

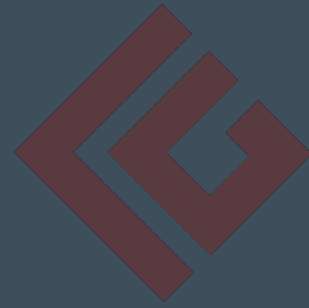
Fiscal Year 2022-2023

# Annual Comprehensive Financial Report

City of Casa Grande

Arizona

June 30, 2023



FY2023



# **City of Casa Grande, Arizona**

Annual Comprehensive Financial Report

June 30, 2023



Prepared by:  
Finance Department

# City of Casa Grande, Arizona

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# Introductory Section

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**CITY OF CASA GRANDE | STRONGER UNITED**

510 E. Florence Blvd., Casa Grande, Arizona 85122

(520) 421-8600 | [www.CasaGrandeAZ.gov](http://www.CasaGrandeAZ.gov)

March 25, 2024

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

Arizona State law requires that every general-purpose local government publish, within nine months of the close of each fiscal year, a complete set of audited financial statements presented in conformity with accounting principles generally accepted 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); and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. This report is published to fulfill these requirements for the fiscal year ended June 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information presented in the Annual Comprehensive Annual Financial Report (ACFR), based upon a comprehensive internal control framework that it has established for this purpose. The objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Casa Grande, for the fiscal year ended June 30, 2023, are free from material misstatement. The independent audit involved obtaining audit evidence supporting the amounts and disclosures in the financial statements. An audit includes assessments of risk of material misstatement of the financial statements, evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluating the overall financial statement presentation. BakerTilly US, LLP has issued an unmodified ("clean") opinion on the City of Casa Grande financial statements for the year ended June 30, 2023. The auditors concluded that the financial statements were considered fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component in the financial section of this report. 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 results of the City's financial statement audit for the fiscal year ended June 30, 2023, identified one material weakness in the internal control structure related to the financial statement closing process. The financial statement finding can be found in the Schedule of Findings and Questioned Costs within the separately issued Single Audit Report.

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.

**STRONGER UNITED**

Founded in 1879, the mission of the City of Casa Grande is to provide a safe, pleasant community for all citizens.

The results of the City's Single Audit for the fiscal year ended June 30, 2023, 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.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A includes additional information intended to enable the reader to gain an understanding of the City's financial activity and financial stability. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **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, Casa Grande is named after the Hohokam Indian Ruins. Since its incorporation in 1915, Casa Grande has grown to be the second largest city in Pinal County. The City of Casa Grande, chartered in December 1974, has operated under the 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. A recent Charter Amendment, passed by voters in November 2022, limits the term of a Councilmember to three, four-year terms, for a total of 12 years. 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.

The City of Casa Grande's legal boundaries grew substantially over the past decade to just over 110 squares miles. The City's population has more than doubled from 25,224 in 2000 to 66,636 currently, with the majority of this population growth occurring from 2006 to 2009 and from 2019 to present. 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, recreational center, 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 Auditors' 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 of the notes to the financial statements.

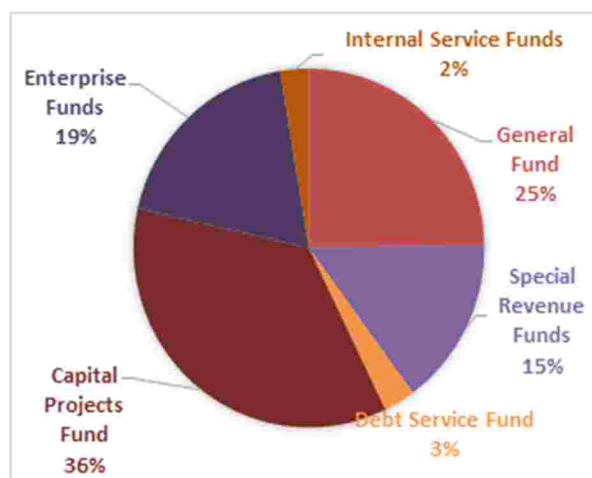
## **Budgetary Process**

The City of Casa Grande, like all cities in the State of 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 FY23 is \$248.1 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 FY23 final expenditure budget was \$253.7 million. The graph provides a percentage breakdown of the FY23 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, retail, 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, LCY, and KPCT that represent over 500 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 foot 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. Additional statistics related to new businesses planned or opened in Casa Grande as well as housing related statistics are included in the MD&A.

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 5% in fiscal year 2023. 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. The Mayor and Council seek to align the City's vision statement with well-defined strategic focus areas. The 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**

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.

#### ***WE ARE COMMITTED TO SERVICE:***

**Serve** Casa Grande through a variety of City services designed to promote quality of life.

**Ensure** the safety of the community through aggressive public safety efforts and programs.

**Respond** to the needs of the community by promoting communications and transparency.

**Value** the tax dollar and maintain a fiscal policy that provides an efficient tax structure.

**Incorporate** safeguards to ensure fairness and equitable treatment of all citizens.

**Continue** to evaluate our services and ourselves to ensure quality and effectiveness.

**Endeavor** to hire the best people and help them develop professionally.

## **Strategic Focus Areas**

### Healthy-Safe-And-Vibrant Community Environments

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.

### Community Connection

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 social media sites by 20% each year for 5 years.

### Education and Workforce Advancement

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.

### Financial Stability and Sustainability

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.

### Community Enhancement

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.

### Economic Expansion

The City of Casa Grande will continue to pursue and create economic opportunities by 1) Updating the City's General Plan through public and stakeholder outreach, 2) Identifying and funding a transit plan within 5 years, 3) Develop and implement a water resources plan, 4) Implement automated plan submittal and inspection technology, and 5) Support I-10 widening initiatives and legislation.

Approximately 41.4% 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 FY23, the City focused on addressing 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; Minimize debt service costs and issuance costs;
- 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 two programs or services to ensure efficiency and effectiveness.
- Finance the payment of the City's unfunded liabilities with PSPRS.

## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended June 30, 2022. The City has received this award for 28 years. In order to be awarded this certificate, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements. This certificate is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to GFOA to determine its eligibility for the fiscal year ended June 30, 2023, certificate.

Casa Grande has received recognition as/for:

- Distinguished Budget Presentation from the Government Finance Officers Association (22 years)
- A Tree City USA by the National Arbor Day Foundation (16 Years)
- A Playful City USA designated by Kaboom!

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,



Brenda K. Hasler, CPA  
Finance Director



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, 2022

*Christopher P. Morill*

Executive Director/CEO



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

**CITY COUNCIL**

**Mayor**

Craig McFarland

**Mayor Pro-Term**

Jeff Lavender

**Council Members**

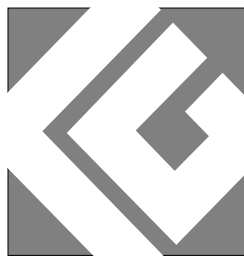
Lisa Fitzgibbons

Matt Herman

Robert Huddleston

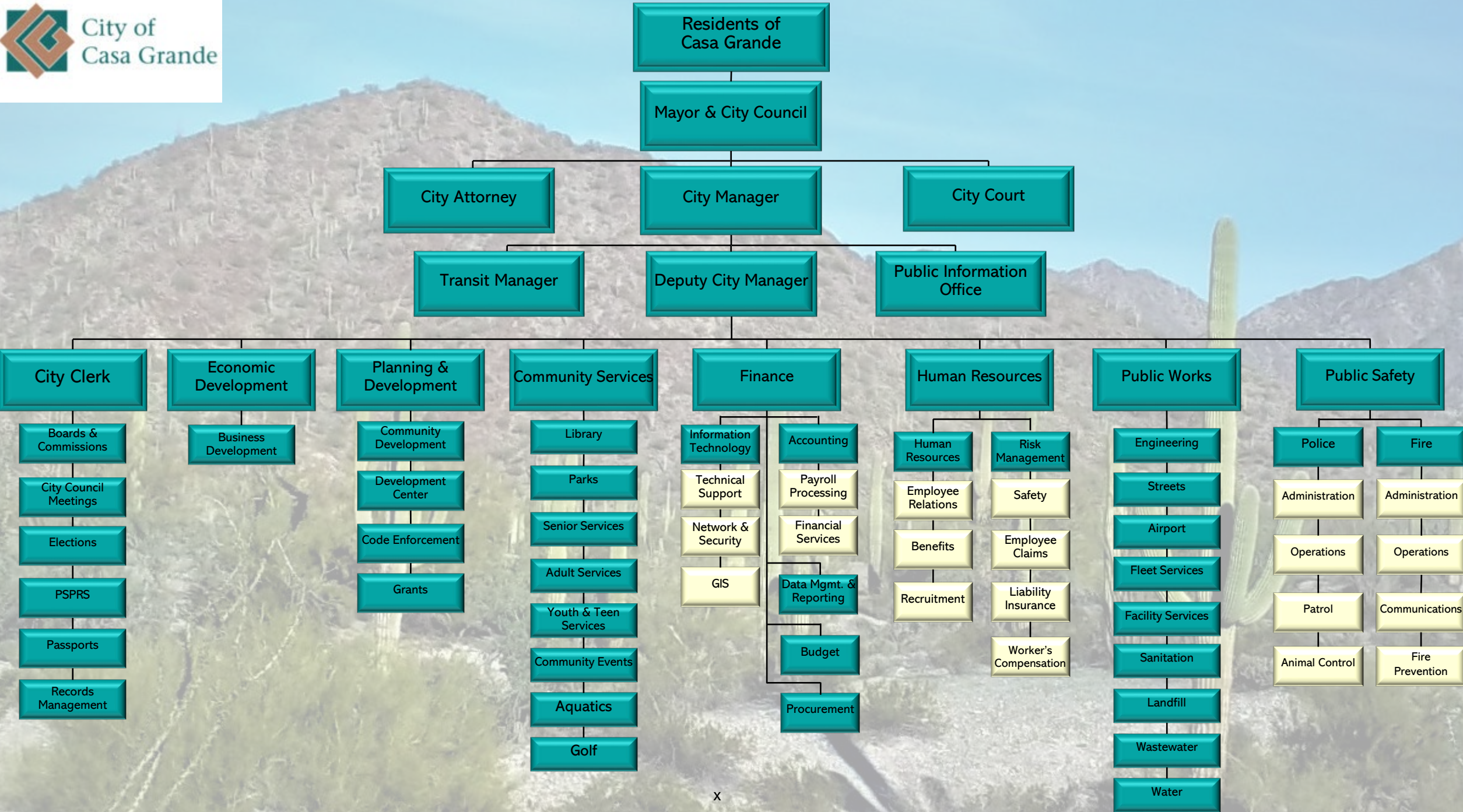
Donna McBride

Anthony Edwards



**City Manager**

Larry Rains



# Financial Section

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## **Independent Auditors' Report**

To the City Council of  
City of 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, Arizona (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 as of June 30, 2023 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 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, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective July 1, 2022. Our opinions are not modified with respect to this matter.

#### **Other Matter**

#### ***Compliance Over 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 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 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'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 with the aforementioned indenture described in the Other Matter paragraph is intended solely for the information and use of the Arizona State Legislature, management and other responsible parties within the City and is not intended to be and should not be used by anyone other than these specified parties.

### **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'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 GAAS 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 GAAS 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'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'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 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 GASB 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's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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'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 the City's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

Tempe, Arizona  
March 25, 2024





# **Financial Section**

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## **Management's Discussion and Analysis**



## City of Casa Grande, Arizona

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### Management's Discussion and Analysis

June 30, 2023

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, 2023. 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.

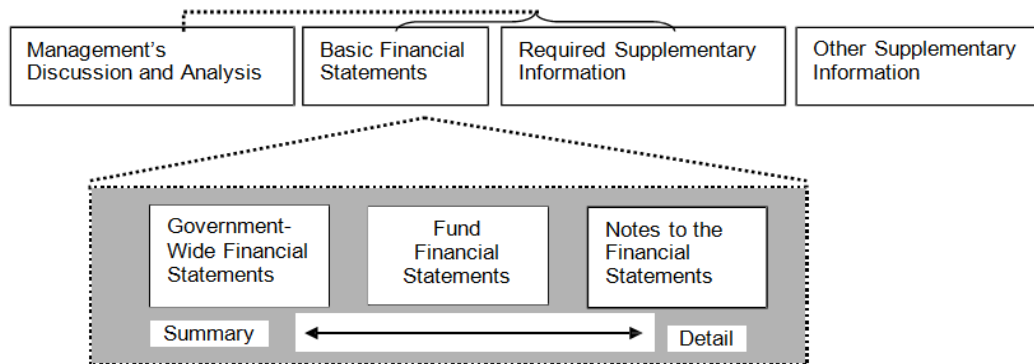
### Financial Highlights

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

- The City's total net position totaled \$387 million at June 30, 2023. This is an increase of \$57.4 million compared to fiscal year 2022.
- Net pension liabilities as of June 30, 2023 totaled \$22.9 million; \$19.4 million from Governmental Activities and \$3.5 million from Business-Type Activities. This is a decrease of \$44.8 million compared to fiscal year 2022.
- Current and long-term debt totaled \$132.8 million as of June 30, 2023, compared to \$139.5 million in the previous year. This is a decrease of \$6.7 million.
- With no significant changes to operations, Government Activities ended fiscal year 2023 with Net Inflows of \$46.8 million. In fiscal year 2023, Government Activities outflows and inflows totaled \$82.0 million and \$128.8 million, respectively. In fiscal year 2022, total Government Activities outflows and inflows totaled \$79.3 million and \$113 million, respectively.
- There was an increase of \$1.0 million in net income for Business-Type Activities compared to last year. In fiscal year 2023 there were \$10.5 million in net revenues, compared to \$9.5 million in fiscal year 2022. In fiscal year 2023, expenses and revenues for Business-Type Activities totaled \$19.5 million and \$30.0 million, respectively. In fiscal year 2022, expenses and revenues for Business-Type Activities totaled \$17.1 million and \$26.6 million, respectively.
- General revenues for Government Activities in fiscal year 2023 were \$85.8 million, compared to \$75.9 million in the previous year. The net increase of \$9.9 million from the previous year was driven by increased revenues in sales taxes of \$9.3 million, state shared sales tax of \$857 thousand, urban revenue sharing of \$3.8 million, and investment earnings of \$7.4 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 nonfinancial 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 schedules 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 schedules as part of the required supplementary information. Additionally, governments are required to disclose certain information about employee pension funds. The City has disclosed this information in Note 9 to the financial statements.

# City of Casa Grande, Arizona

Management's Discussion and Analysis  
June 30, 2023

## 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, 2023.

### 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, 2023 and June 30, 2022. 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-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 224,649	\$ 193,671	\$ 55,347	\$ 44,110	\$ 279,996	237,781
Capital assets:	174,580	164,749	92,862	86,097	267,442	250,846
Total assets	399,229	358,420	148,209	130,207	547,438	488,627
Deferred outflow of resources	15,948	76,064	549	715	16,497	76,779
Current liabilities	19,510	16,000	7,209	6,720	26,719	22,720
Long-term liabilities	120,883	171,505	27,116	29,453	147,999	200,958
Total liabilities	140,393	187,505	34,325	36,173	174,718	223,678
Deferred inflows of resources	2,373	11,350	123	1,013	2,496	12,363
Net Position:						
Net investment in capital assets	130,561	118,760	69,914	59,817	200,475	178,577
Restricted	90,318	77,492	24,395	24,747	114,713	102,239
Unrestricted	51,533	39,378	20,002	9,173	71,535	48,551
	<u>\$ 272,412</u>	<u>\$ 235,630</u>	<u>\$ 114,311</u>	<u>\$ 93,737</u>	<u>\$ 386,723</u>	<u>\$ 329,367</u>

As of June 30, 2023 the net position of the City totaled \$386.7 million, an increase of \$57.4 million from June 30, 2022. Net position is comprised of \$272.4 million in Governmental Activities and \$114.3 million in the Business-Type Activities.

Net Position consists of three components. The largest portion of net position (\$200.5 million or 52%) 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 (\$114.7 million or 30%) 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.

The third portion consists of unrestricted net position (\$71.5 million or 18%), which may be used to meet the City's ongoing obligations to its residents and creditors.

# City of Casa Grande, Arizona

## Management's Discussion and Analysis

June 30, 2023

### Changes in Net Position

The City's total revenues for the year ended June 30, 2023 were \$159 million. The total cost of all programs and services was \$101 million. This resulted in a net revenue of \$57 million. The following table presents a summary of the changes in net position for the year ended June 30, 2023.

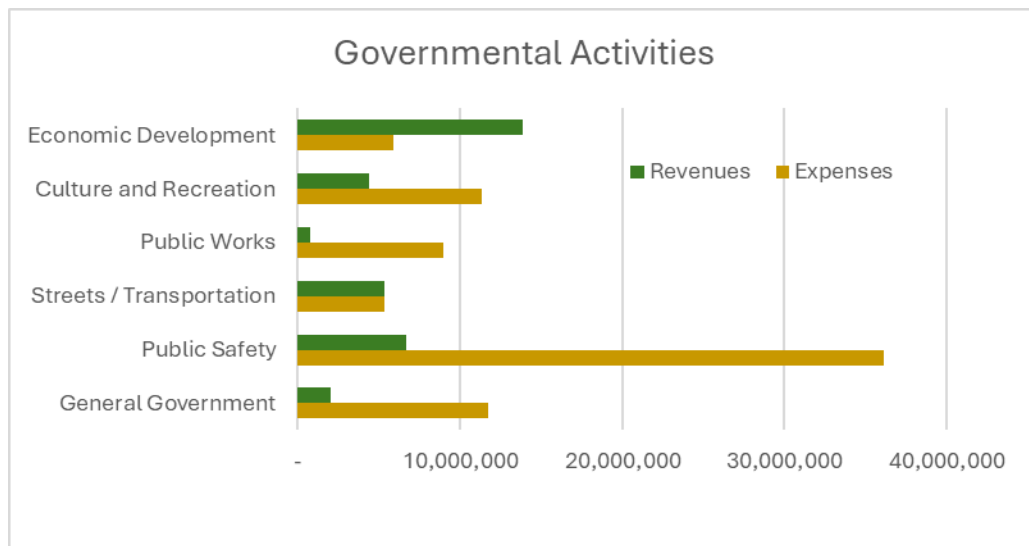
	Changes in Net Position (In Thousand)					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for service	\$ 10,306	\$ 9,942	\$ 24,088	\$ 21,837	\$ 34,394	\$ 31,779
Operating grants and contributions	8,988	20,279	1,404	-	10,392	20,279
Capital grants and contributions	13,731	6,946	4,204	5,109	17,935	12,055
General revenues:						
Property taxes	6,823	7,732	-	-	6,823	7,732
Sales taxes	57,180	47,853	29	52	57,209	47,905
Franchise taxes	2,918	2,666	-	-	2,918	2,666
Share revenues	23,749	19,083	-	-	23,749	19,083
Other	5,152	(1,437)	244	(433)	5,396	(1,870)
Total revenues	128,847	113,064	29,969	26,565	158,816	139,629
Expenses:						
General government	11,764	10,356	-	-	11,764	10,356
Public safety	36,103	34,718	-	-	36,103	34,718
Streets/transportation	5,321	5,995	-	-	5,321	5,995
Public works	8,933	10,869	-	-	8,933	10,869
Culture and recreation	11,305	10,607	-	-	11,305	10,607
Economic development:	5,885	4,870	-	-	5,885	4,870
Interest on long-term debt	2,649	1,921	-	-	2,649	1,921
Water	-	-	380	293	380	293
Golf course	-	-	1,841	1,413	1,841	1,413
Wastewater	-	-	10,189	9,363	10,189	9,363
Sanitation	-	-	7,090	6,045	7,090	6,045
Total expenses	81,960	79,336	19,500	17,114	101,460	96,450
Net revenues (expense) before transfers	46,887	33,728	10,469	9,451	57,356	43,179
Net transfers in (out)	(10,105)	-	10,105	-	-	-
Increase in net position	36,782	33,728	20,574	9,451	57,356	43,179
Net position, beginning	235,630	201,902	93,737	84,286	329,367	286,188
Net position, ending	\$ 272,412	\$ 235,630	\$ 114,311	\$ 93,737	\$ 386,723	\$ 329,367

## City of Casa Grande, Arizona

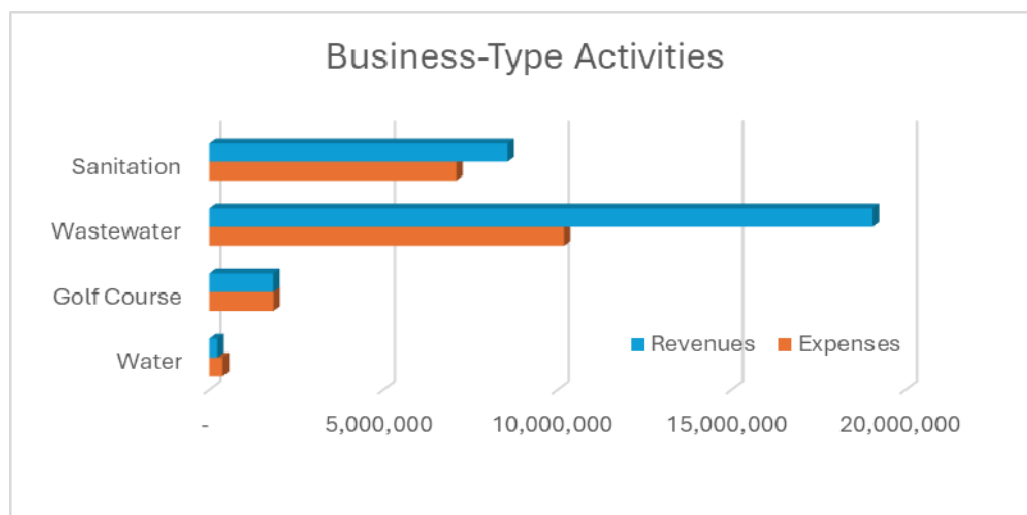
Management's Discussion and Analysis  
June 30, 2023

In FY23, Governmental Activities accounted for 81% of the total revenues and 81% of the total expenses for the City, in the amount of \$128.8 million and \$82.0 million, respectively.

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 19% of total expenses, in the amount of \$30 million and \$19.5 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.





