduciary deposits, and the bank balance for those deposits was \$4,136,503. The City had cash on hand of \$6,225. Federal Depository Insurance covered the City's deposits at June 30, 2022, to the extent of \$250,000. Deposits of \$3,886,503 were collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City's name. Casa Grande does not have a deposit policy for custodial credit risk.

In addition, the City holds Certificates of Deposit with Western State Bank totaling \$256,762 at June 30, 2022.

Investments

The City's policy is to invest unrestricted cash 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 pursuant to ARS 35-311. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the City held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy. 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, 2022, the City's funds invested with the State Treasurer totaled \$79,486,075.

The City also holds \$129,613,239 invested with PFM Asset Management, LLC, \$936,082 with Zions Bank, and \$442,031 with TD Ameritrade. The accounts are invested in U.S. Treasury securities, U.S. Government bonds, certificates of deposit and corporate debt securities.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 2 CASH AND INVESTMENTS (Continued)

Investments (Continued)

Cash and cash equivalents include restricted and unrestricted amounts as follows:

	Governmental Activities	Business - Type Activities	Fiduciary Fund	Total
Cash and cash equivalents	\$ 62,790,664	\$ 22,241,426	\$ 29,341	\$ 85,061,431
Investments	112,411,431	18,867,420	442,030	131,720,881
Restricted cash and cash equivalents	2,531,453	-	-	2,531,453
	<u>\$ 177,733,548</u>	<u>\$ 41,108,846</u>	<u>\$ 471,371</u>	<u>\$ 219,313,765</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates 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. Casa Grande has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The following table shows the City's investment maturities:

2022 Investment Type	Amount	Remaining Maturity (In Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury Notes	\$ 76,147,285	\$ 7,881,335	\$ 44,285,911	\$ 23,980,039	\$ -
Supra-National Agency Bond	4,369,323	1,535,692	2,072,602	761,029	-
Federal Agency Collateralized Mortgage Obligations	930,917	910,004	9,794	11,119	-
Federal Agency Notes	15,791,734	7,100,911	8,690,822	-	-
Corporate Note	30,105,754	716,234	6,666,084	22,723,436	-
Certificate of Deposit	1,617,511	1,617,511	-	-	-
Bank Note	350,287	350,287	-	-	-
Money Market	1,520,273	1,520,273	-	-	-
Mutual Funds	442,030	442,030	-	-	-
State Investment Pool 7 (LGIP)	79,486,075	79,486,075	-	-	-
	<u>\$ 210,761,189</u>	<u>\$ 101,560,352</u>	<u>\$ 61,725,214</u>	<u>\$ 47,475,623</u>	<u>\$ -</u>

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 2 CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

Custodial credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City does not have a formal investment policy regarding credit risk. However, the City is prohibited by State law from investing in investments other than obligations of the U.S. Treasury and U.S. agencies, certificates of deposit in eligible depositories, repurchase agreements, corporate notes, commercial paper, obligations of the State of Arizona or any of its counties or incorporated cities, towns or duly organized school districts, improvement districts in this state and the State Treasurer's Local Investment Pool. Presented below is the actual rating as of year-end for each investment type.

2022 Investment Type	Amount	Rating Agency	Rating
U.S. Treasury Notes	\$ 76,147,285	S&P	AA+
Supra-National Agency Bond	4,369,323	S&P	AAA
Federal Agency Commercial Mortgage-Backed Security	930,917	S&P	AA+
Federal Agency Notes	15,791,734	S&P	AA+
Corporate Note	636,445	S&P	AA+
Corporate Note	3,256,596	S&P	AA
Corporate Note	2,350,039	S&P	AA-
Corporate Note	3,250,018	S&P	A+
Corporate Note	6,746,250	S&P	A
Corporate Note	10,476,811	S&P	A-
Corporate Note	3,389,595	S&P	BBB+
Certificate of Deposit	747,917	S&P	A-1+
Certificate of Deposit	612,832	S&P	A-1
Certificate of Deposit	256,762	Unrated	
Bank Note	350,287	S&P	A
Money Market	1,520,273	Unrated	
Mutual Funds	442,030	Unrated	
State Investment Pool 7 (LGIP)	79,486,075	Unrated	
	<u>\$ 210,761,189</u>		

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 2 CASH AND INVESTMENTS (Continued)

Fair Value Measurement

Investments are measured at fair value. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2022:

Investments By Fair Value Level	Amount	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
U.S. Treasury Notes	\$ 76,147,285	\$ -	\$ 76,147,285	\$ -
Supra-National Agency Bond	4,369,323	-	4,369,323	-
Federal Agency Commercial Mortgage-Backed	930,917	-	930,917	-
Federal Agency Notes	15,791,734	-	15,791,734	-
Corporate Note	30,105,754	-	30,105,754	-
Certificate of Deposit	1,617,511	-	1,617,511	-
Bank Note	350,287	350,287	-	-
Money Market	1,520,273	1,520,273	-	-
Total Investments by Fair Value Level	<u>\$ 130,833,084</u>	<u>\$ 1,870,560</u>	<u>\$ 128,962,524</u>	<u>\$ -</u>
External Investment Pool Measured at Fair Value				
State Investment Pool 7 (LGIP)	<u>\$ 79,486,075</u>			
Total Investments Measured at Fair Value	<u>210,319,159</u>			
Investments Measured at Amortized Costs				
Mutual Funds	<u>442,030</u>			
Total Investments measured at Amortized Costs	<u>442,030</u>			
Total Investments	<u>\$ 210,761,189</u>			

Investments categorized as Level 2 are valued using a matrix pricing technique. Matrix pricing is a method of supplying system-generated prices to assets using yield curves that are defined by SEI Investments Company. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the City held. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's investment pools.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 2 CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer are as follows:

2022 Issuer	Reported Amount	Concentration
U.S. Treasury Notes	\$ 76,147,285	36.1%
Supra-National Agency Bond	4,369,323	2.1%
Federal Agency Commercial Mortgage-Backed Security	930,917	0.4%
Federal Agency Notes	15,791,734	7.5%
Corporate Note	30,105,754	14.3%
Certificate of Deposit	1,617,511	0.8%
Bank Note	350,287	0.2%
Money Market	1,520,273	0.7%
Mutual Funds	442,030	0.2%
State Investment Pool 7 (LGIP)	79,486,075	37.7%
	<u>\$ 210,761,189</u>	<u>100%</u>

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 3 CASH WITH FISCAL AGENT/RESTRICTED INVESTMENTS

The City has restricted the following for the General Fund.

<u>Fund Type</u>	<u>Description of Designated Restriction</u>	<u>Balance at 6/30/2022</u>
General Fund	Infrastructure	<u>\$ 1,568,371</u>

The City has restricted the following for the Debt Service Fund.

<u>Fund Type</u>	<u>Description of Designated Restriction</u>	<u>Balance at 6/30/2022</u>
Debt Service	Excise Tax	<u>\$ 729,732</u>

The City has restricted the following for capital infrastructure in the Community Facilities Fund.

<u>Fund Type</u>	<u>Description of Designated Restriction</u>	<u>Balance at 6/30/2022</u>
Capital - CFD	Infrastructure	<u>\$ 233,350</u>

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 4 RECEIVABLES

The following table is a summary of the City's governmental activities receivables.

Receivables:	General	Highway User	Grants	Capital Replacement / Recreation / Development	Developer Impact Fee Funds	Non-Major Governmental Funds	Total Governmental Funds
Intergovernmental	\$ 6,210,709	\$ 1,222,258	\$ 339,913	\$ 1,472,184	\$ -	\$ 600,690	\$ 9,845,754
Leases	639,298	-	-	-	-	235,703	875,001
Accounts	1,314,130	-	15,000	-	355,778	1,677,276	3,362,184
	<u>8,164,137</u>	<u>1,222,258</u>	<u>354,913</u>	<u>1,472,184</u>	<u>355,778</u>	<u>2,513,669</u>	<u>14,082,939</u>
Less:							
Allowance	-	-	-	-	-	-	-
Total receivables	<u>\$ 8,164,137</u>	<u>\$ 1,222,258</u>	<u>\$ 354,913</u>	<u>\$ 1,472,184</u>	<u>\$ 355,778</u>	<u>\$ 2,513,669</u>	<u>\$ 14,082,939</u>

The following table is a summary of the City's proprietary fund receivables.

Receivables:	Water	Wastewater	Sanitation	Golf Course	Internal Service Funds	Total
Accounts	\$ 48,791	6,817,680	\$ 4,350,734	21,384	\$ 8,159	\$ 11,246,748
Less:						
Allowance	-	(5,000,991)	(3,271,247)	-	-	(8,272,238)
Net receivables	<u>\$ 48,791</u>	<u>\$ 1,816,689</u>	<u>\$ 1,079,487</u>	<u>\$ 21,384</u>	<u>\$ 8,159</u>	<u>\$ 2,974,510</u>

Revenues of the enterprise funds are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to wastewater	\$ 313,505
Uncollectibles related to sanitation	<u>234,564</u>
Total uncollectibles for the current year	<u>\$ 548,069</u>

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 5 DIRECT LOANS

The City issues loans to provide housing for low-income families, which are funded by Community Development Block Grants from the U.S. Department of Housing and Urban Development through the Arizona Department of Commerce. These loans are paid back on a monthly basis and have varying terms and maturity dates. At June 30, 2022 these loans outstanding totaled \$211,514 and is included in the non-major funds accounts receivable balance on the Governmental Funds Balance Sheet.

NOTE 6 PROPERTY TAXES

Arizona Revised Statutes require that property taxes be levied on or before the third Monday in August. Taxes are levied and collected by the Pinal City Treasurer on real and personal property. Real property taxes, payable in two installments, are due November 1 and May 1. Personal property taxes are billed throughout the year. Interest and penalties are assessed if a taxpayer fails to pay the tax within a period of time specified by law. Taxes are considered a lien against real property at the date of levy.

The primary tax levy is limited to a 2% increase over the previous year's maximum allowable primary levy plus an increased dollar amount due to a net gain in property not taxed the previous year. The primary levy is further limited in that the primary tax from all jurisdictions may not exceed 1% of the homeowner's market value of the home. Secondary taxes are levied to retire voter approved general obligation bonds.

The City's 2021-2022 maximum primary levy limit was \$5,152,280. The primary tax levy was \$4,270,004. The City's secondary tax levy was \$2,297,380.

Using the modified accrual basis of accounting, property tax revenue is recognized when it becomes both measurable and available to finance expenditures as of year-end and expected to be collected within 60 days after year-end. Available means taxes due or past due at the end of the fiscal year. Deferred revenue includes the balance of the property tax levy that does not meet the accrual criteria. Property tax receivable and deferred revenue at June 30, 2022, are \$1,168,506 and \$573,888, respectively.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 7 CAPITAL ASSETS

A summary of capital assets activity for the fiscal year ended June 30, 2022 follows: The beginning balances have been restated according to the prior period restatement.

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated/amortized:				
Land	\$ 21,427,866	\$ -	\$ (4,890)	\$ 21,422,976
Construction in progress	2,410,279	8,698,109	(3,270,853)	7,837,535
Total capital assets not being depreciated/amortized	23,838,145	8,698,109	(3,275,743)	29,260,511
Capital assets, being depreciated/amortized:				
Buildings	92,664,257	629,503	-	93,293,760
Improvements	262,181,029	3,804,530	-	265,985,559
Heavy machinery & equipment	41,659,164	1,464,174	(14,025)	43,109,313
Right to use assets - leases				
Buildings	2,774,321	-	-	2,774,321
Improvements	4,335,100	-	-	4,335,100
Total capital assets being depreciated/amortized	403,613,871	5,898,207	(14,025)	409,498,053
Less accumulated depreciation/amortization for:				
Buildings	(38,624,643)	(2,313,261)	-	(40,937,904)
Improvements	(185,400,490)	(11,439,581)	-	(196,840,071)
Heavy machinery & equipment	(28,945,757)	(2,955,612)	14,025	(31,887,344)
Right to use assets - Buildings	(2,499,169)	(275,152)	-	(2,774,321)
Right to use assets - Improvements	(1,290,542)	(279,065)	-	(1,569,607)
Total accumulated depreciation/amortization	(256,760,601)	(17,262,671)	14,025	(274,009,247)
Total capital assets, being depreciated/amortized, net	146,853,270	(11,364,464)	-	135,488,806
Governmental activities capital assets, net	\$ 170,691,415	\$ (2,666,355)	\$ (3,275,743)	\$ 164,749,317
Business-Type Activities				
Capital assets, not being depreciated/amortized:				
Land	\$ 4,216,809	\$ -	\$ -	\$ 4,216,809
Water rights	-	125,000	-	125,000
Construction in progress	4,549	733,806	-	738,355
Total capital assets not being depreciated/amortized	4,221,358	858,806	-	5,080,164
Capital assets, being depreciated/amortized:				
Buildings and improvements	131,001,191	-	-	131,001,191
Machinery and equipment	18,335,711	494,800	-	18,830,511
Total capital assets being depreciated/amortized	149,336,902	494,800	-	149,831,702
Less accumulated depreciation/amortization for:				
Buildings and improvements	(52,984,197)	(3,426,739)	-	(56,410,936)
Machinery and equipment	(11,059,255)	(1,344,796)	-	(12,404,051)
Total accumulated depreciation/amortization	(64,043,452)	(4,771,535)	-	(68,814,987)
Total capital assets, being depreciated/amortized, net	85,293,450	(4,276,735)	-	81,016,715
Business-Type activities capital assets, net	\$ 89,514,808	\$ (3,417,929)	\$ -	\$ 86,096,879

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 7 CAPITAL ASSETS (Continued)

Depreciation expense was charged to the functions/programs of the government as follows:

Governmental activities:	
General government	\$ 311,605
Public safety	3,233,898
Streets/Transportation	619,244
Public Works	9,540,174
Culture and recreation	2,645,151
Economic Development	890,533
Internal Service	<u>22,066</u>
Total depreciation/amortization expense	<u><u>\$ 17,262,671</u></u>
Business-type activities:	
Water	\$ 54,564
Wastewater	3,432,408
Sanitation	1,095,803
Golf Course	<u>188,760</u>
Total depreciation/amortization expense	<u><u>\$ 4,771,535</u></u>

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 8 LEASES

Lessee

Effective March of 2012, the City entered into an agreement for energy improvements. Based on this agreement, the City will make semi-annual, variable payments at a stated interest rate of 4.25%, through July 1, 2027. The lease qualifies as an Energy Conservation Bond where tax credits are available annually to reduce interest. The City has acquired energy efficiency equipment included as a right-to-use building asset under the provisions of a lease agreement.

Effective March of 2013, the City entered into an agreement for solar panels. Based on this agreement, the City will make semi-annual, variable payments at a stated interest rate of 3.59%, through April 2031. The City has acquired energy efficiency equipment included as a right-to-use improvement asset under the provisions of a lease agreement.

Effective August of 2013, the City entered into an agreement for solar panels. Based on this agreement, the City will make semi-annual, variable payments at a stated interest rate of 3.59%, through February 2033. The City has acquired energy efficiency equipment included as a right-to-use improvement asset under the provisions of a lease agreement.

The total amount of the lease assets and the related accumulated amortization is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Carrying Value</u>
Governmental Activities:			
Right-to-use lease assets			
Buildings:	\$ 2,774,321	\$ (2,774,321)	\$ -
Improvements:	<u>4,335,100</u>	<u>(1,569,608)</u>	<u>2,765,492</u>
Total Building and Improvement	<u>\$ 7,109,421</u>	<u>\$ (4,343,929)</u>	<u>\$ 2,765,492</u>

The following schedule details minimum lease payments to maturity for the City's leases payable at June 30, 2022:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 469,576	\$ 154,110	\$ 623,686
2024	495,666	135,527	631,193
2025	523,409	115,916	639,325
2026	552,835	95,191	648,026
2027	582,969	73,315	656,284
2028-2032	1,443,647	134,652	1,578,299
2033-2037	<u>81,135</u>	<u>2,057</u>	<u>83,192</u>
Totals	<u>\$ 4,149,237</u>	<u>\$ 710,768</u>	<u>\$ 4,860,005</u>

In accordance with the provisions of GASB No. 87, each lease was retroactively measured as of July 1, 2021.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 8 LEASES (Continued)

Lessor

The City has entered into various lease agreements as the Lessor. From time to time the City's lease contracts include variable lease payments, including residual value guarantees, that are not included in the lease receivable because they are not fixed in substance. The City recognized an insignificant amount of revenue related to these variable lease payments and they have not been further disclosed or included in the measurement of the City's lease receivables.

As of June 30, 2022, the City is reporting the following lease receivables, deferred inflows related to leases, lease revenue, and interest revenue:

Lease	Governmental Activities			
	Lease Receivable	Deferred Inflows Related to Leases	Lease Revenue	Lease Interest Revenue
Airport Hangar Leases	\$ 187,803	\$ 182,980	\$ 5,940	\$ 6,612
Building Leases	556,168	547,422	55,404	20,355
Communication Tower Land Lease	131,030	128,857	18,630	4,900
Totals	<u>\$ 875,001</u>	<u>\$ 859,259</u>	<u>\$ 79,974</u>	<u>\$ 31,867</u>

In accordance with the provisions of GASB No. 87, each lease was retroactively measured as of July 1, 2021 at an interest rate of 3.5%, the City's incremental borrowing rate used for lease measurements.

The City's leases are summarized as follows:

Airport Hangar Leases – The City has entered into various hangar leases. The lease terms vary; however, the City is reasonably certain the leases will renew for each additional term as outlined in the contracts. Based on these agreements the City will be receiving fixed annual payments through fiscal year 2061.

Building Leases – The City has entered various building leases. The lease terms vary; however, the City is reasonably certain the leases will renew for each additional term as outlined in the contracts. Based on these agreements the City will be receiving fixed monthly or annual payments through fiscal year 2039.

Communication Tower Land Lease – The City has entered into a land lease for a communication tower. Based on the agreement the City will be receiving fixed monthly payments through fiscal year 2029.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 8 LEASES (Continued)

The following schedule details future payments due to the City's as of June 30, 2022:

Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 66,516	\$ 48,651	\$ 115,167
2024	64,372	27,225	91,597
2025	43,720	25,367	69,087
2026	45,832	23,812	69,644
2027	47,939	22,183	70,122
2028-2032	198,410	87,676	286,086
2033-2037	193,810	55,711	249,521
2038-2042	103,732	25,383	129,115
2043-2047	28,038	17,534	45,572
2048-2052	29,789	12,125	41,914
2053-2057	26,457	7,492	33,949
2058-2062	26,386	2,348	28,734
Totals	<u>\$ 875,001</u>	<u>\$ 355,507</u>	<u>\$ 1,230,508</u>

NOTE 9 PENSIONS

The City contributes to the plans described below. The plans are component units of the State of Arizona.

At June 30, 2022, the City reported the following aggregate amounts related to pensions) for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-type Activities	Total
Net pension liability	\$ 64,935,640	\$ 2,743,296	\$ 67,678,936
Deferred outflows of resources	74,371,294	714,562	75,085,856
Deferred inflows of resources	10,490,355	1,012,578	11,502,933
Pension expense	6,031,791	117,898	6,149,689

The City reported \$66,536,218 of pension contributions as expenditures in the governmental fund statements related to all pension plans to which it contributes.

Net OPEB asset/liabilities have not been recorded, or further disclosed, at June 30, 2022 in accordance with GASB Statement 75, due to the relative insignificance to the City's financial statements.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

A. Arizona State Retirement System

Plan Description - City employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its Web site at www.azasrs.gov.

