

Financial Reports

CITY OF CASA GRANDE, ARIZONA

EXAMINATION OF
ANNUAL EXPENDITURE LIMITATION REPORT

JUNE 30, 2020



Henry+Horne

CITY OF CASA GRANDE, ARIZONA
JUNE 30, 2020
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INDEPENDENT ACCOUNTANTS' REPORT

The Auditor General of the State of Arizona and
The Honorable Mayor and City Council
of the City of Casa Grande, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of City of Casa Grande, Arizona for the year ended June 30, 2020, and the related notes to the report. The City's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report of City of Casa Grande, Arizona, referred to above is presented in accordance with the uniform expenditure reporting system as described in Note 1 in all material respects.

Henry + Horne, LLP

Casa Grande, Arizona
March 25, 2021

CITY OF CASA GRANDE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART I
YEAR ENDED JUNE 30, 2020

<u>1.</u> Economic Estimates Commission expenditure limitation	\$ 229,120,881
<u>2.</u> Voter-approved alternative expenditure limitation	-
<u>3.</u> Enter applicable amount from line 1 or line 2	<u>\$ 229,120,881</u>
<u>4.</u> Amount subject to the expenditure limitation (total amount from part II, line C)	57,437,761
<u>5.</u> Board-authorized expenditures necessitated by a disaster the Governor declared	-
<u>6.</u> Board-authorized expenditures necessitated by a disaster the Governor did not declare	-
<u>7.</u> Prior-year, voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year	-
<u>8.</u> Subtotal	<u>57,437,761</u>
<u>9.</u> Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster the Governor did not declare and the voters did not approve	-
<u>10.</u> Total adjusted amount subject to the expenditure limitation	57,437,761
<u>11.</u> Amount under (in excess of) the expenditure limitation	<u>\$ 171,683,120</u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Financial Officer:



Name and title: Angèle A. Ozoemelam, Finance Director

Telephone number: (520) 421-8600

Date: 3/25/21

CITY OF CASA GRANDE, ARIZONA
 ANNUAL EXPENDITURE LIMITATION REPORT - PART II
 YEAR ENDED JUNE 30, 2020

Description	Governmental funds	Enterprise funds	Internal service funds	Fiduciary funds	Total
<u>A.</u> Amounts reported on the reconciliation, line D	\$ 67,620,590	\$ 16,945,736	\$ 9,450,982	\$ 18,573	\$ 94,035,881
<u>B.</u> Less exclusions claimed:					
1. Debt proceeds	-	-	-	-	-
2. Debt service requirements	5,349,512	5,429,307	-	-	10,778,819
3. Dividends, interest, and gains on the sale or redemption of investment securities	3,033,946	608,678	-	-	3,642,624
4. Trustee or custodian	-	-	-	18,573	18,573
5. Grants and aid from the federal government	8,000,180	-	-	-	8,000,180
6. Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	31,330	-	-	-	31,330
7. Amounts received from the State of Arizona	67,723	-	-	-	67,723
8. Quasi-external interfund transactions	-	-	9,450,982	-	9,450,982
9. Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	-	-	-	-	-
10. Highway user revenues in excess of those received in fiscal year 1979-80	4,607,889	-	-	-	4,607,889
11. Contracts with other political subdivisions	-	-	-	-	-
12. Refunds, reimbursements, and other recoveries	-	-	-	-	-
13. Voter-approved exclusions not identified above	-	-	-	-	-
14. Prior years carryforward	-	-	-	-	-
15. Qualifying capital improvement expenditures repaid in accordance with A.R.S. §41-1279.07	-	-	-	-	-
<u>16. Total exclusions claimed</u>	<u>21,090,580</u>	<u>6,037,985</u>	<u>9,450,982</u>	<u>18,573</u>	<u>36,598,120</u>
<u>C.</u> Amounts subject to the expenditure limitation	<u>\$ 46,530,010</u>	<u>\$ 10,907,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,437,761</u>