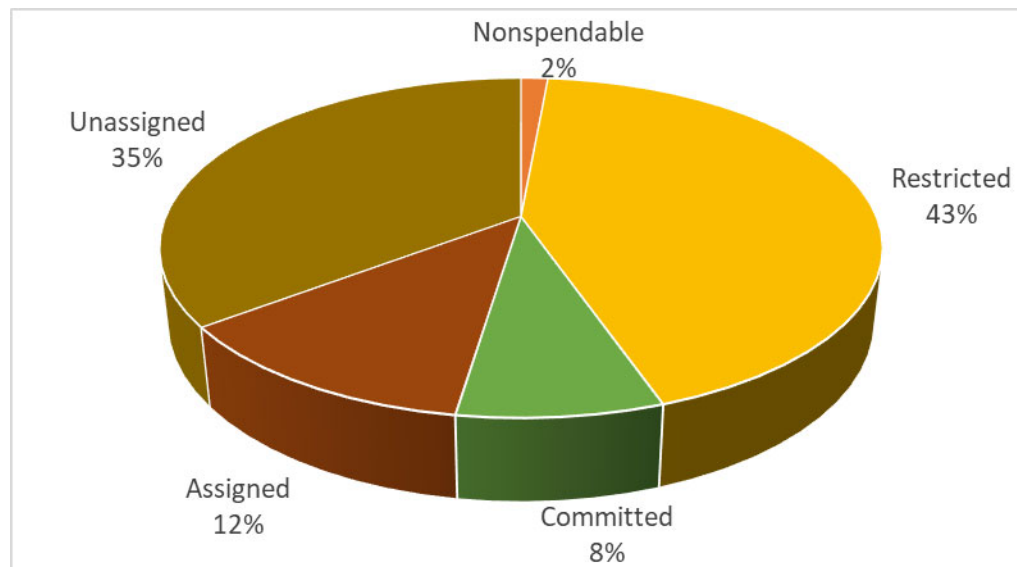
### Financial Analysis of the City's Funds

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 presented, while nonmajor 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 nonmajor 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, 2023, fund balance for the City's governmental funds totaled \$209 million. Total fund balance is categorized in one of five types on the financial statements. Nonspendable fund balance totaled \$3 million, representing fund resources that are not in a form that could be spent. Restricted fund balance totaled \$90.3 million, representing fund resources that are subject to restrictions that are legally enforceable by outside parties or enabling legislation. Committed fund balance totaled \$16.2 million, representing fund resources that have self-imposed limitations on its use. Assigned fund balance totaled \$25.7 million, representing fund resources that are less formally limited. Unassigned fund balance totaled \$74 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 \$10.4 million, bringing ending fund balance to \$106.2 million. General Fund revenues totaled \$82.1 million, an increase of \$12.7 million over fiscal year 2022. The increase was driven primarily from intergovernmental revenues and investment earnings. Expenses before transfers (in/out) totaled \$48.9 million, a decrease of \$52 million compared to fiscal year 2022. The decrease is due to prior year pension obligation bonds issued and the pension expense paid to the pension administrator. Transfers-In and Transfers-Out totaled \$414 thousand and \$24 million, respectively.

## City of Casa Grande, Arizona

### Management's Discussion and Analysis

June 30, 2023

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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 negative net change of \$106 thousand, bringing ending fund balance to \$13.8 million. Revenues totaled \$10.2 million, an increase of \$0.2 million from the prior fiscal year. Expenses totaled \$10.3 million, an increase of \$3.4 million from the prior fiscal year. There were no Transfers-In FY23.

The Grants Funds account for resources derived from local, state, and federal grant funding. The following activity resulted in a net decrease in fund balance of \$70 thousand, bringing ending fund balance to \$283 thousand. Revenues totaled \$1.1 million, a decrease of \$10.7 million from the prior fiscal year. Expenses totaled \$1.0 million, a decrease of \$10.7 million from the prior fiscal year. Transfers-Out totaled \$105 thousand in FY23, compared to no Transfers-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 \$11.8 million, bringing ending fund balance to \$45.6 million. Revenues totaled \$14.7 million, an increase of \$6.8 million from the prior fiscal year. Expenses totaled \$12.3 million, an increase of \$9.6 million from the prior fiscal year. Transfers-In totaled \$8.2 million in FY23, compared to Transfers-Out of \$83 in the prior fiscal 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 \$7.4 million, bringing ending fund balance to \$35.2 million. Revenues totaled \$14.2 million, an increase of \$7.6 million from the prior fiscal year. Expenses totaled \$6.8 million, an increase of \$1.1 million from the prior fiscal year. There were no Net Transfers-In or Out in FY23.

All nonmajor governmental funds are combined into Nonmajor Governmental Funds. The following activity resulted in a net increase in fund balance of \$72 thousand, bringing ending fund balance to \$7.9 million. Revenues totaled \$6.7 million, a decrease of \$474 thousand from the prior fiscal year. Expenses totaled \$11.1 million, an increase of \$455 thousand from the prior fiscal year. Net Transfers-In totaled \$4.6 million in FY23, compared to \$4.9 million in the prior fiscal year.

### Proprietary Funds

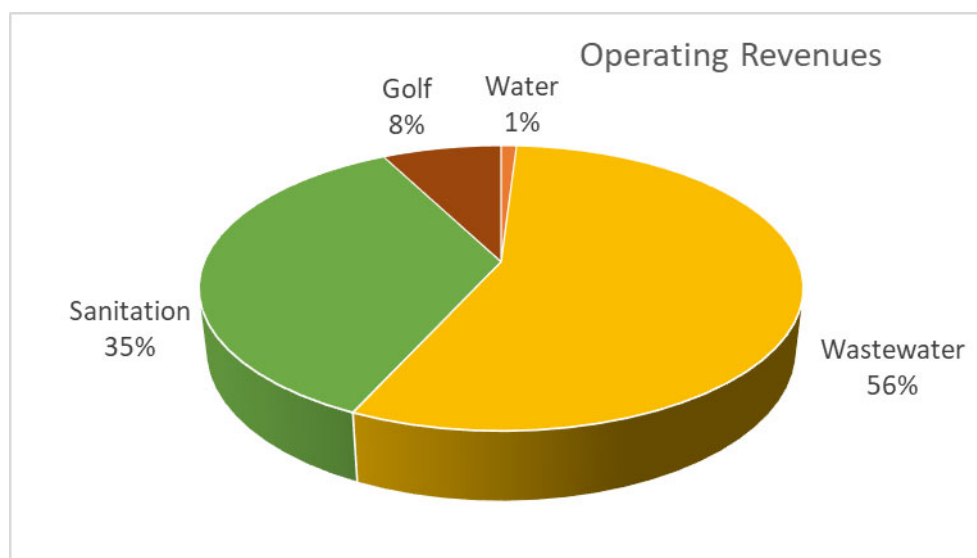
The proprietary funds financial statements are prepared on the same accounting basis and measurement focus as the government-wide financial statements but provide additional detail since each enterprise fund is shown individually on the fund statement. In addition to the enterprise funds, the proprietary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

Consolidated net position of the City's enterprise funds totaled \$114.3 million, an increase of \$20.6 million from the prior year. The change in net position was based on the following activity.

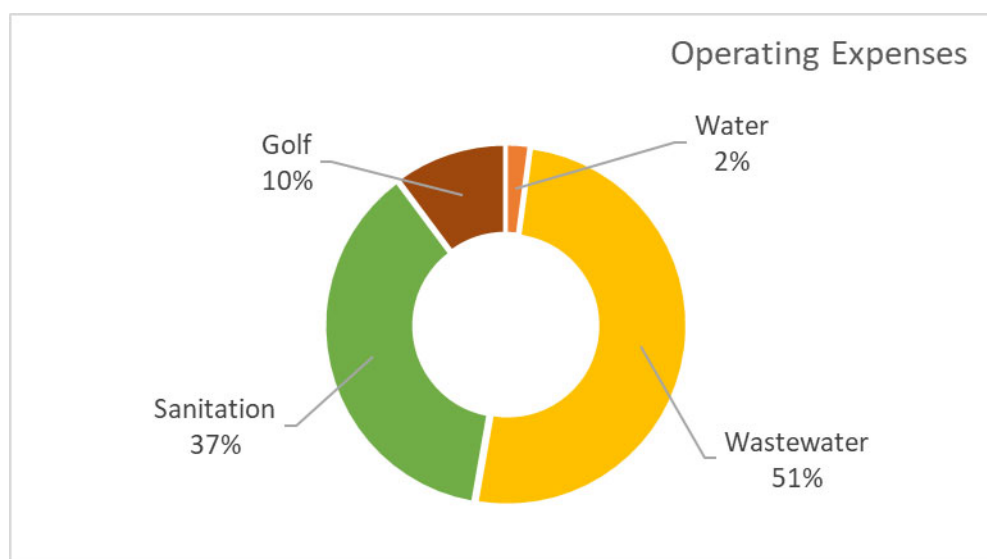
Consolidated revenues totaled \$24.1 million, an increase of \$2.3 million from the prior year. The chart below illustrates the percentage of revenues that each business-type activity contributed to consolidated revenues. Water, Wastewater, Sanitation, and Golf Course revenues totaled \$236 thousand, \$13.4 million, \$8.6 million and \$1.8 million, respectively.

## City of Casa Grande, Arizona

Management's Discussion and Analysis  
June 30, 2023



Consolidated operating expenses totaled \$18.1 million, an increase of \$1.7 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 \$380 thousand, \$9.2 million, \$6.7 million and \$1.8 million, respectively.



Consolidated operating income totaled \$6 million. Water, Wastewater, Sanitation, and Golf Course net operating income (loss) totaled (\$144 thousand), \$4.3 million, \$1.9 million and (\$6 thousand), respectively.

After nonoperating revenues and (expenses) of \$264 thousand, developer fees of \$4.2 million and Transfers-In of \$10.1 million, the total change in net position totaled \$20.6 million.

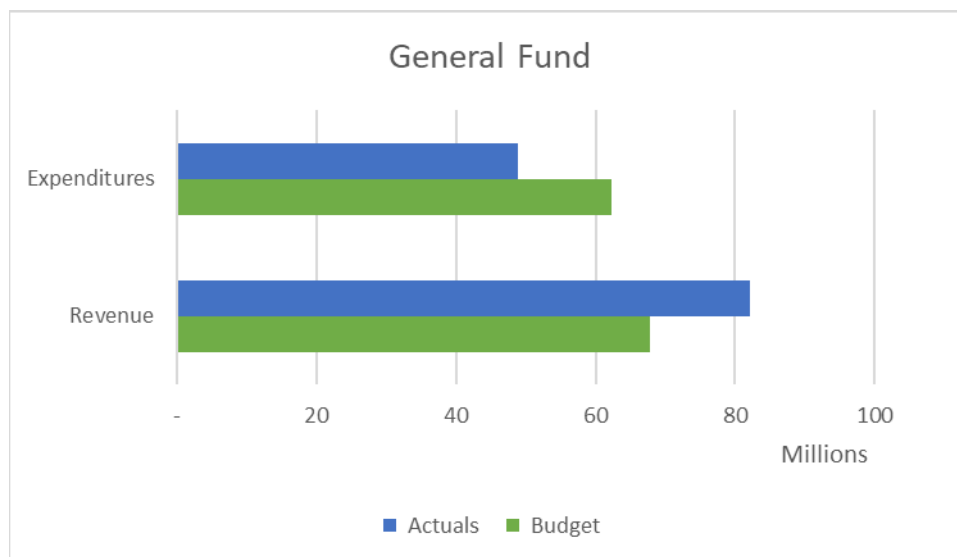
### Budgetary Highlights

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 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 \$254 million during fiscal year 2023, compared to the Economic Estimates Commission Expenditure Limitation of \$248 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 \$82.1 million were \$14.3 million more than the estimated \$67.8 million of budgeted General Fund revenues. Actual General Fund expenses of \$48.9 million were \$13.3 million less than budgeted expenditures of \$62.2 million.



# City of Casa Grande, Arizona

## Management's Discussion and Analysis

June 30, 2023

### Capital Assets and Debt Administration

#### Capital Assets

As of June 30, 2023, the City had \$267.4 million invested in various capital assets, net of accumulated depreciation. Of this amount, \$174.5 million (65%) is invested in Governmental Activities and \$92.9 million (35%) is invested in Business-Type Activities.

The table below provides a breakdown of the capital asset balances net of accumulated depreciation at June 30, 2023. Additional information on the City's capital assets may be found in Note 7 Capital Assets.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land and construction in progress	\$ 40,984	\$ 29,261	\$ 12,705	\$ 5,080	\$ 53,689	\$ 34,341
Building and improvements	118,466	121,501	72,153	74,590	190,619	196,091
Heavy machinery and equipment	11,023	11,222	8,004	6,426	19,027	17,648
Right-to-use assets:						
Buildings, leases	-	-	-	-	-	-
Improvements, leases	2,601	2,765	-	-	2,601	2,765
Subscription arrangements	1,506	-	-	-	1,506	-
Total	<u>\$ 174,580</u>	<u>\$ 164,749</u>	<u>\$ 92,862</u>	<u>\$ 86,096</u>	<u>\$ 267,442</u>	<u>\$ 250,845</u>

#### Long-Term Debt

The City's outstanding long-term debt, including bonds, leases, subscriptions, compensated absences, excise tax revenue bonds, net pension liabilities, notes and post closure costs, was \$160.7 million at June 30, 2023, with \$11.7 million due within one year. Of this total, \$8.1 million was in Governmental Activities and \$3.6 million was in Business-Type Activities. Of the outstanding debt, \$68.7 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, 2023. Further details can be found in Notes 10 through Note 16.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 30,235	\$ 31,770	\$ -	\$ -	\$ 30,235	\$ 31,770
Subscription payable	1,227	-	-	-	1,227	-
Leases payable	4,684	4,149	-	-	4,684	4,149
Compensated absences	3,615	3,080	351	265	3,966	3,345
Excise tax revenue obligations	68,675	71,635	-	-	68,675	71,635
Bond premium	2,105	2,286	-	-	2,105	2,286
Net pension liability	19,388	64,936	3,471	2,743	22,859	67,679
Notes and loans payable	-	-	22,948	26,280	22,948	26,280
Post closure	-	-	3,972	3,616	3,972	3,616
Total	<u>\$ 129,929</u>	<u>\$ 177,856</u>	<u>\$ 30,742</u>	<u>\$ 32,904</u>	<u>\$ 160,671</u>	<u>\$ 210,760</u>

### **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 66,636. The unemployment rate in Casa Grande (Pinal County) has improved from 9.1% in FY2013 to 5% in FY2023. In FY2023, 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 and opened include Freddy's Frozen Custard and Steakburgers, Coldstone Creamery, Quik Trip, Barro's Pizzeria, Su Casa Grande Mexican Grill and Cantina, and Home Goods. Industrial and manufacturing projects underway or announced include NRS Logistics, KV Casa Grande, The Confluence, EFP, FrameTec and Ecobat. These companies represent upwards of 1,000 new jobs and help to further diversify our economy and assist with attracting additional companies to Casa Grande.

The housing market is still strong with 474 new single-family building permits issued in fiscal year 2023. 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. During the fiscal year, the City received applications for the construction of 434 Build to Rent single-family homes and 676 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, Arizona 85122 or send an e-mail to <mailto:finance@casagrandeaz.gov>. Copies of this report and other financial information can also be found on the city's website [www.casagrandeaz.gov](http://www.casagrandeaz.gov).

# Financial Section

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## 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.

**Fiduciary Funds Financial Statements** - Include the Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position that use the accrual basis of accounting for financial reporting.

**Notes to the Financial Statements**





**City of Casa Grande, Arizona**
**Statement of Net Position**

June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash	\$ 83,853,471	\$ 29,860,011	\$ 113,713,482
Investments	119,072,922	17,618,702	136,691,624
Receivables, net	3,103,758	3,023,820	6,127,578
Lease receivables	1,374,566	-	1,374,566
Internal balances	183,164	(183,164)	-
Due from other governments	11,752,734	-	11,752,734
Inventories	596,649	84,728	681,377
Prepays	1,987,156	8,000	1,995,156
Restricted cash and cash equivalents	2,725,055	4,935,049	7,660,104
Capital assets, not being depreciated/amortized	40,983,897	12,705,351	53,689,248
Capital assets, being depreciated/amortized, net	133,596,205	80,156,647	213,752,852
Total assets	399,229,577	148,209,144	547,438,721
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources related to pensions	14,415,596	549,259	14,964,855
Deferred amount on refunding	1,532,834	-	1,532,834
Total deferred outflows of resources	15,948,430	549,259	16,497,689
<b>Liabilities</b>			
Accounts payable and other current liabilities	7,294,873	2,579,402	9,874,275
Retainages payable	91,811	-	91,811
Deposits held	1,662,179	615,500	2,277,679
Accrued wages and benefits	1,448,276	156,122	1,604,398
Accrued interest payable	830,449	231,137	1,061,586
Unearned revenue	136,933	-	136,933
Noncurrent liabilities:			
Due within one year:			
Compensated absences	1,626,533	158,020	1,784,553
Subscription payable	573,216	-	573,216
Leases payable	495,666	-	495,666
Notes/loans payable	-	3,468,435	3,468,435
Excise tax revenue obligations	3,715,000	-	3,715,000
Bonds payable	1,635,000	-	1,635,000
Due in more than one year:			
Compensated absences	1,988,724	193,135	2,181,859
Subscription payable	653,355	-	653,355
Leases payable	3,187,925	-	3,187,925
Notes/loans payable	-	19,479,850	19,479,850
Excise tax revenue obligations	64,960,000	-	64,960,000
Bonds payable	30,704,577	-	30,704,577
Closure and postclosure liability	-	3,972,310	3,972,310
Net pension liability	19,388,438	3,470,896	22,859,334
Total liabilities	140,392,955	34,324,807	174,717,762
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources related to pensions	1,021,137	122,555	1,143,692
Deferred inflows of resources related to leases	1,352,306	-	1,352,306
Total deferred inflows of resources	2,373,443	122,555	2,495,998
<b>Net Position</b>			
Net investment in capital assets	130,561,386	69,913,713	200,475,099
Restricted for:			
Highways and streets	13,842,759	-	13,842,759
Grant purposes	283,340	-	283,340
Community development	254,419	-	254,419
Public safety purposes	519,893	-	519,893
Debt service	3,159,139	4,935,049	8,094,188
Capital projects	72,258,059	19,460,262	91,718,321
Unrestricted	51,532,614	20,002,017	71,534,631
Total net position	\$ 272,411,609	\$ 114,311,041	\$ 386,722,650

See notes to financial statements

**City of Casa Grande, Arizona**

Statement of Activities

Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary Government</b>							
Governmental activities:							
General government	\$ 11,763,795	\$ 289,754	\$ 1,088,064	\$ 631,789	\$ (9,754,188)	\$ -	\$ (9,754,188)
Public safety	36,103,269	1,174,294	1,333,855	4,199,388	(29,395,732)	-	(29,395,732)
Streets/transportation	5,321,190	-	5,356,930	-	35,740	-	35,740
Public works	8,933,147	730,105	-	-	(8,203,042)	-	(8,203,042)
Culture and recreation	11,305,153	1,717,695	352,360	2,319,945	(6,915,153)	-	(6,915,153)
Economic development	5,885,104	6,394,027	856,491	6,580,077	7,945,491	-	7,945,491
Interest on long-term debt	2,648,668	-	-	-	(2,648,668)	-	(2,648,668)
Total governmental activities	81,960,326	10,305,875	8,987,700	13,731,199	(48,935,552)	-	(48,935,552)
Business-type activities:							
Water	380,454	236,236	-	-	-	(144,218)	(144,218)
Wastewater	10,188,646	13,447,311	1,403,498	4,204,285	-	8,866,448	8,866,448
Sanitation	7,089,753	8,570,230	-	-	-	1,480,477	1,480,477
Golf course	1,841,425	1,834,564	-	-	-	(6,861)	(6,861)
Total business-type activities	19,500,278	24,088,341	1,403,498	4,204,285	-	10,195,846	10,195,846
Total primary government	\$ 101,460,604	\$ 34,394,216	\$ 10,391,198	\$ 17,935,484	(48,935,552)	10,195,846	(38,739,706)
<b>General Revenues</b>							
					6,823,496	-	6,823,496
					57,180,180	29,268	57,209,448
					2,917,682	-	2,917,682
					Shared revenues, unrestricted:		
					8,529,119	-	8,529,119
					10,945,590	-	10,945,590
					4,273,816	-	4,273,816
					Investment income:		
					4,548,705	244,213	4,792,918
					266,428	-	266,428
					337,360	-	337,360
					(10,105,000)	10,105,000	-
				Total general revenues and transfers	85,717,376	10,378,481	96,095,857
				Change in net position	36,781,824	20,574,327	57,356,151
				<b>Net Position, Beginning</b>	235,629,785	93,736,714	329,366,499
				<b>Net Position, Ending</b>	\$ 272,411,609	\$ 114,311,041	\$ 386,722,650

See notes to financial statements

# **Financial Section**

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## **Governmental Funds Financial Statements**



**City of Casa Grande, Arizona**

## Balance Sheet - Governmental Funds

June 30, 2023

	General	Highway Users	Grants	Capital Replacement/ Recreation/ Development	Development Impact Fee Funds	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>							
<b>Assets</b>							
Cash and cash equivalents	\$ 26,656,344	\$ 6,076,422	\$ 180,725	\$ 16,528,909	\$ 27,587,608	\$ 5,944,947	\$ 82,974,955
Investments	73,622,016	8,674,960	-	25,613,865	8,914,528	2,247,553	119,072,922
Accounts receivable, net	1,239,798	-	-	-	-	1,853,287	3,093,085
Lease receivables	1,004,480	-	-	-	-	370,086	1,374,566
Due from other governments	7,156,028	1,361,839	216,243	2,821,917	-	196,707	11,752,734
Due from other funds	1,785,809	-	-	-	-	-	1,785,809
Inventories	-	-	-	-	-	50,439	50,439
Prepays	381,007	-	-	1,606,149	-	-	1,987,156
Restricted assets, cash and cash equivalents	1,568,371	-	-	-	-	1,156,684	2,725,055
Advances to other funds	1,010,434	-	-	-	-	-	1,010,434
Total assets	<u>\$ 114,424,287</u>	<u>\$ 16,113,221</u>	<u>\$ 396,968</u>	<u>\$ 46,570,840</u>	<u>\$ 36,502,136</u>	<u>\$ 11,819,703</u>	<u>\$ 225,827,155</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and other current liabilities	\$ 3,784,813	\$ 1,206,467	\$ 9,355	\$ 360,427	\$ 1,306,121	\$ 98,860	\$ 6,766,043
Retainages payable	91,811	-	-	-	-	-	91,811
Deposits held	1,655,703	-	-	-	-	6,477	1,662,180
Accrued wages and benefits	1,303,842	53,561	31,030	-	-	20,485	1,408,918
Due to other funds	-	-	-	-	-	1,602,645	1,602,645
Unearned revenue	-	-	-	136,933	-	-	136,933
Advance from other funds	-	1,010,434	-	-	-	-	1,010,434
Total liabilities	<u>6,836,169</u>	<u>2,270,462</u>	<u>40,385</u>	<u>497,360</u>	<u>1,306,121</u>	<u>1,728,467</u>	<u>12,678,964</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	431,549	-	73,243	500,000	-	1,798,768	2,803,560
Leases	981,173	-	-	-	-	371,133	1,352,306
Total deferred inflows of resources	<u>1,412,722</u>	<u>-</u>	<u>73,243</u>	<u>500,000</u>	<u>-</u>	<u>2,169,901</u>	<u>4,155,866</u>
<b>Fund Balances</b>							
Nonspendable	1,391,441	-	-	1,606,149	-	-	2,997,590
Restricted	-	13,842,759	283,340	35,158,464	35,196,015	5,837,031	90,317,609
Committed	12,795,781	-	-	-	-	3,423,975	16,219,756
Assigned	16,913,296	-	-	8,808,867	-	-	25,722,163
Unassigned	75,074,878	-	-	-	-	(1,339,671)	73,735,207
Total fund balances	<u>106,175,396</u>	<u>13,842,759</u>	<u>283,340</u>	<u>45,573,480</u>	<u>35,196,015</u>	<u>7,921,335</u>	<u>208,992,325</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 114,424,287</u>	<u>\$ 16,113,221</u>	<u>\$ 396,968</u>	<u>\$ 46,570,840</u>	<u>\$ 36,502,136</u>	<u>\$ 11,819,703</u>	<u>\$ 225,827,155</u>

See notes to financial statements

**City of Casa Grande, Arizona**

Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds  
June 30, 2023

**Fund Balance, Total Governmental Funds Balance Sheet****\$ 208,992,325**

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	\$ 454,080,293	
Governmental right-to-use lease and subscription assets	8,986,739	
Less accumulated depreciation/amortization	(289,104,668)	
Internal service capital assets	953,313	
Less internal service accumulated depreciation/amortization	<u>(335,575)</u>	174,580,102

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	(3,529,849)	
Subscription-based information technology arrangements	(1,226,571)	
Leases	(3,683,591)	
Bonds payable	(98,910,000)	
Bond discounts/premiums	(2,104,577)	
Net pension liability	<u>(18,508,888)</u>	(127,963,476)

Delayed revenue is shown on the governmental funds, but is not on the statement of net position:

Grants and other revenue	2,596,644	
Property tax	<u>206,916</u>	2,803,560

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	1,532,834	
Deferred outflows of resources related to pensions	14,283,754	
Deferred inflows of resources related to pensions	<u>(998,323)</u>	14,818,265

Interest payable on long-term debt is not reported in the governmental funds.