Benefits Provided - The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

ASRS	Retirement	
	Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*with actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2022 active ASRS members were required by statute to contribute at the actuarially determined rate of 12.41 percent (12.22 percent for retirement and 0.19 percent for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 percent for long-term disability) of the active members' annual covered payroll. In addition, the City was required by statute to contribute at the actuarially determined rate of 10.22 percent (10.13 percent for retirement and 0.09 percent for long-term disability) of annual covered payroll of retired members who worked for the City in positions that an employee who contributes to the ASRS would typically fill. The City's contributions to the pension plans for the year ended June 30, 2022, was \$1,830,055.

During fiscal year 2022, the City paid for ASRS pension as follows:

83.5 percent from the General Fund, 2.3 percent from the HURF Fund, 0.2 percent from the Grants Fund, 5.9 percent from Non-Major Funds, 0.1 percent from the Water Fund, 2.3 percent from the Wastewater Fund, 3.4 percent from the Sanitation Fund, 0.3 percent from the Golf Fund, and 2.0 percent from internal service funds.

Pension Liability – At June 30, 2022, the City reported a liability of \$16,654,387 for its proportionate share of the ASRS' net pension liability. The net liability was measured as of June 30, 2021. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2020, to the measurement date of June 30, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7–7.2 percent to 2.9–8.4 percent.

The City's proportion of the net pension liability was based on the City's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The City's proportion measured as of June 30, 2021, was 0.126745 percent, which was a decrease of 0.001688 percent from its proportion measured as of June 30, 2020.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2022, the City recognized pension expense of \$678,015. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 253,881	\$ -
Changes of assumptions or other inputs	2,167,702	-
Net difference between projected and actual earnings on pension plan investments	-	5,276,696
Changes in proportion and differences between City contributions and proportionate share of contributions	-	449,506
City contributions subsequent to the measurement date	1,830,055	-
Total	<u>\$ 4,251,638</u>	<u>\$ 5,726,202</u>

The amounts reported as deferred outflows of resources related to ASRS pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as expense as follows:

Year ending June 30	
2023	\$ (301,297)
2024	(21,692)
2025	(1,163,241)
2026	(1,818,389)
2027	-
Thereafter	-

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

Actuarial Assumptions - The significant actuarial assumptions used to measure the total pension liability are as follows:

ASRS

Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 20, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9 - 8.4% for pensions
Inflation	2.3%
Permanent benefit increase	Included for pensions
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLTD for long-term disability
Healthcare cost trend rate	Not Applicable

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected geometric real rate of return
Equity	50%	4.90%
Fixed income - credit	20%	5.20%
Fixed income - interest rate sensitive	10%	0.70%
Real estate	20%	5.70%
Total	100%	

Discount Rate – At June 30, 2021, the discount rate used to measure the ASRS total pension liability was 7.0 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

Sensitivity of the City's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

ASRS	1% Decrease (6%)	Current Discount Rate (7%)	1% increase (8%)
City's proportionate share of the net pension liability	\$ 26,195,956	\$ 16,654,387	\$ 8,699,359

Plan Fiduciary Net Position - Detailed information about the plans' fiduciary net position is available in the separately issued ASRS financial report.

B. Public Safety Personnel Retirement System

Plan Descriptions – City police department employees and City fire fighter employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the City's financial statements.

The PSPRS issue publicly available financial reports that include their financial statements and required supplementary information. The reports are available on the PSPRS Web site at www.psprs.com.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

Benefits Provided - The PSPRS provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

PSPRS	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
Retirement and Disability		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 months of last 20 years
Benefit percent		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor Benefits		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

Employees Covered by Benefit Terms - At June 30, 2022, the following employees were covered by the agent plans' benefit terms:

	PSPRS Police	PSPRS Fire
Inactive employees or beneficiaries currently receiving benefits	49	32
Inactive employees entitled to by not yet receiving benefits	23	4
Active employees	51	44
Total	123	80

Contributions - State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2022, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police	PSPRS Fire
Active members - Pension	7.65% - 11.65%	7.65% - 11.65%
City		
Pension	68.06%	45.06%
Health insurance premium benefit	0.37%	0.45%

In addition, statute required the City to contribute at the actuarially determined rate of 52.55 percent for Police and 29.23 percent for Fire for the PSPRS of annual covered payroll of retired members who worked for the City in positions that would typically be filled by an employee who contributes to the PSPRS.

The City's contributions to the plans for the year ended June 30, 2022, were:

	PSPRS Police	PSPRS Fire
Pension		
Contributions made	\$ 40,637,080	\$ 24,479,495

During fiscal year 2022, the City paid for PSPRS pension contributions 100 percent from the General Fund.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

Pension Liability- At June 30, 2022, the City reported a PSPRS net pension liabilities for Police of \$32,206,972 and Fire of \$18,817,576 for a total of \$51,024,548.

The net pension liability was measured as of **June 30, 2021**, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The significant actuarial assumptions used to measure the total pension liability are as follows:

PSPRS

Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.30%
Wage inflation	3.5% for pensions
Price inflation	2.5% for pensions
Cost-of-living adjustment	1.75% for pensions
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the **June 30, 2021**, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

The long-term expected rate of return on both the PSPRS Police and PSPRS Fire plan investments was determined to be 7.3 percent using a building-block method in which best- estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS	Asset Class	Target Allocation	Long-Term
			Expected Geometric Real Rate of Return
	U.S. public equity	24%	4.08%
	International public equity	16%	5.20%
	Global private equity	20%	7.67%
	Other assets (capital appreciation)	7%	5.43%
	Core bonds	2%	0.42%
	Private equity	20%	5.74%
	Diversifying strategies	10%	3.99%
	Cash - Mellon	1%	-0.31%
	Total	100.00%	

Discount Rate - At June 30, 2021, the discount rate used to measure the PSPRS total pension liabilities was 7.3 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

Changes in the Net Pension Liability

PSPRS - Police

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2021	\$ 62,093,691	\$ 24,736,820	\$ 37,356,871
Adjustment to beginning of year	-	-	-
Changes for the year:			
Service Cost	773,163	-	773,163
Interest on the total liability	4,498,645	-	4,498,645
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the liability	152,824	-	152,824
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	3,210,616	(3,210,616)
Contributions - employee	-	391,532	(391,532)
Net investment income	-	7,005,066	(7,005,066)
Benefit payments, including refunds of employee contributions	(2,483,168)	(2,483,168)	-
Administrative expense	-	(32,683)	32,683
Other changes	-	-	-
Net changes	2,941,464	8,091,363	(5,149,899)
Balances at June 30, 2022	\$ 65,035,155	\$ 32,828,183	\$ 32,206,972

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

Changes in the Net Pension Liability (Continued)

PSPRS - Fire	Increase (Decrease)		
	Plan		
	Total	Fiduciary	Net
	Pension	Net	Pension
	Liability	Position	Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2021	\$ 43,389,814	\$ 21,654,744	\$ 21,735,070
Adjustment to beginning of year	-	1	(1)
Changes for the year:			
Service Cost	887,096	-	887,096
Interest on the total liability	3,155,303	-	3,155,303
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the liability	1,023,345	-	1,023,345
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	2,129,797	(2,129,797)
Contributions - employee	-	372,033	(372,033)
Net investment income	-	5,508,463	(5,508,463)
Benefit payments, including refunds of employee contributions	(2,107,154)	(2,107,154)	-
Administrative expense	-	(27,056)	27,056
Other changes	-	-	-
Net changes	2,958,590	5,876,083	(2,917,493)
Balances at June 30, 2022	\$ 46,348,404	\$ 27,530,828	\$ 18,817,576

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate - The following table presents the City's net pension liabilities calculated using the discount rate of 7.3 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.3 percent) or 1 percentage point higher (8.3 percent) than the current rate:

	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% increase (8.30%)
PSPRS - Police			
Net pension liability	\$ 40,684,230	\$ 32,206,972	\$ 25,291,294
PSPRS - Fire			
Net pension liability	\$ 25,355,459	\$ 18,817,577	\$ 13,482,468

Plan Fiduciary Net Position - Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS financial reports.

Expense - For the year ended June 30, 2022, the City recognized \$6,052,490 of PSPRS pension expense.

Deferred Outflows/Inflows of Resources - At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Police		
Differences between expected and actual experience	\$ 1,530,545	\$ 89,252
Changes of assumptions or other inputs	457,161	-
Net difference between projected and actual earnings on pension plan investments	-	3,129,433
City contributions subsequent to the measurement date	40,637,080	-
Total	\$ 42,624,786	\$ 3,218,685
PSPRS - Fire		
Differences between expected and actual experience	\$ 2,518,870	\$ 306,607
Changes of assumptions or other inputs	1,209,546	-
Net difference between projected and actual earnings on pension plan investments	-	2,246,356
City contributions subsequent to the measurement date	24,479,495	-
Total	\$ 28,207,911	\$ 2,552,963

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 PENSIONS (Continued)

The amounts reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as expenses as follows:

	PSPRS Police
Year ending June 30,	
2023	\$ 244,774
2024	262,648
2025	(706,475)
2026	(1,031,926)
2027	-
Thereafter	-

	PSPRS Fire
Year ending June 30,	
2023	\$ 607,756
2024	503,785
2025	169,608
2026	(276,254)
2027	170,558
Thereafter	-

C. Part-time Firefighters' Pension Fund

The City contributes to the Part-time Firefighters' Pension Fund, a defined contribution plan to provide pensions to part-time firefighters only. Arizona Revised Statutes (ARS) §9-981 gives the City the authority to establish an alternative pension and benefits program for its part-time firefighters. The statute requires that both the employee and the City make contributions equal to at least 5% of the employees' compensation. After a part-time firefighter has 20 years of service or who has reached fifty five years of age and served 20 years or more, he or she is entitled to their accrued benefit by payment in a lump sum or payments in monthly, quarterly, or annual installments over a fixed reasonable period of time, not exceeding the life expectancy of the participant. If an employee resigns before completing 20 years of service, he or she is entitled to a refund of his or her contributions only. After five years of service, the participants accrued benefit derived from the City contributions will vest at a scheduled percentage amount for each year of service. This plan has not been further disclosed due to its relative insignificance.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 10 RISK MANAGEMENT

The City operates with traditional commercial insurance programs against major losses in property, plant, equipment and liability. Administrative responsibility for the safety program, education and loss prevention resides with the Human Resources Department. Insurance is procured on a competitive quotation basis, using the services of an independent broker as a consultant. The City processes all claims and evaluates their validity to determine if insurance reporting and investigation are warranted or if the claim can be resolved administratively. Claims settled administratively are paid from the funds where the claims occurred. During fiscal year 2021 there was no reduction in insurance coverage from prior years and settlements have not exceeded insurance coverage during any of the last three fiscal years.

NOTE 11 UNEARNED REVENUE

As of June 30, 2022, the City received \$1,403,498 in Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) from the federal government passed through the State of Arizona for the American Rescue Plan Act (ARPA). These funds are unspent for eligible activities, or revenue recovery, as of June 30, 2022 and included in the Statement of Net Position and the Statement of Net Position - Proprietary Funds in the Wastewater Fund as unearned revenue.

NOTE 12 BOND DEBT

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

Community Facilities Districts (CFDs), special purpose districts created specifically to acquire or construct public infrastructure within specified areas of the City, are authorized under state law to issue General Obligation (GO) bonds to be repaid by property taxes levied on property within the district. CFDs are created by petition to the City Council by property owners within the area to be covered by the district and debt may be issued only after approval of the voters within the district.

Villago Community Facilities District issued General Obligation bonds to finance construction. On October 15, 2020, Villago CFD issued General Obligation Bonds and General Obligation Refunding Bonds, Series 2020. The General Obligation Bond was issued in the amount of \$4,430,000 with a final maturity of July 1, 2040. The General Obligation Refunding Bonds refunded the General Obligation Bonds, Series 2006, 2008, and 2010, in the amount of \$220,000, \$290,000, and \$1,765,000, respectively with a final maturity of July 1, 2040. The refunded portion of the bonds are considered defeased and the related liability for the bonds removed from the City's liabilities. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of \$742,344. These bonds will be repaid by the property owners within Villago CFD. The bonds are obligations of the district only. The City has no obligation for the debt other than administration of the collection of property taxes and payment of the debt service on behalf of Villago. There was no outstanding principal balance for the Series 2006, 2008, and 2010 as of June 30, 2022. The outstanding principal balance of Series 2020 is \$4,245,000 at June 30, 2022.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 12 BOND DEBT (Continued)

In June 2016, the City issued General Obligation bonds (Series 2016A) in the amount of \$16,000,000 to be used to design, construct, furnish and equip a new recreational center in the City. The 30-year bond has interest rates ranging from 2% to 3%. Principal payments ranging from \$540,000 to \$990,000 are paid annually on August 1, with payments beginning August 2016 and with interest paid semiannually on August and February 1. In addition, the City also issued General Obligation Refunding bonds (Series 2016B) in the amount \$18,650,000 which will be refund a portion of the City's Series 2008 and Series 2009 bonds. The 20-year bonds has interest rates of 4%. Principal payments range from \$540,000 to \$1,635,000 and are paid annually on August 1, with payments beginning August 2020 and interest paid semiannually on August and February 1. The refunded portion of the Series 2008 and Series 2009 bonds are considered defeased and the related liability for the bonds removed from the City's liabilities. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of \$1,835,568. At June 30, 2022, there is no balance on the defeased bonds, Series 2008 and 2009, still outstanding. The outstanding principal balance for the Series 2016A and 2016B is \$10,685,000 and \$16,840,000, respectively, at June 30, 2022.

In January 2019, the City defeased \$2,555,000 of General Obligation Bonds, Series 2008, 2009, and 2016B using their own resources. Sufficient assets to pay all principal and interest in the defeased bonds had been placed in irrevocable trust accounts at commercial banks and invested in U.S. Government securities which, together with interest earned thereon, will provide amounts sufficient for future payment of principal and interest of the issues defeased. The defeased portion of the Series 2008, 2009, and 2016B bonds are considered defeased and the related liability for the bonds removed from the City's liabilities. The transaction resulted in a gain on early extinguishment of debt of \$106,940. At June 30, 2022, there is no balance of defeased bond, Series 2008 and Series 2009. The amount of the defeased bond Series 2016B, still outstanding as of June 30, 2022 was \$660,000.

The following table is a summary of the City's future general obligation bond debt service requirements:

Fiscal year ending June 30,	Governmental Activities	
	Principal	Interest
2023	1,535,000	1,063,825
2024	1,635,000	1,013,075
2025	1,810,000	957,175
2026	2,140,000	891,750
2027	2,310,000	813,925
2028-2032	11,140,000	2,881,050
2033-2037	10,100,000	825,938
2038-2042	1,100,000	53,081
Total	\$ 31,770,000	\$ 8,499,819

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 13 EXCISE TAX REVENUE OBLIGATIONS

In 2012 the City issued \$9,355,000 of Excise Tax Revenue Refunding Bonds, Series 2012, with interest rates ranging from 2-5%. The proceeds were used to advance refund the Excise Tax Revenue Bonds, Series 2003 by placing new bond proceeds in an irrevocable trust to provide for future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the refunded bonds are not included in the government's financial statements. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of \$868,776. At June 30, 2022, there is no balance of defeased bond, Series 2003 and Series 2012, still outstanding.

On December 28, 2017, the City issued \$7,710,000 of Excise Tax Revenue Refunding Bonds, Series 2017, with a fixed interest rate of 2.945%. The net proceeds of \$7,710,000 (after issuance costs of \$178,171) were used to advance refund various series of bonds with a total principal amount of \$7,175,000 and an average interest rate of 4.82%. The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the related liability for the bonds has been removed from the City's liabilities. The advance refunding was done in order to reduce debt payments. The transaction resulted in an economic gain of \$622,089. At June 30, 2022, there is no balance of defeased bond, Series 2009, still outstanding. The outstanding principal balance for the Series 2017 excise tax obligations is \$7,395,000 at June 30, 2022.

On September 1, 2021, the City issued \$63,260,000 of Excise Tax Revenue Refunding Bonds, Series 2021, with interest rates ranging from 0.22-2.5%, maturing in fiscal year 2036. The net proceeds of \$62,460,138 (after issuance costs of \$799,862) were used to make an excess contribution to the Arizona Public Sector Personnel Retirement System (PSPRS) Pension Liability for Police and Fire. The outstanding principal balance for the Series 2021 excise tax obligations is \$62,250,000 at June 30, 2022.

The excise revenue obligations are secured by a pledge of and first lien on all excise, transaction, franchise, privilege and business taxes, state shared sales and income taxes, fees for licenses and permits and state revenue sharing which the City presently or in the future validly imposes or receives from other entities.

The following table summarizes the City's future excise tax revenue obligation debt service requirements as of June 30, 2022:

Fiscal year ending June 30,	Governmental Activities	
	Principal	Interest
2023	2,960,000	1,463,158
2024	3,715,000	1,383,955
2025	4,460,000	1,300,909
2026	5,070,000	1,234,295
2027	5,240,000	1,155,011
2028-2032	26,415,000	4,283,368
2033-2037	23,775,000	1,482,061
Total	<u>\$ 71,635,000</u>	<u>\$ 12,302,757</u>

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 14 WIFA FINANCING

In January 2009 the City of Casa Grande received financing from the Water Infrastructure Finance Authority (WIFA) of Arizona to finance a wastewater treatment plant expansion project which was completed in 2011. The original loan was authorized for a total of \$62,555,540; however, the balance disbursed to the City of Casa Grande was \$59,095,269. The following schedule shows estimated payments based on the remaining amount due of \$26,280,426.

Fiscal Year Ending June 30,	Principal	Interest
2023	\$ 3,333,142	\$ 1,058,838
2024	3,467,434	924,546
2025	3,607,137	784,843
2026	3,752,468	639,512
2027	3,903,655	488,325
2028-2032	8,216,590	498,478
	<u>\$ 26,280,426</u>	<u>\$ 4,394,542</u>

The twenty-year loan has an interest rate of 4.029%. Principal payments ranging from \$2,390,542 to \$4,497,459 are paid annually with interest paid semi-annually on October 1 and April 1.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 15 CHANGES IN LONG-TERM OBLIGATIONS

	Beginning Balance	Additions & transfers	Reductions & transfers	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 3,311,166	\$ 2,203,022	\$ (2,434,089)	\$ 3,080,099	\$ 1,386,045
Public - General obligation bonds	33,225,000	-	(1,455,000)	31,770,000	1,535,000
Public - Excise tax revenue obligations	10,612,400	63,260,000	(2,237,400)	71,635,000	2,960,000
Leases payable	4,588,699	-	(440,805)	4,147,894	469,576
Bonds premiums	2,479,865	-	(194,188)	2,285,677	-
Net pension liability	77,605,730	-	(12,670,090)	64,935,640	-
Governmental activities long-term liabilities	<u>\$ 131,822,860</u>	<u>\$ 65,463,022</u>	<u>\$ (19,431,572)</u>	<u>\$ 177,854,310</u>	<u>\$ 6,350,621</u>
Business-type activities					
Compensated absences	\$ 298,812	\$ 188,651	\$ (222,285)	\$ 265,178	\$ 119,330
Public - Excise tax revenue obligations	1,407,600	-	(1,407,600)	-	-
Loan payable	29,484,476	-	(3,204,050)	26,280,426	3,333,142
Bond premiums	150,509	-	(150,509)	-	-
Postclosure liability	3,388,350	227,837	-	3,616,187	-
Net pension liability	3,738,661	-	(995,365)	2,743,296	-
Business-type activities long-term liabilities	<u>\$ 38,468,408</u>	<u>\$ 416,488</u>	<u>\$ (5,979,809)</u>	<u>\$ 32,905,087</u>	<u>\$ 3,452,472</u>

Compensated absences and pension liabilities are paid from various funds in the same proportion that those funds pay payroll costs. During the year ended June 30, 2022, the City primarily paid for compensated absences and pension liabilities from the General Fund.