CITY OF CASA GRANDE, ARIZONA
 ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
 YEAR ENDED JUNE 30, 2020

Description	Governmental funds	Enterprise funds	Internal service funds	Fiduciary funds	Total
<u>A.</u> Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 67,770,268	\$ 16,498,840	\$ 9,458,042	\$ 8,472	\$ 93,735,622
<u>B.</u> Subtractions:					
<u>1.</u> Items not requiring use of current financial resources:					
<u>a.</u> Depreciation	-	4,417,334	19,026	-	4,436,360
<u>b.</u> Loss on disposal of capital assets	-	26,405	-	-	26,405
<u>c.</u> Bad debt expense	-	1,243,236	-	-	1,243,236
<u>d.</u> Pension and other postemployment benefits (OPEB) expense	-	224,508	67,844	-	292,352
<u>e.</u> Claims incurred but not reported (IBNR)	-	-	-	-	-
<u>f.</u> Landfill closure and postclosure care costs and pollution remediation	-	256,223	-	-	256,223
<u>2.</u> Expenditures of separate legal entities established under Arizona Revised Statutes	-	-	-	-	-
<u>3.</u> Required fees paid to the Arizona Department of Revenue	149,678	-	-	-	149,678
<u>4.</u> Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at the agreements' inception	-	-	-	-	-
<u>5.</u> Involuntary court judgments	-	-	-	-	-
<u>6.</u> Total subtractions	<u>149,678</u>	<u>6,167,706</u>	<u>86,870</u>	<u>-</u>	<u>6,404,254</u>
<u>C.</u> Additions:					
<u>1.</u> Principal payments on long-term debt	-	4,520,073	-	-	4,520,073
<u>2.</u> Capital asset acquisitions	-	1,826,444	-	-	1,826,444
<u>3.</u> Amounts paid in the current year but reported as expenses in previous years:					
<u>a.</u> Claims previously recognized as IBNR	-	-	-	-	-
<u>b.</u> Landfill closure and postclosure care costs and pollution remediation	-	-	-	-	-
<u>4.</u> Pension and OPEB contributions paid in the current year	-	268,085	79,810	-	347,895
<u>5.</u> Total additions	<u>-</u>	<u>6,614,602</u>	<u>79,810</u>	<u>-</u>	<u>6,694,412</u>
<u>D.</u> Amounts reported on part II, line A	<u>\$ 67,620,590</u>	<u>\$ 16,945,736</u>	<u>\$ 9,450,982</u>	<u>\$ 8,472</u>	<u>\$ 94,025,780</u>

CITY OF CASA GRANDE, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
Year ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual expenditure limitation report (AELR) is presented as prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes §41-1279.07. The AELR excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, §20, from the total expenditures, expenses, or deductions reported in the fund financial statements.

In accordance with the UERS, a note to the AELR is presented below for any exclusion claimed on part II and each subtraction or addition in the reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the statement of revenues, expenditures, and changes in fund balances for the governmental funds; statement of revenues, expenses, and changes in fund net position for the proprietary funds; statement of cash flows for the proprietary funds; and the statement of changes in fiduciary net position for the fiduciary funds.

NOTE 2 - DEBT SERVICE EXCLUSION

The exclusion claimed for debt service requirements on bonded indebtedness in the Governmental Funds consists of principal retirement and interest expense.

NOTE 3 - RECONCILIATION

The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, amounts received from the State of Arizona, private donations, and Highway User Revenues in the Governmental Funds.

Grants and aid from the federal government	\$ 8,000,180
Amounts received from the State of Arizona	67,723
Private donations	31,330
Highway user revenue in excess of those received in fiscal year 1979-80	4,607,889
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Total	\$ 12,707,122

NOTE 4 - LONG-TERM DEBT

The addition of \$4,520,073 for principal payments on long-term debt in the Enterprise Funds consists of:

Excise Tax Bonds	\$ 1,559,400
WIFA Note and WIFA Loan	2,960,673
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Total Principal payments	\$ 4,520,073