(830,449)

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>11,282</u>
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**Net Position of Governmental Activities, Statement of Net Position****\$ 272,411,609**

**City of Casa Grande, Arizona**

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2023

	General	Highway Users	Grants	Capital Replacement/ Recreation/ Development	Development Impact Fee Funds	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes:							
Property taxes	\$ 4,730,750	\$ -	\$ -	\$ -	\$ -	\$ 2,333,185	\$ 7,063,935
City sales tax	37,750,148	-	-	14,289,042	-	820,870	52,860,060
Franchise tax	2,917,682	-	-	-	-	-	2,917,682
Licenses and permits	3,396,365	-	-	-	-	-	3,396,365
Intergovernmental revenues	23,781,328	10,086,108	1,008,080	83,517	487,295	1,549,986	36,996,314
Charges for services	4,223,952	-	76,054	-	13,487,348	1,279,180	19,066,534
Fines	641,342	-	-	-	-	-	641,342
Investment earnings:							
Interest earnings	3,951,263	79,067	-	233,510	186,849	98,016	4,548,705
Contributions and donations	95,058	-	-	-	-	-	95,058
Rental and sale of city property	467,716	-	-	-	-	532,430	1,000,146
Miscellaneous	188,524	-	-	131,522	-	47,161	367,207
Total revenues	82,144,128	10,165,175	1,084,134	14,737,591	14,161,492	6,660,828	128,953,348
<b>Expenditures</b>							
Current:							
General government	9,188,867	-	106,378	7,500	38,994	450,479	9,792,218
Public safety	27,317,807	-	850,868	-	-	123,582	28,292,257
Streets/transportation	-	4,857,138	-	-	-	-	4,857,138
Public works	1,238,917	-	-	-	-	-	1,238,917
Culture and recreation	7,785,599	-	84,777	123,583	-	644,672	8,638,631
Planning and economic development	2,864,406	-	6,763	-	-	2,081,451	4,952,620
Capital outlay	227,401	5,392,845	-	11,795,338	6,763,554	186,128	24,365,266
Debt service:							
Principal	247,475	-	-	403,272	-	4,960,646	5,611,393
Interest and fiscal charges	96	21,382	-	-	-	2,698,785	2,720,263
Total expenditures	48,870,568	10,271,365	1,048,786	12,329,693	6,802,548	11,145,743	90,468,703
Excess (deficiency) of revenues over (under) expenditures	33,273,560	(106,190)	35,348	2,407,898	7,358,944	(4,484,915)	38,484,645
<b>Other Financing Sources (Uses)</b>							
Subscription payables issued	698,534	-	-	1,178,785	-	-	1,877,319
Transfers in	414,387	-	-	8,164,299	-	4,971,006	13,549,692
Transfers out	(23,961,305)	-	(105,000)	-	-	(414,387)	(24,480,692)
Total other financing sources (uses)	(22,848,384)	-	(105,000)	9,343,084	-	4,556,619	(9,053,681)
Net change in fund balances	10,425,176	(106,190)	(69,652)	11,750,982	7,358,944	71,704	29,430,964
<b>Fund Balances, Beginning</b>	95,750,220	13,948,949	352,992	33,822,498	27,837,071	7,849,631	179,561,361
<b>Fund Balances, Ending</b>	\$ 106,175,396	\$ 13,842,759	\$ 283,340	\$ 45,573,480	\$ 35,196,015	\$ 7,921,335	\$ 208,992,325

See notes to financial statements

## 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, 2023

**Net Change in Fund Balances - Total Governmental Funds** **\$ 29,430,964**

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	\$ 25,142,771	
Less current year depreciation/amortization	<u>(15,563,800)</u>	9,578,971

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	(20,930)
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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	(106,198)
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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	2,861,543	
Pension expense	<u>(7,794,686)</u>	(4,933,143)

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:

Subscription payable proceeds	(1,877,319)	
Bond payments	4,495,000	
Amortization of bond discount/premium	181,100	
Deferred amount on refunding	(159,602)	
Subscription payments	650,747	
Lease payments	<u>465,646</u>	3,755,572

The internal service fund net revenue is reported with governmental activities.	(445,051)
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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	(528,808)	
Interest expense on long-term debt	<u>50,447</u>	<u>(478,361)</u>

**Change in Net Position of Governmental Activities** **\$ 36,781,824**



# **Financial Section**

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## **Proprietary Fund Financial Statements**



**City of Casa Grande, Arizona**

Statement of Net Position - Proprietary Funds  
June 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Wastewater	Sanitation	Golf Course	Total	
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ -	\$ 23,800,025	\$ 4,854,592	\$ 1,205,394	\$ 29,860,011	\$ 878,516
Investments	-	9,144,625	8,474,077	-	17,618,702	-
Receivables, net	35,217	1,763,849	1,204,754	20,000	3,023,820	10,674
Restricted assets, cash and cash equivalents	-	4,935,049	-	-	4,935,049	-
Prepaid expense	-	-	-	8,000	8,000	-
Inventories	-	-	44,181	40,547	84,728	546,210
Total current assets	35,217	39,643,548	14,577,604	1,273,941	55,530,310	1,435,400
Noncurrent assets:						
Capital assets, not being depreciated/amortized	125,000	12,293,243	-	287,108	12,705,351	-
Capital assets, being depreciated/amortized, net	146,830	71,454,700	7,475,782	1,079,335	80,156,647	617,738
Total noncurrent assets	271,830	83,747,943	7,475,782	1,366,443	92,861,998	617,738
Total assets	307,047	123,391,491	22,053,386	2,640,384	148,392,308	2,053,138
<b>Deferred Outflows of Resources</b>						
Deferred outflows of resources related to pensions	12,196	152,690	363,078	21,295	549,259	131,842
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	12,409	2,360,115	136,373	70,505	2,579,402	528,830
Deposits held	9,475	304,277	301,748	-	615,500	-
Accrued wages and benefits	3,989	45,770	93,156	13,207	156,122	39,358
Accrued interest payable	-	231,137	-	-	231,137	-
Due to other funds	183,164	-	-	-	183,164	-
Compensated absences	-	44,806	102,168	11,046	158,020	38,434
Notes/loans payable	-	3,468,435	-	-	3,468,435	-
Total current liabilities	209,037	6,454,540	633,445	94,758	7,391,780	606,622
Noncurrent liabilities:						
Compensated absences	-	54,762	124,872	13,501	193,135	46,974
Notes/loans payable	-	19,479,850	-	-	19,479,850	-
Closure and postclosure liability	-	-	3,972,310	-	3,972,310	-
Net pension liability	50,894	1,018,016	2,260,690	141,296	3,470,896	879,550
Total noncurrent liabilities	50,894	20,552,628	6,357,872	154,797	27,116,191	926,524
Total liabilities	259,931	27,007,168	6,991,317	249,555	34,507,971	1,533,146
<b>Deferred Inflows of Resources</b>						
Deferred inflows of resources related to pensions	3,769	41,223	77,563	-	122,555	22,814
<b>Net Position</b>						
Net investment in capital assets	271,830	60,799,658	7,475,782	1,366,443	69,913,713	617,738
Restricted for:						
Debt service	-	4,935,049	-	-	4,935,049	-
Capital projects	-	19,460,262	-	-	19,460,262	-
Unrestricted	(216,287)	11,300,821	7,871,802	1,045,681	20,002,017	11,282
Total net position	\$ 55,543	\$ 96,495,790	\$ 15,347,584	\$ 2,412,124	\$ 114,311,041	\$ 629,020

See notes to financial statements

# City of Casa Grande, Arizona

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Wastewater	Sanitation	Golf Course	Total	
<b>Operating Revenues</b>						
Service fees	\$ 236,236	\$ 13,441,273	\$ 8,559,738	\$ 375,934	\$ 22,613,181	\$ 3,922,541
Rental	-	-	-	328,139	328,139	-
Green fees	-	-	-	1,130,491	1,130,491	-
Miscellaneous	-	6,038	10,492	-	16,530	367,402
Total operating revenues	236,236	13,447,311	8,570,230	1,834,564	24,088,341	4,289,943
<b>Operating Expenses</b>						
Personal services	97,183	1,217,751	2,725,867	326,870	4,367,671	1,145,398
Contractual services	193,053	2,956,444	1,436,884	1,073,527	5,659,908	2,609,729
Materials and supplies	47,887	1,394,229	1,173,358	253,833	2,869,307	1,783,800
Depreciation	42,331	3,488,488	1,010,021	187,145	4,727,985	22,067
Closure and postclosure costs	-	-	356,123	-	356,123	-
Other expenses	-	106,469	-	50	106,519	-
Total operating expenses	380,454	9,163,381	6,702,253	1,841,425	18,087,513	5,560,994
Operating income (loss)	(144,218)	4,283,930	1,867,977	(6,861)	6,000,828	(1,271,051)
<b>Nonoperating Revenues (Expense)</b>						
Investment income:						
Interest earnings	-	155,842	88,371	-	244,213	-
Interest expense	-	(1,025,265)	-	-	(1,025,265)	-
City sales tax	-	-	-	29,268	29,268	-
Intergovernmental grant revenues	-	1,403,498	-	-	1,403,498	-
Gain (loss) on sale of equipment	-	-	(387,500)	-	(387,500)	-
Total nonoperating revenues (expense)	-	534,075	(299,129)	29,268	264,214	-
Income (loss) before developer fees and transfers	(144,218)	4,818,005	1,568,848	22,407	6,265,042	(1,271,051)
<b>Developer Fees</b>	-	4,204,285	-	-	4,204,285	-
<b>Transfers in</b>	-	10,000,000	-	105,000	10,105,000	826,000
Change in net position	(144,218)	19,022,290	1,568,848	127,407	20,574,327	(445,051)
<b>Net Position, Beginning</b>	199,761	77,473,500	13,778,736	2,284,717	93,736,714	1,074,071
<b>Net Position, Ending</b>	\$ 55,543	\$ 96,495,790	\$ 15,347,584	\$ 2,412,124	\$ 114,311,041	\$ 629,020

See notes to financial statements

# City of Casa Grande, Arizona

Statement of Cash Flows - Proprietary Funds  
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Wastewater	Sanitation	Golf Course	Total	
<b>Cash Flows From Operating Activities</b>						
Receipts from customers and users	\$ 237,835	\$ 12,190,256	\$ 8,537,196	\$ 1,835,948	\$ 22,801,235	\$ 4,287,428
Receipt (payments) from/to other funds	107,278	-	-	-	107,278	-
Payments to suppliers	(241,775)	(2,832,471)	(2,686,810)	(1,306,596)	(7,067,652)	(4,075,740)
Payments to employees	(103,338)	(1,190,608)	(2,635,228)	(321,452)	(4,250,626)	(1,127,203)
Net cash provided by (used in) operating activities	-	8,167,177	3,215,158	207,900	11,590,235	(915,515)
<b>Cash Flows From Noncapital Financing Activities</b>						
Proceeds from intergovernmental grant revenue	-	1,403,498	-	-	1,403,498	-
Proceeds from city sales tax	-	-	-	29,268	29,268	-
Transfers from other funds	-	10,000,000	-	105,000	10,105,000	826,000
Net cash provided by (used in) noncapital financing activities	-	11,403,498	-	134,268	11,537,766	826,000
<b>Cash Flows From Capital and Related Financing Activities</b>						
Purchases of capital assets	-	(8,251,434)	(3,716,481)	(212,689)	(12,180,604)	(294,813)
Proceeds from sale of capital assets	-	-	300,000	-	300,000	-
Developer contributions	-	4,204,285	-	-	4,204,285	-
Principal paid on capital debt	-	(3,332,141)	-	-	(3,332,141)	-
Interest paid on capital debt	-	(1,058,838)	-	-	(1,058,838)	-
Net cash provided by (used in) capital and related financing activities	-	(8,438,128)	(3,416,481)	(212,689)	(12,067,298)	(294,813)
<b>Cash Flows From Investing Activities</b>						
Purchase of investments	-	-	(76,941)	-	(76,941)	-
Proceeds from sale of investments	-	1,325,659	-	-	1,325,659	-
Interest and dividends received	-	155,842	88,371	-	244,213	-
Net cash provided by (used in) investing activities	-	1,481,501	11,430	-	1,492,931	-
Net increase (decrease) in cash	-	12,614,048	(189,893)	129,479	12,553,634	(384,328)
<b>Cash and Cash Equivalents, Beginning</b>	-	16,121,026	5,044,485	1,075,915	22,241,426	1,262,844
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ -</u>	<u>\$ 28,735,074</u>	<u>\$ 4,854,592</u>	<u>\$ 1,205,394</u>	<u>\$ 34,795,060</u>	<u>\$ 878,516</u>

See notes to financial statements

# City of Casa Grande, Arizona

Statement of Cash Flows - Proprietary Funds  
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Wastewater	Sanitation	Golf Course	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>						
Operating income (loss)	\$ (144,218)	\$ 4,283,930	\$ 1,867,977	\$ (6,861)	\$ 6,000,828	\$ (1,271,051)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Closure and postclosure costs	-	-	356,123	-	356,123	-
Depreciation expense	42,331	3,488,488	1,010,021	187,145	4,727,985	22,067
Provision for bad debt	-	199,533	83,352	-	282,885	-
(Increase) decrease in:						
Accounts receivable	13,574	(146,693)	(208,619)	1,384	(340,354)	(2,515)
Inventory	-	-	27,126	(8,680)	18,446	(27,790)
Deferred outflows of resources related to pensions	(6,396)	56,973	110,039	4,687	165,303	52,285
Increase (decrease) in:						
Accounts payable	(835)	1,624,671	(103,694)	29,494	1,549,636	345,579
Due to other funds	107,278	-	-	-	107,278	-
Deposits held	(11,975)	93,603	92,233	-	173,861	-
Accrued wages	1,072	9,321	15,169	2,626	28,188	5,709
Compensated absences	-	11,460	70,755	3,762	85,977	6,350
Unearned revenue	-	(1,403,498)	-	-	(1,403,498)	-
Net pension liabilities	3,721	226,721	467,034	30,124	727,600	206,729
Deferred inflows of resources related to pensions	(4,552)	(277,332)	(572,358)	(35,781)	(890,023)	(252,878)
Total adjustments	144,218	3,883,247	1,347,181	214,761	5,589,407	355,536
Net cash provided by (used in) operating activities	\$ -	\$ 8,167,177	\$ 3,215,158	\$ 207,900	\$ 11,590,235	\$ (915,515)
<b>Schedule of Noncash Investing, Capital and Financing Activities</b>						
Loss on disposal of assets	\$ -	\$ -	\$ 687,500	\$ -	\$ 687,500	\$ -
<b>Reconciliation of Cash, Cash Equivalents and Investments to the Statement of Net Position</b>						
Cash and cash equivalents	\$ -	\$ 23,800,025	\$ 4,854,592	\$ 1,205,394	\$ 29,860,011	\$ 878,516
Restricted assets, cash and cash equivalents	-	4,935,049	-	-	4,935,049	-
<b>Total cash and cash equivalents</b>	\$ -	\$ 28,735,074	\$ 4,854,592	\$ 1,205,394	\$ 34,795,060	\$ 878,516

See notes to financial statements

# **Financial Section**

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## **Fiduciary Funds**





## City of Casa Grande, Arizona

### Statement of Fiduciary Net Position - Fiduciary Funds

June 30, 2023

	<b>Part-Time Firemen's Pension Trust</b>
<b>Assets</b>	
Cash	\$ 11,338
Investments at fair value:	
Mutual funds	<u>496,669</u>
Total assets	<u>508,007</u>
<b>Liabilities</b>	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
<b>Net Position</b>	
Net position restricted for pensions	<u><u>\$ 508,007</u></u>

See notes to financial statements

## City of Casa Grande, Arizona

### Statement of Changes in Fiduciary Net Position - Fiduciary Funds Year Ended June 30, 2023

	<b>Part-Time Firemen's Pension Trust</b>
<b>Additions</b>	
Investment earnings:	
Interest and dividends	\$ 17,309
Net increase (decrease) in the fair value of investments	52,339
Total additions	69,648
<b>Deductions</b>	
Administrative expenses	9,212
Beneficiary payments to individuals	23,731
Total deductions	32,943
Change in judiciary net position	36,705
<b>Net Position, Beginning</b>	471,302
<b>Net Position, Ending</b>	\$ 508,007

# **Financial Section**

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## **Notes to the Financial Statements**



## 1. Summary of Significant Accounting Policies

The accounting policies and financial reporting practices of City of Casa Grande, Arizona (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.

### 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 Districts' 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.

### 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 nonfiduciary 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.

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.

### **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.

#### **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. Nonoperating 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, 2023, 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.

### **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.

The portion of property tax levies available on June 30, 2023, 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.

### **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 1.
- 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, 2023.
- 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.



### **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.

### **Inventories**

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.

### **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 public private partnerships 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.

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:

	<u>Years</u>
Sewer systems	20 to 50
Street systems	20 to 30
Streetlights and traffic control devices	20
Other improvements and landscaping	15
Vehicles	3 to 15
Equipment	5 to 10
Furniture and fixtures	5 to 10
Computers/software	3

Intangible right-to-use lease assets are amortized over the shorter of the term or the useful life of the underlying asset, unless the lease contains a purchase option that the City is reasonably certain of being exercised—then the lease asset is amortized over the useful life of the underlying asset.

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

### **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 revenue in future periods.

### **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, 2023 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.

### **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, 2023 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 hours 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 hours and 20 hours of vacation per month or 11.2 hours 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 10 years of service to be granted nonvesting sick leave. Employees with 10 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.

## **Leases and Subscription-Based Information Technology Arrangements**

### **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.

### **Subscription-Based Technology Arrangements**

The City recognizes subscription liabilities with an initial, individual value of \$33,000 or more. The City uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The City's estimated incremental borrowing rate is calculated as described above.

### **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.

### **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.

### **Fund Equity**

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

### **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 Nonspendable, Restricted, Committed, Assigned and Unassigned. Nonspendable and Restricted fund balances represent the restricted classifications and Committed, Assigned and Unassigned represent the unrestricted classifications.

Nonspendable 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.

### **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 balance - budget and actual reports found in the required supplementary information and the supplementary information present all of the departments and funds which incurred an excess of expenditures/expenses over appropriations for the year ended June 30, 2023, if any.

### **Change in Accounting Principle**

For the year ended June 30, 2023, the City implemented the provisions of GASB Statement No. 96, *Subscription—Based Information Technology Arrangements*, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. As a result, the City's financial statements have been modified to reflect the implementation of this new standard.

## **2. Cash and Investments**

The carrying amount of the City's cash in bank totaled \$16,013,673 from which \$16,002,335 are City deposits and \$11,338 are fiduciary deposits, and the bank balance for those deposits was \$17,881,513. The City had cash on hand of \$5,955. Federal Depository Insurance covered the City's deposits at June 30, 2023, to the extent of \$500,000. Deposits of \$17,365,046 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 \$257,275 at June 30, 2023

### **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, 2023, the City's funds invested with the State Treasurer totaled \$104,204,796.