NOTE 16 LONG-TERM DEBT

The following table summarizes the annual debt service requirements to maturity for all bonds, and notes:

Fiscal year ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 4,495,000	\$ 2,526,983	\$ 3,333,142	\$ 1,058,838
2024	5,350,000	2,397,030	3,467,434	924,546
2025	6,270,000	2,258,084	3,607,137	784,843
2026	7,210,000	2,126,045	3,752,468	639,512
2027	7,550,000	1,968,936	3,903,655	488,325
2028-2032	37,555,000	7,164,418	8,216,590	498,478
2033-2037	33,875,000	825,938	-	-
2038-2042	1,100,000	53,081	-	-
Total	<u>\$ 103,405,000</u>	<u>\$ 19,320,515</u>	<u>\$ 26,280,426</u>	<u>\$ 4,394,542</u>

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 17 LANDFILL CLOSURE AND POST CLOSURE CARE COSTS

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will not be paid until near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs in each period that the City operates the landfill. These costs will be paid from the Sanitation Fund (enterprise fund).

The amount recognized each year is based on landfill capacity used at the end of each fiscal year. The \$3,616,187 reported as landfill closure and postclosure care liability at June 30, 2022, represents the cumulative amount reported to date based on the use of 65.54 percent of the landfill's estimated capacity. The City will recognize the remaining estimated cost of closure and postclosure care of \$1,901,352 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in fiscal year 2022. The City expects to close the landfill in the year 2039, and the actual cost may be higher because of inflation, changes in technology, or changes in regulations.

According to State and federal laws and regulations, the City must comply with the local government financial test requirements that ensure that the City can meet the costs of landfill closure, postclosure, and corrective action when needed. The City is in compliance with all these requirements.

NOTE 18 CONSTRUCTION COMMITMENTS

As of June 30, 2022, the City had outstanding construction commitments and contractual commitments that will be financed from the general fund. The City's commitments are as follows:

Project	Remaining Commitment
Florence Blvd. Streetscape Enhancement	\$ 78,094
Fire Station Replacement	690,717
Evidence Bay Expansion	24,182
Thornton Rd Widening	1,728,770
	<u>\$ 2,521,763</u>

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 19 SUMMARY OF INTERFUND TRANSACTIONS

Interfund transactions as of June 30, 2022, were as follows:

Fund	Receivable Amount	Payable Amount
General Fund	\$ 3,062,955	\$ -
HURF	-	1,118,416
Non-Major Funds	-	1,868,653
Water	-	75,886
Total	<u>\$ 3,062,955</u>	<u>\$ 3,062,955</u>

The interfund balances at June 30, 2022 are short-term loans to cover temporary cash deficits in various funds. The interfund balance between the General Fund and HURF fund is an advance for a streetlight project.

Transfers:

Fund	Transfers Out	Transfers In
General Fund	\$ 4,934,217	\$ 600,697
Capital Replacement	83	-
Non-Major Governmental Funds	-	4,934,217
Internal Service Funds	600,614	-
Total	<u>\$ 5,534,914</u>	<u>\$ 5,534,914</u>

Transfers between funds are required to move cash as payment for services, or to move cash from fund where revenue is recorded to fund where cost is incurred.

NOTE 20 DEFICIT IN FUND BALANCE

Three funds have deficits in fund balance. The Municipal Airport operating fund has a deficit of \$427,162. The Municipal Airport is supported through fuel sales and hangar rentals which continue to be lower than expected. The deficit in this fund is expected to decrease as charges for services increase in the future. The Grande Sports World fund has a deficit of \$867,963. It is expected that the deficit balance will decrease as charges for service revenues increase and outstanding receivables and unavailable revenues are paid. The HOME fund has a deficit of \$27,406. It is expected that this deficit balances will decrease as intergovernmental revenues increase.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 21 SALES TAX INCENTIVE AGREEMENT

In March 2006, the City entered into a tax-incentive agreement with WP Casa Grande Retail LLC in order to develop the Promenade at Casa Grande Mall. In May 2018, WP Casa Grande Retail LLC sold the Promenade at Casa Grande Mall to LARC Asset Management & Realty Inc. doing business as Promenade CG Retail, LLC. Included in the sale was an assignment of leases and rents provided under the tax-incentive agreement.

Under the assigned agreement, 50% of the retail sales and construction activities uncommitted tax collected by the City from Promenade sales will be paid to Promenade CG Retail, LLC. The agreement applies to the portion of tax that is not a dedicated or special tax. The twenty-year agreement provides a maximum payment of \$19,950,000, including interest calculated at 7%. The agreement can be extended for an additional three years if the amount remaining unpaid after twenty years is \$3,000,000 or more (including accrued unpaid interest). Payments are made within forty-five days after the end of each calendar quarter. The first payment under the agreement was made in September 2008. As of June 30, 2022, \$10,690,991 has been paid.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 22 FUND BALANCE DETAILS BY CLASSIFICATION

	General	Major Governmental Funds	Non-Major Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable:				
Prepaid items	\$ 378,054	\$ -	\$ -	\$ 378,054
Advances to other funds	1,118,416	-	-	1,118,416
Restricted for:				
Highway Users Revenue Fund	-	13,948,949	-	13,948,949
Grants	-	352,992	-	352,992
Airport Improvement	-	-	283,576	283,576
Debt Services	-	-	3,464,481	3,464,481
Court Enhancement	-	-	604,192	604,192
Housing	-	-	312,907	312,907
CFD Capital Projects	-	-	1,743,889	1,743,889
Capital Replacement	-	28,943,718	-	28,943,718
Developer Impact Fees - Capital	-	27,837,071	-	27,837,071
Committed to:				
Aesthetic Revitalization	7,026,465	-	-	7,026,465
Parks Development	-	-	986,145	986,145
Rodeo Grounds	-	-	4,932	4,932
Redevelopment	-	-	593,977	593,977
Senior Services	-	-	41,741	41,741
Youth Services	-	-	1,136,322	1,136,322
PSPRS Police Pension Unfunded Liability	3,095,024	-	-	3,095,024
PSPRS Fire Pension Unfunded Liability	2,046,587	-	-	2,046,587
Assigned to:				
General Fund Reserves	54,564,183	-	-	54,564,183
Capital Replacement	-	4,878,780	-	4,878,780
Unassigned	27,521,491	-	(1,322,531)	26,198,960
Total fund balances	<u>\$ 95,750,220</u>	<u>\$ 75,961,510</u>	<u>\$ 7,849,631</u>	<u>\$ 179,561,361</u>

The General Fund has assigned funds consisting of a stabilization arrangement in the amount of \$54,564,183. The stabilization arrangement is used to set aside resources for use in response to economic or natural disasters, City Court JCEF use, aesthetic revitalization within City limits, or economic development efforts. The amount of the Stabilization Arrangement for contingencies is equal to 50% of General Fund Budget total expenditures.



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Financial Section

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

HIGHWAY USERS FUND

GRANTS FUND

PENSION SCHEDULES



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CITY OF CASA GRANDE, ARIZONA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-
REVENUES				
Taxes:				
Property taxes	\$ 4,434,882	\$ 4,434,882	\$ 4,738,245	\$ 303,363
City sales tax	26,410,281	26,410,281	35,397,288	8,987,007
Franchise tax	2,373,410	2,373,410	2,665,583	292,173
Licenses and permits	3,712,266	3,712,266	3,823,439	111,173
Intergovernmental revenues	18,627,576	18,627,576	19,110,409	482,833
Charges for services	5,995,948	6,520,948	3,294,589	(3,226,359)
Fines	549,897	549,897	597,158	47,261
Investment earnings				
Interest earnings	918,037	918,037	341,182	(576,855)
Change in fair value of investments	-	-	(1,806,430)	(1,806,430)
Contributions and donations	62,356	62,356	49,719	(12,637)
Rental and sale of city property	346,963	346,963	420,536	73,573
Miscellaneous	68,207,996	68,207,996	788,750	(67,419,246)
Total revenues	131,639,612	132,164,612	69,420,468	(62,744,144)
EXPENDITURES				
Current:				
General government				
Mayor and Council	528,184	528,184	468,895	59,289
City manager	2,842,425	4,896,089	1,239,860	3,656,229
Attorney	1,117,510	1,128,025	971,181	156,844
Clerk	576,572	576,572	443,624	132,948
Finance/Information technology	4,103,092	4,496,520	3,615,490	881,030
Human resources	717,330	717,330	641,194	76,136
Administrative services	74,417,541	14,765,434	1,942,047	12,823,387
Public safety				
Police	16,995,575	53,457,658	46,456,023	7,001,635
Fire	16,700,261	38,924,682	30,051,697	8,872,985
Court	780,483	780,483	653,542	126,941
Animal control	494,313	494,313	464,006	30,307
Communications	2,274,994	2,274,994	1,925,835	349,159
Public works	1,379,267	2,204,267	1,792,507	411,760
Culture and recreation	10,348,377	7,800,932	6,699,042	1,101,890
Planning and economic development	3,037,983	3,084,090	2,562,248	521,842
Capital outlay	308,294	327,884	153,303	174,581
Debt service:				
Issuance costs	-	-	792,590	(792,590)
Total expenditures	136,622,201	136,457,457	100,873,084	35,584,373
Excess (deficiency) of revenues over (under) expenditures	(4,982,589)	(4,292,845)	(31,452,616)	(27,159,771)
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	10,000	600,697	590,697
Transfers out	(17,294,622)	(17,294,622)	(4,934,217)	12,360,405
Revenue bonds issued	-	-	63,260,000	63,260,000
Total other financing sources and uses	(17,284,622)	(17,284,622)	58,926,480	76,211,102
Net change in fund balance	(22,267,211)	(21,577,467)	27,473,864	49,051,331
Fund balance - beginning of year	68,276,356	68,276,356	68,276,356	-
Fund balance - end of year	\$ 46,009,145	\$ 46,698,889	\$ 95,750,220	\$ 49,051,331

CITY OF CASA GRANDE, ARIZONA
HIGHWAY USERS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget-
REVENUES				
Taxes:				
State-shared gas tax	\$ 3,282,204	\$ 3,282,204	\$ 5,234,623	\$ 1,952,419
County sales tax	3,228,363	3,228,363.00	3,943,515	715,152
Investment earnings				
Interest earnings	-	-	7,097	7,097
Change in fair value of investments	-	-	(234,757)	(234,757)
Rental and sale of city property	-	-	722	722
Miscellaneous	1,406,658	1,406,658	1,060,165	(346,493)
Total revenues	<u>7,917,225</u>	<u>7,917,225</u>	<u>10,011,365</u>	<u>2,094,140</u>
EXPENDITURES				
Current:				
Streets/Transportation	5,978,963	5,978,963.00	4,203,686	1,775,277
Capital outlay	4,732,486	4,751,782.00	2,710,274	2,041,508
Debt service	-	-	23,518	(23,518)
Total expenditures	<u>10,711,449</u>	<u>10,730,745</u>	<u>6,937,478</u>	<u>3,793,267</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,794,224)</u>	<u>(2,813,520)</u>	<u>3,073,887</u>	<u>5,887,407</u>
OTHER FINANCING USES				
Transfers out	<u>(477,421)</u>	<u>(477,421)</u>	-	477,421
Net change in fund balance	(3,271,645)	(3,290,941)	3,073,887	6,364,828
Fund balance - beginning of year	<u>10,875,062</u>	<u>10,875,062</u>	<u>10,875,062</u>	-
Fund balance - end of year	<u>\$ 7,603,417</u>	<u>\$ 7,584,121</u>	<u>\$ 13,948,949</u>	<u>\$ 6,364,828</u>

CITY OF CASA GRANDE, ARIZONA
GRANTS AND SUBSIDIES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
REVENUES				
Intergovernmental revenues	\$ 22,235,464	\$ 22,235,464	\$ 11,673,260	\$ (10,562,204)
Charges for services	85,000	85,000	85,477	477
Total revenues	<u>22,320,464</u>	<u>22,320,464</u>	<u>11,758,737</u>	<u>(10,561,727)</u>
EXPENDITURES				
Current:				
General government:	3,134,900	2,322,314	84,580	2,237,734
Public safety:	1,494,699	11,662,071	11,240,864	421,207
Planning and Economic Development:	2,597,374	2,520,000	45,237	2,474,763
Culture and recreation:	85,000	149,101	100,021	49,080
Capital outlay	<u>17,114,513</u>	<u>7,300,674</u>	<u>191,355</u>	<u>7,109,319</u>
Total expenditures	<u>24,426,486</u>	<u>23,954,160</u>	<u>11,662,057</u>	<u>12,292,103</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,106,022)</u>	<u>(1,633,696)</u>	<u>96,680</u>	<u>1,730,376</u>
Fund balance - beginning of year	<u>256,312</u>	<u>256,312</u>	<u>256,312</u>	<u>-</u>
Fund balance - end of year	<u>\$ (1,849,710)</u>	<u>\$ (1,377,384)</u>	<u>\$ 352,992</u>	<u>\$ 1,730,376</u>

CITY OF CASA GRANDE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY SCHEDULES
Year Ended June 30, 2022

NOTE 1 BUDGETING AND BUDGETARY CONTROL

A.R.S. requires the City to prepare and adopt a balanced budget annually for each governmental fund. The Board of Supervisors must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amounts budgeted. Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval. With the exception of the General Fund, each fund includes only one department.

NOTE 2 BUDGETARY BASIS OF ACCOUNTING

The City's budget is prepared on a basis consistent with generally accepted accounting principles.

CITY OF CASA GRANDE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COST-SHARING PENSION PLAN
Year Ended June 30, 2022

Arizona Retirement System	Reporting Fiscal Year (Measurement Date)								
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2013
City's proportion of the net pension liability	0.126745%	0.128433%	0.134311%	0.144070%	0.143480%	0.147785%	0.145976%	0.147102%	Information
City's proportionate share of the net pension liability	\$ 16,654,387	\$ 22,252,450	\$ 19,543,668	\$ 20,092,695	\$ 22,351,387	\$ 23,853,177	\$ 22,737,813	\$ 21,766,069	not available
City's covered payroll	\$ 14,120,137	\$ 14,373,677	\$ 14,298,784	\$ 14,458,275	\$ 13,928,321	\$ 13,863,447	\$ 11,457,463	\$ 12,967,224	
City's proportionate share of the net pension liability as a percentage of its covered payroll	117.95%	154.81%	136.68%	138.97%	160.47%	172.06%	198.45%	167.85%	
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	

CITY OF CASA GRANDE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS AGENT PENSION PLAN
Year Ended June 30, 2022

PSPRS - Police	Reporting Fiscal Year (Measurement Date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability									
Service cost	\$ 773,163	\$ 858,613	\$ 1,013,404	\$ 998,926	\$ 1,293,070	\$ 1,071,458	\$ 1,005,609	\$ 1,015,910	Information not available
Interest on the total pension liability	4,498,645	4,164,541	3,921,272	3,764,862	3,458,358	3,272,521	3,199,872	2,707,371	
Changes on benefit terms	-	-	-	-	601,523	1,657,105	-	863,565	
Differences between expected and actual experience in the measurement of the pension liability	152,824	2,111,581	879,309	(669,456)	222,393	(873,099)	(909,542)	(573,850)	
Changes of assumptions or other inputs	-	-	990,827	-	1,607,956	1,728,627	-	4,417,506	
Benefit payments, including refunds of employee contributions	(2,483,168)	(2,461,877)	(2,721,465)	(2,267,800)	(2,274,512)	(2,813,757)	(1,993,041)	(2,309,869)	
Net change in total pension liability	2,941,464	4,672,858	4,083,347	1,826,532	4,908,788	4,042,855	1,302,898	6,120,633	
Total pension liability - beginning	62,093,691	57,420,833	53,337,486	51,510,954	46,602,166	42,559,311	41,256,413	35,135,780	
Total pension liability - ending (a)	\$ 65,035,155	\$ 62,093,691	\$ 57,420,833	\$ 53,337,486	\$ 51,510,954	\$ 46,602,166	\$ 42,559,311	\$ 41,256,413	
Plan fiduciary net position									
Contributions - employer	\$ 3,210,616	\$ 2,927,180	\$ 2,619,482	\$ 2,731,284	\$ 2,661,381	\$ 2,318,393	\$ 1,632,224	\$ 1,604,579	
Contributions - employee	391,532	414,474	397,833	494,033	751,939	726,673	559,645	539,514	
Net investment income	7,005,066	315,368	1,310,394	1,508,301	2,233,060	105,517	598,261	1,965,995	
Benefit payments, including refunds of employee contributions	(2,483,168)	(2,461,877)	(2,721,465)	(2,267,800)	(2,274,512)	(2,813,757)	(1,993,041)	(2,309,869)	
Hall/Parker settlement	-	-	-	(779,034)	-	-	-	-	
Administrative expense	(32,683)	(25,713)	(23,756)	(23,656)	(20,159)	(15,582)	(14,978)	(101,064)	
Other changes	-	-	-	233	(17,598)	(100,587)	(101,064)	(782,663)	
Net change in plan fiduciary net position	8,091,363	1,169,432	1,582,488	1,663,361	3,334,111	220,657	681,047	1,017,556	
Plan fiduciary net position - beginning	24,736,820	23,674,056	22,112,568	20,449,207	17,115,096	16,894,439	16,213,392	15,195,836	
Adjustment to beginning of year	-	(106,668)	(21,000)	-	-	-	-	-	
Plan fiduciary net position - ending (b)	\$ 32,828,183	\$ 24,736,820	\$ 23,674,056	\$ 22,112,568	\$ 20,449,207	\$ 17,115,096	\$ 16,894,439	\$ 16,213,392	
City's net pension liability (asset) - ending (a) - (b)	\$ 32,206,972	\$ 37,356,871	\$ 33,746,777	\$ 31,224,918	\$ 31,061,747	\$ 29,487,070	\$ 25,664,872	\$ 25,043,021	

CITY OF CASA GRANDE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS AGENT PENSION PLAN (Continued)
Year Ended June 30, 2022

PSPRS - Police	Reporting Fiscal Year (Measurement Date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Plan fiduciary net position as a percentage of the total pension liability	50.48%	39.84%	41.23%	41.46%	39.70%	36.73%	39.70%	39.30%	Information not available
Covered payroll	\$ 4,316,013	\$ 4,262,027	\$ 4,491,216	\$ 5,011,868	\$ 5,886,278	\$ 5,587,082	\$ 5,733,423	\$ 5,532,769	
City's net pension liability (asset) as a percentage of covered payroll	746.22%	876.50%	751.40%	623.92%	548.42%	530.87%	521.48%	476.65%	

CITY OF CASA GRANDE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS AGENT PENSION PLAN (Continued)
Year Ended June 30, 2022

PSPRS - Fire	Reporting Fiscal Year (Measurement Date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability									
Service cost	\$ 887,096	\$ 903,486	\$ 1,006,360	\$ 986,910	\$ 986,609	\$ 775,382	\$ 872,432	\$ 817,489	Information not available
Interest on the total pension liability	3,155,303	2,893,804	2,760,313	2,549,509	2,276,137	1,967,441	1,899,792	1,586,947	
Changes on benefit terms	-	-	-	-	347,560	1,771,605	-	346,208	
Differences between expected and actual experience in the measurement of the pension liability	1,023,345	1,776,229	(342,819)	358,294	487,783	680,418	(825,229)	288,360	
Changes of assumptions or other inputs	-	-	622,816	-	1,462,032	1,122,239	-	1,859,876	
Benefit payments, including refunds of employee contributions	(2,107,154)	(1,842,752)	(1,365,578)	(1,752,251)	(1,159,629)	(1,114,667)	(958,739)	(923,381)	
Net change in total pension liability	2,958,590	3,730,767	2,681,092	2,142,462	4,400,492	5,202,418	988,256	3,975,499	
Total pension liability - beginning	43,389,814	39,659,047	36,977,955	34,835,493	30,435,001	25,232,583	24,244,327	20,268,828	
Total pension liability - ending (a)	<u>\$ 46,348,404</u>	<u>\$ 43,389,814</u>	<u>\$ 39,659,047</u>	<u>\$ 36,977,955</u>	<u>\$ 34,835,493</u>	<u>\$ 30,435,001</u>	<u>\$ 25,232,583</u>	<u>\$ 24,244,327</u>	
Plan fiduciary net position									
Contributions - employer	\$ 2,129,797	\$ 2,019,501	\$ 1,881,489	\$ 1,920,207	\$ 1,472,557	\$ 1,329,591	\$ 968,712	\$ 991,261	
Contributions - employee	372,033	378,609	365,521	387,117	514,482	521,437	618,303	555,093	
Net investment income	5,508,463	297,777	1,100,936	1,270,182	1,915,054	88,738	494,059	1,538,450	
Benefit payments, including refunds of employee contributions	(2,107,154)	(1,842,752)	(1,365,578)	(1,752,251)	(1,159,629)	(1,114,667)	(958,739)	(923,381)	
Hall/Parker Settlement	-	-	-	(772,667)	-	-	-	-	
Administrative expense	(27,056)	(24,275)	(20,122)	(20,032)	(17,345)	(13,169)	(12,443)	-	
Other changes	-	-	-	(55,542)	191	33,117	16,979	(331,791)	
Net change in plan fiduciary net position	5,876,083	828,860	1,962,246	977,014	2,725,310	845,047	1,126,871	1,829,632	
Plan fiduciary net position - beginning	21,654,744	20,825,883	18,878,391	17,901,377	15,176,067	14,331,020	13,204,149	11,374,517	
Adjustment to beginning of year	1	1	(14,754)						
Plan fiduciary net position - ending (b)	<u>\$ 27,530,828</u>	<u>\$ 21,654,744</u>	<u>\$ 20,825,883</u>	<u>\$ 18,878,391</u>	<u>\$ 17,901,377</u>	<u>\$ 15,176,067</u>	<u>\$ 14,331,020</u>	<u>\$ 13,204,149</u>	
City's net pension liability (asset) - ending (a) - (b)	<u>\$ 18,817,576</u>	<u>\$ 21,735,070</u>	<u>\$ 18,833,164</u>	<u>\$ 18,099,564</u>	<u>\$ 16,934,116</u>	<u>\$ 15,258,934</u>	<u>\$ 10,901,563</u>	<u>\$ 11,040,178</u>	

See accompanying notes to the schedule of agent pension plan schedules.

