

CITY OF CASA GRANDE, ARIZONA

EXAMINATION OF
ANNUAL EXPENDITURE LIMITATION REPORT

JUNE 30, 2018



Henry+Horne

CITY OF CASA GRANDE, ARIZONA

JUNE 30, 2018

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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, 2018. 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.

Our examination was conducted 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
February 26, 2019

ANNUAL EXPENDITURE LIMITATION REPORT - PART I
City of Casa Grande
Year Ended June 30, 2018

1.	EEC Expenditure Limitation	\$ 211,523,289
2.	Voter-Approved alternative expenditure limit	-
3.	Enter amount from line 1 or 2	\$ 211,523,289
4.	Expenditures subject to expenditure limitation (line C, Part II)	\$ 62,928,785
5.	Board-Approved expenditures necessitated by a disaster declared by the Governor (Art.IX, ss20[2][a],Arizona Constitution)	-
6.	Board-Approved expenditures necessitated by a disaster not declared by the Governor (Art.IX, ss20[2][b],Arizona Constitution to exceed expenditure limitation for Arizona Constitution)	-
7.	Prior-year voter approval of expenditures to exceed expenditure limitation for reporting fiscal year	-
8.	Adjusted expenditures subject to expenditure limitation	\$62,928,785
9.	Excess expenditures for previous fiscal year not approved by voters (Art. IX, ss20[2][b], Arizona Constitution)	-
10.	Total adjusted expenditures subject to expenditure limitation; add line 9 to line 8	\$62,928,785
11.	Subtract line 10 from line 3; if negative submit a schedule identifying and explaining the excess expenditures	\$ 148,594,504

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 Fiscal Officer:



Name and Title: Celina Morris, Chief Fiscal Officer

Telephone Number: (520) 421-8600 Date: February 26, 2019

CITY OF CASA GRANDE, ARIZONA
 RECONCILIATION OF TOTAL EXPENDITURES PER FINANCIAL STATEMENTS
 TO TOTAL EXPENDITURE LIMITATION REPORT
 FISCAL YEAR ENDED JUNE 30, 2018

	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Total Expenditures/expenses/deductions and applicable other financing uses reported within the fund-based statements.	\$ 64,375,396	\$ 16,805,392	\$ 10,298,543	\$ 30,103	\$ 91,509,434
B. Subtractions					
Items Not Requiring Use of Working Capital					
Depreciation	-	(4,414,623)	(11,531)	-	(4,426,154)
Loss on Disposal of capital assets	-	-	-	-	-
Bad Debt Expense	-	(1,166,177)	-	-	(1,166,177)
Landfill closure & postclosure costs	-	(92,273)	-	-	(92,273)
Pension Expense	-	(266,121)	(69,979)	-	(336,100)
Required fees paid to the AZ Dept of Revenue	<u>(110,499)</u>	-	-	-	<u>(110,499)</u>
Total subtractions	<u>(110,499)</u>	<u>(5,939,194)</u>	<u>(81,510)</u>	-	<u>(6,131,203)</u>
C. Additions:					
Principal payments on long-term debt	-	4,152,587	-	-	4,152,587
Acquisition of capital assets	-	1,946,110	-	-	1,946,110
Claims paid in the current year but reported as expenses incurred but not reported in previous years	-	-	-	-	-
Landfill closure & postclosure care costs recorded as expended in previous years	-	-	-	-	-
Employer pension contribution	<u>-</u>	<u>264,315</u>	<u>73,241</u>	-	<u>337,556</u>
Total additions	<u>-</u>	<u>6,363,012</u>	<u>73,241</u>	-	<u>6,436,253</u>
D. Amounts reported on Part II, Line A	<u>\$ 64,264,897</u>	<u>\$ 17,229,210</u>	<u>\$ 10,290,274</u>	<u>\$ 30,103</u>	<u>\$ 91,814,484</u>

CITY OF CASA GRANDE, ARIZONA
 FISCAL YEAR ENDED JUNE 30, 2018
 ANNUAL EXPENDITURE LIMITATION REPORT - PART II

	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	<u>\$ 64,264,897</u>	<u>\$ 17,229,210</u>	<u>\$ 10,290,274</u>	<u>\$ 30,103</u>	<u>\$ 91,814,484</u>
B. Less Exclusions claimed:					
1. (a) Bond Proceeds	-	-	-	-	-
(b) Debt Service - Bonds	5,536,552	5,965,217	-	-	11,501,769
(c) Proceeds from Other Long Term Obligations	-	-	-	-	-
(d) Other Debt Service - Capital leases	618,015	-	-	-	618,015
2. Dividends, Interest, & Sale of Securities	729,980	158,238	-	-	888,218
3. Trustee, Custodial, or Agent	-	-	30,103	30,103	
4. Grants & Aid from the Federal Government	1,091,017	-	-	-	1,091,017
5. Grants, Aid, & Contributions - Private	30,360	-	-	-	30,360
6. Amounts received from the State	518,511	-	-	-	518,511
7. Internal Fund Transactions	-	-	10,290,274	-	10,290,274
8. Accumulated for Purchase or Construction Land, Buildings, and Improvements	-	-	-	-	-
9. Highway User in excess of FY 1979-80	3,917,432	-	-	-	3,917,432
10 Contracts with Other Political Subdivisions	-	-	-	-	-
11 Refunds, reimbursements	-	-	-	-	-
12 Voter Approved exclusions	-	-	-	-	-
Total exclusions claimed	<u>12,441,867</u>	<u>6,123,455</u>	<u>10,290,274</u>	<u>30,103</u>	<u>28,885,699</u>
C. Amounts subject to the expenditure limitation	<u>\$ 51,823,030</u>	<u>\$ 11,105,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,928,785</u>

CITY OF CASA GRANDE, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
FISCAL YEAR ENDED JUNE 30, 2018

Note 1 Summary of significant accounting policies

The Annual Expenditure Limitation Report (AELR) is presented on the basis of accounting prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes 41-1279.07, which 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 requirements, 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-based 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 - 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 Revenue exclusion

The revenues from which exclusions have been claimed for federal grants and aid, and amounts received from the State of Arizona in the Governmental Funds consists of:

Grants and aid from the federal government	\$ 1,091,017
Amounts received from the State of Arizona	518,511
Private donations	<u>30,360</u>
Total	<u><u>\$ 1,639,888</u></u>

Note 4 Long-term debt

The addition of \$4,152,587 for principal payments on long-term debt in the Enterprise Funds consists of:

Excise Tax Bonds	\$ 1,416,807
WIFA Note and WIFA Loan	<u>2,735,780</u>
Total Principal payments	<u><u>\$ 4,152,587</u></u>