The City also holds \$136,438,165 invested with PFM Asset Management, LLC, \$1,156,684 with Zions Bank and \$496,669 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 Financial Statements

June 30, 2023

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Fiduciary Fund</b>	<b>Total</b>
Cash and cash equivalents	\$ 83,853,471	\$ 29,860,011	\$ 11,338	\$ 113,724,820
Investments	119,072,922	17,618,702	496,669	137,188,293
Restricted cash and cash equivalents	2,725,055	4,935,049	-	7,660,104
<b>Total</b>	<b>\$ 205,651,448</b>	<b>\$ 52,413,762</b>	<b>\$ 508,007</b>	<b>\$ 258,573,217</b>

### 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:

<b>Investment Type</b>	<b>Amount</b>	<b>Remaining Maturity (in Months)</b>			
		<b>12 Months or Less</b>	<b>13 to 24 Months</b>	<b>25 to 60 Months</b>	<b>More Than 60 Months</b>
U.S. Treasury notes	\$ 80,076,934	\$ 14,801,650	\$ 27,690,468	\$ 37,584,816	\$ -
Supra-National Agency Bond	1,502,095	743,459	758,636	-	-
Federal agency collateralized mortgage obligations	5,390,411	-	626,980	4,763,431	-
Federal agency notes	5,021,136	-	5,021,136	-	-
Corporate note	36,900,685	957,301	17,099,545	18,843,839	-
Certificate of deposit	6,693,028	2,980,899	1,024,797	2,687,332	-
Money market	2,267,835	2,267,835	-	-	-
Mutual funds	496,669	496,669	-	-	-
State Investment Pool 7 (LGIP)	104,204,796	104,204,796	-	-	-
<b>Total</b>	<b>\$ 242,553,589</b>	<b>\$ 126,452,609</b>	<b>\$ 52,221,562</b>	<b>\$ 63,879,418</b>	<b>\$ -</b>

## City of Casa Grande, Arizona

Notes to Financial Statements

June 30, 2023

### 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.

Investment Type	Rating	Agency	Total
U.S. Treasury notes	AA+	S&P	\$ 80,076,934
Supra-National Agency Bond	AAA	S&P	1,502,095
Federal agency commercial mortgage-backed security	AA+	S&P	5,390,411
Federal agency notes	AA+	S&P	5,021,136
Corporate note	AA	S&P	3,125,881
Corporate note	AA-	S&P	5,195,770
Corporate note	A+	S&P	3,701,492
Corporate note	A	S&P	9,152,782
Corporate note	A-	S&P	12,155,333
Corporate note	BBB+	S&P	3,569,427
Certificate of deposit	AA-	S&P	1,338,245
Certificate of deposit	A+	S&P	1,024,797
Certificate of deposit	A	S&P	1,349,088
Certificate of deposit	A-1	S&P	2,723,623
Certificate of deposit		Unrated	257,275
Money market		Unrated	2,267,835
Mutal funds		Unrated	496,669
State investment Pool 7 (LGIP)		Unrated	104,204,796
			<u>\$ 242,553,589</u>

## City of Casa Grande, Arizona

Notes to Financial Statements

June 30, 2023

### 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, 2023:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Investments by fair value level:				
U.S. Treasury notes	\$ -	\$ 80,076,934	\$ -	\$ 80,076,934
Supra-National Agency Bond	-	1,502,095	-	1,502,095
Federal agency commercial mortgage-back	-	5,390,411	-	5,390,411
Federal agency notes	-	5,021,136	-	5,021,136
Corporate note	-	36,900,685	-	36,900,685
Certificate of deposit	-	6,693,028	-	6,693,028
Money market	2,267,835	-	-	2,267,835
Total investments by fair value level	<u>\$ 2,267,835</u>	<u>\$ 135,584,289</u>	<u>\$ -</u>	<u>137,852,124</u>
External investment pool measured at fair value:				
State Investment Pool 7 (LGIP)				<u>104,204,796</u>
Total investments measured at fair value				<u>104,204,796</u>
Investments measured at amortized costs:				
Mutual funds				<u>496,669</u>
Total investments measured at amortized costs				<u>496,669</u>
Total investments				<u>\$ 242,553,589</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 Financial Statements

June 30, 2023

### 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:

	Reported Amount	Concentration
2023 issuer:		%
U.S. Treasury notes	\$ 80,076,934	33.0
Supra-National Agency Bond	1,502,095	0.6
Federal agency commercial mortgage-back	5,390,411	2.2
Federal agency notes	5,021,136	2.1
Corporate note	36,900,685	15.2
Certificate of deposit	6,693,028	2.8
Money market	2,267,835	0.9
Mutual funds	496,669	0.2
State Investment Pool 7 (LGIP)	104,204,796	43.0
Total	\$ 242,553,589	100.0 %

### 3. Cash With Fiscal Agent/Restricted Investments

The City has restricted the following for the General Fund:

	Description of Designated Restriction	Balance at June 30, 2023
General Fund	Infrastructure	\$ 1,568,371

The City has restricted the following for the Excise Bonds Fund:

	Description of Designated Restriction	Balance at June 30, 2023
Debt Service	Excise Tax	\$ 925,959

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

	Description of Designated Restriction	Balance at June 30, 2023
Capital, CFD	Infrastructure	\$ 230,725

The City has restricted the following for capital infrastructure in the Wastewater Fund:

	Description of Designated Restriction	Balance at June 30, 2023
Debt Service	WIFA	\$ 4,935,049

## City of Casa Grande, Arizona

### Notes to Financial Statements

June 30, 2023

#### 4. Receivables

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

	General	Highway User	Grants	Capital Replacement/ Recreation/ Development	Nonmajor Governmental Funds	Total Governmental Funds
Receivables:						
Intergovernmental	\$ 7,156,028	\$ 1,361,839	\$ 216,243	\$ 2,821,917	\$ 196,707	\$ 11,752,734
Leases	1,004,480	-	-	-	370,086	1,374,566
Accounts	1,239,798	-	-	-	1,853,287	3,093,085
	9,400,306	1,361,839	216,243	2,821,917	2,420,080	16,220,385
Less allowances	-	-	-	-	-	-
Total receivables	<u>\$ 9,400,306</u>	<u>\$ 1,361,839</u>	<u>\$ 216,243</u>	<u>\$ 2,821,917</u>	<u>\$ 2,420,080</u>	<u>\$ 16,220,385</u>

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

	Water	Wastewater	Sanitation	Golf Course	Internal Service Funds	Total
Receivables:						
Accounts	\$ 35,217	\$ 6,800,522	\$ 4,493,361	\$ 20,000	\$ 10,674	\$ 11,359,774
Less allowance	-	(5,036,673)	(3,288,607)	-	-	(8,325,280)
Net receivables	<u>\$ 35,217</u>	<u>\$ 1,763,849</u>	<u>\$ 1,204,754</u>	<u>\$ 20,000</u>	<u>\$ 10,674</u>	<u>\$ 3,034,494</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	\$ 199,533
Uncollectibles related to sanitation	<u>83,352</u>
Total uncollectibles for the current year	<u>\$ 282,885</u>

**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, 2023, these loans outstanding totaled \$187,933 and an interest receivable balance of \$15,404 for a total outstanding of \$203,337 included in the nonmajor funds accounts receivable balance on the Governmental Funds balance sheet.

**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 2022-2023 maximum primary levy limit was \$5,450,785. The primary tax levy was \$4,553,224. The City's secondary tax levy was \$1,885,404.

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, 2023 are \$190,427 and \$206,916, respectively.

## City of Casa Grande, Arizona

### Notes to Financial Statements

June 30, 2023

## 7. Capital Assets

A summary of capital assets activity for the fiscal year ended June 30, 2023 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 21,422,976	\$ -	\$ (4,934)	\$ 21,418,042
Construction in progress	7,837,535	20,346,855	(8,618,535)	19,565,855
Total capital assets, being depreciated/amortized	29,260,511	20,346,855	(8,623,469)	40,983,897
Capital assets, being depreciated/amortized:				
Buildings	93,293,760	1,066,679	-	94,360,439
Improvements	265,985,559	8,417,816	-	274,403,375
Heavy machinery and equipment	43,109,313	2,347,452	(170,870)	45,285,895
Right-to-use assets:				
Leases, buildings	2,774,321	-	-	2,774,321
Leases, improvement	4,335,100	-	-	4,335,100
Subscription arrangements	-	1,877,318	-	1,877,318
Total capital assets, being depreciated/amortized	409,498,053	13,709,265	(170,870)	423,036,448
Less accumulated depreciation/amortization for:				
Buildings	(40,937,904)	(2,231,619)	-	(43,169,523)
Improvements	(196,840,071)	(10,288,524)	-	(207,128,595)
Heavy machinery and equipment	(31,887,344)	(2,530,004)	154,874	(34,262,474)
Right-to-use assets:				
Buildings	(2,774,321)	-	-	(2,774,321)
Improvements	(1,569,607)	(164,818)	-	(1,734,425)
Subscription arrangements	-	(370,905)	-	(370,905)
Total accumulated depreciation/amortization	(274,009,247)	(15,585,870)	154,874	(289,440,243)
Total capital assets, being depreciated/amortized, net	135,488,806	(1,876,605)	(15,996)	133,596,205
Governmental activities capital assets, net	\$ 164,749,317	\$ 18,470,250	\$ (8,639,465)	\$ 174,580,102

# City of Casa Grande, Arizona

## Notes to Financial Statements

June 30, 2023

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
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	738,355	8,418,295	(793,108)	8,363,542
Total capital assets, not being depreciated/ amortized	5,080,164	8,418,295	(793,108)	12,705,351
Capital assets, being depreciated/amortized:				
Buildings and improvements	131,001,191	969,537	-	131,970,728
Machinery and equipment	18,830,511	3,585,880	(1,100,000)	21,316,391
Total capital assets, being depreciated/amortized	149,831,702	4,555,417	(1,100,000)	153,287,119
Less accumulated depreciation/amortization for:				
Buildings and improvements	(56,410,936)	(3,406,903)	-	(59,817,839)
Machinery and equipment	(12,404,051)	(1,321,082)	412,500	(13,312,633)
Total accumulated depreciation/amortization	(68,814,987)	(4,727,985)	412,500	(73,130,472)
Total capital assets, being depreciated/amortized, net	81,016,715	(172,568)	(687,500)	80,156,647
Business-type activities capital assets, net	<u>\$ 86,096,879</u>	<u>\$ 8,245,727</u>	<u>\$ (1,480,608)</u>	<u>\$ 92,861,998</u>

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

Governmental activities:	
General government	\$ 682,646
Public safety	3,471,246
Streets/transportation	631,111
Public works	7,888,558
Culture and recreation	2,472,774
Economic development	417,468
Internal service	22,067
Total depreciation/amortization expense	<u>\$ 15,585,870</u>
Business-type activities:	
Water	\$ 42,331
Wastewater	3,488,488
Sanitation	1,010,021
Golf Course	187,145
Total depreciation/amortization expense	<u>\$ 4,727,985</u>

## City of Casa Grande, Arizona

### Notes to Financial Statements

June 30, 2023

## 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:

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Carrying Value</b>
Governmental activities:			
Right-to-use lease assets:			
Buildings	\$ 2,774,321	\$ (2,774,321)	\$ -
Improvements	4,335,100	(1,734,425)	2,600,675
Total	<u>\$ 7,109,421</u>	<u>\$ (4,508,746)</u>	<u>\$ 2,600,675</u>

The following schedule details minimum lease payments to maturity for the City's leases payable at June 30, 2023:

	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Fiscal years ending June 30:			
2024	\$ 495,666	\$ 135,527	\$ 631,193
2025	523,409	115,916	639,325
2026	552,835	97,551	650,386
2027	582,969	75,799	658,768
2028	457,089	52,854	509,943
2029-2033	1,071,623	101,807	1,173,430
Total	<u>\$ 3,683,591</u>	<u>\$ 579,454</u>	<u>\$ 4,263,045</u>

### 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.

## City of Casa Grande, Arizona

Notes to Financial Statements

June 30, 2023

As of June 30, 2023, the City is reporting the following lease receivables, deferred inflows related to leases, lease revenues and interest revenue:

	Governmental Activities			
	Lease Receivable	Deferred Inflows Related to Leases	Lease Revenue	Lease Interest Revenue
Airport Hangar Leases	\$ 347,933	\$ 349,670	\$ 10,312	\$ 4,250
Building Leases	507,850	493,452	55,565	18,696
Communication Tower Land Lease	518,782	509,184	28,247	13,111
Total	<u>\$ 1,374,565</u>	<u>\$ 1,352,306</u>	<u>\$ 94,124</u>	<u>\$ 36,057</u>

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. The leases are being calculated using an incremental borrowing rate of 3.5%. 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. The leases are being calculated using an incremental borrowing rate of 3.5%. 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. The leases are being calculated using an incremental borrowing rate of 3.5%. Based on the agreement the City will be receiving fixed monthly payments through fiscal year 2029.

The following schedule details future payments due to the City's as of June 30, 2023:

	Governmental Activities		
	Principal	Interest	Total
Fiscal years ending June 30:			
2024	\$ 67,616	\$ 46,995	\$ 114,611
2025	47,078	45,022	92,100
2026	49,310	43,348	92,658
2027	52,317	41,596	93,913
2028	55,307	39,726	95,033
2029-2033	222,462	173,710	396,172
2034-2038	264,056	133,130	397,186
2039-2043	168,916	92,284	261,200
2044-2048	171,990	65,225	237,215
2049-2053	184,420	31,534	215,954
2054-2058	53,518	12,375	65,893
2059-2061	37,575	2,660	40,235
Total	<u>\$ 1,374,565</u>	<u>\$ 727,605</u>	<u>\$ 2,102,170</u>

## City of Casa Grande, Arizona

Notes to Financial Statements  
June 30, 2023

### 9. Pensions

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

At June 30, 2023, the City reported the following aggregate amounts related to pensions for all plans to which it contributes:

	Governmental Activities	Business-Type Activities	Total
Statement of net position and statement of activities:			
Net pension liability	\$ 19,388,438	\$ 3,470,896	\$ 22,859,334
Deferred outflows of resources	14,415,596	549,259	14,964,855
Deferred inflows of resources	1,021,137	122,555	1,143,692
Pension expense	7,895,449	354,645	8,250,094
Total	\$ 42,720,620	\$ 4,497,355	\$ 47,217,975

The City reported \$2,861,543 of pension contributions as expenditures in the governmental fund statements related to all pension plans to which it contributes.

Net OPEB assets/liabilities have not been recorded, or further disclosed, at June 30, 2023 in accordance with GASB Statement 75, due to the relative insignificance to the City's financial statements.

### 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](http://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	30 years, age 55
Final average salary is based on	Highest 36 months of last 120 months	25 years, age 60
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%



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.

### **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, 2023 active ASRS members were required by statute to contribute at the actuarially determined rate of 12.17% (12.03% for retirement and 0.14% 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 12.17% (11.92% for retirement, 0.11% for health insurance premium benefit and 0.14% 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 9.68% (9.62% for retirement and 0.06% 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, 2023, was \$2,007,553.

During fiscal year 2023, the City paid for ASRS pension as follows:

83.5% from the General Fund, 2.3% from the HURF Fund, 0.2% from the Grants Fund, 5.9% from Nonmajor Funds, 0.1% from the Water Fund, 2.3% from the Wastewater Fund, 3.4% from the Sanitation Fund, 0.3% from the Golf Fund and 2.0% from Internal Service Funds.

### **Pension Liability**

At June 30, 2023, the City reported a liability of \$20,820,625 for its proportionate share of the ASRS' net pension liability. The net liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022.

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, 2022. The City's proportion measured as of June 30, 2022, was 0.127563%, which was an increase of 0.000818% from its proportion measured as of June 30, 2021.

## City of Casa Grande, Arizona

Notes to Financial Statements

June 30, 2023

### Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2023, the City recognized pension expense of \$2,024,378. At June 30, 2023, 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	\$ 177,404	\$ -
Changes of assumptions or other inputs	1,033,368	-
Net difference between projected and actual earning on pension plan investments	-	548,435
Changes in proportion and differences between City contributions and proportionate share contributions	80,139	81,498
City contributions subsequent to measurement date	2,007,553	-
Total	<u>\$ 3,298,464</u>	<u>\$ 629,933</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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as expense as follows:

Years ending June 30:

2024	\$ 946,901
2025	(211,507)
2026	(952,213)
2027	877,797
2028	-
Thereafter	-
Total	<u>\$ 660,978</u>

### Actuarial Assumptions

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

ASRS:

Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 20, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9% to 8.4% for pensions
Inflation	2.3%
Permanent benefit increase	Included for pensions 2017 SRA Scale U-MP for pensions and health insurance premium benefit
Mortality rates	2012 GLDT for long-term disability
Recovery rate	N/A
Healthcare cost trend rate	N/A

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020.

## City of Casa Grande, Arizona

Notes to Financial Statements

June 30, 2023

The long-term expected rate of return on ASRS plan investments was determined to be 7.0% 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:

	<b>Target Allocation</b>	<b>Long-Term Expected Geometric Real Rate of Return</b>
Asset class:		
Equity	50 %	3.90 %
Fixed income, credit	20	5.30
Fixed income, interest rate sensitive	10	(0.20)
Real estate	20	6.00
	<u>100 %</u>	
Total	<u>100 %</u>	

### Discount Rate

At June 30, 2022, the discount rate used to measure the ASRS total pension liability was 7.0%. 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.

### 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%, 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%) or 1 percentage point higher (8.0%) than the current rate:

	<b>1% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1% Increase (8.0%)</b>
ASRS:			
City's proportionate share of the net pension liability	\$ 30,720,213	\$ 20,820,625	\$ 12,565,915

### Plan Fiduciary Net Position

Detailed information about the plans' fiduciary net position is available in the separately issued ASRS financial report.

**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](http://www.psprs.com).

**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:

<b>PSPRS Retirement and Disability</b>	<b>Initial Membership Date</b>	
	<b>Before January 1, 2012</b>	<b>On or After January 1, 2012 and Before July 1, 2017</b>
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	
<b>Survivor Benefits</b>		
Retired members	80% 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	

## City of Casa Grande, Arizona

### Notes to Financial Statements

June 30, 2023

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

#### Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the agent plans' benefit terms:

	<b>PSPRS Police</b>	<b>PSPRS Fire</b>
Inactive employees or beneficiaries currently receiving benefits	58	33
Inactive employees entitled to by not yet receiving benefits	18	6
Active employees	47	41
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, 2023, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<b>PSPRS Police</b>	<b>PSPRS Fire</b>
Active members, pension	7.65 - 11.65 %	7.65 - 11.65 %
City:		
Pension	67.28	46.50
Health insurance premium benefit	0.41	0.49

In addition, statute required the City to contribute at the actuarially determined rate of 8% for both Police and 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, 2023, were:

	<b>PSPRS Police</b>	<b>PSPRS Fire</b>
Pension:		
Contributions made	\$ 628,582	\$ 671,956

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

## City of Casa Grande, Arizona

Notes to Financial Statements

June 30, 2023

### Pension Liability

At June 30, 2023, the City reported a PSPRS net pension liabilities for Police of \$1,647,725 and Fire of \$390,984 for a total of \$2,038,709.

The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2022, reflect changes of actuarial assumptions, including decreasing the investment rate of return from 7.3% to 7.2%, changing the wage inflation from 3.5% to a range of 3.0% - 6.25%, and increasing the cost-of-living adjustment from 1.75% to 1.85%.

### Actuarial Assumptions

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

#### PSPRS:

Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.0% for pensions
Price inflation	2.5% for pensions
Cost of living adjustment	1.85% for pensions
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	N/A

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2021.

The long-term expected rate of return on both the PSPRS Police and PSPRS Fire plan investments was determined to be 7.2% 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:

	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Asset class:		
U.S. public equity	24 %	3.49 %
International public equity	16	4.47
Global private equity	20	7.18
Other assets (capital appreciation)	7	4.83
Core bonds	2	0.45
Private equity	20	5.10
Diversifying strategies	10	2.68
Cash, Mellon	1	-0.35
Total	100 %	

# City of Casa Grande, Arizona

Notes to Financial Statements

June 30, 2023

## Discount Rate

At June 30, 2022, the discount rate used to measure the PSPRS total pension liabilities was 7.2%, which was a decrease of 0.1 from the discount rate used as of June 30, 2021. 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.

## Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
PSPRS - Police			
Balance at June 30, 2022	\$ 65,035,155	\$ 32,828,183	\$ 32,206,972
Adjustment to beginning of year	-	-	-
Changes for the year:			
Service cost	791,400	-	791,400
Interest on the total liability	4,638,172	-	4,638,172
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the liability	1,492,545	-	1,492,545
Changes of assumptions or other inputs	934,540	-	934,540
Contributions, employer	-	40,615,053	(40,615,053)
Contributions, employee	-	405,112	(405,112)
Net investment income	-	(2,558,421)	2,558,421
Benefit payments, including refunds of employee contributions	(4,579,894)	(4,579,894)	-
Administrative expense	-	(45,840)	45,840
Other changes	-	-	-
Net changes	3,276,763	33,836,010	(30,559,247)
Balances at June 30, 2023	\$ 68,311,918	\$ 66,664,193	\$ 1,647,725

# City of Casa Grande, Arizona

Notes to Financial Statements

June 30, 2023

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
PSPRS - Fire			
Balance at June 30, 2022	\$ 46,348,404	\$ 27,530,827	\$ 18,817,577
Adjustment to beginning of year	-	-	-
Changes for the year:			
Service cost	922,095	-	922,095
Interest on the total liability	3,365,580	-	3,365,580
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the liability	(447,749)	-	(447,749)
Changes of assumptions or other inputs	659,749	-	659,749
Contributions, employer	-	24,439,720	(24,439,720)
Contributions, employee	-	368,654	(368,654)
Net investment income	-	(1,848,936)	1,848,936
Benefit payments, including refunds of employee contributions	(2,333,336)	(2,333,336)	-
Administrative expense	-	(33,170)	33,170
Other changes	-	-	-
Net changes	2,166,339	20,592,932	(18,426,593)
Balances at June 30, 2023	\$ 48,514,743	\$ 48,123,759	\$ 390,984

## 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 7.2%, 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 (6.2%) or 1 percentage point higher (8.2%) than the current rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
PSPRS - Police:			
Net pension liability	\$ 10,744,235	\$ 1,647,725	\$ (5,768,064)
	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
PSPRS - Fire:			
Net pension liability	\$ 7,173,558	\$ 390,984	\$ (5,151,492)

## Plan Fiduciary Net Position

Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS financial reports.



## City of Casa Grande, Arizona

Notes to Financial Statements

June 30, 2023

### Expense

For the year ended June 30, 2023, the City recognized \$6,162,678 of PSPRS pension expense.

### Deferred Outflows/Inflows of Resources

At June 30, 2023, 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	\$ 1,899,577	\$ -
Changes of assumptions or other inputs	899,070	-
Net difference between projected and actual earning on pension plan investments	2,572,533	-
City contributions subsequent to measurement date	628,582	-
Total	\$ 5,999,762	\$ -
	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Fire:		
Differences between expected and actual experience	\$ 1,831,085	\$ 513,759
Changes of assumptions or other inputs	1,206,176	-
Net difference between projected and actual earning on pension plan investments	1,956,047	-
City contributions subsequent to measurement date	671,801	-
Total	\$ 5,665,109	\$ 513,759

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, 2024. 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
Years ending June 30:	\$ 2,126,074
2024	1,156,951
2025	831,500
2026	1,256,655
2027	-
2028	-
Thereafter	-

## City of Casa Grande, Arizona

Notes to Financial Statements

June 30, 2023

	<b>PSPRS Fire</b>
Years ending June 30:	\$
2024	1,481,748
2025	1,147,571
2026	701,709
2027	1,148,521
2028	-
Thereafter	-

### 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.

## 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 2023 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.

## 11. Subscription-Based IT Arrangements (SBITAs)

The City has obtained the right to use various IT software under the provisions of various subscription-based information technology arrangements. The terms range from three to five years, including options that are more likely than not to be exercised. The discount rate applied to the subscription-based technology arrangements are based on actual rates or an estimated incremental borrowing rate, which ranged from 2.0237% to 2.6560% for all subscription-based technology arrangements reported.

The total of amount of subscription assets and the related accumulated amortization are as follows:

Total intangible right-to-use subscription assets	\$ 1,877,318
Less accumulated amortization	<u>(370,905)</u>
Carrying value	<u><u>\$ 1,506,413</u></u>

## City of Casa Grande, Arizona

### Notes to Financial Statements

June 30, 2023

The following schedule details minimum subscription payments to maturity for the City's subscriptions liability at June 30, 2023:

	Governmental Activities	
	Principal	Interest
Fiscal years ending June 30:		
2024	\$ 573,216	\$ 30,623
2025	588,792	16,241
2026	64,563	1,469
Total	\$ 1,226,571	\$ 48,333

### Variable and Other Payments

From time to time, the City's leases and SBITAs include variable payments and other payments, such as termination penalties, that are not included in the lease/subscription liabilities because they are either not fixed in substance (variable) or the City is not reasonably certain the other payments will be required. The City recognized an insignificant amount of expenses related to these variable and other payments and they have not been further disclosed or included in the measurement of the lease/subscription liabilities.

## 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, 2023. The outstanding principal balance of Series 2020 is \$4,070,000 at June 30, 2023.

## City of Casa Grande, Arizona

Notes to Financial Statements  
June 30, 2023

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, 2023, 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 \$10,145,000 and \$16,020,000, respectively, at June 30, 2023.

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. The amount of the defeased bond Series 2016B, still outstanding as of June 30, 2023 was \$370,000. At June 30, 2023, there is no balance of defeased bond, Series 2008 and Series 2009.