CITY OF CASA GRANDE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS AGENT PENSION PLAN (Concluded)
Year Ended June 30, 2022

PSPRS - Fire	Reporting Fiscal Year (Measurement Date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Plan fiduciary net position as a percentage of the total pension liability	59.40%	49.91%	52.51%	51.05%	51.39%	49.86%	56.80%	54.46%	Information not available
Covered payroll	\$ 4,273,419	\$ 4,220,112	\$ 4,279,556	\$ 4,322,029	\$ 4,491,279	\$ 4,592,896	\$ 4,163,395	\$ 4,315,244	
City's net pension liability (asset) as a percentage of covered payroll	440.34%	515.04%	440.07%	402.19%	395.11%	380.79%	260.01%	242.63%	

CITY OF CASA GRANDE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY PENSION CONTRIBUTIONS
Year Ended June 30, 2022

	Reporting Fiscal Year									
Arizona Retirement System	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 1,830,055	\$ 1,644,996	\$ 1,645,786	\$ 1,598,604	\$ 1,575,952	\$ 1,501,473	\$ 1,504,184	\$ 1,246,572	\$ 1,387,493	Information not available
City's contributions in relation to the statutorily required contribution	1,830,055	1,644,996	1,645,786	1,598,604	1,575,952	1,501,473	1,504,184	1,246,572	1,387,493	
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
City's covered payroll	\$ 15,237,760	\$ 14,120,137	\$ 14,373,677	\$ 14,298,784	\$ 14,458,275	\$ 13,928,321	\$ 13,863,447	\$ 11,457,463	\$ 12,967,224	
City's contributions as a percentage of covered payroll	12.01%	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%	10.88%	10.70%	
PSPRS - Police	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 1,499,449	\$ 3,342,204	\$ 2,927,180	\$ 2,619,482	\$ 2,731,284	\$ 2,661,381	\$ 2,318,393	\$ 1,632,224	\$ 1,604,579	Information not available
City's contributions in relation to the statutorily required contribution	40,637,080	3,342,204	2,927,180	2,619,482	2,731,284	2,661,381	2,341,546	1,825,522	1,664,257	
City's contribution deficiency (excess)	<u>\$ 39,137,631</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
City's covered payroll	\$ 2,203,128	\$ 4,316,013	\$ 4,262,027	\$ 4,491,216	\$ 5,011,868	\$ 5,886,278	\$ 5,587,082	\$ 5,733,423	\$ 5,532,769	
City's contributions as a percentage of covered payroll	68.06%	77.44%	68.68%	58.32%	54.50%	45.21%	41.50%	28.47%	29.00%	
PSPRS - Fire	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 1,156,988	\$ 2,132,730	\$ 2,019,501	\$ 1,881,489	\$ 1,920,207	\$ 1,472,557	\$ 1,329,591	\$ 968,712	\$ 991,261	Information not available
City's contributions in relation to the statutorily required contribution	24,479,495	2,132,730	2,019,501	1,881,489	1,920,207	1,472,557	1,248,349	924,690	920,873	
City's contribution deficiency (excess)	<u>\$ 23,322,507</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
City's covered payroll	\$ 2,567,661	\$ 4,273,419	\$ 4,220,112	\$ 4,279,556	\$ 4,322,029	\$ 4,491,279	\$ 4,592,896	\$ 4,163,395	\$ 4,315,244	
City's contributions as a percentage of covered payroll	45.06%	49.91%	47.85%	43.96%	44.43%	32.79%	28.95%	23.27%	22.97%	

CITY OF CASA GRANDE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE SCHEDULE OF AGENT PENSION PLAN SCHEDULES
Year Ended June 30, 2022

NOTE 1 ACTUARIALLY DETERMINED CONTRIBUTION RATES

Actuarial determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay, closed
Remaining amortization period as of the 2020 actuarial valuation	19 years for underfunded 20 years for overfunded
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions: Investment rate of return	In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%–8.0% to 3.5%–7.5% for PSPRS. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006-June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

CITY OF CASA GRANDE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE SCHEDULE OF AGENT PENSION PLAN SCHEDULES
Year Ended June 30, 2022

NOTE 2 FACTORS THAT AFFECT TRENDS

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS- required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. Also, the City refunded excess employee contributions to PSPRS members. PSPRS allowed the City to reduce its actual employer contributions for the refund amounts. As a result, the City's pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.

Financial Section

OTHER SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENT FUNDS

CITY OF CASA GRANDE, ARIZONA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2022

	Special Revenue			
	Municipal Airport	Parks Develop.	Redevelop- ment	Senior Services
ASSETS				
Cash	\$ -	\$ 986,228	\$ 578,756	\$ 424,217
Investments	-	-	-	-
Receivables (less allowance for uncollectibles)	33,824	-	14,565	-
Lease receivables	187,804	-	47,899	-
Due from other governments	-	-	-	-
Inventory	65,920	-	-	-
Restricted assets: cash and cash equivalents	-	-	-	-
Total assets	<u>\$ 287,548</u>	<u>\$ 986,228</u>	<u>\$ 641,220</u>	<u>\$ 424,217</u>
LIABILITIES				
Accounts payable and other current liabilities	\$ 26,238	\$ 83	\$ 162	\$ 6,572
Deposits held	6,035	-	-	-
Accrued wages and benefits	7,248	-	-	4,291
Due to other funds	492,208	-	-	371,613
Total liabilities	<u>531,729</u>	<u>83</u>	<u>162</u>	<u>382,476</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Leases	182,981	-	47,081	-
Total deferred inflows of resources	<u>182,981</u>	<u>-</u>	<u>47,081</u>	<u>-</u>
FUND BALANCES				
Restricted	-	-	-	-
Committed	-	986,145	593,977	41,741
Unassigned	(427,162)	-	-	-
Total fund balances	<u>(427,162)</u>	<u>986,145</u>	<u>593,977</u>	<u>41,741</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 287,548</u>	<u>\$ 986,228</u>	<u>\$ 641,220</u>	<u>\$ 424,217</u>

Special Revenue				
Youth Services	Rodeo Grounds	Grande Sports	Court Enhancement	CDBG
\$ 1,153,841	\$ 4,999	\$ -	\$ 605,699	\$ -
-	-	-	-	-
-	-	1,403,844	-	213,792
-	-	-	-	-
40,281	-	-	3,403	210,892
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,194,122</u>	<u>\$ 4,999</u>	<u>\$ 1,403,844</u>	<u>\$ 609,102</u>	<u>\$ 424,684</u>
\$ 57,800	\$ 67	\$ 15,748	\$ 2,400	\$ 62,912
-	-	-	-	-
-	-	-	704	4,050
-	-	852,215	-	94,849
<u>57,800</u>	<u>67</u>	<u>867,963</u>	<u>3,104</u>	<u>161,811</u>
-	-	1,403,844	1,806	200,759
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>1,403,844</u>	<u>1,806</u>	<u>200,759</u>
-	-	-	604,192	62,114
1,136,322	4,932	-	-	-
-	-	(867,963)	-	-
<u>1,136,322</u>	<u>4,932</u>	<u>(867,963)</u>	<u>604,192</u>	<u>62,114</u>
<u>\$ 1,194,122</u>	<u>\$ 4,999</u>	<u>\$ 1,403,844</u>	<u>\$ 609,102</u>	<u>\$ 424,684</u>

CITY OF CASA GRANDE, ARIZONA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
June 30, 2022

	Special Revenue			Debt Service	
	Housing	Tribal Housing	Home	Debt Service	General Obligations
ASSETS					
Cash	\$ 125,056	\$ 138,093	\$ -	\$ 345	\$ 406,659
Investments	-	-	-	-	2,227,071
Receivables (less allowance for uncollectibles)	11,251	-	-	-	-
Lease receivables	-	-	-	-	-
Due from other governments	-	-	65,500	23,878	156,982
Inventory	-	-	-	-	-
Restricted assets: cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 136,307</u>	<u>\$ 138,093</u>	<u>\$ 65,500</u>	<u>\$ 24,223</u>	<u>\$ 2,790,712</u>
LIABILITIES					
Accounts payable and other current liabilities	\$ 76	\$ 12,846	\$ 34,975	\$ -	\$ -
Deposits held	-	-	-	-	-
Accrued wages and benefits	-	-	163	-	-
Due to other funds	-	-	57,768	-	-
Total liabilities	<u>76</u>	<u>12,846</u>	<u>92,906</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	10,685	-	-	-	83,799
	-	-	-	-	-
Total deferred inflows of resources	<u>10,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,799</u>
FUND BALANCES					
Restricted	125,546	125,247	-	24,223	2,706,913
Committed	-	-	-	-	-
Unassigned	-	-	(27,406)	-	-
Total fund balances	<u>125,546</u>	<u>125,247</u>	<u>(27,406)</u>	<u>24,223</u>	<u>2,706,913</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 136,307</u>	<u>\$ 138,093</u>	<u>\$ 65,500</u>	<u>\$ 24,223</u>	<u>\$ 2,790,712</u>

Debt Service	Capital Improvements		Total Nonmajor Governmental Funds
Excise Bonds	Airport Improvements	Community Facilities District	
\$ 3,613	\$ 318,991	\$ 1,508,735	\$ 6,255,232
-	-	-	2,227,071
-	-	-	1,677,276
-	-	-	235,703
-	97,950	1,804	600,690
-	-	-	65,920
729,732	-	233,350	963,082
<u>\$ 733,345</u>	<u>\$ 416,941</u>	<u>\$ 1,743,889</u>	<u>\$ 12,024,974</u>
\$ -	\$ 94,322	\$ -	\$ 314,201
-	-	-	6,035
-	-	-	16,456
-	-	-	1,868,653
-	94,322	-	2,205,345
-	39,043	-	1,739,936
-	-	-	230,062
-	39,043	-	1,969,998
733,345	283,576	1,743,889	6,409,045
-	-	-	2,763,117
-	-	-	(1,322,531)
733,345	283,576	1,743,889	7,849,631
<u>\$ 733,345</u>	<u>\$ 416,941</u>	<u>\$ 1,743,889</u>	<u>\$ 12,024,974</u>

CITY OF CASA GRANDE, ARIZONA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2022

REVENUES	Special Revenue			
	Municipal Airport	Parks Develop.	Redevelop- ment	Senior Services
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-
Intergovernmental revenues	-	-	-	179,286
Charges for services	995,850	-	-	22,486
Investment earnings				
Interest earnings	6,612	-	2,150	-
Change in fair value of investments	-	-	-	-
Contributions and donations	-	-	-	1,421
Rental and sale of city property	231,906	-	38,336	-
Miscellaneous	1,943	-	-	-
Total revenues	<u>1,236,311</u>	<u>-</u>	<u>40,486</u>	<u>203,193</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	294,976
Economic development	1,291,203	-	-	-
Capital outlay	74,984	10,374	-	15,000
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond costs	-	-	-	-
Total expenditures	<u>1,366,187</u>	<u>10,374</u>	<u>-</u>	<u>309,976</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(129,876)</u>	<u>(10,374)</u>	<u>40,486</u>	<u>(106,783)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>424,217</u>
Net change in fund balances	(129,876)	(10,374)	40,486	317,434
Fund balances - beginning of year	<u>(297,286)</u>	<u>996,519</u>	<u>553,491</u>	<u>(275,693)</u>
Fund balances - end of year	<u>\$ (427,162)</u>	<u>\$ 986,145</u>	<u>\$ 593,977</u>	<u>\$ 41,741</u>

Special Revenue				
Youth Services	Rodeo Grounds	Grande Sports	Court Enhancement	CDBG
\$ -	\$ -	\$ -	\$ -	\$ -
528,901	-	-	-	-
-	-	-	-	1,014,141
-	-	-	117,689	93,897
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	2,933	-	-	-
-	-	-	-	-
528,901	2,933	-	117,689	1,108,038
-	-	-	-	-
-	-	-	75,610	12,682
259,200	250	213,064	-	57,095
-	-	-	-	499,710
-	-	-	-	538,189
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
259,200	250	213,064	75,610	1,107,676
269,701	2,683	(213,064)	42,079	362
-	-	-	-	-
269,701	2,683	(213,064)	42,079	362
866,621	2,249	(654,899)	562,113	61,752
\$ 1,136,322	\$ 4,932	\$ (867,963)	\$ 604,192	\$ 62,114

CITY OF CASA GRANDE, ARIZONA
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
Year Ended June 30, 2022

REVENUES	Special Revenue			Debt Service	
	Housing	Tribal Housing	Home	Debt Service	General Obligations
Taxes:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,622,728
Sales Tax	-	-	-	-	-
Intergovernmental revenues	-	234,204	259,603	-	-
Charges for services	20,752	-	-	-	-
Investment earnings					
Interest earnings	-	-	-	-	6,939
Change in fair value of investments	-	-	-	-	(60,813)
Contributions and donations	-	-	-	-	-
Rental and sale of city property	-	-	-	-	-
Miscellaneous	6,000	-	-	23,878	-
Total revenues	<u>26,752</u>	<u>234,204</u>	<u>259,603</u>	<u>23,878</u>	<u>2,568,854</u>
EXPENDITURES					
Current:					
General government	-	116,701	-	-	-
Public safety	-	34,197	-	-	-
Culture and recreation	-	316	-	-	-
Planning and economic development	10,065	34,822	259,603	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	439,462	1,270,000
Interest and fiscal charges	-	-	-	172,318	993,800
Bond costs	-	-	-	-	1,550
Total expenditures	<u>10,065</u>	<u>186,036</u>	<u>259,603</u>	<u>611,780</u>	<u>2,265,350</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,687</u>	<u>48,168</u>	<u>-</u>	<u>(587,902)</u>	<u>303,504</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	475,000	-
Net change in fund balances	16,687	48,168	-	(112,902)	303,504
Fund balances - beginning of year	<u>108,859</u>	<u>77,079</u>	<u>(27,406)</u>	<u>137,125</u>	<u>2,403,409</u>
Fund balances - end of year	<u>\$ 125,546</u>	<u>\$ 125,247</u>	<u>\$ (27,406)</u>	<u>\$ 24,223</u>	<u>\$ 2,706,913</u>

<u>Debt Service</u>	<u>Capital Improvements</u>		<u>Total</u>
<u>Excise</u>	<u>Airport</u>	<u>Community</u>	<u>Nonmajor</u>
<u>Bonds</u>	<u>Improvements</u>	<u>Facilities</u>	<u>Governmental</u>
<u>Funds</u>			
\$ -	\$ -	\$ 338,539	\$ 2,961,267
-	-	-	528,901
-	206,089	-	1,893,323
-	-	-	1,250,674
741	-	-	16,442
-	-	-	(60,813)
-	-	-	1,421
-	202,205	-	475,380
-	-	-	31,821
<u>741</u>	<u>408,294</u>	<u>338,539</u>	<u>7,098,416</u>
-	-	6,512	123,213
-	-	-	122,489
-	-	-	824,901
-	302,362	-	2,397,765
-	87,124	-	725,671
2,237,400	-	185,000	4,131,862
1,073,701	-	119,475	2,359,294
4,400	-	-	5,950
<u>3,315,501</u>	<u>389,486</u>	<u>310,987</u>	<u>10,691,145</u>
<u>(3,314,760)</u>	<u>18,808</u>	<u>27,552</u>	<u>(3,592,729)</u>
<u>4,035,000</u>	<u>-</u>	<u>-</u>	<u>4,934,217</u>
720,240	18,808	27,552	1,341,488
13,105	264,768	1,716,337	6,508,143
<u>\$ 733,345</u>	<u>\$ 283,576</u>	<u>\$ 1,743,889</u>	<u>\$ 7,849,631</u>



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Financial Section

OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

General Fund Legal and Other Major Governmental Funds



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CITY OF CASA GRANDE, ARIZONA
GENERAL FUND
SCHEDULE OF EXPENDITURES - LEGAL LEVEL BUDGET COMPLIANCE
Year Ended June 30, 2022