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

	Governmental Activities	
	Principal	Interest
Years ending June 30:		
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	2,135,000	808,225
2029-2033	11,490,000	2,477,475
2034-2038	7,880,000	518,816
2039-2043	835,000	30,103
Total	\$ 30,235,000	\$ 7,510,544

## City of Casa Grande, Arizona

### Notes to Financial Statements

June 30, 2023

#### 13. Excise Tax Revenue Obligations

In August, 2009 the City issued \$11,625,000 in taxable obligations used to construct a multi-use sports complex. The 15-year obligation has interest rates ranging from 2.3% to 6.4% with principal payments beginning April 1, 2010, maturing in fiscal year 2024. The outstanding principal balance for the Series 2009B excise tax obligations is \$880,000 at June 30, 2023.

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, 2023, 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, 2023, there is no balance of defeased bond, Series 2009, still outstanding. The outstanding principal balance for the Series 2017 excise tax obligations is \$7,330,000 at June 30, 2023.

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 \$60,465,000 at June 30, 2023.

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, 2023:

	Governmental Activities	
	Principal	Interest
Years ending June 30:		
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	5,645,000	1,062,521
2029-2033	26,105,000	3,781,678
2034-2038	18,440,000	921,229
Total	\$ 68,675,000	\$ 10,839,598

## City of Casa Grande, Arizona

### Notes to Financial Statements

June 30, 2023

#### 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 \$22,948,285.

	Principal	Interest
Years ending June 30:		
2024	\$ 3,468,435	\$ 924,546
2025	3,607,137	784,843
2026	3,752,468	639,512
2027	3,903,655	488,325
2028	4,060,934	331,046
2029-2033	4,155,656	167,432
Total	<u>\$ 22,948,285</u>	<u>\$ 3,335,704</u>

The 20-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.

#### 15. Changes in Long-Term Obligations

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 3,080,099	\$ 2,368,729	\$ (1,833,571)	\$ 3,615,257	\$ 1,626,533
Public, general obligation bonds	31,770,000	-	(1,535,000)	30,235,000	1,635,000
Public, excise tax revenue obligations	71,635,000	-	(2,960,000)	68,675,000	3,715,000
Subscription payable	-	1,877,318	(650,747)	1,226,571	573,216
Leases payable	4,147,894	-	(464,303)	3,683,591	495,666
Bonds premiums	2,285,677	-	(181,100)	2,104,577	-
Net pension liability	64,935,640	-	(45,547,202)	19,388,438	-
Governmental activities long-term liabilities	<u>\$ 177,854,310</u>	<u>\$ 4,246,047</u>	<u>\$ (53,171,923)</u>	<u>\$ 128,928,434</u>	<u>\$ 8,045,415</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Compensated absences	\$ 265,178	\$ 258,178	\$ (172,201)	\$ 351,155	\$ 158,020
Loans payable	26,280,426	-	(3,332,141)	22,948,285	3,468,435
Postclosure liability	3,616,187	356,123	-	3,972,310	-
Net pension liability	2,743,296	727,600	-	3,470,896	-
Business-type activities long-term liabilities	<u>\$ 32,905,087</u>	<u>\$ 1,341,901</u>	<u>\$ (3,504,342)</u>	<u>\$ 30,742,646</u>	<u>\$ 3,626,455</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, 2023, the City primarily paid for compensated absences and pension liabilities from the General Fund.

## City of Casa Grande, Arizona

### Notes to Financial Statements

June 30, 2023

#### 16. Long-Term Debt

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

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2024	\$ 6,418,882	\$ 2,532,519	\$ 3,468,435	\$ 924,546
2025	7,382,201	2,373,967	3,607,137	784,843
2026	7,827,398	2,219,206	3,752,468	639,512
2027	8,132,969	2,042,216	3,903,655	488,325
2028	8,237,088	1,920,936	4,060,934	331,046
2029-2033	38,666,624	6,345,616	4,155,656	167,432
2034-2038	26,320,000	1,440,045	-	-
2039-2043	835,000	30,103	-	-
Total	<u>\$ 103,820,162</u>	<u>\$ 18,904,608</u>	<u>\$ 22,948,285</u>	<u>\$ 3,335,704</u>

#### 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 \$3,972,310 reported as landfill closure and postclosure care liability at June 30, 2023 represents the cumulative amount reported to date based on the use of 66.98% of the landfill's estimated capacity. The City will recognize the remaining estimated cost of closure and postclosure care of \$1,957,885 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 2023. 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.

## City of Casa Grande, Arizona

Notes to Financial Statements

June 30, 2023

### 18. Construction Commitments

As of June 30, 2023, the City had outstanding construction commitments and contractual commitments that will be financed from the general fund. The City's commitments are as follows:

	<u>Remaining Commitment</u>
Project:	
Florence Blvd. streetscape enhancement	\$ 78,095
Fire station replacement	200,140
New ERP – Tyler	683,940
Thornton Road expansion	1,599,485
Aviation Fuel Tank and Parking Pad	<u>473,215</u>
Total	<u>\$ 3,034,875</u>

### 19. Summary of Interfund Transactions

Interfund transactions as of June 30, 2023, were as follows:

	<u>Receivable Amount</u>	<u>Payable Amount</u>
General fund	\$ 2,796,243	\$ -
HURF	-	1,010,434
Nonmajor funds	-	1,602,645
Water	<u>-</u>	<u>183,164</u>
Total	<u>\$ 2,796,243</u>	<u>\$ 2,796,243</u>

The interfund balances at June 30, 2023 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. The advance is being amortized over 15 years at an annual interest rate of 2%. The advance will mature in December 2031.

### Transfers

	<u>Transfers Out</u>	<u>Transfers In</u>
Transfers:		
General fund	\$ 23,961,305	\$ 414,387
Grants fund	105,000	-
Capital replacement funds	-	8,164,299
Nonmajor governmental funds	414,387	4,971,006
Wastewater fund	-	10,000,000
Golf course fund	-	105,000
Internal service funds	<u>-</u>	<u>826,000</u>
Total	<u>\$ 24,480,692</u>	<u>\$ 24,480,692</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.



**20. Deficit in Fund Balance**

Three funds have deficits in fund balance. The Municipal Airport operating fund has a deficit of \$418,178. 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 \$894,087. 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.

**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, 2023, \$11,492,782 has been paid.

## City of Casa Grande, Arizona

Notes to Financial Statements

June 30, 2023

### 22. Fund Balance Details by Classification

	General	Major Governmental Funds	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable:				
Prepaid items	\$ 381,007	\$ 1,606,149	\$ -	\$ 1,987,156
Advances to other funds	1,010,434	-	-	1,010,434
Restricted for:				
Highway users revenue fund	-	13,842,759	-	13,842,759
Grants	-	283,340	-	283,340
Airport improvement	-	-	497,715	497,715
Debt services	-	-	3,159,139	3,159,139
Court enhancement	-	-	519,893	519,893
Housing	-	-	254,419	254,419
CFD capital projects	-	-	1,405,865	1,405,865
Capital replacement	-	35,158,464	-	35,158,464
Developer impact fees - capital	-	35,196,015	-	35,196,015
Committed to:				
Contingencies	7,545,701	-	-	7,545,701
Parks development	-	-	986,145	986,145
Rodeo grounds	-	-	4,785	4,785
Redevelopment	-	-	634,902	634,902
Senior services	-	-	72,151	72,151
Youth services	-	-	1,725,992	1,725,992
PSPRS police pension unfunded liability	3,160,318	-	-	3,160,318
PSPRS fire pension unfunded liability	2,089,762	-	-	2,089,762
Assigned to:				
General fund reserves	16,913,296	-	-	16,913,296
Capital replacement	-	8,808,867	-	8,808,867
Unassigned	75,074,878	-	(1,339,671)	73,735,207
Total fund balances	<u>\$ 106,175,396</u>	<u>\$ 94,895,594</u>	<u>\$ 7,921,335</u>	<u>\$ 208,992,325</u>

The General Fund has assigned funds consisting of a stabilization arrangement in the amount of \$7,545,701. 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.

# **Financial Section**

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## **Required Supplementary Information**

### **Budgetary Comparison Schedules**

**General Fund**

**Highway Users Special Revenue Fund**

**Grants and Subsidies Special Revenue Fund**

### **Pension Schedules**



# City of Casa Grande, Arizona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

General Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
<b>Revenues</b>				
Taxes:				
Property taxes	\$ 4,635,441	\$ 4,635,441	\$ 4,730,750	\$ 95,309
City sales tax	28,651,090	28,651,090	37,750,148	9,099,058
Franchise tax	3,092,848	3,092,848	2,917,682	(175,166)
Licenses and permits	3,277,456	3,277,456	3,396,365	118,909
Intergovernmental revenues	23,753,177	23,753,177	23,781,328	28,151
Charges for services	3,049,273	3,049,273	4,223,952	1,174,679
Fines	598,197	598,197	641,342	43,145
Investment earnings:				
Interest earnings	157,818	157,818	3,951,263	3,793,445
Contributions and donations	1,462	1,462	95,058	93,596
Rental and sale of city property	398,901	398,901	467,716	68,815
Miscellaneous	211,392	211,392	188,524	(22,868)
Total revenues	67,827,055	67,827,055	82,144,128	14,317,073
<b>Expenditures</b>				
Current:				
General government:				
Mayor and Council	626,258	626,258	490,018	136,240
City manager	4,724,005	5,073,799	1,499,650	3,574,149
Attorney	1,122,936	1,122,936	1,093,309	29,627
Clerk	595,243	595,243	545,470	49,773
Finance/Information technology	4,720,629	4,730,310	4,252,411	477,899
Human resources	706,072	706,072	652,931	53,141
Administrative services	7,293,429	6,936,127	655,078	6,281,049
Total general government	19,788,572	19,790,745	9,188,867	10,601,878
Public safety:				
Police	12,935,910	12,934,651	13,229,142	(294,491)
Fire	10,170,540	13,052,986	10,716,941	2,336,045
Court	879,228	877,228	764,160	113,068
Animal control	596,712	595,512	491,194	104,318
Communications	2,099,570	2,099,570	2,116,370	(16,800)
Total public safety	26,681,960	29,559,947	27,317,807	2,242,140
Public works	1,500,498	1,700,498	1,238,917	461,581
Culture and recreation	7,979,088	7,976,088	7,785,599	190,489
Planning and economic development	3,019,692	3,019,692	2,864,406	155,286
Capital outlay	151,066	154,066	227,401	(73,335)
Debt service:				
Principal	-	-	247,475	(247,475)
Interest and fiscal charges	-	-	96	(96)
Total expenditures	59,120,876	62,201,036	48,870,568	13,330,468
Excess (deficiency) of revenues over (under) expenditures	8,706,179	5,626,019	33,273,560	27,647,541
<b>Other Financing Sources (Uses)</b>				
Subscription-based information technology arrangements	-	-	698,534	698,534
Transfers in	4,136,927	4,136,927	414,387	(3,722,540)
Transfers out	(30,181,864)	(30,181,864)	(23,961,305)	6,220,559
Total other financing sources (uses)	(26,044,937)	(26,044,937)	(22,848,384)	3,196,553
Net change in fund balance	(17,338,758)	(20,418,918)	10,425,176	30,844,094
<b>Fund Balance, Beginning</b>	95,750,220	95,750,220	95,750,220	-
<b>Fund Balance, Ending</b>	\$ 78,411,462	\$ 75,331,302	\$ 106,175,396	\$ 30,844,094

See notes to budgetary comparison schedules

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Highway Users Special Revenue Fund**

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
Taxes:				
State-shared gas tax	\$ 5,322,099	\$ 5,322,099	\$ 5,356,930	\$ 34,831
County sales tax	3,228,363	3,228,363	4,729,178	1,500,815
Investment earnings:				
Interest earnings	30,000	30,000	79,067	49,067
Total revenues	8,580,462	8,580,462	10,165,175	1,584,713
<b>Expenditures</b>				
Current:				
Streets/transportation	5,180,330	5,180,330	4,857,138	323,192
Capital outlay	6,796,000	6,596,000	5,392,845	1,203,155
Debt service:				
Interest and fiscal charges	-	-	21,382	(21,382)
Total expenditures	11,976,330	11,776,330	10,271,365	1,504,965
Net change in fund balance	(3,395,868)	(3,195,868)	(106,190)	3,089,678
<b>Fund Balance, Beginning</b>	13,948,949	13,948,949	13,948,949	-
<b>Fund Balance, Ending</b>	\$ 10,553,081	\$ 10,753,081	\$ 13,842,759	\$ 3,089,678

*See notes to budgetary comparison schedules*

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Grants and Subsidies Special Revenue Fund**

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
Intergovernmental revenues	\$ 17,573,839	\$ 17,440,613	\$ 1,008,080	\$ (16,432,533)
Charges for services	-	-	76,054	76,054
Total revenues	17,573,839	17,440,613	1,084,134	(16,356,479)
<b>Expenditures</b>				
Current:				
General government:	17,989,295	16,183,085	106,378	16,076,707
Public safety:	542,606	1,299,084	850,868	448,216
Planning and economic development	-	-	6,763	(6,763)
Culture and recreation	-	156,100	84,777	71,323
Capital outlay	-	35,000	-	35,000
Total expenditures	18,531,901	17,673,269	1,048,786	16,624,483
Excess (deficiency) of revenues over (under) expenditures	(958,062)	(232,656)	35,348	268,004
<b>Other Financing Sources</b>				
Transfers out	-	-	(105,000)	(105,000)
Net change in fund balance	(958,062)	(232,656)	(69,652)	163,004
<b>Fund Balance, Beginning</b>	352,992	352,992	352,992	-
<b>Fund Balance, Ending</b>	<u>\$ (605,070)</u>	<u>\$ 120,336</u>	<u>\$ 283,340</u>	<u>\$ 163,004</u>

*See notes to budgetary comparison schedules*

## **City of Casa Grande, Arizona**

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Notes to Budgetary Comparison Schedules  
Year Ended June 30, 2023

### **1. Budgeting and Budgetary Control**

ARS 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. ARS 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.

### **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, 2023

Arizona Retirement System	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
City's proportion of the net pension liability	0.127563%	0.126745%	0.128433%	0.134311%	0.144070%	0.143480%	0.147785%	0.145976%	0.147102%	Information not available
City's proportionate share of the net pension liability	\$ 20,820,625	\$ 16,654,387	\$ 22,252,450	\$ 19,543,668	\$ 20,092,695	\$ 22,351,387	\$ 23,853,177	\$ 22,737,813	\$ 21,766,069	
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 proportionate share of the net pension liability as a percentage of its covered payroll	136.64%	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	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	

See notes to 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

Year Ended June 30, 2023

PSPRS - Police	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
<b>Total Pension Liability</b>										
Service cost	\$ 791,400	\$ 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	4,638,172	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	1,492,545	152,824	2,111,581	879,309	(669,456)	222,393	(873,099)	(909,542)	(573,850)	
Changes of assumptions or other inputs	934,540	-	-	990,827	-	1,607,956	1,728,627	-	4,417,506	
Benefit payments, including refunds of employee contributions	(4,579,894)	(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	3,276,763	2,941,464	4,672,858	4,083,347	1,826,532	4,908,788	4,042,855	1,302,898	6,120,633	
<b>Total Pension Liability, Beginning</b>	<u>65,035,155</u>	<u>62,093,691</u>	<u>57,420,833</u>	<u>53,337,486</u>	<u>51,510,954</u>	<u>46,602,166</u>	<u>42,559,311</u>	<u>41,256,413</u>	<u>35,135,780</u>	
<b>Total Pension Liability, Ending (a)</b>	<u><u>\$ 68,311,918</u></u>	<u><u>\$ 65,035,155</u></u>	<u><u>\$ 62,093,691</u></u>	<u><u>\$ 57,420,833</u></u>	<u><u>\$ 53,337,486</u></u>	<u><u>\$ 51,510,954</u></u>	<u><u>\$ 46,602,166</u></u>	<u><u>\$ 42,559,311</u></u>	<u><u>\$ 41,256,413</u></u>	
<b>Plan Fiduciary Net Position</b>										
Contributions:										
Employer	\$ 40,615,053	\$ 3,210,616	\$ 2,927,180	\$ 2,619,482	\$ 2,731,284	\$ 2,661,381	\$ 2,318,393	\$ 1,632,224	\$ 1,604,579	
Employee	405,112	391,532	414,474	397,833	494,033	751,939	726,673	559,645	539,514	
Net investment income	(2,558,421)	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	(4,579,894)	(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	(45,840)	(32,683)	(25,713)	(23,756)	(23,656)	(20,159)	(15,582)	(14,978)	-	
Other changes	-	-	-	-	233	(17,598)	(100,587)	(101,064)	(782,663)	
Net change in plan fiduciary net position	33,836,010	8,091,363	1,169,432	1,582,488	1,663,361	3,334,111	220,657	681,047	1,017,556	
<b>Plan Fiduciary Net Position, Beginning</b>	<u>32,828,183</u>	<u>24,736,820</u>	<u>23,674,056</u>	<u>22,112,568</u>	<u>20,449,207</u>	<u>17,115,096</u>	<u>16,894,439</u>	<u>16,213,392</u>	<u>15,195,836</u>	
Adjustment to beginning of year	-	-	(106,668)	(21,000)	-	-	-	-	-	
<b>Plan Fiduciary Net Position, Ending (b)</b>	<u><u>\$ 66,664,193</u></u>	<u><u>\$ 32,828,183</u></u>	<u><u>\$ 24,736,820</u></u>	<u><u>\$ 23,674,056</u></u>	<u><u>\$ 22,112,568</u></u>	<u><u>\$ 20,449,207</u></u>	<u><u>\$ 17,115,096</u></u>	<u><u>\$ 16,894,439</u></u>	<u><u>\$ 16,213,392</u></u>	
<b>City's Net Pension Liability (Asset), Ending (a) - (b)</b>	<u><u>\$ 1,647,725</u></u>	<u><u>\$ 32,206,972</u></u>	<u><u>\$ 37,356,871</u></u>	<u><u>\$ 33,746,777</u></u>	<u><u>\$ 31,224,918</u></u>	<u><u>\$ 31,061,747</u></u>	<u><u>\$ 29,487,070</u></u>	<u><u>\$ 25,664,872</u></u>	<u><u>\$ 25,043,021</u></u>	

See notes to 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

Year Ended June 30, 2023

PSPRS - Police	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
Plan fiduciary net position as a percentage of the total pension liability	97.59%	50.48%	39.84%	41.23%	41.46%	39.70%	36.73%	39.70%	39.30%	Information not available
Covered payroll	\$ 4,315,108	\$ 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	38.19%	746.22%	876.50%	751.40%	623.92%	548.42%	530.87%	521.48%	476.65%	

See notes to 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

Year Ended June 30, 2023

PSPRS - Fire	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
<b>Total Pension Liability</b>										
Service cost	\$ 922,095	\$ 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	3,365,580	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	(447,749)	1,023,345	1,776,229	(342,819)	358,294	487,783	680,418	(825,229)	288,360	
Changes of assumptions or other inputs	659,749	-	-	622,816	-	1,462,032	1,122,239	-	1,859,876	
Benefit payments, including refunds of employee contributions	(2,333,336)	(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	2,166,339	2,958,590	3,730,767	2,681,092	2,142,462	4,400,492	5,202,418	988,256	3,975,499	
<b>Total Pension Liability, Beginning</b>	<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>	<u>20,268,828</u>	
<b>Total Pension Liability, Ending (a)</b>	<u>\$ 48,514,743</u>	<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>	
<b>Plan Fiduciary Net Position</b>										
Contributions:										
Employer	24,439,720	2,129,797	2,019,501	1,881,489	1,920,207	1,472,557	1,329,591	968,712	991,261	
Employee	368,654	372,033	378,609	365,521	387,117	514,482	521,437	618,303	555,093	
Net investment income	(1,848,936)	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	(2,333,336)	(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	(33,170)	(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	20,592,932	5,876,083	828,860	1,962,246	977,014	2,725,310	845,047	1,126,871	1,829,632	
<b>Plan Fiduciary Net Position, Beginning</b>	<u>27,530,827</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>	<u>11,374,517</u>	
Adjustment to beginning of year	-	-	1	(14,754)	-	-	-	-	-	
<b>Plan Fiduciary Net Position, Ending (b)</b>	<u>\$ 48,123,759</u>	<u>\$ 27,530,827</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>	
<b>City's Net Pension Liability (asset), Ending (a) - (b)</b>	<u>\$ 390,984</u>	<u>\$ 18,817,577</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 notes to 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

Year Ended June 30, 2023

PSPRS - Fire	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
Plan fiduciary net position as a percentage of the total pension liability	99.19%	59.40%	49.91%	52.51%	51.05%	51.39%	49.86%	56.80%	54.46%	Information not available
Covered payroll	\$ 4,110,619	\$ 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	9.51%	440.34%	515.04%	440.07%	402.19%	395.11%	380.79%	260.01%	242.63%	

*See notes to pension plan schedules*

**City of Casa Grande, Arizona**

Required Supplementary Information  
Schedule of City Pension Contributions  
Year Ended June 30, 2023

Arizona Retirement System	Reporting Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 2,007,553	\$ 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 contributions in relation to the statutorily required contribution	2,007,553	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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 16,841,888	\$ 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	11.92%	12.01%	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%	10.88%	10.70%

PSPRS - Police	Reporting Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 628,582	\$ 2,936,863	\$ 3,342,204	\$ 2,927,180	\$ 2,619,482	\$ 2,731,284	\$ 2,661,381	\$ 2,318,393	\$ 1,632,224	\$ 1,604,579
City's contributions in relation to the statutorily required contribution	628,582	42,074,494	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)	\$ -	\$ 39,137,631	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 934,278	\$ 4,315,109	\$ 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	67.28%	68.06%	77.44%	68.68%	58.32%	54.50%	45.21%	41.50%	28.47%	29.00%

PSPRS - Fire	Reporting Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 671,956	\$ 1,852,245	\$ 2,132,730	\$ 2,019,501	\$ 1,881,489	\$ 1,920,207	\$ 1,472,557	\$ 1,329,591	\$ 968,712	\$ 991,261
City's contributions in relation to the statutorily required contribution	671,956	25,174,752	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)	\$ -	\$ 23,322,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 1,445,067	\$ 4,110,619	\$ 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	46.50%	45.06%	49.91%	47.85%	43.96%	44.43%	32.79%	28.95%	23.27%	22.97%

See notes to pension plan schedules

**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 2021 actuarial valuation	19 years for under funded 20 years for over funded
Asset valuation method	7-year smoothed fair 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 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 2014 actuarial valuation, the investment rate of return was decreased from 8.0% 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 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).

### **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 plan's 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 for 2018 and 2019.



# **Financial Section**

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## **Supplementary Information**

### **Combining Fund Financial Statements Nonmajor Government Funds**



**City of Casa Grande, Arizona**

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

	Special Revenue								
	Municipal Airport	Parks Develop.	Redevelopment	Senior Services	Youth Services	Rodeo Grounds	Grande Sports	Court Enhancement	CDBG
Assets									
Assets									
Cash	\$ -	\$ 986,145	\$ 620,174	\$ 76,764	\$ 1,646,452	\$ 4,785	\$ -	\$ 523,563	\$ 32,415
Investments	-	-	-	-	-	-	-	-	-
Receivables, net	49,684	-	14,199	-	-	-	1,586,067	-	192,102
Lease receivables	347,933	-	22,153	-	-	-	-	-	-
Due from other governments	-	-	-	9,184	79,540	-	-	1,475	45,707
Inventory	50,439	-	-	-	-	-	-	-	-
Restricted assets, cash and cash equivalents	-	-	-	-	-	-	-	-	-
Total assets	\$ 448,056	\$ 986,145	\$ 656,526	\$ 85,948	\$ 1,725,992	\$ 4,785	\$ 1,586,067	\$ 525,038	\$ 270,224
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable and other current liabilities	\$ 14,891	\$ -	\$ 161	\$ -	\$ -	\$ -	\$ 1,327	\$ 4,329	\$ 18,260
Deposits held	6,477	-	-	-	-	-	-	-	-
Accrued wages and benefits	8,570	-	-	4,613	-	-	-	816	6,040
Due to other funds	486,626	-	-	-	-	-	892,760	-	-
Total liabilities	516,564	-	161	4,613	-	-	894,087	5,145	24,300
Deferred Inflows of Resources									
Unavailable revenue	-	-	-	9,184	-	-	1,586,067	-	192,102
Leases	349,670	-	21,463	-	-	-	-	-	-
Total deferred inflows of resources	349,670	-	21,463	9,184	-	-	1,586,067	-	192,102
Fund Balances									
Restricted	-	-	-	-	-	-	-	519,893	53,822
Committed	-	986,145	634,902	72,151	1,725,992	4,785	-	-	-
Unassigned	(418,178)	-	-	-	-	-	(894,087)	-	-
Total fund balances	(418,178)	986,145	634,902	72,151	1,725,992	4,785	(894,087)	519,893	53,822
Total liabilities, deferred inflows of resources and fund balances	\$ 448,056	\$ 986,145	\$ 656,526	\$ 85,948	\$ 1,725,992	\$ 4,785	\$ 1,586,067	\$ 525,038	\$ 270,224

**City of Casa Grande, Arizona**

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

	Special Revenue			Debt Service			Capital Improvements		Total
	Housing	Tribal Housing	Home	Debt Service	General Obligations	Excise Bonds	Airport Improvements	Community Facilities District	Nonmajor Governmental Funds
<b>Assets</b>									
<b>Assets</b>									
Cash	\$ 116,252	\$ 87,257	\$ -	\$ 46,493	\$ 75,690	\$ -	\$ 551,391	\$ 1,177,566	\$ 5,944,947
Investments	-	-	-	-	2,247,553	-	-	-	2,247,553
Receivables, net	11,235	-	-	-	-	-	-	-	1,853,287
Lease receivables	-	-	-	-	-	-	-	-	370,086
Due from other governments	-	-	876	-	58,867	-	-	1,058	196,707
Inventory	-	-	-	-	-	-	-	-	50,439
Restricted assets, cash and cash equivalents	-	-	-	-	-	925,959	-	230,725	1,156,684
Total assets	<u>\$ 127,487</u>	<u>\$ 87,257</u>	<u>\$ 876</u>	<u>\$ 46,493</u>	<u>\$ 2,382,110</u>	<u>\$ 925,959</u>	<u>\$ 551,391</u>	<u>\$ 1,409,349</u>	<u>\$ 11,819,703</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable and other current liabilities	\$ 1,276	\$ 1,456	\$ -	\$ -	\$ -	\$ -	\$ 53,676	\$ 3,484	\$ 98,860
Deposits held	-	-	-	-	-	-	-	-	6,477
Accrued wages and benefits	-	-	446	-	-	-	-	-	20,485
Due to other funds	-	-	27,836	-	-	195,423	-	-	1,602,645
Total liabilities	<u>1,276</u>	<u>1,456</u>	<u>28,282</u>	<u>-</u>	<u>-</u>	<u>195,423</u>	<u>53,676</u>	<u>3,484</u>	<u>1,728,467</u>
<b>Deferred Inflows of Resources</b>									
Unavailable revenue	11,415	-	-	-	-	-	-	-	1,798,768
Leases	-	-	-	-	-	-	-	-	371,133
Total deferred inflows of resources	<u>11,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,169,901</u>
<b>Fund Balances</b>									
Restricted	114,796	85,801	-	46,493	2,382,110	730,536	497,715	1,405,865	5,837,031
Committed	-	-	-	-	-	-	-	-	3,423,975
Unassigned	-	-	(27,406)	-	-	-	-	-	(1,339,671)
Total fund balances	<u>114,796</u>	<u>85,801</u>	<u>(27,406)</u>	<u>46,493</u>	<u>2,382,110</u>	<u>730,536</u>	<u>497,715</u>	<u>1,405,865</u>	<u>7,921,335</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 127,487</u>	<u>\$ 87,257</u>	<u>\$ 876</u>	<u>\$ 46,493</u>	<u>\$ 2,382,110</u>	<u>\$ 925,959</u>	<u>\$ 551,391</u>	<u>\$ 1,409,349</u>	<u>\$ 11,819,703</u>

**City of Casa Grande, Arizona**

Combining Statements of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2023

	Special Revenue								
	Municipal Airport	Parks Develop.	Redevelopment	Senior Services	Youth Services	Rodeo Grounds	Grande Sports	Court Enhancement	CDBG
Revenues									
Taxes:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	820,870	-	-	-	-
Intergovernmental revenues	-	-	-	176,851	-	-	-	-	404,908
Charges for services	908,820	-	-	25,507	-	-	208,024	134,300	494
Investment earnings:									
Interest earnings	4,498	-	1,331	-	-	-	-	-	-
Rental and sale of city property	254,163	-	39,594	-	-	4,000	-	-	-
Miscellaneous	1,088	-	-	2,012	-	-	-	1,744	-
Total revenues	1,168,569	-	40,925	204,370	820,870	4,000	208,024	136,044	405,402
Expenditures									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	75,332	10,737
Culture and recreation	-	-	-	173,960	231,200	4,147	234,148	-	711
Economic development	1,159,585	-	-	-	-	-	-	-	364,329
Capital outlay	-	-	-	-	-	-	-	145,011	37,917
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	1,159,585	-	-	173,960	231,200	4,147	234,148	220,343	413,694
Excess (deficiency) of revenues over (under) expenditures	8,984	-	40,925	30,410	589,670	(147)	(26,124)	(84,299)	(8,292)
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balances	8,984	-	40,925	30,410	589,670	(147)	(26,124)	(84,299)	(8,292)
Fund Balances, Beginning	(427,162)	986,145	593,977	41,741	1,136,322	4,932	(867,963)	604,192	62,114
Fund Balances, Ending	\$ (418,178)	\$ 986,145	\$ 634,902	\$ 72,151	\$ 1,725,992	\$ 4,785	\$ (894,087)	\$ 519,893	\$ 53,822

**City of Casa Grande, Arizona**

Combining Statements of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2023

				Debt Service			Capital Improvements		Total Nonmajor Governmental Funds
	Housing	Tribal Housing	HOME	Debt Service	General Obligations	Excise Bonds	Airport Improvements	Community Facilities District	
<b>Revenues</b>									
Taxes:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,961,904	\$ -	\$ -	\$ 371,281	\$ 2,333,185
Sales Tax	-	-	-	-	-	-	-	-	820,870
Intergovernmental revenues	-	506,185	121,354	-	-	-	340,688	-	1,549,986
Charges for services	2,035	-	-	-	-	-	-	-	1,279,180
Investment earnings:									
Interest earnings	-	-	-	-	31,643	60,544	-	-	98,016
Rental and sale of city property	-	-	-	-	-	-	234,673	-	532,430
Miscellaneous	400	-	-	41,917	-	-	-	-	47,161
Total revenues	2,435	506,185	121,354	41,917	1,993,547	60,544	575,361	371,281	6,660,828
<b>Expenditures</b>									
Current:									
General government	-	442,636	-	-	-	2,000	-	5,843	450,479
Public safety	-	37,513	-	-	-	-	-	-	123,582
Culture and recreation	-	506	-	-	-	-	-	-	644,672
Economic development	13,185	64,976	121,354	-	-	-	358,022	-	2,081,451
Capital outlay	-	-	-	-	-	-	3,200	-	186,128
Debt service:									
Principal	-	-	-	465,646	1,360,000	2,960,000	-	175,000	4,960,646
Interest and fiscal charges	-	-	-	154,001	958,350	1,472,359	-	114,075	2,698,785
Total expenditures	13,185	545,631	121,354	619,647	2,318,350	4,434,359	361,222	294,918	11,145,743
Excess (deficiency) of revenues over (under) expenditures	(10,750)	(39,446)	-	(577,730)	(324,803)	(4,373,815)	214,139	76,363	(4,484,915)
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	-	-	600,000	-	4,371,006	-	-	4,971,006
Transfers out	-	-	-	-	-	-	-	(414,387)	(414,387)
Total other financing sources (uses)	-	-	-	600,000	-	4,371,006	-	(414,387)	4,556,619
Net change in fund balances	(10,750)	(39,446)	-	22,270	(324,803)	(2,809)	214,139	(338,024)	71,704
<b>Fund Balances, Beginning</b>	125,546	125,247	(27,406)	24,223	2,706,913	733,345	283,576	1,743,889	7,849,631
<b>Fund Balances, Ending</b>	\$ 114,796	\$ 85,801	\$ (27,406)	\$ 46,493	\$ 2,382,110	\$ 730,536	\$ 497,715	\$ 1,405,865	\$ 7,921,335

# **Financial Section**

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**Other Supplementary Information**

**Budgetary Comparison Schedules**

**General Fund - Legal Budget Comparison**

**Other Major Governmental Funds**





# City of Casa Grande, Arizona

## Schedule of Expenditures - Legal Level Budget Compliance

General Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
<b>Expenditures</b>				
Current:				
General government:				
Mayor and council:				
Personnel services	\$ 242,764	\$ 242,764	\$ 155,080	\$ 87,684
Other expenditures	383,494	383,494	334,938	48,556
City manager:				
Personnel services	1,023,907	1,023,907	1,066,771	(42,864)
Other expenditures	3,700,098	4,049,892	432,879	3,617,013
Attorney:				
Personnel services	990,158	990,158	1,031,553	(41,395)
Other expenditures	132,778	132,778	61,756	71,022
Clerk:				
Personnel services	373,539	373,539	377,401	(3,862)
Other expenditures	221,704	221,704	168,069	53,635
Finance/Information technology:				
Personnel services	2,199,872	2,199,872	1,998,771	201,101
Other expenditures	2,520,757	2,530,438	2,253,640	276,798
Human resources:				
Personnel services	434,409	434,409	441,541	(7,132)
Other expenditures	271,663	271,663	211,390	60,273
Administrative services:				
Other expenditures	7,293,429	6,936,127	655,078	6,281,049
Public safety:				
Police:				
Personnel services	10,763,843	10,775,243	11,128,922	(353,679)
Other expenditures	2,172,067	2,159,408	2,100,220	59,188
Fire:				
Personnel services	8,540,436	11,115,078	8,868,190	2,246,888
Other expenditures	1,630,104	1,937,908	1,848,751	89,157
Court:				
Personnel services	679,480	679,480	607,087	72,393
Other expenditures	199,748	197,748	157,073	40,675
Animal control:				
Personnel services	439,994	438,794	337,974	100,820
Other expenditures	156,718	156,718	153,220	3,498
Communications:				
Personnel services	1,488,903	1,488,903	1,478,371	10,532
Other expenditures	610,667	610,667	637,999	(27,332)
Public works:				
Personnel services	1,150,950	1,150,950	831,610	319,340
Other expenditures	349,548	549,548	407,307	142,241
Culture and recreation:				
Personnel services	4,279,914	4,279,914	4,219,830	60,084
Other expenditures	3,699,174	3,696,174	3,565,769	130,405
Planning and economic development:				
Personnel services	2,124,159	2,124,159	2,223,075	(98,916)
Other expenditures	895,533	895,533	641,331	254,202
Capital outlay	151,066	154,066	227,401	(73,335)
Debt service:				
Principal	-	-	247,475	(247,475)
Interest and fiscal charges	-	-	96	(96)
Transfers out	30,181,864	30,181,864	23,961,305	6,220,559
Total expenditures	<u>\$ 89,302,740</u>	<u>\$ 92,382,900</u>	<u>\$ 72,831,873</u>	<u>\$ 19,551,027</u>

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Capital Replacement/Recreation/Development Fund**

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
Construction sales tax	\$ 8,297,234	\$ 8,297,234	\$ 14,289,042	\$ 5,991,808
Investment earnings:				
Interest earnings	2,558,761	2,558,761	233,510	(2,325,251)
Intergovernmental revenue	4,583,646	4,583,646	83,517	(4,500,129)
Miscellaneous	-	-	131,522	131,522
<b>Total revenues</b>	<b>15,439,641</b>	<b>15,439,641</b>	<b>14,737,591</b>	<b>(702,050)</b>
<b>Expenditures</b>				
Current:				
General Government	4,382,468	3,222,468	7,500	3,214,968
Culture and recreation	175,000	175,000	123,583	51,417
Planning and economic development	137,500	137,500	-	137,500
Capital outlay	47,418,214	50,777,701	11,795,338	38,982,363
Debt service:				
Principal	-	-	403,272	(403,272)
<b>Total expenditures</b>	<b>52,113,182</b>	<b>54,312,669</b>	<b>12,329,693</b>	<b>41,982,976</b>
Excess (deficiency) of revenues (under) expenditures	(36,673,541)	(38,873,028)	2,407,898	41,280,926
<b>Other Financing Sources (Uses)</b>				
Subscription payables issued	-	-	1,178,785	1,178,785
Transfers in	6,760,801	6,760,801	8,164,299	1,403,498
<b>Total other financing sources and uses</b>	<b>6,760,801</b>	<b>6,760,801</b>	<b>9,343,084</b>	<b>2,582,283</b>
<b>Net change in fund balance</b>	<b>(29,912,740)</b>	<b>(32,112,227)</b>	<b>11,750,982</b>	<b>43,863,209</b>
<b>Fund Balance, Beginning</b>	<b>33,822,498</b>	<b>33,822,498</b>	<b>33,822,498</b>	<b>-</b>
<b>Fund Balance, Ending</b>	<b>\$ 3,909,758</b>	<b>\$ 1,710,271</b>	<b>\$ 45,573,480</b>	<b>\$ 43,863,209</b>

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Development Impact Fees Fund**

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 487,295	\$ 487,295
Charges for services	9,549,389	9,549,389	13,487,348	3,937,959
Investment earnings:				
Interest earnings	136,243	136,243	186,849	50,606
Total revenues	9,685,632	9,685,632	14,161,492	4,475,860
<b>Expenditures</b>				
Current:				
General government	-	-	38,994	(38,994)
Capital outlay	12,650,977	13,368,128	6,763,554	6,604,574
Total expenditures	12,650,977	13,368,128	6,802,548	6,565,580
Net change in fund balance	(2,965,345)	(3,682,496)	7,358,944	11,041,440
<b>Fund Balance, Beginning</b>	27,837,071	27,837,071	27,837,071	-
<b>Fund Balance, Ending</b>	<u>\$ 24,871,726</u>	<u>\$ 24,154,575</u>	<u>\$ 35,196,015</u>	<u>\$ 11,041,440</u>



# **Financial Section**

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## **Supplementary Information**

### **Budgetary Comparison Schedules**

### **Nonmajor Governmental Funds**



**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Municipal Airport Special Revenue Fund**

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Charge for service	\$ 1,058,987	\$ 1,058,987	\$ 908,820	\$ (150,167)
Rental and sale of city property	286,507	286,507	254,163	(32,344)
Miscellaneous	1,096	1,096	1,088	(8)
Investment earnings:				
Interest earnings	-	-	4,498	4,498
Total revenues	1,346,590	1,346,590	1,168,569	(178,021)
<b>Expenditures</b>				
Current:				
Planning and economic development	2,137,607	2,187,607	1,159,585	1,028,022
Excess (deficiency) of revenues over (under) expenditures	(791,017)	(841,017)	8,984	850,001
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,508,019	2,508,019	-	2,508,019
Net change in fund balance	1,717,002	1,667,002	8,984	(1,658,018)
<b>Fund Balance, Beginning</b>	(427,162)	(427,162)	(427,162)	-
<b>Fund Balance, Ending</b>	<u>\$ 1,289,840</u>	<u>\$ 1,239,840</u>	<u>\$ (418,178)</u>	<u>\$ (1,658,018)</u>

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Parks Development Special Revenue Fund**

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
Charge for service:				
Rental and sale of City property	\$ 14,316	\$ 14,316	\$ -	\$ (14,316)
<b>Expenditures</b>				
Capital outlay	54,712	54,712	-	54,712
Net change in fund balances	(40,396)	(40,396)	-	40,396
<b>Fund Balance, Beginning</b>	986,145	986,145	986,145	-
<b>Fund Balance, Ending</b>	\$ 945,749	\$ 945,749	\$ 986,145	\$ 40,396



**City of Casa Grande, Arizona**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Redevelopment/Downtown Revitalization Special Revenue Fund  
Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
Rental and sale of city property	\$ 30,000	\$ 30,000	\$ 39,594	\$ 9,594
Investment earnings:				
Interest earnings	-	-	1,331	1,331
Total revenues	30,000	30,000	40,925	10,925
<b>Expenditures</b>				
Current:				
General government	465,326	465,326	-	465,326
Net change in fund balances	(435,326)	(435,326)	40,925	476,251
<b>Fund Balance, Beginning</b>	593,977	593,977	593,977	-
<b>Fund Balance, Ending</b>	\$ 158,651	\$ 158,651	\$ 634,902	\$ 476,251

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Senior Services Special Revenue Fund**

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
Intergovernmental revenues	\$ 238,766	\$ 238,766	\$ 176,851	\$ (61,915)
Charges for services	19,895	19,895	25,507	5,612
Miscellaneous	7,500	7,500	2,012	(5,488)
Total revenues	266,161	266,161	204,370	(61,791)
<b>Expenditures</b>				
Current:				
Culture and recreation	305,257	305,257	173,960	131,297
Net change in fund balance	(39,096)	(39,096)	30,410	69,506
<b>Fund Balance, Beginning</b>	41,741	41,741	41,741	-
<b>Fund Balance, Ending</b>	<u>\$ 2,645</u>	<u>\$ 2,645</u>	<u>\$ 72,151</u>	<u>\$ 69,506</u>

**City Of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Youth Services Special Revenue Fund**

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
City sales taxes	\$ -	\$ -	820,870	820,870
Investment earnings:				
Interest earnings	1,532	1,532	-	(1,532)
Total revenues	1,532	1,532	820,870	819,338
<b>Expenditures</b>				
Current:				
Culture and recreation	140,000	140,000	231,200	(91,200)
Net change in fund balance	(138,468)	(138,468)	589,670	728,138
<b>Fund Balance, Beginning</b>	1,136,322	1,136,322	1,136,322	-
<b>Fund Balance, Ending</b>	\$ 997,854	\$ 997,854	\$ 1,725,992	\$ 728,138

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Rodeo Grounds Special Revenue Fund

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
Rental and sale of city property	\$ 2,352	\$ 2,352	\$ 4,000	\$ 1,648
<b>Expenditures</b>				
Current:				
Culture and recreation	4,600	4,600	4,147	453
Net change in fund balance	(2,248)	(2,248)	(147)	2,101
<b>Fund Balance, Beginning</b>	4,932	4,932	4,932	-
<b>Fund Balance, Ending</b>	\$ 2,684	\$ 2,684	\$ 4,785	\$ 2,101

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Grande Sports Special Revenue Fund

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ 208,024	\$ 208,024
<b>Expenditures</b>				
Current:				
Culture and recreation	289,285	289,285	234,148	55,137
Net change in fund balance	(289,285)	(289,285)	(26,124)	263,161
<b>Fund Balance, Beginning</b>	(867,963)	(867,963)	(867,963)	-
<b>Fund Balance, Ending</b>	<u>\$ (1,157,248)</u>	<u>\$ (1,157,248)</u>	<u>\$ (894,087)</u>	<u>\$ 263,161</u>

**City of Casa Grande, Arizona**

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

## Court Enhancement/Probationary Special Revenue Fund

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
Charges for services	\$ 113,700	\$ 113,700	\$ 134,300	\$ 20,600
Miscellaneous	-	-	1,744	1,744
Total revenues	113,700	113,700	136,044	22,344
<b>Expenditures</b>				
Current:				
Public safety	170,846	170,846	75,332	95,514
Capital outlay	70,030	70,030	145,011	(74,981)
Total expenditures	240,876	240,876	220,343	20,533
Net change in fund balance	(127,176)	(127,176)	(84,299)	42,877
<b>Fund Balance, Beginning</b>	604,192	604,192	604,192	-
<b>Fund Balance, Ending</b>	<u>\$ 477,016</u>	<u>\$ 477,016</u>	<u>\$ 519,893</u>	<u>\$ 42,877</u>

**City of Casa Grande, Arizona**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Community Development Block Grant Special Revenue Fund  
Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
Intergovernmental revenues	\$ 1,986,086	\$ 1,986,086	\$ 404,908	\$ (1,581,178)
Charges for services	30,000	30,000	494	(29,506)
Total revenues	2,016,086	2,016,086	405,402	(1,610,684)
<b>Expenditures</b>				
Current:				
Public safety	-	6,615	10,737	(4,122)
Culture and recreation	-	-	711	(711)
Planning and economic development	844,359	973,368	364,329	609,039
Capital outlay	223,292	233,792	37,917	195,875
Total expenditures	1,067,651	1,213,775	413,694	800,081
Net change in fund balance	948,435	802,311	(8,292)	(810,603)
<b>Fund Balance, Beginning</b>	62,114	62,114	62,114	-
<b>Fund Balance, Ending</b>	<u>\$ 1,010,549</u>	<u>\$ 864,425</u>	<u>\$ 53,822</u>	<u>\$ (810,603)</u>

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Housing Special Revenue Fund

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Charges for service	\$ 135,336	\$ 135,336	\$ 2,035	\$ (133,301)
Miscellaneous	12,000	12,000	400	(11,600)
Total revenues	147,336	147,336	2,435	(144,901)
<b>Expenditures</b>				
Current:				
Planning and economic development	135,000	135,000	13,185	121,815
Net change in fund balance	12,336	12,336	(10,750)	(23,086)
<b>Fund Balance, Beginning</b>	125,546	125,546	125,546	-
<b>Fund Balance, Ending</b>	<u>\$ 137,882</u>	<u>\$ 137,882</u>	<u>\$ 114,796</u>	<u>\$ (23,086)</u>



**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Tribal Housing Special Revenue Fund

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues	\$ 569,352	\$ 569,352	\$ 506,185	\$ (63,167)
<b>Expenditures</b>				
Current:				
General government	98,539	108,539	442,636	(334,097)
Public safety	-	19,285	37,513	(18,228)
Culture and recreation	-	-	506	(506)
Planning and economic development	240,000	290,000	64,976	225,024
Total expenditures	338,539	417,824	545,631	(127,807)
Net change in fund balance	230,813	151,528	(39,446)	(190,974)
<b>Fund Balance, Beginning</b>	125,247	125,247	125,247	-
<b>Fund Balance, Ending</b>	<u>\$ 356,060</u>	<u>\$ 276,775</u>	<u>\$ 85,801</u>	<u>\$ (190,974)</u>

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Home Special Revenue Fund

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
Intergovernmental revenues	\$ 833,195	\$ 836,420	\$ 121,354	\$ (715,066)
<b>Expenditures</b>				
Current:				
Planning and economic development	455,099	458,324	121,354	336,970
Net change in fund balance	378,096	378,096	-	(378,096)
<b>Fund Balance, Beginning</b>	(27,406)	(27,406)	(27,406)	-
<b>Fund Balance, Ending</b>	\$ 350,690	\$ 350,690	\$ (27,406)	\$ (378,096)