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Current:				
General Government				
Mayor and Council				
Personnel services	\$ 168,491	\$ 168,491	\$ 159,755	\$ 8,736
Other expenditures	359,693	359,693	309,140	50,553
City Manager				
Personnel services	934,599	1,031,972	891,572	140,400
Other expenditures	1,907,826	3,864,117	348,288	3,515,829
Attorney				
Personnel services	993,154	993,154	922,400	70,754
Other expenditures	124,356	134,871	48,781	86,090
Clerk				
Personnel services	401,134	401,134	353,443	47,691
Other expenditures	175,438	175,438	90,181	85,257
Finance/Information technology				
Personnel services	2,001,027	2,269,347	1,917,252	352,095
Other expenditures	2,102,065	2,227,173	1,698,238	528,935
Human Resources				
Personnel services	450,973	450,973	445,084	5,889
Other expenditures	266,357	266,357	196,110	70,247
Administrative Services				
Other expenditures	5,667,541	5,926,425	1,926,714	3,999,711
Public Safety				
Police				
Personnel services	15,268,926	51,594,895	44,745,140	6,849,755
Other expenditures	1,726,649	1,862,763	1,710,883	151,880
Fire				
Personnel services	14,021,767	36,196,836	27,579,757	8,617,079
Other expenditures	2,678,494	2,727,846	2,471,940	255,906
Court				
Personnel services	622,993	622,993	534,536	88,457
Other expenditures	157,490	157,490	119,006	38,484
Animal Control				
Personnel services	324,854	324,854	334,038	(9,184)
Other expenditures	169,459	169,459	129,968	39,491
Communications				
Personnel services	1,657,801	1,657,801	1,384,070	273,731
Other expenditures	617,193	617,193	541,765	75,428
Public Works				
Personnel services	1,192,498	1,067,498	797,817	269,681
Other expenditures	186,769	1,136,769	994,690	142,079
Culture and Recreation				
Personnel services	6,728,505	4,197,840	3,670,522	527,318
Other expenditures	3,619,872	3,603,092	3,028,520	574,572
Planning and Economic Development				
Personnel services	2,126,980	2,173,087	1,965,567	207,520
Other expenditures	911,003	911,003	596,681	314,322
Capital outlay	308,294	327,884	153,303	174,581
Transfers out	17,294,622	17,294,622	4,934,217	12,360,405
Total expenditures	<u>\$ 153,916,823</u>	<u>\$ 153,752,079</u>	<u>\$ 105,807,301</u>	<u>\$ 47,944,778</u>

CITY OF CASA GRANDE, ARIZONA
CAPITAL REPLACEMENT/RECREATION/DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
REVENUES				
Construction sales tax	\$ 4,945,000	\$ 4,945,000	\$ 8,335,119	\$ 3,390,119
Investment earnings				
Interest earnings	55,000	55,000	20,956	(34,044)
Change in fair value of investments	-	-	(693,310)	(693,310)
Intergovernmental revenue	14,223,251	14,223,251	190,643	(14,032,608)
Total revenues	19,223,251	19,223,251	7,853,408	(11,369,843)
EXPENDITURES				
Current:				
General Government	(1,701,749)	2,350,580	255,205	2,095,375
Culture and recreation	175,000	188,581	221,431	(32,850)
Planning and economic development	505,000	198,000	3,000	195,000
Capital outlay	33,962,500	28,403,588	2,224,811	26,178,777
Total expenditures	32,940,751	31,140,749	2,704,447	28,436,302
Excess (deficiency) of revenues over (under) expenditures	(13,717,500)	(11,917,498)	5,148,961	17,066,459
OTHER FINANCING SOURCES (USES)				
Transfers in	12,037,845	12,037,845	-	(12,037,845)
Transfers out	-	-	(83)	(83)
Total other financing sources and uses	12,037,845	12,037,845	(83)	(12,037,928)
Net change in fund balance	(1,679,655)	120,347	5,148,878	5,028,531
Fund balance - beginning of year	28,673,620	28,673,620	28,673,620	-
Fund balance - end of year	\$ 26,993,965	\$ 28,793,967	\$ 33,822,498	\$ 5,028,531

CITY OF CASA GRANDE, ARIZONA
DEVELOPMENT IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
REVENUES				
Charges for services	\$ 6,523,055	\$ 6,523,055	\$ 6,983,887	\$ 460,832
Investment earnings				
Interest earnings	20,500	20,500	13,045	(7,455)
Change in fair value of investments	-	-	(431,643)	(431,643)
Total revenues	<u>6,543,555</u>	<u>6,543,555</u>	<u>6,565,289</u>	<u>21,734</u>
EXPENDITURES				
Current:				
General government	-	720,000	71,976	648,024
Public safety	35,000	35,000	29,720	5,280
Planning and economic development	-	900,000	260,727	639,273
Capital outlay	<u>16,979,412</u>	<u>15,779,412</u>	<u>5,309,545</u>	<u>10,469,867</u>
Total expenditures	<u>17,014,412</u>	<u>17,434,412</u>	<u>5,671,968</u>	<u>11,762,444</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,470,857)</u>	<u>(10,890,857)</u>	<u>893,321</u>	<u>11,784,178</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(2,060,604)</u>	<u>(2,060,604)</u>	<u>-</u>	<u>2,060,604</u>
Net change in fund balance	<u>(12,531,461)</u>	<u>(12,951,461)</u>	<u>893,321</u>	<u>13,844,782</u>
Fund balance - beginning of year	<u>26,943,750</u>	<u>26,943,750</u>	<u>26,943,750</u>	<u>-</u>
Fund balance - end of year	<u>\$ 14,412,289</u>	<u>\$ 13,992,289</u>	<u>\$ 27,837,071</u>	<u>\$ 13,844,782</u>



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Financial Section

OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

NON - MAJOR GOVERNMENTAL FUNDS



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CITY OF CASA GRANDE, ARIZONA
MUNICIPAL AIRPORT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charge for service	\$ 3,048,868	\$ 3,048,868	\$ 995,850	\$ (2,053,018)
Rental and sale of city property	259,896	259,896	231,906	(27,990)
Miscellaneous	1,400	1,400	1,943	543
Investment earnings				
Interest earnings	-	-	6,612	6,612
Total revenues	<u>3,310,164</u>	<u>3,310,164</u>	<u>1,236,311</u>	<u>(2,073,853)</u>
EXPENDITURES				
Current:				
Planning and Economic Development	3,166,229	3,166,229	1,291,203	1,875,026
Capital outlay	115,000	115,000	74,984	40,016
Total expenditures	<u>3,281,229</u>	<u>3,281,229</u>	<u>1,366,187</u>	<u>1,915,042</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28,935</u>	<u>28,935</u>	<u>(129,876)</u>	<u>(158,811)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,881,685	1,881,685	-	1,881,685
Transfers out	(72,934)	(72,934)	-	72,934
Total other financing sources and uses	<u>1,808,751</u>	<u>1,808,751</u>	<u>-</u>	<u>1,954,619</u>
Net change in fund balance	1,837,686	1,837,686	(129,876)	(1,967,562)
Fund balance - beginning of year	<u>(297,286)</u>	<u>(297,286)</u>	<u>(297,286)</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,540,400</u>	<u>\$ 1,540,400</u>	<u>\$ (427,162)</u>	<u>\$ (1,967,562)</u>

CITY OF CASA GRANDE, ARIZONA
PARKS DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
REVENUES				
Rental and sale of City property	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
EXPENDITURES				
Capital outlay	54,712	354,712	10,374	344,338
Net change in fund balances	(44,712)	(344,712)	(10,374)	334,338
Fund balance - beginning of year	996,519	996,519	996,519	-
Fund balance - end of year	\$ 951,807	\$ 651,807	\$ 986,145	\$ 334,338

CITY OF CASA GRANDE, ARIZONA
REDEVELOPMENT/DOWNTOWN REVITALIZATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Rental and sale of city property	\$ 30,000	\$ 30,000	\$ 38,336	\$ 8,336
Investment earnings				
Interest earnings	-	-	2,150	2,150
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>40,486</u>	<u>10,486</u>
EXPENDITURES				
Current:				
General Government:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	30,000	30,000	40,486	10,486
Fund balance - beginning of year	<u>553,491</u>	<u>553,491</u>	<u>553,491</u>	<u>553,491</u>
Fund balance - end of year	<u>\$ 583,491</u>	<u>\$ 583,491</u>	<u>\$ 593,977</u>	<u>\$ 563,977</u>

CITY OF CASA GRANDE, ARIZONA
SENIOR SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 62,969	\$ 62,969	\$ 179,286	\$ 116,317
Charges for services	20,000	20,000	22,486	2,486
Contributions and donations	67,030	67,030	1,421	(65,609)
Total revenues	149,999	149,999	203,193	53,194
EXPENDITURES				
Current:				
Culture and recreation:	365,544	350,544	294,976	55,568
Capital outlay	-	15,000	15,000	-
Total expenditures	365,544	365,544	309,976	55,568
Excess (deficiency) of revenues over (under) expenditures	(215,545)	(215,545)	(106,783)	108,762
OTHER FINANCING USES				
Transfers in	-	-	424,217	424,217
Net change in fund balance	(215,545)	(215,545)	317,434	532,979
Fund balance - beginning of year	(275,693)	(275,693)	(275,693)	-
Fund balance - end of year	\$ (491,238)	\$ (491,238)	\$ 41,741	\$ (532,979)

CITY OF CASA GRANDE, ARIZONA
YOUTH SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
City sales taxes	\$ 136,500	\$ 136,500	\$ 528,901	\$ 392,401
Investment earnings				
Interest earnings	3,500	3,500	-	(3,500)
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>528,901</u>	<u>388,901</u>
EXPENDITURES				
Current:				
Culture and recreation:	<u>140,000</u>	<u>231,200</u>	<u>259,200</u>	<u>(28,000)</u>
Net change in fund balance	-	(91,200)	269,701	360,901
Fund balance - beginning of year	<u>866,621</u>	<u>866,621</u>	<u>866,621</u>	<u>-</u>
Fund balance - end of year	<u>\$ 866,621</u>	<u>\$ 775,421</u>	<u>\$ 1,136,322</u>	<u>\$ 360,901</u>

CITY OF CASA GRANDE, ARIZONA
 RODEO GROUNDS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Rental and sale of city property	\$ 2,352	\$ 2,352	\$ 2,933	\$ 581
EXPENDITURES				
Current:				
Culture and recreation:	4,600	4,600	250	4,350
Net change in fund balance	(2,248)	(2,248)	2,683	4,931
Fund balance - beginning of year	2,249	2,249	2,249	-
Fund balance - end of year	\$ 1	\$ 1	\$ 4,932	\$ 4,931

CITY OF CASA GRANDE, ARIZONA
 GRANDE SPORTS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Culture and recreation:	343,132	343,132	213,064	130,068
Excess (deficiency) of revenues over (under) expenditures	(343,132)	(343,132)	(213,064)	130,068
OTHER FINANCING USES				
Transfers out	(1,522,552)	(1,522,552)	-	(1,522,552)
Net change in fund balance	(1,865,684)	(1,865,684)	(213,064)	1,652,620
Fund balance - beginning of year	(654,899)	(654,899)	(654,899)	-
Fund balance - end of year	<u>\$ (2,520,583)</u>	<u>\$ (2,520,583)</u>	<u>\$ (867,963)</u>	<u>\$ 1,652,620</u>

CITY OF CASA GRANDE, ARIZONA
COURT ENHANCEMENT/PROBATIONARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 52,700	\$ 52,700	\$ 117,689	\$ 64,989
EXPENDITURES				
Current:				
Public safety:	116,117	278,147	75,610	202,537
Capital outlay	224,930	62,900	-	62,900
Total expenditures	341,047	341,047	75,610	265,437
Net change in fund balance	(288,347)	(288,347)	42,079	330,426
Fund balance - beginning of year	562,113	562,113	562,113	-
Fund balance - end of year	\$ 273,766	\$ 273,766	\$ 604,192	\$ 330,426

CITY OF CASA GRANDE, ARIZONA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 2,074,421	\$ 2,074,421	\$ 1,014,141	\$ (1,060,280)
Charges for services	10,000	10,000	93,897	83,897
Total revenues	2,084,421	2,084,421	1,108,038	(976,383)
EXPENDITURES				
Current:				
Public safety:	-	10,999	12,682	(1,683)
Culture and recreation:	-	-	57,095	(57,095)
Planning and Economic Development:	1,504,422	1,301,357	499,710	801,647
Capital outlay	270,000	712,042	538,189	173,853
Total expenditures	1,774,422	2,024,398	1,107,676	916,722
Net change in fund balance	309,999	60,023	362	(59,661)
Fund balance - beginning of year	61,752	61,752	61,752	-
Fund balance - end of year	\$ 371,751	\$ 121,775	\$ 62,114	\$ (59,661)

CITY OF CASA GRANDE, ARIZONA
HOUSING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for service	\$ 135,000	\$ 135,000	\$ 20,752	\$ (114,248)
Other revenues	-	-	6,000	6,000
Total revenues	<u>135,000</u>	<u>135,000</u>	<u>26,752</u>	<u>(108,248)</u>
EXPENDITURES				
Current:				
Planning and Economic Development:	<u>135,000</u>	<u>135,000</u>	<u>10,065</u>	<u>124,935</u>
Net change in fund balance	-	-	16,687	16,687
Fund balance - beginning of year	<u>108,859</u>	<u>108,859</u>	<u>108,859</u>	<u>-</u>
Fund balance - end of year	<u>\$ 108,859</u>	<u>\$ 108,859</u>	<u>\$ 125,546</u>	<u>\$ 16,687</u>

CITY OF CASA GRANDE, ARIZONA
 TRIBAL HOUSING SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 188,000	\$ 188,000	\$ 234,204	\$ 46,204
EXPENDITURES				
Current:				
General government:	-	10,000.00	116,701	(106,701)
Planning and Economic Development:	188,000	228,000.00	34,822	193,178
Culture and recreation:	-	-	316	(316)
Public safety:	-	-	34,197	(34,197)
Total expenditures	188,000	263,000	186,036	76,964
Net change in fund balance	-	(75,000)	48,168	123,168
Fund balance - beginning of year	77,079	77,079	77,079	-
Fund balance - end of year	\$ 77,079	\$ 2,079	\$ 125,247	\$ 123,168

CITY OF CASA GRANDE, ARIZONA
HOME SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 645,195	\$ 645,195	\$ 259,603	\$ (385,592)
EXPENDITURES				
Current:				
Planning and Economic Development:	645,195	645,195	259,603	385,592
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	(27,406)	(27,406)	(27,406)	-
Fund balance - end of year	\$ (27,406)	\$ (27,406)	\$ (27,406)	\$ -

CITY OF CASA GRANDE, ARIZONA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Miscellaneous revenues	\$ 70,000	\$ 70,000	\$ 23,878	\$ (46,122)
EXPENDITURES				
Debt Service:				
Principal retirement	444,115	444,115	439,462	4,653
Interest	171,644	171,644	172,318	(674)
Total expenditures	615,759	615,759	611,780	3,979
Excess (deficiency) of revenues over (under) expenditures	(545,759)	(545,759)	(587,902)	(42,143)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	475,000	475,000
Total other financing sources and uses	-	-	475,000	475,000
Net change in fund balance	(545,759)	(545,759)	(112,902)	432,857
Fund balance - beginning of year	137,125	137,125	137,125	-
Fund balance - end of year	\$ (408,634)	\$ (408,634)	\$ 24,223	\$ 432,857

CITY OF CASA GRANDE, ARIZONA
GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 2,297,380	\$ 2,297,380	\$ 2,622,728	\$ 325,348
Investment earnings				
Interest earnings	-	-	6,939	6,939
Change in fair value of investments	-	-	(60,813)	(60,813)
Total revenues	<u>2,297,380</u>	<u>2,297,380</u>	<u>2,568,854</u>	<u>271,474</u>
EXPENDITURES				
Debt Service				
Principal retirement	2,134,866	2,134,866	1,270,000	864,866
Interest and fiscal charges	997,300	997,300	993,800	3,500
Bond costs	-	-	1,550	(1,550)
Total expenditures	<u>3,132,166</u>	<u>3,132,166</u>	<u>2,265,350</u>	<u>866,816</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(834,786)</u>	<u>(834,786)</u>	<u>303,504</u>	<u>1,138,290</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>5,179,761</u>	<u>5,179,761</u>	<u>-</u>	<u>(5,179,761)</u>
Net change in fund balance	7,344,975	7,344,975	303,504	(7,041,471)
Fund balance - beginning of year	<u>2,403,409</u>	<u>2,403,409</u>	<u>2,403,409</u>	<u>-</u>
Fund balance - end of year	<u>\$ 9,748,384</u>	<u>\$ 9,748,384</u>	<u>\$ 2,706,913</u>	<u>\$ (7,041,471)</u>

CITY OF CASA GRANDE, ARIZONA
 EXCISE TAX DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings				
Interest earnings	\$ -	\$ -	\$ 741	\$ 741
EXPENDITURES				
Debt Service				
Principal retirement	206,000	206,000	2,237,400	(2,031,400)
Interest	18,473	18,473	1,073,701	(1,055,228)
Bond issuance costs	3,000,000	3,000,000	4,400	2,995,600
Total expenditures	3,224,473	3,224,473	3,315,501	(91,028)
Excess (deficiency) of revenues over (under) expenditures	(3,224,473)	(3,224,473)	(3,314,760)	(90,287)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	4,035,000	4,035,000
Net change in fund balance	(3,224,473)	(3,224,473)	720,240	3,944,713
Fund balance - beginning of year	13,105	13,105	13,105	-
Fund balance - end of year	\$ (3,211,368)	\$ (3,211,368)	\$ 733,345	\$ 3,944,713

CITY OF CASA GRANDE, ARIZONA
AIRPORT IMPROVEMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 1,843,650	\$ 1,843,650	\$ 206,089	\$ (1,637,561)
Sale of city assets	845,000	845,000	202,205	(642,795)
Total revenues	<u>2,688,650</u>	<u>2,688,650</u>	<u>408,294</u>	<u>(2,280,356)</u>
EXPENDITURES				
Current:				
Planning and Economic Development:	1,172,000	1,172,000	302,362	869,638
Capital outlay	<u>775,000</u>	<u>775,000</u>	<u>87,124</u>	<u>687,876</u>
Total expenditures	<u>1,947,000</u>	<u>1,947,000</u>	<u>389,486</u>	<u>1,557,514</u>
Net change in fund balance	741,650	741,650	18,808	(722,842)
Fund balance - beginning of year	<u>264,768</u>	<u>264,768</u>	<u>264,768</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,006,418</u>	<u>\$ 1,006,418</u>	<u>\$ 283,576</u>	<u>\$ (722,842)</u>

CITY OF CASA GRANDE, ARIZONA
COMMUNITY FACILITIES DISTRICTS - CAPITAL PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property tax	\$ 335,086	\$ 335,086	\$ 338,539	\$ 3,453
EXPENDITURES				
Current:				
General government:	8,000	8,000	6,512	1,488
Capital outlay	25,205,600	25,205,600	-	25,205,600
Debt Service				
Principal retirement	175,000	175,000	185,000	(10,000)
Interest	126,475	126,475	119,475	7,000
Total expenditures	25,515,075	25,515,075	310,987	25,204,088
Excess (deficiency) of revenues over (under) expenditures	(25,177,611)	(25,177,611)	27,552	25,205,163
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	25,120,837	25,120,837	-	(25,120,837)
Total other financing sources and uses	25,120,837	25,120,837	-	(25,120,837)
Net change in fund balance	(56,774)	(56,774)	27,552	84,326
Fund balance - beginning of year	1,716,337	1,716,337	1,716,337	-
Fund balance - end of year	\$ 1,659,563	\$ 1,659,563	\$ 1,743,889	\$ 84,326



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Financial Section

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
PROPRIETARY FUNDS



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CITY OF CASA GRANDE, ARIZONA
WATER ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Service fees	\$ 380,424	\$ 380,424	\$ 248,448	\$ (131,976)
OPERATING EXPENSES:				
Personnel services	10,711	10,711	18,519	(7,808)
Contractual	216,530	206,530	177,212	29,318
Materials and supplies	50,600	60,600	42,902	17,698
Depreciation	151,104	151,104	54,564	96,540
Total operating expenses	428,945	428,945	293,197	135,748
Operating income (expense)	(48,521)	(48,521)	156,328	(204,849)
Transfers out	(37,414)	(37,414)	-	37,414
Net change in Fund Balance	-	-	156,328	156,328
Fund Balance - beginning of year	43,433	43,433	43,433	-
Fund Balance - end of year	\$ 43,433	\$ 43,433	\$ 199,761	\$ 156,328

CITY OF CASA GRANDE, ARIZONA
WASTEWATER/DEVELOPMENT ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Service fees	\$ 12,930,664	\$ 12,930,664	\$ 11,766,051	\$ (1,164,613)
Miscellaneous	494,115	494,115	87,605	(406,510)
Total operating revenues	<u>13,424,779</u>	<u>13,424,779</u>	<u>11,853,656</u>	<u>(1,571,123)</u>
OPERATING EXPENSES:				
Personnel services	1,595,336	1,595,336	1,105,970	489,366
Contractual	4,180,306	4,234,114	2,957,110	1,277,004
Materials and supplies	2,940,621	4,643,413	814,404	3,829,009
Depreciation	363,954	363,954	3,432,407	(3,068,453)
Other expense	-	-	64	(64)
Total operating expenses	<u>9,080,217</u>	<u>10,836,817</u>	<u>8,309,955</u>	<u>2,526,862</u>
Operating income (expense)	<u>4,344,562</u>	<u>2,587,962</u>	<u>3,543,701</u>	<u>955,739</u>
NONOPERATING REVENUES (EXPENSES):				
Investment income				
Interest earnings	-	-	25,989	25,989
Change in fair value of investments	-	-	(247,002)	(247,002)
Debt Service - principal payments	(5,573,050)	(5,573,050)	-	5,573,050
Interest expense	(1,400,364)	(1,400,364)	(1,052,654)	347,710
Intergovernmental revenues	-	-	3,893	3,893
Total nonoperating revenue (expense)	<u>(6,973,414)</u>	<u>(6,973,414)</u>	<u>(1,269,774)</u>	<u>5,703,640</u>
Income (loss) before contributions and transfers	(2,628,852)	(4,385,452)	2,273,927	6,659,379
Developer fees	6,000,000	6,000,000	5,104,662	(895,338)
Transfers out	<u>(523,080)</u>	<u>(523,080)</u>	<u>-</u>	<u>523,080</u>
Net change in Fund Balance	2,848,068	1,091,468	7,378,589	6,287,121
Fund Balance - beginning of year	<u>70,094,911</u>	<u>70,094,911</u>	<u>70,094,911</u>	<u>-</u>
Fund Balance - end of year	<u>\$ 72,942,979</u>	<u>\$ 71,186,379</u>	<u>\$ 77,473,500</u>	<u>\$ 6,287,121</u>

CITY OF CASA GRANDE, ARIZONA
SANITATION ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Service fees	\$ 13,037,331	\$ 13,037,331	\$ 7,717,298	\$ (5,320,033)
Miscellaneous	17,000.00	17,000.00	74,811	57,811
Total operating revenues	<u>13,054,331</u>	<u>13,054,331</u>	<u>7,792,109</u>	<u>(5,262,222)</u>
OPERATING EXPENSES:				
Personnel services	2,598,775	2,598,775	2,349,377	249,398
Contractual	1,399,282	1,399,282	1,264,328	134,954
Materials and supplies	3,982,118	3,982,118	1,107,825	2,874,293
Depreciation	979,309	979,309	1,095,803	(116,494)
Closure and postclosure costs	130,000	130,000	227,838	(97,838)
Total operating expenses	<u>9,089,484</u>	<u>9,089,484</u>	<u>6,045,171</u>	<u>3,044,313</u>
Operating income (expense)	<u>3,964,847</u>	<u>3,964,847</u>	<u>1,746,938</u>	<u>(2,217,909)</u>
NONOPERATING REVENUES (EXPENSES):				
Investment income				
Interest earnings	-	-	16,833	16,833
Change in fair value of investments	-	-	(228,445)	(228,445)
Total nonoperating revenue (expense)	<u>-</u>	<u>-</u>	<u>(211,612)</u>	<u>(211,612)</u>
Income (loss) before transfers	3,964,847	3,964,847	1,535,326	(2,429,521)
Transfers out	<u>(602,600)</u>	<u>(602,600)</u>	<u>-</u>	<u>602,600</u>
Net change in Fund Balance	3,362,247	3,362,247	1,535,326	(1,826,921)
Fund Balance - beginning of year	<u>12,243,410</u>	<u>12,243,410</u>	<u>12,243,410</u>	<u>-</u>
Fund Balance - end of year	<u>\$ 15,605,657</u>	<u>\$ 15,605,657</u>	<u>\$ 13,778,736</u>	<u>\$ (1,826,921)</u>

CITY OF CASA GRANDE, ARIZONA
GOLF COURSE ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Service fees	\$ 282,000	\$ 282,000	\$ 333,991	\$ 51,991
Rental	224,000	224,000	296,910	72,910
Green fees	1,069,569	1,069,569	1,110,428	40,859
Total operating revenues	<u>1,575,569</u>	<u>1,575,569</u>	<u>1,741,329</u>	<u>165,760</u>
OPERATING EXPENSES:				
Personnel services	319,186	319,186	280,067	39,119
Contractual	830,164	880,164	761,968	118,196
Materials and supplies	550,050	500,050	182,109	317,941
Depreciation	-	-	188,761	(188,761)
Other expense	-	-	236	(236)
Total operating expenses	<u>1,699,400</u>	<u>1,699,400</u>	<u>1,413,141</u>	<u>286,259</u>
Operating income (expense)	<u>(123,831)</u>	<u>(123,831)</u>	<u>328,188</u>	<u>452,019</u>
NONOPERATING REVENUES (EXPENSES):				
City sales tax	30,000	30,000	52,161	22,161
Total nonoperating revenue	<u>30,000</u>	<u>30,000</u>	<u>52,161</u>	<u>22,161</u>
Net change in Fund Balance	(93,831)	(93,831)	380,349	474,180
Fund Balance - beginning of year	<u>1,904,368</u>	<u>1,904,368</u>	<u>1,904,368</u>	<u>-</u>
Fund Balance - end of year	<u>\$ 1,810,537</u>	<u>\$ 1,810,537</u>	<u>\$ 2,284,717</u>	<u>\$ 474,180</u>

Statistical Section

Schedule 1
City of Casa Grande
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016
Governmental activities				
Net investment in Capital Assets	\$ 157,440,959	\$ 151,713,255	\$ 137,618,856	\$ 111,804,545
Restricted	40,395,789	23,313,575	40,862,091	38,094,808
Unrestricted	46,777,093	61,348,678	3,182,623	26,141,879
Total governmental activities net position	<u>\$ 244,613,841</u>	<u>\$ 236,375,508</u>	<u>\$ 181,663,570</u>	<u>\$ 176,041,232</u>
Business-type activities				
Net investment in Capital Assets	\$ 47,631,810	\$ 51,371,884	\$ 48,601,273	\$ 49,202,991
Restricted	9,245,649	6,187,139	6,317,620	6,575,857
Unrestricted	5,504,681	5,253,457	(265,067)	151,635
Total business-type activities net position	<u>\$ 62,382,140</u>	<u>\$ 62,812,480</u>	<u>\$ 54,653,826</u>	<u>\$ 55,930,483</u>
Primary government				
Net investment in Capital Assets	\$ 205,072,769	\$ 201,934,193	\$ 186,217,129	\$ 161,007,536
Restricted	49,641,438	29,500,714	47,179,711	44,670,665
Unrestricted	52,281,774	66,681,178	2,917,556	26,293,514
Total primary government net position	<u>\$ 306,995,981</u>	<u>\$ 298,116,085</u>	<u>\$ 236,314,396</u>	<u>\$ 231,971,715</u>

2017	2018	2019	2020	2021	2022
\$ 125,561,739	\$ 108,270,856	\$ 134,649,294	\$ 129,469,237	\$ 121,637,501	\$ 118,760,028
35,874,477	40,267,225	31,931,243	54,145,595	66,985,350	77,491,775
5,910,563	13,909,387	4,155,348	686,821	13,278,839	39,377,982
<u>\$ 167,346,779</u>	<u>\$ 162,447,468</u>	<u>\$ 170,735,885</u>	<u>\$ 184,301,653</u>	<u>\$ 201,901,690</u>	<u>\$ 235,629,785</u>
\$ 49,611,489	\$ 51,297,595	\$ 52,921,972	\$ 54,578,295	\$ 58,472,223	\$ 59,816,453
6,970,069	6,403,618	6,660,007	12,096,729	19,754,821	24,746,871
939,248	1,769,103	5,563,303	5,267,351	6,059,078	9,173,390
<u>\$ 57,520,806</u>	<u>\$ 59,470,316</u>	<u>\$ 65,145,282</u>	<u>\$ 71,942,375</u>	<u>\$ 84,286,122</u>	<u>\$ 93,736,714</u>
\$ 175,173,228	\$ 159,568,451	\$ 187,571,266	\$ 184,047,532	\$ 180,109,724	\$ 178,576,481
42,844,546	46,670,843	38,591,250	66,242,324	86,814,436	102,238,646
6,849,811	15,678,490	9,718,651	5,954,172	19,263,652	48,551,372
<u>\$ 224,867,585</u>	<u>\$ 221,917,784</u>	<u>\$ 235,881,167</u>	<u>\$ 256,244,028</u>	<u>\$ 286,187,812</u>	<u>\$ 329,366,499</u>

Schedule 2
City of Casa Grande
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016
Governmental Activities:				
Expenses				
General government	\$ 6,766,944	\$ 7,010,252	\$ 10,107,662	\$ 11,103,379
Public safety	24,280,544	25,534,564	26,520,689	23,893,064
Streets/Transportation	12,494,463	13,511,907	13,548,310	12,823,511
Public works	3,205,901	2,666,121	2,771,028	7,723,880
Culture and recreation	7,273,320	7,859,818	7,676,615	7,805,438
Economic development	3,117,655	3,269,820	2,765,522	2,350,547
Interest on long-term debt	2,367,185	2,333,855	2,504,944	2,424,163
Total expenses	<u>59,506,012</u>	<u>62,186,337</u>	<u>65,894,770</u>	<u>68,123,982</u>
Program Revenues				
Charges for services:				
General government	342,086	304,629	2,815,852	1,388,172
Public safety	1,182,158	1,345,626	1,076,004	1,487,150
Streets/Transportation	1,112,963	960,368	816,829	-
Public works	60,757	33,133	167,447	3,476,748
Culture and recreation	443,652	502,803	430,294	1,035,225
Development fees	2,198,089	110,170	179,753	110,678
Building permits	988,908	846,542	1,081,880	1,314,910
Development and engineering	74,375	16,393	78,284	-
Other economic development	416,676	163,809	307,578	96,668
Operating grants and contributions	6,823,705	7,163,717	6,775,967	4,945,110
Capital grants and contributions	10,177,899	1,333,697	4,132,231	1,451,669
Total program revenues	<u>23,821,268</u>	<u>12,780,887</u>	<u>17,862,119</u>	<u>15,306,330</u>
Total Governmental Activities Net Program Expense	<u>\$ (35,684,744)</u>	<u>\$ (49,405,450)</u>	<u>\$ (48,032,651)</u>	<u>\$ (52,817,652)</u>
General Revenues and Other Changes in Net Position				
Property taxes	6,877,452	6,197,813	6,366,087	6,410,163
Sales taxes	19,242,309	19,650,998	21,795,890	22,909,814
Franchise taxes	2,248,227	2,248,466	2,358,731	2,388,109
Shared revenues:				
State sales taxes	3,975,626	4,227,755	4,438,843	4,602,342
Urban revenue sharing	4,961,423	5,413,854	5,879,820	5,847,942
Auto-in-lieu	2,129,894	2,259,469	2,447,783	2,638,312
Investment earnings	3,586	330,546	174,864	775,075
Gain on early debt extinguishment	-	-	-	-
Gain on sales of assets	-	-	-	-
Miscellaneous	49,172	112,756	282,850	329,338
Transfers	1,337,500	725,460	78,030	1,297,300
Total general revenues and other changes in net position	<u>40,825,189</u>	<u>41,167,117</u>	<u>43,822,898</u>	<u>47,198,395</u>
Total Governmental Activities Change in Net Position	<u>\$ 5,140,445</u>	<u>\$ (8,238,333)</u>	<u>\$ (4,209,753)</u>	<u>\$ (5,619,257)</u>

2017	2018	2019	2020	2021	2022
\$ 8,951,427	\$ 9,203,693	\$ 6,211,501	\$ 8,985,376	\$ 11,604,796	\$ 10,356,216
31,694,293	31,273,684	31,268,662	32,331,599	33,789,441	34,718,144
12,159,682	5,042,379	3,187,209	4,936,659	3,108,249	5,994,902
5,944,648	9,664,687	11,612,371	10,776,751	14,547,249	10,869,184
7,994,626	7,696,620	10,140,746	9,210,516	7,339,659	10,607,102
2,573,276	3,909,504	3,032,017	4,006,477	2,955,078	4,869,721
2,571,381	3,118,414	3,255,720	411,944	1,968,299	1,920,661
71,889,333	69,908,981	68,708,226	70,659,322	75,312,771	79,335,930
824,576	460,030	394,210	298,032	240,515	373,267
1,608,334	1,388,042	1,544,494	1,079,211	1,251,053	1,175,524
-	-	-	-	-	-
3,944,961	909,437	874,890	989,335	1,805,395	1,813,678
741,249	691,224	951,399	1,232,935	1,538,436	1,314,897
783,045	251,681	-	-	-	-
777,911	1,027,288	1,948,462	1,700,990	3,865,170	3,823,439
-	-	-	-	-	-
238,566	65,718	124,015	1,210,920	1,817,567	1,441,623
5,752,093	6,155,986	6,435,375	12,643,572	8,171,777	20,279,239
805,309	1,802,175	4,960,817	5,477,699	9,230,238	6,946,282
15,476,044	12,751,581	17,233,662	24,632,694	27,920,151	37,167,949
\$ (56,413,289)	\$ (57,157,400)	\$ (51,474,564)	\$ (46,026,628)	\$ (47,392,620)	\$ (42,167,981)
6,472,519	6,970,676	6,862,999	5,847,793	6,113,399	7,731,777
23,402,408	25,292,113	27,193,495	30,674,410	36,505,308	47,852,821
2,449,704	2,502,845	2,343,033	2,326,462	2,447,297	2,665,583
4,734,258	5,246,154	5,595,095	5,923,694	6,804,724	7,672,107
6,295,760	6,754,555	6,718,257	7,400,926	8,379,332	7,172,180
2,666,254	3,172,178	3,378,251	3,572,877	4,242,113	4,239,122
444,399	746,889	4,388,415	3,033,946	248,917	(2,828,231)
-	-	106,940	-	-	-
-	-	-	-	-	202,205
665,351	380,656	456,445	770,281	247,611	1,188,512
1,371,224	1,192,023	1,444,610	42,007	3,956	-
48,501,877	52,258,089	58,487,540	59,592,396	64,992,657	75,896,076
\$ (7,911,412)	\$ (4,899,311)	\$ 7,012,976	\$ 13,565,768	\$ 17,600,037	\$ 33,728,095

Schedule 3
City of Casa Grande
Changes in Net Position
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Business-type Activities:				
Expenses				
Water	\$ 226,382	\$ 286,210	\$ 261,674	\$ 224,960
Golf course	1,299,400	1,212,036	1,195,987	924,469
Wastewater	9,188,433	9,559,101	9,119,769	10,661,238
Sanitation	4,953,994	5,410,150	5,386,901	5,311,875
Total expenses	<u>15,668,209</u>	<u>16,467,497</u>	<u>15,964,331</u>	<u>17,122,542</u>
Revenues				
Charges for services:				
Water	173,935	181,120	192,343	219,824
Golf course	994,534	1,076,014	1,100,780	1,115,852
Wastewater	6,541,782	8,027,267	8,541,358	10,241,967
Sanitation	6,151,881	6,385,562	6,739,816	7,388,211
Sales taxes	25,737	29,098	29,122	30,345
Investment earnings	40,519	8,917	11,680	26,041
Miscellaneous	60,209	57,654	72,228	4,021
Capital grants and contributions	545,163	587,959	582,705	670,238
Total revenues	<u>14,533,760</u>	<u>16,353,591</u>	<u>17,270,032</u>	<u>19,696,499</u>
 Total Business-type Activities Net Program Expense	<u>\$ (1,134,449)</u>	<u>\$ (113,906)</u>	<u>\$ 1,305,701</u>	<u>\$ 2,573,957</u>
 Other Changes in Net Position				
Transfers	<u>(1,337,500)</u>	<u>(725,460)</u>	<u>(78,030)</u>	<u>(78,030)</u>
 Total Business-type Activities Change in Net Position	<u>\$ (2,471,949)</u>	<u>\$ (839,366)</u>	<u>\$ 1,227,671</u>	<u>\$ 2,495,927</u>
 Total Primary Government Change in Net Position	<u>\$ (7,884,213)</u>	<u>\$ 4,301,079</u>	<u>\$ (7,010,662)</u>	<u>\$ (4,342,700)</u>

2017	2018	2019	2020	2021	2022
\$ 589,929	\$ 285,818	\$ 313,388	\$ 373,484	\$ 384,921	\$ 293,197
1,263,373	1,407,351	1,348,139	1,351,902	1,262,574	1,413,141
10,077,363	9,542,082	9,064,782	9,319,191	9,388,670	9,362,609
5,726,011	5,570,376	5,141,643	5,454,263	5,257,913	6,045,171
17,656,676	16,805,627	15,867,952	16,498,840	16,294,078	17,114,118
236,862	229,111	210,924	235,920	250,818	449,525
1,257,615	1,359,502	1,406,657	1,473,150	1,541,451	1,741,329
11,105,175	10,754,316	11,121,564	10,896,978	11,462,017	11,853,656
7,432,237	6,840,168	7,309,243	6,973,937	7,229,849	7,792,109
28,892	26,156	-	17,036	22,083	52,161
81,578	158,238	268,994	608,678	144,413	(432,625)
29,977	-	-	-	346,802	-
445,883	579,670	2,670,146	3,132,241	7,644,348	5,108,555
20,618,219	19,947,161	22,987,528	23,337,940	28,641,781	26,564,710
\$ 2,961,543	\$ 3,141,534	\$ 7,119,576	\$ 6,839,100	\$ 12,347,703	\$ 9,450,592
(1,371,224)	(1,192,023)	(1,444,610)	(42,007)	(3,956)	0
\$ 1,590,319	\$ 1,949,511	\$ 5,674,966	\$ 6,797,093	\$ 12,343,747	\$ 9,450,592
\$ (7,104,136)	\$ (2,962,922)	\$ 12,687,942	\$ 20,362,861	\$ 29,943,784	\$ 43,178,687

Schedule 4
City of Casa Grande
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Nonspendable	\$ 6,264	\$ 6,281	\$ 1,647	\$ 2,063
Restricted	4,701,221	5,163,565	5,572,411	-
Committed	-	-	-	-
Assigned	14,550,404	13,384,358	11,631,345	20,453,537
Unassigned	<u>5,281,667</u>	<u>6,892,105</u>	<u>12,631,345</u>	<u>9,911,709</u>
Total general fund	<u>\$ 24,539,556</u>	<u>\$ 25,446,309</u>	<u>\$ 29,836,748</u>	<u>\$ 30,367,309</u>
All Other Governmental Funds				
Nonspendable	\$ 66,983	\$ 93,031	\$ 36,281	\$ 59,867
Restricted	35,694,573	32,227,498	35,291,890	37,376,941
Committed	2,523,457	-	-	-
Assigned	27,643,540	29,168,940	29,084,496	45,538,029
Unassigned	<u>(576,410)</u>	<u>(576,846)</u>	<u>(593,322)</u>	<u>(635,129)</u>
Total all other governmental funds	<u>\$ 65,352,143</u>	<u>\$ 60,912,623</u>	<u>\$ 63,819,345</u>	<u>\$ 82,339,708</u>