**City of Casa Grande, Arizona**

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Debt Service Fund

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
Miscellaneous revenues	\$ 50,000	\$ 50,000	\$ 41,917	\$ (8,083)
<b>Expenditures</b>				
Debt Service:				
Principal retirement	469,575	469,575	465,646	3,929
Interest	154,068	154,068	154,001	67
Total expenditures	623,643	623,643	619,647	3,996
Excess (deficiency) of revenues over (under) expenditures	(573,643)	(573,643)	(577,730)	(4,087)
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,971,006	4,971,006	600,000	(4,371,006)
Net change in fund balance	4,397,363	4,397,363	22,270	(4,375,093)
<b>Fund Balance, Beginning</b>	24,223	24,223	24,223	-
<b>Fund Balance, Ending</b>	<u>\$ 4,421,586</u>	<u>\$ 4,421,586</u>	<u>\$ 46,493</u>	<u>\$ (4,375,093)</u>

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****General Obligation Bond Debt Service Fund**

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
Property taxes	\$ 1,833,603	\$ 1,833,603	\$ 1,961,904	\$ 128,301
Investment earnings:				
Interest earnings	-	-	31,643	31,643
Total revenues	1,833,603	1,833,603	1,993,547	159,944
<b>Expenditures</b>				
Debt service:				
Principal retirement	1,360,000	1,360,000	1,360,000	-
Interest and fiscal charges	949,750	949,750	958,350	(8,600)
Total expenditures	2,309,750	2,309,750	2,318,350	(8,600)
Net change in fund balance	(476,147)	(476,147)	(324,803)	151,344
<b>Fund Balance, Beginning</b>	2,706,913	2,706,913	2,706,913	-
<b>Fund Balance, Ending</b>	<u>\$ 2,230,766</u>	<u>\$ 2,230,766</u>	<u>\$ 2,382,110</u>	<u>\$ 151,344</u>

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Excise Tax Debt Service Fund**

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
Investment earnings:				
Interest earnings	\$ -	\$ -	\$ 60,544	\$ 60,544
<b>Expenditures</b>				
Current:				
General government:	-	-	2,000	(2,000)
Debt service:				
Principal retirement	2,960,000	2,960,000	2,960,000	-
Interest	1,463,159	1,463,159	1,472,359	(9,200)
Total expenditures	4,423,159	4,423,159	4,434,359	(11,200)
Excess (deficiency) of revenues over (under) expenditures	(4,423,159)	(4,423,159)	(4,373,815)	49,344
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	4,371,006	4,371,006
Total other financing sources and uses	-	-	4,371,006	4,371,006
Net change in fund balance	(4,423,159)	(4,423,159)	(2,809)	4,420,350
<b>Fund Balance, Beginning</b>	733,345	733,345	733,345	-
<b>Fund Balance, Ending</b>	\$ (3,689,814)	\$ (3,689,814)	\$ 730,536	\$ 4,420,350

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Airport Improvement Capital Projects Fund**

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 340,688	\$ 340,688
Rental and sale of city property	-	-	234,673	234,673
Total revenues	-	-	575,361	575,361
<b>Expenditures</b>				
Current:				
Planning and economic development	-	450,000	358,022	91,978
Capital outlay	4,109,272	3,035,012	3,200	3,031,812
Total expenditures	4,109,272	3,485,012	361,222	3,123,790
Net change in fund balance	(4,109,272)	(3,485,012)	214,139	3,699,151
<b>Fund Balance, Beginning</b>	283,576	283,576	283,576	-
<b>Fund Balance, Ending</b>	\$ (3,825,696)	\$ (3,201,436)	\$ 497,715	\$ 3,699,151

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Community Facilities Districts - Capital Projects**

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
Property tax	\$ 389,203	\$ 389,203	\$ 371,281	\$ (17,922)
<b>Expenditures</b>				
Current:				
General government	25,215,600	25,215,600	5,843	25,209,757
Debt service:				
Principal retirement	193,900	193,900	175,000	18,900
Interest	114,075	114,075	114,075	-
Total expenditures	25,523,575	25,523,575	294,918	25,228,657
Excess (deficiency) of revenues over (under) expenditures	(25,134,372)	(25,134,372)	76,363	25,210,735
<b>Other Financing Sources (Uses)</b>				
Transfers out	(414,387)	(414,387)	(414,387)	-
Net change in fund balance	(25,548,759)	(25,548,759)	(338,024)	25,210,735
<b>Fund Balance, Beginning</b>	1,743,889	1,743,889	1,743,889	-
<b>Fund Balance, Ending</b>	<u>\$ (23,804,870)</u>	<u>\$ (23,804,870)</u>	<u>\$ 1,405,865</u>	<u>\$ 25,210,735</u>





# **Financial Section**

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## **Supplementary Information**

### **Budgetary Comparison Schedules**

### **Proprietary Funds**



**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Water Enterprise Fund

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Operating Revenues</b>				
Service fees	\$ 628,648	\$ 628,648	\$ 236,236	\$ (392,412)
<b>Operating Expenses</b>				
Personnel services	2,691	2,691	97,183	(94,492)
Contractual	319,280	319,280	193,053	126,227
Materials and supplies	68,600	68,600	47,887	20,713
Depreciation	150,913	150,913	42,331	108,582
Total operating expenses	541,484	541,484	380,454	161,030
Net change in fund balance	87,164	87,164	(144,218)	(231,382)
<b>Fund Balance, Beginning</b>	199,761	199,761	199,761	-
<b>Fund Balance, Ending</b>	\$ 286,925	\$ 286,925	\$ 55,543	\$ (231,382)

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Wastewater/Development Enterprise Fund

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Operating Revenues</b>				
Service fees	\$ 14,813,107	\$ 14,813,107	\$ 13,441,273	\$ (1,371,834)
Miscellaneous	343,547	343,547	6,038	(337,509)
Total operating revenues	15,156,654	15,156,654	13,447,311	(1,709,343)
<b>Operating Expenses</b>				
Personnel services	1,450,687	1,450,687	1,217,751	232,936
Contractual	24,499,196	24,699,196	2,956,444	21,742,752
Materials and supplies	22,520,359	22,320,359	1,394,229	20,926,130
Depreciation	361,051	361,051	3,488,488	(3,127,437)
Other expense	-	-	106,469	(106,469)
Total operating expenses	48,831,293	48,831,293	9,163,381	39,667,912
Operating income (expense)	(33,674,639)	(33,674,639)	4,283,930	37,958,569
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	-	-	-	-
Interest earnings	-	-	155,842	155,842
Interest expense	(1,400,364)	(1,400,364)	(1,025,265)	375,099
Intergovernmental revenues	-	-	1,403,498	1,403,498
Total nonoperating revenue (expense)	(1,400,364)	(1,400,364)	534,075	1,934,439
Income (loss) before contributions and transfers	(35,075,003)	(35,075,003)	4,818,005	39,893,008
<b>Developer Fees</b>	7,080,862	7,080,862	4,204,285	(2,876,577)
<b>Transfers In</b>	11,403,498	11,403,498	10,000,000	(1,403,498)
Net change in fund balance	(16,590,643)	(16,590,643)	19,022,290	35,612,933
<b>Fund Balance, Beginning</b>	77,473,500	77,473,500	77,473,500	-
<b>Fund Balance, Ending</b>	\$ 60,882,857	\$ 60,882,857	\$ 96,495,790	\$ 35,612,933

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Sanitation Enterprise Fund

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Operating Revenues</b>				
Service fees	\$ 9,513,332	\$ 9,513,332	\$ 8,559,738	\$ (953,594)
Miscellaneous	260,959	260,959	10,492	(250,467)
Total operating revenues	9,774,291	9,774,291	8,570,230	(1,204,061)
<b>Operating Expenses</b>				
Personnel services	2,585,930	2,585,930	2,725,867	(139,937)
Contractual	5,050,023	5,004,955	1,436,884	3,568,071
Materials and supplies	4,367,072	4,412,140	1,173,358	3,238,782
Depreciation	1,045,485	1,045,485	1,010,021	35,464
Closure and postclosure costs	130,000	130,000	356,123	(226,123)
Total operating expenses	13,178,510	13,178,510	6,702,253	6,476,257
Operating income (expense)	(3,404,219)	(3,404,219)	1,867,977	5,272,196
<b>Nonoperating Revenues (Expenses)</b>				
Investment income				
Interest earnings	-	-	88,371	88,371
Gain (loss) on sale of equipment	-	-	(387,500)	(387,500)
Total nonoperating revenue (expense)	-	-	(299,129)	(299,129)
Net change in fund balance	(3,404,219)	(3,404,219)	1,568,848	4,973,067
<b>Fund Balance, Beginning</b>	13,778,736	13,778,736	13,778,736	-
<b>Fund Balance, Ending</b>	<u>\$ 10,374,517</u>	<u>\$ 10,374,517</u>	<u>\$ 15,347,584</u>	<u>\$ 4,973,067</u>

**City of Casa Grande, Arizona****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Golf Course Enterprise Fund

Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Operating Revenues</b>				
Service fees	\$ 361,227	\$ 361,227	\$ 375,934	\$ 14,707
Rental	351,026	351,026	328,139	(22,887)
Green fees	1,206,573	1,206,573	1,130,491	(76,082)
Total operating revenues	1,918,826	1,918,826	1,834,564	(84,262)
<b>Operating Expenses</b>				
Personnel services	293,264	293,264	326,870	(33,606)
Contractual	1,318,190	1,318,190	1,073,527	244,663
Materials and supplies	405,550	405,550	253,833	151,717
Depreciation	-	-	187,145	(187,145)
Other expense	-	-	50	(50)
Total operating expenses	2,017,004	2,017,004	1,841,425	175,579
Operating income (expense)	(98,178)	(98,178)	(6,861)	91,317
<b>Nonoperating Revenues (Expenses)</b>				
City sales tax	91,073	91,073	29,268	(61,805)
Income (loss) before transfers	(7,105)	(7,105)	22,407	29,512
<b>Transfers In</b>	-	-	105,000	105,000
Net change in fund balance	(7,105)	(7,105)	127,407	134,512
<b>Fund Balance, Beginning</b>	2,284,717	2,284,717	2,284,717	-
<b>Fund Balance, Ending</b>	<u>\$ 2,277,612</u>	<u>\$ 2,277,612</u>	<u>\$ 2,412,124</u>	<u>\$ 134,512</u>

# Statistical Section

Contents	Pages
<b>Financial Trends:</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	133-137
<b>Revenue Capacity:</b> These schedules contain information to help the reader assess the City's most significant local revenue sources, property tax and sales and uses taxes.	138-142
<b>Debt Capacity:</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	143-147
<b>Demographic and Economic Statistics:</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	148-149
<b>Operating Information:</b> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	150-152
<b>Sources:</b> Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.	





**City of Casa Grande, Arizona**

Net Position by Component

Schedule 1

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 151,713,255	\$ 137,618,856	\$ 111,804,545	\$ 125,561,739	\$ 108,270,856	\$ 134,649,294	\$ 129,469,237	\$ 121,637,501	\$ 118,760,028	\$ 130,561,386
Restricted	23,313,575	40,862,091	38,094,808	35,874,477	40,267,225	31,931,243	54,145,595	66,985,350	77,491,775	90,317,609
Unrestricted	61,348,678	3,182,623	26,141,879	5,910,563	13,909,387	4,155,348	686,821	13,278,839	39,377,982	51,532,614
Total governmental activities net position	<u>\$ 236,375,508</u>	<u>\$ 181,663,570</u>	<u>\$ 176,041,232</u>	<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>	<u>\$ 272,411,609</u>
<b>Business-Type Activities</b>										
Net investment in capital assets	\$ 51,371,884	\$ 48,601,273	\$ 49,202,991	\$ 49,611,489	\$ 51,297,595	\$ 52,921,972	\$ 54,578,295	\$ 58,472,223	\$ 59,816,453	\$ 69,913,713
Restricted	6,187,139	6,317,620	6,575,857	6,970,069	6,403,618	6,660,007	12,096,729	19,754,821	24,746,871	24,395,311
Unrestricted	5,253,457	(265,067)	151,635	939,248	1,769,103	5,563,303	5,267,351	6,059,078	9,173,390	20,002,017
Total business-type activities net position	<u>\$ 62,812,480</u>	<u>\$ 54,653,826</u>	<u>\$ 55,930,483</u>	<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>	<u>\$ 114,311,041</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 201,934,193	\$ 186,217,129	\$ 161,007,536	\$ 175,173,228	\$ 159,568,451	\$ 187,571,266	\$ 184,047,532	\$ 180,109,724	\$ 178,576,481	\$ 200,475,099
Restricted	29,500,714	47,179,711	44,670,665	42,844,546	46,670,843	38,591,250	66,242,324	86,814,436	102,238,646	114,712,920
Unrestricted	66,681,178	2,917,556	26,293,514	6,849,811	15,678,490	9,718,651	5,954,172	19,263,652	48,551,372	71,534,631
Total primary government net position	<u>\$ 298,116,085</u>	<u>\$ 236,314,396</u>	<u>\$ 231,971,715</u>	<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>	<u>\$ 386,722,650</u>

**City of Casa Grande, Arizona**

Changes in Net Position - Governmental Activities

Schedule 2

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities</b>										
Expenses:										
General government	\$ 7,010,252	\$ 10,107,662	\$ 11,103,379	\$ 8,951,427	\$ 9,203,693	\$ 6,211,501	\$ 8,985,376	\$ 11,604,796	\$ 10,356,216	\$ 11,763,795
Public safety	25,534,564	26,520,689	23,893,064	31,694,293	31,273,684	31,268,662	32,331,599	33,789,441	34,718,144	36,103,269
Streets/Transportation	13,511,907	13,548,310	12,823,511	12,159,682	5,042,379	3,187,209	4,936,659	3,108,249	5,994,902	5,321,190
Public works	2,666,121	2,771,028	7,723,880	5,944,648	9,664,687	11,612,371	10,776,751	14,547,249	10,869,184	8,933,147
Culture and recreation	7,859,818	7,676,615	7,805,438	7,994,626	7,696,620	10,140,746	9,210,516	7,339,659	10,607,102	11,305,153
Economic development	3,269,820	2,765,522	2,350,547	2,573,276	3,909,504	3,032,017	4,006,477	2,955,078	4,869,721	5,885,104
Interest on long-term debt	2,333,855	2,504,944	2,424,163	2,571,381	3,118,414	3,255,720	411,944	1,968,299	1,920,661	2,648,668
Total expenses	62,186,337	65,894,770	68,123,982	71,889,333	69,908,981	68,708,226	70,659,322	75,312,771	79,335,930	81,960,326
<b>Program Revenues</b>										
Charges for services:										
General government	304,629	2,815,852	1,388,172	824,576	460,030	394,210	298,032	240,515	373,267	289,754
Public safety	1,345,626	1,076,004	1,487,150	1,608,334	1,388,042	1,544,494	1,079,211	1,251,053	1,175,524	1,174,294
Streets/Transportation	960,368	816,829	-	-	-	-	-	-	-	-
Public works	33,133	167,447	3,476,748	3,944,961	909,437	874,890	989,335	1,805,395	1,813,678	730,105
Culture and recreation	502,803	430,294	1,035,225	741,249	691,224	951,399	1,232,935	1,538,436	1,314,897	1,717,695
Development fees	110,170	179,753	110,678	783,045	251,681	-	-	-	-	-
Building permits	846,542	1,081,880	1,314,910	777,911	1,027,288	1,948,462	1,700,990	3,865,170	3,823,439	3,396,365
Development and engineering	16,393	78,284	-	-	-	-	-	-	-	-
Other economic development	163,809	307,578	96,668	238,566	65,718	124,015	1,210,920	1,817,567	1,441,623	2,997,662
Operating grants and contributions	7,163,717	6,775,967	4,945,110	5,752,093	6,155,986	6,435,375	12,643,572	8,171,777	20,279,239	8,987,700
Capital grants and contributions	1,333,697	4,132,231	1,451,669	805,309	1,802,175	4,960,817	5,477,699	9,230,238	6,946,282	13,731,199
Total program revenues	12,780,887	17,862,119	15,306,330	15,476,044	12,751,581	17,233,662	24,632,694	27,920,151	37,167,949	33,024,774
Total governmental activities net program expense	(49,405,450)	(48,032,651)	(52,817,652)	(56,413,289)	(57,157,400)	(51,474,564)	(46,026,628)	(47,392,620)	(42,167,981)	(48,935,552)
<b>General Revenues and Other Changes in Net Position</b>										
Property taxes	6,197,813	6,366,087	6,410,163	6,472,519	6,970,676	6,862,999	5,847,793	6,113,399	7,731,777	6,823,496
Sales taxes	19,650,998	21,795,890	22,909,814	23,402,408	25,292,113	27,193,495	30,674,410	36,505,308	47,852,821	57,180,180
Franchise taxes	2,248,466	2,358,731	2,388,109	2,449,704	2,502,845	2,343,033	2,326,462	2,447,297	2,665,583	2,917,682
Shared revenues:										
State sales taxes	4,227,755	4,438,843	4,602,342	4,734,258	5,246,154	5,595,095	5,923,694	6,804,724	7,672,107	8,529,119
Urban revenue sharing	5,413,854	5,879,820	5,847,942	6,295,760	6,754,555	6,718,257	7,400,926	8,379,332	7,172,180	10,945,590
Auto-in-lieu	2,259,469	2,447,783	2,638,312	2,666,254	3,172,178	3,378,251	3,572,877	4,242,113	4,239,122	4,273,816
Investment earnings	330,546	174,864	775,075	444,399	746,889	4,388,415	3,033,946	248,917	(2,828,231)	4,548,705
Gain on early debt extinguishment	-	-	-	-	-	106,940	-	-	-	-
Gain on sales of assets	-	-	-	-	-	-	-	-	202,205	266,428
Miscellaneous	112,756	282,850	329,338	665,351	380,656	456,445	770,281	247,611	1,188,512	337,360
Transfers	725,460	78,030	1,297,300	1,371,224	1,192,023	1,444,610	42,007	3,956	-	(10,105,000)
Total general revenues and other change in net position	41,167,117	43,822,898	47,198,395	48,501,877	52,258,089	58,487,540	59,592,396	64,992,657	75,896,076	85,717,376
Total governmental activities change in net position	\$ (8,238,333)	\$ (4,209,753)	\$ (5,619,257)	\$ (7,911,412)	\$ (4,899,311)	\$ 7,012,976	\$ 13,565,768	\$ 17,600,037	\$ 33,728,095	\$ 36,781,824

**City of Casa Grande, Arizona**

Changes in Net Position - Business-Type Activities

Schedule 3

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Business-Type Activities</b>										
Expenses:										
Water	\$ 286,210	\$ 261,674	\$ 224,960	\$ 589,929	\$ 285,818	\$ 313,388	\$ 373,484	\$ 384,921	\$ 293,197	\$ 380,454
Golf course	1,212,036	1,195,987	924,469	1,263,373	1,407,351	1,348,139	1,351,902	1,262,574	1,413,141	1,841,425
Wastewater	9,559,101	9,119,769	10,661,238	10,077,363	9,542,082	9,064,782	9,319,191	9,388,670	9,362,609	10,188,646
Sanitation	5,410,150	5,386,901	5,311,875	5,726,011	5,570,376	5,141,643	5,454,263	5,257,913	6,045,171	7,089,753
Total expenses	16,467,497	15,964,331	17,122,542	17,656,676	16,805,627	15,867,952	16,498,840	16,294,078	17,114,118	19,500,278
<b>Revenues</b>										
Charges for services:										
Water	181,120	192,343	219,824	236,862	229,111	210,924	235,920	250,818	449,525	236,236
Golf course	1,076,014	1,100,780	1,115,852	1,257,615	1,359,502	1,406,657	1,473,150	1,541,451	1,741,329	1,834,564
Wastewater	8,027,267	8,541,358	10,241,967	11,105,175	10,754,316	11,121,564	10,896,978	11,462,017	11,853,656	13,447,311
Sanitation	6,385,562	6,739,816	7,388,211	7,432,237	6,840,168	7,309,243	6,973,937	7,229,849	7,792,109	8,570,230
Sales taxes	29,098	29,122	30,345	28,892	26,156	-	17,036	22,083	52,161	29,268
Investment earnings	8,917	11,680	26,041	81,578	158,238	268,994	608,678	144,413	(432,625)	244,213
Miscellaneous	57,654	72,228	4,021	29,977	-	-	-	346,802	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	1,403,498
Capital grants and contributions	587,959	582,705	670,238	445,883	579,670	2,670,146	3,132,241	7,644,348	5,108,555	4,204,285
Total revenues	16,353,591	17,270,032	19,696,499	20,618,219	19,947,161	22,987,528	23,337,940	28,641,781	26,564,710	29,969,605
Total business-type activities net program expense	(113,906)	1,305,701	2,573,957	2,961,543	3,141,534	7,119,576	6,839,100	12,347,703	9,450,592	10,469,327
<b>Other Changes in Net Position</b>										
Transfers	(725,460)	(78,030)	(78,030)	(1,371,224)	(1,192,023)	(1,444,610)	(42,007)	(3,956)	-	10,105,000
Total business-type activities change in net position	\$ (839,366)	\$ 1,227,671	\$ 2,495,927	\$ 1,590,319	\$ 1,949,511	\$ 5,674,966	\$ 6,797,093	\$ 12,343,747	\$ 9,450,592	\$ 20,574,327
<b>Total Primary Government Change in Net Position</b>	<u>\$ 4,301,079</u>	<u>\$ (7,010,662)</u>	<u>\$ (4,342,700)</u>	<u>\$ (7,104,136)</u>	<u>\$ (2,962,922)</u>	<u>\$ 12,687,942</u>	<u>\$ 20,362,861</u>	<u>\$ 29,943,784</u>	<u>\$ 43,178,687</u>	<u>\$ 57,356,151</u>

**City of Casa Grande, Arizona**

Fund Balances of Governmental Funds

Schedule 4

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Nondisposable	\$ 6,281	\$ 1,647	\$ 2,063	\$ -	\$ 1,006,102	\$ 2,063,308	\$ 3,359,483	\$ 1,654,063	\$ 1,496,470	\$ 1,391,441
Restricted	5,163,565	5,572,411	-	1,670,016	1,482,581	1,568,371	1,568,371	1,568,371	-	-
Committed	-	-	-	4,654,417	5,232,779	5,611,482	6,265,454	6,728,180	12,168,076	12,795,781
Assigned	13,384,358	11,631,345	20,453,537	20,494,239	13,094,976	14,870,455	13,269,260	18,347,591	54,564,183	16,913,296
Unassigned	6,892,105	12,631,345	9,911,709	5,343,256	13,667,378	19,094,967	32,924,395	39,978,151	27,521,491	75,074,878
Total general fund	<u>\$ 25,446,309</u>	<u>\$ 29,836,748</u>	<u>\$ 30,367,309</u>	<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>	<u>\$ 106,175,396</u>
<b>All Other Governmental Funds</b>										
Nondisposable	\$ 93,031	\$ 36,281	\$ 59,867	\$ 40,286	\$ 170,140	\$ 45,123	\$ 362,008	\$ 28,975	\$ -	\$ 1,606,149
Restricted	32,227,498	35,291,890	37,376,941	36,647,161	38,784,644	30,362,872	52,577,224	65,491,244	77,491,775	90,317,609
Committed	-	-	-	1,164,600	-	1,989,707	2,135,495	2,418,880	2,763,117	3,423,975
Assigned	29,168,940	29,084,496	45,538,029	42,075,694	39,202,559	22,507,732	2,169,694	6,602,047	4,878,780	8,808,867
Unassigned	(576,846)	(593,322)	(635,129)	(750,466)	(531,017)	(1,080,079)	(1,404,901)	(1,284,259)	(1,322,531)	(1,339,671)
Total all other governmental funds	<u>\$ 60,912,623</u>	<u>\$ 63,819,345</u>	<u>\$ 82,339,708</u>	<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>	<u>\$ 102,816,929</u>