2017	2018	2019	2020	2021	2022
\$ -	\$ 1,006,102	\$ 2,063,308	\$ 3,359,483	\$ 1,654,063	\$ 1,496,470
1,670,016	1,482,581	1,568,371	1,568,371	1,568,371	-
4,654,417	5,232,779	5,611,482	6,265,454	6,728,180	12,168,076
20,494,239	13,094,976	14,870,455	13,269,260	18,347,591	54,564,183
5,343,256	13,667,378	19,094,967	32,924,395	39,978,151	27,521,491
<u>\$ 32,161,928</u>	<u>\$ 34,483,816</u>	<u>\$ 43,208,583</u>	<u>\$ 57,386,963</u>	<u>\$ 68,276,356</u>	<u>\$ 95,750,220</u>
\$ 40,286	\$ 170,140	\$ 45,123	\$ 362,008	\$ 28,975	\$ -
36,647,161	38,784,644	30,362,872	52,577,224	65,491,244	77,491,775
1,164,600	-	1,989,707	2,135,495	2,418,880	2,763,117
42,075,694	39,202,559	22,507,732	2,169,694	6,602,047	4,878,780
(750,466)	(531,017)	(1,080,079)	(1,404,901)	(1,284,259)	(1,322,531)
<u>\$ 79,177,275</u>	<u>\$ 77,626,326</u>	<u>\$ 53,825,355</u>	<u>\$ 55,839,520</u>	<u>\$ 73,256,887</u>	<u>\$ 83,811,141</u>

Schedule 5
City of Casa Grande
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016
Revenues				
Taxes	\$ 28,352,139	\$ 28,304,305	\$ 30,557,352	\$ 29,707,719
Licenses and permits	1,263,721	1,055,340	1,344,254	198,289
Intergovernmental revenues	20,814,430	19,166,537	19,324,969	20,210,255
Charges for services	4,024,127	2,614,233	4,061,405	4,580,524
Fines	735,217	707,660	682,288	589,589
Investment earnings	3,586	339,728	207,833	774,775
Rental and sale of city property	537,055	536,601	761,495	763,824
Other revenues	477,857	968,313	821,199	654,851
Total revenues	<u>56,208,132</u>	<u>53,692,717</u>	<u>57,760,795</u>	<u>57,479,826</u>
Expenditures				
General government	7,473,914	7,801,503	7,810,453	7,591,059
Public safety	22,089,961	22,673,464	21,380,603	23,899,172
Streets/Transportation	2,717,802	2,645,606	2,821,113	3,070,601
Public works	2,040,691	1,350,102	1,352,469	1,286,448
Culture and recreation	6,041,037	6,413,990	6,157,841	6,547,379
Planning and economic development	2,424,452	2,526,552	2,276,725	2,860,992
Capital outlay	10,215,671	10,651,896	6,889,725	6,342,445
Debt service				
Principal	1,718,222	1,528,344	1,959,805	2,771,539
Interest	2,343,898	2,448,448	2,520,693	2,281,741
Bond issuance costs	-	-	-	(531,270)
Total expenditures	<u>57,065,648</u>	<u>58,039,905</u>	<u>53,169,427</u>	<u>56,120,106</u>
Other Financing Sources (Uses)				
Transfers in	7,243,155	8,818,190	5,813,795	13,931,824
Transfers out	(5,786,655)	(8,003,769)	(4,137,337)	(12,261,624)
Capital leases	3,328,600	-	-	-
Bond issuance	-	-	1,095,019	37,675,240
Payment to escrow agent	-	-	-	(20,657,479)
Total other financing sources (uses)	<u>4,785,100</u>	<u>814,421</u>	<u>2,771,477</u>	<u>18,687,961</u>
Net change in fund balances	<u>\$ 3,927,584</u>	<u>\$ (3,532,767)</u>	<u>\$ 7,362,845</u>	<u>\$ 20,047,682</u>
Debt service as a percentage of noncapital expenditures	8.67%	8.39%	9.68%	10.15%

2017	2018	2019	2020	2021	2022
\$ 30,324,120	\$ 32,272,000	\$ 33,953,688	\$ 36,243,848	\$ 41,906,190	\$ 54,626,403
981,525	1,211,872	1,845,897	1,882,269	4,686,392	3,823,439
21,520,997	23,349,174	24,300,942	32,478,962	30,953,733	42,045,773
2,695,209	3,674,172	6,699,921	6,789,552	13,073,103	11,614,627
1,012,427	873,169	723,082	644,422	651,732	597,158
434,393	729,980	4,363,910	3,033,946	248,916	(2,828,231)
608,524	622,603	566,569	638,269	593,628	896,638
639,115	372,027	652,845	760,083	425,802	1,931,876
58,216,310	63,104,997	73,106,854	82,471,351	92,539,496	112,707,683
9,242,859	7,946,956	8,639,803	8,769,698	8,291,910	9,857,265
23,008,996	25,620,207	26,185,872	26,815,785	28,700,688	90,944,176
2,759,357	4,432,747	3,113,727	4,248,751	4,629,054	4,203,686
1,159,563	1,111,264	1,039,146	1,043,362	1,034,562	1,792,507
6,677,105	6,627,298	6,707,765	7,356,101	6,537,800	7,845,395
3,017,753	3,354,879	3,051,499	3,515,430	3,954,128	5,268,977
9,933,106	9,127,478	33,402,748	10,604,705	8,606,907	11,314,959
3,084,158	3,596,214	5,251,754	3,324,478	5,175,607	4,131,862
2,248,255	2,388,463	2,386,183	2,025,034	1,889,129	2,382,812
-	169,890	41,393	66,924	207,967	798,540
61,131,152	64,375,396	89,819,890	67,770,268	69,027,752	138,540,179
8,129,320	8,250,363	15,753,858	3,124,333	11,879,547	5,534,914
(6,582,296)	(6,423,156)	(13,732,058)	(3,902,444)	(11,739,814)	(4,934,300)
-	-	-	-	-	-
-	7,710,000	-	-	4,655,283	63,260,000
-	(7,531,828)	-	-	-	-
1,547,024	2,005,379	2,021,800	(778,111)	4,795,016	63,860,614
\$ (1,367,817)	\$ 734,981	\$ (14,691,236)	\$ 13,922,972	\$ 28,306,760	\$ 38,028,118
10.42%	10.83%	13.54%	9.36%	11.59%	5.12%

Schedule 6
City of Casa Grande
Sales Tax Revenue by Industry
Fiscal Years 2016- 2022

	Fiscal Year 2016		Fiscal Year 2017		Fiscal Year 2018	
	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total
Construction	\$ 1,600,948	7.55%	\$ 1,453,489	6.72%	\$ 2,321,209	10.28%
Manufacture	347,578	1.64%	502,031	2.32%	706,092	3.13%
Transportation/Communication/Utilities	2,376,943	11.22%	2,762,747	12.77%	2,383,915	10.56%
Wholesale Trade	370,828	1.75%	311,761	1.44%	369,291	1.64%
Retail Trade	11,024,238	52.02%	10,940,735	50.58%	10,852,085	48.08%
Restaurants/Bars	1,646,747	7.77%	1,757,599	8.12%	1,785,801	7.91%
Insurance/Real Estate	2,038,474	9.62%	2,025,113	9.36%	2,020,226	8.95%
Hotels/Lodging	495,874	2.34%	497,256	2.30%	565,681	2.51%
Services	741,768	3.50%	742,586	3.43%	868,557	3.85%
All Other	550,108	2.60%	639,240	2.95%	696,035	3.08%
Total	<u>\$ 21,193,506</u>	<u>100.00%</u>	<u>\$ 21,632,557</u>	<u>100.00%</u>	<u>\$ 22,568,892</u>	<u>100.00%</u>

Source: Arizona State Department of Revenue

Note:

The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Fiscal Year 2019		Fiscal Year 2020		Fiscal Year 2021		Fiscal Year 2022	
Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total
\$ 2,982,855	12.16%	\$ 4,601,108	16.06%	\$ 6,324,701	18.25%	\$ 12,052,233	26.43%
583,874	2.38%	545,779	1.90%	609,678	1.76%	772,091	1.69%
2,357,393	9.61%	2,341,655	8.17%	2,530,577	7.30%	2,702,708	5.93%
423,087	1.73%	606,842	2.12%	653,606	1.89%	856,130	1.88%
11,159,883	45.51%	12,905,093	45.04%	15,099,338	43.57%	17,065,503	37.42%
1,954,939	7.97%	2,044,973	7.14%	2,382,999	6.88%	2,943,763	6.46%
2,689,023	10.97%	2,943,659	10.27%	3,407,775	9.83%	4,652,979	10.20%
615,273	2.51%	619,448	2.16%	790,475	2.28%	1,033,978	2.27%
1,081,410	4.41%	1,477,076	5.16%	2,408,535	6.95%	2,879,189	6.31%
674,652	2.75%	564,936	1.97%	446,726	1.29%	643,156	1.41%
<u>\$ 24,522,388</u>	<u>100.00%</u>	<u>\$ 28,650,568</u>	<u>100%</u>	<u>\$ 34,654,410</u>	<u>100%</u>	<u>\$ 45,601,729</u>	<u>100%</u>

Schedule 7
City of Casa Grande
Direct and Overlapping Sales Tax Rates
As of June 30, 2022

Type of Tax	Rates		
	City	State and Pinal County	Combined
Privilege tax, except retail, utilities and telecommunication	1.8%	6.7%	8.5%
Retail (excluding food sales)	2.0%	(b) 6.7%	8.7%
Retail - privilege tax for single item over \$5000	1.5%	6.7%	8.2%
Retail - marijuana adult use	2.0%	6.7%	9.2%
Hotel/Motel	3.8%	6.7%	10.5%
Restaurant/Bar	1.8%	6.7%	8.5%
Utilities/Telecommunications	2.0%	6.7%	8.7%
Construction	4.0%	(a) 6.7%	10.7%
Jet Fuel	1.8%	\$0.03965/gal	NA
Real Property Rental			
Commercial	1.8%	0.5%	2.3%
Residential	1.8%	0.0%	1.8%
All Other Services Not Specified	1.8%	6.7%	8.5%

(a) Includes a 2.2% tax on construction contracting activities the use of which is restricted to paying costs related to acquisition of capital assets and improvements included in the City's Capital Improvement Plan.

(b) Includes the two-tenths (0.2) of one percent (1%) Economic Development and Recreation Excise Tax. The sale of a single item over \$5,000 is taxed at 2.0% for the first \$5,000, then the rate drops to 1.5% for the taxable amount exceeding \$5,000.

Sources: City of Casa Grande Finance Department and Arizona Department of Revenue



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Schedule 8
City of Casa Grande
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				
	General Obligation Bonds	Excise Tax Revenue Obligations	Premium on Debt Payable	Special Assessment Bonds	Capital Leases
2013	28,093,115	17,554,432	208,806	-	7,831,620
2014	27,385,814	16,824,237	189,130	-	7,470,835
2015	26,823,748	16,154,247	190,721	-	8,081,767
2016	44,193,352	15,351,500	3,105,241	-	7,537,984
2017	43,139,478	14,462,000	2,924,478	-	6,960,225
2018	38,375,000	13,981,900	2,745,187	-	6,342,211
2019	33,890,000	12,927,300	2,620,430	-	5,691,985
2020	32,370,000	11,806,700	2,437,506	-	5,006,106
2021	33,225,000	12,020,000	2,479,865	-	4,585,107
2022	31,770,000	71,635,000	2,466,778	-	4,149,237

Notes: Details regarding the City's outstanding debt can be found in the financial statements.

(a) See Schedule 16 for personal income and population data.

Personal income is based on Pinal County information.

Business-type Activities						
General Obligation Bonds	Excise Tax/ GO Bond Revenue Obligations	Capital Leases	Notes Payable	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
-	12,002,655	-	50,024,722	115,715,350	10.72%	2,300.69
-	11,187,135	-	47,671,092	110,728,243	10.26%	2,173.78
-	10,352,512	-	46,289,847	107,892,842	9.86%	2,027.03
-	9,495,085	-	43,736,724	123,419,886	10.77%	2,260.88
-	8,250,541	-	41,106,899	116,843,621	10.14%	2,142.58
-	6,068,100	-	38,371,116	105,883,514	8.19%	1,879.82
-	4,577,700	-	35,525,109	95,232,524	5.57%	1,707.53
-	3,018,300	-	32,564,435	87,203,047	4.76%	1,530.90
-	1,407,600	-	29,484,476	83,202,048	2.89%	1,419.06
-	-	-	26,280,426	136,301,441	4.99%	2,185.16

Schedule 9
City of Casa Grande
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds		Estimated Actual Value of Property (a)	Percentage of Estimated Actual Value of Property	General Bonded Debt Per Capita (b)	Restricted for Principal Payment
2012	4,235,000	(1)	313,880,004	1.35%	1,366	100,000
2012	24,565,000	(2)	3,145,296,113	0.78%	419	625,000
2013	4,135,000	(1)	269,324,094	1.54%	782	105,000
2013	23,940,000	(2)	2,788,057,728	0.86%	465	600,000
2014	4,030,000	(1)	279,975,183	1.44%	762	110,000
2014	23,340,000	(2)	2,833,543,388	0.82%	454	595,000
2015	3,920,000	(1)	292,667,259	1.34%	742	120,000
2015	22,740,000	(2)	2,910,644,515	0.78%	442	700,000
2016	3,195,000	(1)	307,634,017	1.04%	604	125,000
2016	37,930,000	(2)	3,018,493,334	1.26%	737	1,505,000
2017	3,070,000	(1)	324,524,692	0.95%	328	125,000
2017	37,145,000	(2)	3,142,528,380	1.18%	634	1,505,000
2018	2,940,000	(1)	349,336,106	0.84%	314	135,000
2018	35,435,000	(2)	3,232,315,699	1.10%	604	1,795,000
2019	2,805,000	(1)	367,212,764	0.76%	300	410,000
2019	31,085,000	(2)	3,460,059,401	0.90%	530	1,105,000
2020	2,390,000	(1)	411,172,201	0.58%	255	2,390,000
2020	29,980,000	(2)	3,625,019,073	0.83%	511	1,185,000
2021	28,795,000	(2)	3,919,684,300	0.73%	491	1,270,000
2022	4,245,000	(3)	206,614,267	2.05%	453	175,000
2022	27,525,000	(2)	4,231,783,757	0.65%	469	1,360,000

(a) Source: Pinal County Assessor's records

(b) Estimated population of Mission Royale CFD 6/30/21 5,712
Estimated population of Villago CFD 6/30/21 3,649
Source: City of Casa Grande Development Center

(c) Includes all City Bonded debt, net of assets restricted for payment of principal,

Population of Casa Grande 58,632

(1) General obligation bonds were issued by the Mission Royale Community Facilities District in 2005 and the Villago Community Facilities District in 2006, 2008 2010 and 2020. These bonds will be repaid by the property owners within the CFDs and are obligations of the districts only.

(2) General obligation bonds were issued by the City of Casa Grande in June, 2008, July, 2009, and June 2016.

(3) General obligation bonds were issued by the Villago Community Facilities District in 2021. These bonds will be repaid by the property owners within the CFDs and are obligations of the districts only.

Schedule 10
City of Casa Grande
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022

<u>Governmental Unit</u>	<u>Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Union High School District #82	10,330,000	64.66%	6,679,167
Central Arizona Community College	58,205,000	13.55%	7,887,615
Mission Royale CFD	-	100.00%	-
Villago CFD	4,245,000	100.00%	<u>4,245,000</u>
Subtotal, overlapping debt			\$ 48,663,565
City direct debt	132,048,196	100.00%	<u>132,048,196</u>
Total direct and overlapping debt			<u><u>\$ 180,711,761</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by Pinal County Assessor's Office. Debt outstanding data provided by Pinal County Finance.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Casa Grande. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of Pinal County's taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

Schedule 11
City of Casa Grande
Legal Debt Margin Information
Last Ten Fiscal Years

Net Secondary Assessed Valuation as of June 30, 2022 (a)	<u>\$ 542,642,383</u>
Debt limit (6% of assessed value)	32,558,543
Debt applicable to limit:	
General obligation bonds	<u>1,145,000</u>
Legal 6% debt margin	<u><u>\$ 31,413,543</u></u>
Debt limit (20% of assessed value)	108,528,477
Debt applicable to limit:	
General obligation bonds	<u>26,380,000</u>
Legal 20% debt margin	<u><u>\$ 82,148,477</u></u>

Arizona's Constitution states that a municipality cannot issue general obligation bonds in excess of 6% of the assessed valuation for general municipal purposes. Additional general obligation bonds for up to 20% of assessed valuation can be issued for specific purposes such as supplying water and sewer services, artificial lighting, acquisition and development of land for open space preserves, parks, playgrounds, recreation facilities, public safety, law enforcement, fire and emergency service facilities, and streets and transportation facilities.

(a) Source: Pinal County Assessor's records

Schedule 12
City of Casa Grande
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Transaction	State	State	Franchise	Licenses &	Debt Service		
	Privilege (Sales) Tax (a)(b)	Shared Sales Tax	Shared Income Tax		Permits/Fines & Forfeitures	Principal	Interest	Coverage
2013	18,533,580	3,975,626	4,961,423	2,248,227	1,951,976	1,570,000	1,457,260	10.46
2014	19,133,652	4,227,755	5,413,854	2,248,466	1,727,402	1,385,000	1,403,535	11.74
2015	21,042,584	4,438,843	5,879,820	2,358,732	2,109,157	1,450,000	1,344,085	12.82
2016	19,831,193	4,602,342	5,847,942	2,338,107	2,773,868	1,510,000	1,279,740	12.69
2017	20,314,212	4,734,258	6,295,760	2,449,704	3,047,171	1,985,000	1,208,610	11.54
2018	22,028,873	5,246,154	6,754,555	2,502,845	2,085,041	2,445,000	1,199,500	10.60
2019	23,523,442	5,595,095	7,335,001	2,343,033	2,773,830	2,545,000	897,271	12.08
2020	23,904,130	5,923,694	7,400,926	2,326,462	2,526,691	2,680,000	762,451	12.22
2021	28,242,874	6,804,724	8,379,332	2,447,296	5,338,124	2,805,000	637,384	14.88
2022	35,045,286	7,672,107	7,172,180	2,665,583	4,420,597	3,645,000	1,137,044	11.91

(a) The sale of a single item over \$5,000 is taxed at 2.0% for the first \$5,000, then the rate drops to 1.5% for the taxable amount exceeding \$5,000.

(b) Does not include the two-tenths of one percent (0.2%) Economic Development and Recreation Excise Tax which is pledged to the repayment of the 2009 Obligations and obligations issued on a parity therewith only (the "2009 Parity Obligations"). In connection with allocating the Excise Taxes among payments due with respect to the 2009 Parity Obligations and all Parity Obligations, the Economic Development and Recreation Excise Taxes will be applied first to the payments due with respect to the 2009 Parity Obligations and the Excise Taxes will then be allocated proportionately to the remaining payments due with respect to all Parity Obligations. The revenues from the Economic Development and Recreation Excise Tax for the last ten fiscal years have been:

<u>Fiscal Year</u>	<u>Amount</u>
2013	954,988
2014	945,306
2015	1,074,812
2016	1,119,070
2017	1,094,074
2018	1,085,209
2019	1,280,472
2020	1,273,655
2021	1,509,934
2022	1,706,550

Schedule 13
City of Casa Grande
Real & Personal Property Tax Levies and Collections

Collected to June 30, 2022

Fiscal Year	Tax Levy	Collections	Taxes Receivable	Percent of Tax Levy	Adjustments
2013	5,589,212	5,581,712	7,500	99.87%	(49,432)
2014	5,349,732	5,341,573	8,159	99.85%	(24,693)
2015	5,351,592	5,347,903	3,689	99.93%	(26,966)
2016	5,487,409	5,481,241	6,168	99.89%	(23,491)
2017	5,563,565	5,555,481	8,084	99.85%	(11,814)
2018	5,636,188	5,526,226	109,961	98.05%	(8,678)
2019	6,013,399	5,844,411	168,988	97.19%	(1,559)
2020	5,113,550	4,987,873	125,677	97.54%	1,994
2021	4,267,000	4,190,467	76,534	98.21%	(6,082)
2022	6,858,417	6,686,435	171,982	97.49%	20,220

(a) Reflects collections made through June 30, 2022, on such year's levy. Property taxes are payable in two installments. The first installment is due the first day of October and becomes delinquent on November 1. The second installment becomes due the first day of March and is delinquent on May 1. Interest at the rate of 16% per annum attaches on first and second installments following their delinquent dates unless the full year tax is paid by December 31. Penalties for delinquent payments are not included in the above collections figures.