**City of Casa Grande, Arizona**

Changes in Fund Balances of Governmental Funds

Schedule 5

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Taxes	\$ 28,304,305	\$ 30,557,352	\$ 29,707,719	\$ 30,324,120	\$ 32,272,000	\$ 33,953,688	\$ 36,243,848	\$ 41,906,190	\$ 54,626,403	\$ 62,841,677
Licenses and permits	1,055,340	1,344,254	198,289	981,525	1,211,872	1,845,897	1,882,269	4,686,392	3,823,439	3,396,365
Intergovernmental revenues	19,166,537	19,324,969	20,210,255	21,520,997	23,349,174	24,300,942	32,478,962	30,953,733	42,045,773	36,996,314
Charges for services	2,614,233	4,061,405	4,580,524	2,695,209	3,674,172	6,699,921	6,789,552	13,073,103	11,614,627	19,066,534
Fines	707,660	682,288	589,589	1,012,427	873,169	723,082	644,422	651,732	597,158	641,342
Investment earnings	339,728	207,833	774,775	434,393	729,980	4,363,910	3,033,946	248,916	(2,828,231)	4,548,705
Rental and sale of city property	536,601	761,495	763,824	608,524	622,603	566,569	638,269	593,628	896,638	1,000,146
Other revenues	968,313	821,199	654,851	639,115	372,027	652,845	760,083	425,802	1,931,876	462,265
<b>Total revenues</b>	<b>53,692,717</b>	<b>57,760,795</b>	<b>57,479,826</b>	<b>58,216,310</b>	<b>63,104,997</b>	<b>73,106,854</b>	<b>82,471,351</b>	<b>92,539,496</b>	<b>112,707,683</b>	<b>128,953,348</b>
<b>Expenditures</b>										
General government	7,801,503	7,810,453	7,591,059	9,242,859	7,946,956	8,639,803	8,769,698	8,291,910	9,857,265	9,792,218
Public safety	22,673,464	21,380,603	23,899,172	23,008,996	25,620,207	26,185,872	26,815,785	28,700,688	90,944,176	28,292,257
Streets / Transportation	2,645,606	2,821,113	3,070,601	2,759,357	4,432,747	3,113,727	4,248,751	4,629,054	4,203,686	4,857,138
Public works	1,350,102	1,352,469	1,286,448	1,159,563	1,111,264	1,039,146	1,043,362	1,034,562	1,792,507	1,238,917
Culture and recreation	6,413,990	6,157,841	6,547,379	6,677,105	6,627,298	6,707,765	7,356,101	6,537,800	7,845,395	8,638,631
Planning and economic development	2,526,552	2,276,725	2,860,992	3,017,753	3,354,879	3,051,499	3,515,430	3,954,128	5,268,977	4,952,620
Capital outlay	10,651,896	6,889,725	6,342,445	9,933,106	9,127,478	33,402,748	10,604,705	8,606,907	11,314,959	24,365,266
Debt service:										
Principal	1,528,344	1,959,805	2,771,539	3,084,158	3,596,214	5,251,754	3,324,478	5,175,607	4,131,862	5,611,393
Interest	2,448,448	2,520,693	2,281,741	2,248,255	2,388,463	2,386,183	2,025,034	1,889,129	2,382,812	2,720,263
Bond issuance costs	-	-	(531,270)	-	169,890	41,393	66,924	207,967	798,540	-
<b>Total expenditures</b>	<b>58,039,905</b>	<b>53,169,427</b>	<b>56,120,106</b>	<b>61,131,152</b>	<b>64,375,396</b>	<b>89,819,890</b>	<b>67,770,268</b>	<b>69,027,752</b>	<b>138,540,179</b>	<b>90,468,703</b>
<b>Other Financing Sources (Uses)</b>										
Subscription payables issued	-	-	-	-	-	-	-	-	-	1,877,319
Transfers in	8,818,190	5,813,795	13,931,824	8,129,320	8,250,363	15,753,858	3,124,333	11,879,547	5,534,914	13,549,692
Transfers out	(8,003,769)	(4,137,337)	(12,261,624)	(6,582,296)	(6,423,156)	(13,732,058)	(3,902,444)	(11,739,814)	(4,934,300)	(24,480,692)
Bond issuance	-	1,095,019	37,675,240	-	7,710,000	-	-	4,655,283	63,260,000	-
Payment to escrow agent	-	-	(20,657,479)	-	(7,531,828)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>814,421</b>	<b>2,771,477</b>	<b>18,687,961</b>	<b>1,547,024</b>	<b>2,005,379</b>	<b>2,021,800</b>	<b>(778,111)</b>	<b>4,795,016</b>	<b>63,860,614</b>	<b>(9,053,681)</b>
<b>Net change in fund balances</b>	<b>\$ (3,532,767)</b>	<b>\$ 7,362,845</b>	<b>\$ 20,047,682</b>	<b>\$ (1,367,817)</b>	<b>\$ 734,981</b>	<b>\$ (14,691,236)</b>	<b>\$ 13,922,972</b>	<b>\$ 28,306,760</b>	<b>\$ 38,028,118</b>	<b>\$ 29,430,964</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	8.39%	9.68%	10.15%	10.42%	10.83%	13.54%	9.36%	11.59%	5.12%	12.75%

**City of Casa Grande, Arizona**

Sales Tax Revenue by Industry  
Schedule 6  
Fiscal Years 2016 - 2023  
(Unaudited)

	Fiscal Year 2016		Fiscal Year 2017		Fiscal Year 2018		Fiscal Year 2019		Fiscal Year 2020		Fiscal Year 2021		Fiscal Year 2022		Fiscal Year 2023	
	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	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 %	\$ 2,982,855	12.16 %	\$ 4,601,108	16.06 %	\$ 6,324,701	18.25 %	\$ 12,052,233	26.43 %	\$ 22,530,538	37.45 %
Manufacture	347,578	1.64	502,031	2.32	706,092	3.13	583,874	2.38	545,779	1.90	609,678	1.76	772,091	1.69	908,615	1.51
Transportation/communication/ utilities	2,376,943	11.22	2,762,747	12.77	2,383,915	10.56	2,357,393	9.61	2,341,655	8.17	2,530,577	7.30	2,702,708	5.93	2,995,705	4.98
Wholesale trade	370,828	1.75	311,761	1.44	369,291	1.64	423,087	1.73	606,842	2.12	653,606	1.89	856,130	1.88	1,000,210	1.66
Retail trade	11,024,238	52.02	10,940,735	50.58	10,852,085	48.08	11,159,883	45.51	12,905,093	45.04	15,099,338	43.57	17,065,503	37.42	19,140,771	31.82
Restaurants/bars	1,646,747	7.77	1,757,599	8.12	1,785,801	7.91	1,954,939	7.97	2,044,973	7.14	2,382,999	6.88	2,943,763	6.46	3,488,144	5.80
Insurance/real estate	2,038,474	9.62	2,025,113	9.36	2,020,226	8.95	2,689,023	10.97	2,943,659	10.27	3,407,775	9.83	4,652,979	10.20	5,806,648	9.65
Hotels/lodging	495,874	2.34	497,256	2.30	565,681	2.51	615,273	2.51	619,448	2.16	790,475	2.28	1,033,978	2.27	1,548,811	2.57
Services	741,768	3.50	742,586	3.43	868,557	3.85	1,081,410	4.41	1,477,076	5.16	2,408,535	6.95	2,879,189	6.31	2,049,493	3.41
All other	550,108	2.60	639,240	2.95	696,035	3.08	674,652	2.75	564,936	1.97	446,726	1.29	643,156	1.41	689,569	1.15
Total	\$ 21,193,506	100.00 %	\$ 21,632,557	100.00 %	\$ 22,568,892	100.00 %	\$ 24,522,388	100.00 %	\$ 28,650,568	100.00 %	\$ 34,654,410	100.00 %	\$ 45,601,729	100.00 %	\$ 60,158,505	100.00 %

Source: Arizona State Department of Revenue

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

## City of Casa Grande, Arizona

Direct and Overlapping Sales Tax Rates

Schedule 7

Year Ended June 30, 2023

(Unaudited)

	Rates		
	City	State and Pinal County	Combine
<b>Type of Tax</b>			
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 \$5,000	1.5	6.7	8.2
Retail, marijuana adult use	2.0	6.7	8.7
Hotel/motel	6.8	6.7	13.5
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	\$0.0366/gal	NA
Real property rental:			
Commercial	1.8	0.5	2.3
Residential	1.8	-	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

## City of Casa Grande, Arizona

### Real and Personal Property Tax Levies and Collections

#### Schedule 8

Collected to June 30, 2023

(Unaudited)

Fiscal Year	Tax Levy	Collections	Taxes Receivable	Percent of Tax Levy	Adjustments
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
2023	6,438,628	6,271,136 (a)	167,491	97.40	(149,299)

(a) Reflects collections made through June 30, 2023, 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



**City of Casa Grande, Arizona**

Tax Rate Data

Schedule 9

Last Ten Fiscal Years

(Unaudited)

<b>Fiscal Year</b>	<b>City's Primary Tax Rate Per \$100 Assessed</b>	<b>City's Secondary Tax Rate Per \$100 Assessed</b>	<b>City's Total Tax Rate Per \$100 Assessed</b>
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
2023	0.9643	0.4197	1.3840

Source: *City of Casa Grande*

## City of Casa Grande, Arizona

Estimated Net Secondary Assessed Valuation of Major Taxpayers

Schedule 10

(Unaudited)

Taxpayers (a)(b)	Type of Business / Property	Estimated 2022-2023 Net Secondary Assessed Valuation	As Percent of City's 2022-2023 Net Assessed Valuation
ATIEVE USA, INC DBA LUCID MOTORS	Retail Distribution Center	\$ 17,203,390	2.43 %
ARIZONA PUBLIC SERVICE COMPANY	Electric Utility	15,683,431	2.22
LUCID USA, INC. (FKA ATIEVA USA, INC.)	Manufacturing	8,445,484	1.19
WAL-MART STORES EAST LP	Retailer	8,110,465	1.15
FRITO LAY SALES INC	Manufacturing	7,032,948	1.00
SOUTHWEST GAS CORPORATION	Gas Utility	6,411,960	0.91
ABBOTT MANUFACTURING	Manufacturing	6,290,392	0.89
ARIZONA WATER COMPANY	Water Utility	4,836,715	0.68
HEXCEL CORPORATION	Manufacturing	4,869,871	0.69
EHRMANN ARIZONA DAIRY LLC	Dairy Product Manufacturing	3,909,890	0.55
TRACTOR SUPPLY COMPANY #1808	Retail Distribution Center	3,712,672	0.53
DAISY BRAND LLC	Dairy Product Manufacturing	3,435,902	0.49
CADC PARTNERS LLC	Real Estate Management	4,048,653	0.57
PALM CREEK HOLDINGS LLC	Real Estate Management	3,917,394	0.55
FRITO-LAY LLC	Real Estate Management	3,428,936	0.49
LINDEN STATION CASA GRANDE LLC	Real Estate Management	2,858,210	0.40
FRANKLIN FOODS INC	Retailer	2,702,063	0.38
PROMENADE CG HOLDINGS LLC	Retailer	6,000,225	0.85
LUCID USA INC	Manufacturing	3,742,492	0.53
DAISY BRAND LP	Dairy Product Manufacturing	2,347,113	0.33
Total		\$ 118,988,206	16.83 %

(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

**City of Casa Grande, Arizona**

Ratios of Outstanding Debt by Type  
Schedule 11  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Governmental Activities						Business-Type Activities				Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Excise Tax Revenue Obligations	Premium on Debt Payable	Special Assessment Bonds	Subscriptions Payable	Leases Payable	General Obligation Bonds	Excise Tax/GO Bond Revenue Obligations	Leases Payable	Notes Payable			
2014	\$ 27,385,814	\$ 16,824,237	\$ 189,130	\$ -	\$ -	\$ 7,470,835	\$ -	\$ 11,187,135	\$ -	\$ 47,671,092	\$ 110,728,243	10.26	2,173.78
2015	26,823,748	16,154,247	190,721	-	-	8,081,767	-	10,352,512	-	46,289,847	107,892,842	9.86	2,027.03
2016	44,193,352	15,351,500	3,105,241	-	-	7,537,984	-	9,495,085	-	43,736,724	123,419,886	10.77	2,260.88
2017	43,139,478	14,462,000	2,924,478	-	-	6,960,225	-	8,250,541	-	41,106,899	116,843,621	10.14	2,142.58
2018	38,375,000	13,981,900	2,745,187	-	-	6,342,211	-	6,068,100	-	38,371,116	105,883,514	8.19	1,879.82
2019	33,890,000	12,927,300	2,620,430	-	-	5,691,985	-	4,577,700	-	35,525,109	95,232,524	5.57	1,707.53
2020	32,370,000	11,806,700	2,437,506	-	-	5,006,106	-	3,018,300	-	32,564,435	87,203,047	4.76	1,530.90
2021	33,225,000	12,020,000	2,479,865	-	-	4,585,107	-	1,407,600	-	29,484,476	83,202,048	2.89	1,419.06
2022	31,770,000	71,635,000	2,466,778	-	-	4,149,237	-	-	-	26,280,426	136,301,441	4.99	2,185.16
2023	30,235,000	68,675,000	2,104,557	-	1,226,571	3,683,591	-	-	-	22,948,285	128,873,004	4.63	2,126.29

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.

# City of Casa Grande, Arizona

## Ratio of General Bonded Debt Outstanding

### Schedule 12

#### Last Ten Fiscal Years

(Unaudited)

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>		<b>Estimated Actual Value of Property (a)</b>	<b>Percentage of Estimated Actual Value of Property</b>	<b>General Bonded Debt Per Capita (b)</b>	<b>Restricted for Principal Payment (c)</b>
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	315	125,000
2017	37,145,000	(2)	3,142,528,380	1.18	557	1,505,000
2018	2,940,000	(1)	349,336,106	0.84	302	135,000
2018	35,435,000	(2)	3,232,315,699	1.10	532	1,795,000
2019	2,805,000	(1)	367,212,764	0.76	288	410,000
2019	31,085,000	(2)	3,460,059,401	0.90	466	1,105,000
2020	2,390,000	(1)	411,172,201	0.58	246	2,390,000
2020	29,980,000	(2)	3,625,019,073	0.83	450	1,185,000
2021	4,430,000	(3)	178,518,348	2.48	455	185,000
2021	28,795,000	(2)	3,919,684,300	0.73	432	1,270,000
2022	4,245,000	(3)	206,614,267	2.05	436	175,000
2022	27,525,000	(2)	4,231,783,757	0.65	413	1,360,000
2023	4,070,000	(3)	207,449,701	1.96	418	175,000
2023	26,165,000	(2)	4,731,723,844	0.55	393	1,460,000

(a) Source: Pinal County Assessor's records

(b) Estimated population of Mission Royale CFD 6/30/23 6,037  
Estimated population of Villago CFD 6/30/22 3,698  
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 66,636

(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.

## City of Casa Grande, Arizona

### Direct and Overlapping Governmental Activities Debt

#### Schedule 13

Year Ended June 30, 2023

(Unaudited)

Governmental Unit	Bonded Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Elementary School District #4	\$ 33,800,000	85.81 %	\$ 29,003,780
Union High School District #82	7,920,000	67.34	5,333,328
Central Arizona Community College	54,905,000	15.10	8,290,655
Mission Royale CFD	-	100.00	-
Villago CFD	4,070,000	100.00	4,070,000
Subtotal, overlapping debt			46,697,763
City Direct Debt	102,593,591	100.00	102,593,591
Total direct and overlapping debt			\$ 149,291,354

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.

## City of Casa Grande, Arizona

Legal Debt Margin Information

Schedule 14

Last Ten Fiscal Years

(Unaudited)

<b>Net Secondary Assessed Valuation as of June 30, 2023 (a)</b>	<b>\$ 706,778,661</b>
<b>Debt Limit (6% of Assessed Value)</b>	42,406,720
<b>Debt Applicable to Limit</b>	
General obligation bonds	963,000
Legal 6% debt margin	<u>\$ 41,443,720</u>
<b>Debt Limit (20% of Assessed Value)</b>	141,355,732
<b>Debt Applicable to Limit</b>	
General obligation bonds	25,202,000
Legal 20% debt margin	<u>\$ 116,153,732</u>

Arizona's Constitution states that a municipality cannot issue general obligation bonds in excess of 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

## City of Casa Grande, Arizona

Pledged-Revenue Coverage

Schedule 15

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Transaction Privilege (Sales) Tax (a)(b)	State Shared Sales Tax	State Shared Income Tax	Franchise Tax	Licenses and Permits / Fines and Forfeitures	Principal	Debt Services Interest	Coverage
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
2023	37,341,090	8,529,119	10,945,590	2,917,682	4,037,707	2,960,000	1,463,158	14.42

(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:

Fiscal Year	Amount
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
2023	1,897,244

## City of Casa Grande, Arizona

Demographic and Economic Statistics

Schedule 16

Last Ten Fiscal Years

(Unaudited)

<b>Fiscal Year</b>	<b>Population</b>	<b>County Per Capita Personal Income</b>	<b>Total Personal Income</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
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
2023	66,636	45,950	3,061,924,200	9,948	5.00

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



# City of Casa Grande, Arizona

Principal Employers  
Schedule 17  
Last Ten Fiscal Years  
(Unaudited)

Employer	2023		2014	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Lucid Motors	2,400	25.74 %	-	- %
Casa Grande Elementary School District	957	10.26	1,076	5.55
Wal-Mart Distribution Center	848	9.09	574	2.96
Casa Grande Regional Medical Center	625	6.70	900	4.64
US Customs and Border Protection	500	5.36	-	-
Abbott Nutrition	450	4.83	435	2.24
City of Casa Grande	433	4.64	444	2.29
Hexcel Corporation	350	3.75	550	2.84
Tractor Supply	322	3.45	-	-
Casa Grande Union High School District	318	3.41	-	-
Frito-Lay Inc.	300	3.22	450	2.32
Fry's	300	3.22	-	-
Wal-Mart Store	280	3.00	340	1.75
Price Industry	270	2.90	-	-
Dillard's	200	2.15	-	-
Pinal County	200	2.15	-	-
National Vitamin Company	180	1.93	270	1.39
Lowe's	150	1.61	-	-
Kohl's	123	1.32	-	-
Casa Grande Valley Newspapers	118	1.27	-	-
Franklin Foods	-	-	175	0.90
Sam's Club	-	-	144	0.74
All Others	-	-	14,034	72.37
	<u>9,324</u>	<u>100.00 %</u>	<u>19,392</u>	<u>100.00 %</u>

## City of Casa Grande, Arizona

Authorized City Government Employee Positions by Function / Program

Schedule 18

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Function / Program						Total
	General Government	Police, City Attorney and Court	Fire	Culture and Recreation	Planning and Development	Public Works	
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	471.4
2021	50.0	121.0	74.0	66.0	19.0	99.0	429.0
2022	51.0	123.0	75.0	66.0	22.0	100.0	437.0
2023	52.0	123.0	75.0	70.0	23.0	103.0	446.0

Source: City Budget

Note: Information is based on authorized positions.

# City of Casa Grande, Arizona

Operating Indicators by Function/Program

Schedule 19

Last Ten Fiscal Years

(Unaudited)

Function / Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Registered voters	20,417	20,417	22,959	22,959	27,110	28,982	31,784	34,090	35,499	31,703
Ballots cast last primary election	3,886	3,886	6,651	6,651	7,336	7,336	8,414	8,414	-	7,698
Fire										
Medical support calls	5,400	5,710	5,840	5,612	6,594	6,603	6,711	6,953	7,969	8,241
Total alarms	6,951	7,356	7,717	7,498	9,400	9,997	10,621	10,980	12,575	13,295
Inspections/investigations	687	504	681	333	564 *	906	1,005	2,549	358	1,293
Public education contacts	15,556	13,247	13,992	10,102	16,035 *	15,864	9,000	10,140	16,400	13,040
Police										
Calls for service	22,079	23,314	37,135	31,693	30,920	28,350	25,337	32,072	34,704	47,673
Officer initiated	29,117	20,569	28,683	25,761	43,042	24,160	26,573	27,242	24,141	16,510
Patrolled miles	696,743	640,119	745,208	964,325	1,010,722	1,017,201	460,559	415,117	740,324	1,329,378
Traffic accidents	843	912	904	812	1,181	1,021	882	953	1,104	1,246
Traffic citations	7,912	4,897	5,953	7,353	6,979	7,947	4,867	4,631	3,638	3,892
Arrests (adult and juvenile)	4,760	4,477	4,335	3,164	3,563	3,384	3,166	3,209	3,057	3,283
Culture and recreation, library (a) (b)										
Items in collections	645,613	330,220	350,182	269,535	92,821	339,022	327,927	366,678	378,890	332,794
Total circulation transactions	359,585	346,683	346,667	341,354	283,101	364,201	369,409	241,479	320,502	340,889
Economic development										
Building permits, commercial	63	94	75	58	78	81	90	85	22	22
Building permits, residential	698	438	761	523	631	730	749	1,788	1,230	1,720
Housing rehabilitations	17	13	11	4	12	4	5	3	3	4
Code enforcement cases	1,349	1,241	1,448	2,162	2,305	4,589	5,753	4,365	3,781	2,381
Planning cases	152	135	100	124	117	106	115	174	240	293

Sources: Various City departments

\* Data through 12-31-16

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

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

## City of Casa Grande, Arizona

### Capital Asset Statistics by Function/Program

Schedule 20

Last Ten Fiscal Years

(Unaudited)

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	29	29
Parkland acreage	1,611	1,611	1,611	1,611	1,611	1,625	1,625	1,625	2,000	2,000
Community centers	5	5	5	5	5	6	5	5	5	5
Golf courses	1	1	1	1	1	1	1	1	1	1
Playgrounds	26	26	26	26	26	26	26	26	24	24
Other maintenance areas	99	99	98	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	3,988	3,996	3,996	3,996	3,770	3,884	3,714	3,886	3,936	4,258
Miles of streets (centerline)	403	396	401	406	410	410	428	432	361	374
Miles of sewer	290	290	290	291	288	295	314	286	289	320
Number of lift stations	10	10	7	7	7	7	8	7	7	7
Number of signalized intersections*	42	43	45	45	45	45	48	49	50	51

\* Includes ADOT signalized intersections

Sources: Various City departments