Source: Pinal County Treasurer's Office

Schedule 14
City of Casa Grande
Tax Rate Data
Last Ten Fiscal Years

Fiscal Year	City's Primary Tax Rate Per \$100 Assessed	City's Secondary Tax Rate Per \$100 Assessed	City's Total Tax Rate Per \$100 Assessed
2013	0.9489	0.6308	1.5797
2014	0.9999	0.6308	1.6307
2015	0.9999	0.6308	1.6307
2016	0.9999	0.6308	1.6307
2017	0.9999	0.6308	1.6307
2018	0.9999	0.6565	1.6564
2019	0.9905	0.6010	1.5915
2020	1.0606	0.2752	1.3358
2021	1.0598	0.2752	1.3350
2022	1.0148	0.5702	1.5850

Source: *City of Casa Grande*

Schedule 15
City of Casa Grande
Estimated Net Secondary Assessed Valuation of Major Taxpayers

Taxpayers (a)(b)	Type of Business/Property	Estimated 2021-22 Net Secondary Assessed Valuation	As Percent of City's 2021-22 Net Secondary Assessed Valuation
ARIZONA PUBLIC SERVICE COMPANY	Electric Utility	\$ 14,634,137	2.70%
LUCID USA, INC. (FKA ATIEVA USA, INC.)	Manufacturing	12,438,434	2.29%
WAL-MART STORES EAST LP	Retailer	7,389,961	1.36%
SOUTHWEST GAS CORPORATION	Gas Utility	7,263,858	1.34%
FRITO LAY SALES INC	Manufacturing	6,417,949	1.18%
ABBOTT MANUFACTURING	Manufacturing	6,336,177	1.17%
ATIEVE USA, INC DBA LUCID MOTORS	Retail Distribution Center	4,853,439	0.89%
EHRMANN ARIZONA DAIRY LLC	Dairy Product Manufacturing	4,437,243	0.82%
ARIZONA WATER COMPANY	Water Utility	4,424,745	0.82%
HEXCEL CORPORATION	Manufacturing	4,453,159	0.82%
TRACTOR SUPPLY COMPANY #1808	Retail Distribution Center	3,885,901	0.72%
PALM CREEK HOLDINGS LLC	Real Estate Management	3,371,330	0.62%
DAISY BRAND LLC	Dairy Product Manufacturing	3,311,056	0.61%
CADC PARTNERS LLC	Real Estate Management	3,874,499	0.71%
LINDEN STATION CASA GRANDE LLC	Real Estate Management	3,033,774	0.56%
PROMENADE CG HOLDINGS LLC	Retailer	5,014,347	0.92%
FRITO-LAY LLC	Real Estate Management	3,407,390	0.63%
FRANKLIN FOODS INC	Retailer	2,444,444	0.45%
DAISY BRAND LP	Dairy Product Manufacturing	2,333,871	0.43%
SMITHS FOOD & DRUG CENTERS INC	Retailer	2,156,396	0.40%
TOTAL		<u>\$ 105,482,110</u>	<u>19.44%</u>

(a) Some of such taxpayers or their parent companies are subject to the informational requirements of the Exchange Act, and in accordance therewith file reports, proxy statements and other information with Commission. The Filings may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth St. N.W., Washington, D.C. 20549 and at the Commission's regional offices at Northwestern Atrium Center, 500 W. West Madison St., Suite 1400, Chicago, Illinois 60661. Copies of the Filings can be obtained from the public reference section of the Commission at 450 Fifth St., N.W., Washington, D.C. 20549 at prescribed rates. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at <http://www.sec.gov>.

(b) The assessed valuation of property owned by the Salt River Project Agricultural Improvement and Power District ("SRP") is not included in the assessed valuation of the City in the table. Because of SRP's quasi-governmental nature, property owned by SRP is exempt from property taxation. However, SRP may elect each year to make voluntary contributions in lieu of property tax with respect to certain of its electrical facilities (the "SRP Electric Plant"). If SRP elects to make the in lieu contribution for the year, the full cash value of the SRP Electric Plant and the in lieu contribution amount is determined in the same manner as the full cash value and property taxes owed is determined for similar non-governmental public utility property, with certain special deductions.

If after electing to make the in lieu contribution, SRP then failed to make the in lieu contribution when due, the Treasurer of the Treasurer of the County and the City have no recourse against the property of SRP and the City.

Source: Pinal County Treasurer's Office/Top Fifty Taxpayers

Schedule 16
City of Casa Grande
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	County Per Capita Personal Income	Total Personal Income	School Enrollment	Unemployment Rate
2013	50,296	21,419	1,077,290,024	10,852	9.10%
2014	50,938	21,409	1,090,531,642	11,720	8.40%
2015	51,478	20,983	1,080,162,874	12,752	6.80%
2016	51,460	20,983	1,079,785,180	12,412	6.70%
2017	54,534	21,130	1,152,303,420	12,694	5.20%
2018	54,866	22,944	1,258,845,504	12,666	5.30%
2019	55,772	30,644	1,709,077,168	12,100	4.80%
2020	56,962	32,182	1,833,151,084	12,056	9.70%
2021	58,632	49,069	2,877,013,608	12,116	5.10%
2022	62,376	43,793	2,731,632,168	13,434	4.00%

Sources: Arizona Department of Commerce

U.S. Bureau of Labor Statistics

National Center for Education Statistics

Casa Grande Elementary, Casa Grande Union High School Districts, and Charter Schools.

U.S. Census Bureau

Schedule 17
City of Casa Grande
Principal Employers
Last Ten Fiscal Years

Employer	2022		2013	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Lucid Motors	1,200	14.77%	-	
Casa Grande Elementary School District	957	11.78%	1,030	21.13%
Wal-Mart Distribution Center	848	10.44%	500	10.26%
Casa Grande Regional Medical Center	-	0.00%	860	17.64%
Banner Casa Grande Medical Center	625	7.69%	-	0.00%
US Customs and Border Protection	500	6.15%		0.00%
Abbott Nutrition	450	5.54%	435	8.92%
City of Casa Grande	433	5.33%	419	8.60%
Hexcel Corporation	350	4.31%	550	11.28%
Tractor Supply	322	3.96%	-	0.00%
Casa Grande Union High School District	318	3.91%	-	0.00%
Frito-Lay Inc.	300	3.69%	450	9.23%
Fry's	300	3.69%		
Wal-Mart Store	280	3.45%	450	
Price Industry	270	3.32%	-	0.00%
Dillard's	200	2.46%	-	0.00%
Pinal County	200	2.46%	-	0.00%
National Vitamin Company	180	2.22%	180	3.69%
Lowe's	150	1.85%		
Kohl's	123	1.51%		
Casa Grnde Valley Newspapers	118	1.45%	-	0.00%
	8,124	85.23%	4,874	90.77%

Schedule 18
City of Casa Grande
Authorized City Government Employee Positions by Function/Program
Last Ten Fiscal Years

Fiscal Year	Function/Program						Total
	General Government	Police, City Attorney and Court	Fire	Culture and Recreation	Planning and Development	Public Works	
2013	38.3	135.3	62.3	51.0	21.5	102.0	410.4
2014	46.7	142.1	62.3	76.4	21.0	100.6	449.1
2015	46.7	141.9	62.3	75.5	21.0	100.8	448.2
2016	46.6	142.1	62.3	75.3	21.0	100.6	447.9
2017	47.2	142.8	62.3	68.7	21.0	101.8	443.8
2018	44.7	144.6	62.3	67.7	21.0	103.7	444.0
2019	50.0	145.8	62.0	70.6	21.0	104.5	453.9
2020	49.5	125.8	83.0	89.1	21.0	103.0	471.3
2021	49.5	125.7	93.0	89.1	21.0	103.0	481.3
2022	52.5	131.5	105.0	58.6	22.5	105.0	475.1

Source: City Budget

Note: Information is based on authorized positions.

Schedule 19
City of Casa Grande
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2019	2021	2022
General government										
Registered voters	20,417	20,417	20,417	22,959	22,959	27,110	28,982	31,784	34,090	35,499
Ballots cast last primary election	3,886	3,886	3,886	6,651	6,651	7,336	7,336	8,414	8,414	0
Fire										
Medical support calls	5,155	5,400	5,710	5,840	5,612	6,594	6,603	6,711	6,953	7,969
Total alarms	6,685	6,951	7,356	7,717	7,498	9,400	9,997	10,621	10,980	12,575
Inspections/investigations	910	687	504	681	333	564 *	906	1,005	2,549	358
Public education contacts	26,225	15,556	13,247	13,992	10,102	16,035 *	15,864	9,000	10,140	16,400
Police										
Calls for service	31,308	22,079	23,314	37,135	31,693	30,920	28,350	25,337	32,072	34,704
Officer initiated	46,880	29,117	20,569	28,683	25,761	43,042	24,160	26,573	27,242	24,141
Patrolled miles	991,778	696,743	640,119	745,208	964,325	1,010,722	1,017,201	460,559	415,117	740,324
Traffic accidents	874	843	912	904	812	1,181	1,021	882	953	1,104
Traffic citations	7,836	7,912	4,897	5,953	7,353	6,979	7,947	4,867	4,631	3,638
Arrests (adult and juvenile)	4,098	4,760	4,477	4,335	3,164	3,563	3,384	3,166	3,209	3,057
Culture and recreation - library (a) (b) (c)										
Items in collections	454,700	645,613	330,220	350,182	269,535	92,821	339,022	327,927	366,678	378,890
Total circulation transactions	376,405	359,585	346,683	346,667	341,354	283,101	364,201	369,409	241,479	320,502
Total circulation items	129,695	124,944	99,057	104,590	104,057	266,916	151,607	157,723	86,958	98,865
Economic development										
Building permits - commercial	94	63	94	75	58	78	81	90	85	22
Building permits - residential	264	698	438	761	523	631	730	749	1,788	1,230
Self-help homes completed	-	-	-	-	-	-	-	-	-	-
Self-help homes started	-	-	-	-	-	-	-	-	-	-
Housing rehabilitations	21	17	13	11	4	12	4	5	3	3
Code enforcement cases	1,206	1,349	1,241	1,448	2,162	2,305	4,589	5,753	4,365	3,781
Planning cases	133	152	135	100	124	117	106	115	174	240

Sources: Various City departments

* Data through 12-31-16

Note: (a) Effective 2007 Library circulation transactions includes information transactions

(b) Effective 2013 Library data includes both print and digital media (including digital books available through the Greater Phoenix Digital Library)

(c) Circulation transactions and items were recalculated in 2014.

No primary election in FY22. One in May 21 and other in Aug 22

Schedule 20
City of Casa Grande
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fire stations	4	4	4	4	4	4	4	4	4	4
Parks and recreation										
Park areas	27	27	27	27	27	27	27	27	27	29
Parkland acreage	1,611	1,611	1,611	1,611	1,611	1,611	1,625	1,625	1,625	2,000
Community centers	5	5	5	5	5	5	6	5	5	5
Golf courses	1	1	1	1	1	1	1	1	1	1
Playgrounds	26	26	26	26	26	26	26	26	26	24
Other maintenance areas	99	99	99	98	98	98	98	98	98	98
Airport										
T-hangers	52	52	52	52	52	52	52	52	52	52
T-shades	18	18	18	18	18	18	18	18	18	18
Public works										
Total number of streetlights**	3,948	3,988	3,996	3,996	3,996	3,770	3,884	3,714	3,886	3,936
Miles of streets (centerline)**	409	403	396	401	406	410	410	428	432	361
Miles of sewer**	284	290	290	290	291	288	295	314	286	289
Number of lift stations	10	10	10	7	7	7	7	8	7	7
Number of signalized intersections*	41	42	43	45	45	45	45	48	49	50

* Includes ADOT signalized intersections

**Enhanced GIS information utilized beginning in FY2013

Sources: Various City departments



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Compliance Section



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and City Council
City of Casa Grande, Arizona

We have audited, in accordance with the 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 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Casa Grande, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Casa Grande's basic financial statements, and have issued our report thereon dated February 28, 2023 .

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Casa Grande's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Casa Grande's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Casa Grande's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Casa Grande's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Casa Grande, Arizona
February 28, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and City Council
City of Casa Grande, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Casa Grande's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Casa Grande's major federal programs for the year ended June 30, 2022. City of Casa Grande's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Casa Grande complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Casa Grande and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Casa Grande's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Casa Grande's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Casa Grande's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Casa Grande's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Casa Grande's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Casa Grande's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Casa Grande's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Baker Tilly US, LLP

Casa Grande, Arizona
February 28, 2023

CITY OF CASA GRANDE, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal AL Number	Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number/Grant Number	Total Federal Expenditures	Amount Provided to Subrecipients
Department of Housing and Urban Development						
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228		Arizona Department of Housing and Urban Development	BM-18-MC-32-007, BM-19-MC-32-0007, BM-20-MC-32-0007, B-21-MC-04-0007	\$ 779,615 *	\$ 62,901
COVID-19 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228		Arizona Department of Housing and Urban Development	B-20-MW-32-0007	327,935 *	118,157
Home Investments Partnerships Program	14.239		Arizona Department of Housing and Urban Development	300-21	<u>213,632</u>	
Total Department of Housing and Urban Development					<u>1,321,182</u>	<u>181,058</u>
Federal Historic Preservation Fund						
Historic Resource Survey Update	15.904		State Historic Preservation Office	AZ-21-10011/442111	<u>13,237</u>	
Department of Justice						
Bulletproof Vest Partnership Program	16.607		Arizona Department of Public Safety	Direct Grant	5,446	
Crime Victim Assistance Edward Byrne Memorial Justice Assistance Grant Program	16.575		Arizona Department of Public Safety	2016-VA-GX-0046, 201-VA-GX-0041	75,193	
COVID-19 - Coronavirus Emergency Supplemental	16.738		Arizona Department of Public Safety	2020-DJ-BX-0456, 15PBJA-21-GG-01155JAGX, 2019-MU-BX-K002	99,546	
Funding Program	16.034		Arizona Department of Public Safety	2020-VD-BX-0295	<u>34,513</u>	
Total Department of Justice					<u>214,698</u>	
Department of Transportation						
Airport Improvement Grant	20.106		Department of Transportation	3-04-0007-021-2022	<u>32,000</u>	
State and Community Highway Safety	20.600	Highway Safety Cluster	Governor's Office of Highway Safety	2022-AL-0091, 2022-PTS-011, 2021-PTS-011, 2021-AL-009	68,892	
National Priority Safety Programs	20.616	Highway Safety Cluster	Governor's Office of Highway Safety	2022-CIOT-004	<u>3,709</u>	
Total Highway Safety Cluster					<u>72,601</u>	
Total Department of Transportation					<u>104,601</u>	

See accompanying notes to the schedule of expenditures of federal awards.

CITY OF CASA GRANDE, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal AL Number	Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Total Federal Expenditures	Amount Provided to Subrecipients
Institute of Museum & Library Services						
Grants to States	45.310		State Library Administrative Agencies	PLN LSTA 2021, LSTA 2022, 2020-0730-05, 2021-0810-MvFor-03, 2021-0340WFiH-02, 2021-ARA-07	<u>29,070</u>	
COVID-19 Emergency Connectivity Fund Program	32.009		State Library Administrative Agencies	ECF202108188	<u>9,349</u>	
Department of Health and Human Services						
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	Aging Cluster	Pinal-Gila Council for Senior Citizens	019-0237	5,974	
Special Programs for the Aging_Title III, Part C_ Nutrition Services	93.045	Aging Cluster	Pinal-Gila Council for Senior Citizens	019-0237	32,791	
Nutrition Services Incentive Program	93.053	Aging Cluster	Pinal-Gila Council for Senior Citizens	019-0237	<u>2,325</u>	
Total Aging Cluster					<u>41,090</u>	
Social Services Block Grant	93.667			019-0237	<u>653</u>	
Allergy and Infectious Diseases Research	93.855			019-0237	<u>1,132</u>	
Total Department of Health and Human Services					<u>42,875</u>	
Department of Homeland Security						
Homeland Security Grant Program	97.067		Arizona Department of Homeland Security	HSGP-200303-01, HSGP-200302-01, 18-AZDSHS-DPSG-180426-04, 18-AZDSHS-DPSG-180426-05, 18-AZDSHS-DPSG-180426-03, 20-AZDOHS-OPSG-200424-01, 21-AZDOHS-OPSG-210430-01	518,098	
Staffing for Adequate Fire and Emergency Respose	97.083			EMW-2018-FH-95	<u>547,158</u>	
Total Department of Homeland Security					<u>1,065,256</u>	
U.S. Department of Treasury						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		State of Arizona Governor's Office		<u>10,009,090</u>	*
Total U.S. Department of Treasury					<u>10,009,090</u>	
Total Expenditures of Federal Awards					<u>\$ 12,809,358</u>	<u>\$ 181,058</u>

* Denotes major program

CITY OF CASA GRANDE, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Casa Grande under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City of Casa Grande, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Casa Grande.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- B) The City of Casa Grande has elected to not use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

CITY OF CASA GRANDE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)?

___ yes X no

___ yes X no

Noncompliance material to financial statements noted?

___ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)?

___ yes X no

___ yes X no

Type of auditors' report issued on compliance for each major programs listed below:

Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii

Unmodified

COVID-19 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii

Unmodified

COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

___ yes X no

CITY OF CASA GRANDE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

SECTION I – SUMMARY OF AUDITORS' RESULTS

Federal Awards (Continued)

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
14.228	COVID-19 Community Development Block Grants/State's program and Non Entitlement Grants in Hawaii
21.027	COVID-19 Community Development Block Grants/State's program and Non Entitlement Grants in Hawaii

Dollar threshold used to distinguish between Type A and
Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 yes X no

CITY OF CASA GRANDE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

SECTION II – FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

None noted.

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None noted.

CITY OF CASA GRANDE, ARIZONA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2022

The findings from the year ended June 30, 2021 schedule of findings and recommendations are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS RELATED TO FINANCIAL STATEMENTS IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

REPEAT FINDING 2018-001 FINANCIAL STATEMENT CLOSING PROCESS

CRITERIA

The City must perform and review all year-end accrual closing entries to ensure the amounts included in the financial statements are presented in accordance with generally accepted accounting principles (GAAP).

CONDITION/CONTEXT

Amounts were not recognized in the appropriate reporting period at year end which indicated proper closing procedures were not followed.

EFFECT

During the audit, several significant adjustments and reclass entries were required to properly state assets, liabilities, revenues, and expenses.

CAUSE

Proper closing procedures were not followed, and a review of accrual based closing entries was not performed to ensure that financial statements were accurately reported as required by GAAP.

RECOMMENDATION

We recommend that the City develop a year-end checklist of all accrual adjustments required and management review the general ledger for all account balances to ensure they are properly stated as of the fiscal year end.

Current Status: Corrected.

Sincerely yours,



Angele Ozoemelum
Finance Director