

Fiscal Year Ended June 30, 2021

Comprehensive
Annual
Financial
Report

City of Casa Grande
Arizona



FY2021



City of Casa Grande, Arizona

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

For the Fiscal Year Ended June 30, 2021



Prepared by the Finance Department

CITY OF CASA GRANDE, ARIZONA
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Introductory Section



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City of Casa Grande

March 29, 2021

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Casa Grande, Arizona (the City) for the fiscal year ended June 30, 2021. This report was prepared by the City's Finance Department.

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

Management is responsible for the contents of the CAFR. The City established and maintains a comprehensive internal control framework designed to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of financial statements. We believe the data presented in this report is accurate in all material respects and fairly sets forth the financial position and results of operations of the City on both a city-wide and fund basis.

As previously noted, the management of the City of Casa Grande is responsible for establishing and maintaining a system of internal control. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) safeguarding of assets against loss from unauthorized use or disposition, and 2) reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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www.casagrandeaz.gov

The City Council approved the selection of Henry & Horne, L.L.P. to audit the City of Casa Grande, Arizona's financial statements. The independent audit report is presented as the first component in the financial section. The examination satisfies Article VI, Section 6, of the City Charter, which requires an annual audit of all accounts of the City by an independent certified public accountant. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Casa Grande, Arizona, for the fiscal year ended June 30, 2021, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that a reasonable basis exists for rendering an unmodified ("clean") opinion that the financial statements of the City of Casa Grande, Arizona for the fiscal year ended June 30, 2021, are fairly presented, in all material respects, in conformity with GAAP.

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

The results of the City's Single Audit for the fiscal year ended June 30, 2021, found no material weaknesses in the internal control structure, and no instances of significant violations of applicable laws and regulations with respect to major programs. Additional information is available within the separately issued Single Audit Report which is included along with the CAFR.

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

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

Profile of the City

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

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

Profile of the City (Continued)

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

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

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

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

Budgetary Process

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

In May 2007, the voters approved a permanent base adjustment to the state-imposed expenditure limit. This option allowed Casa Grande to adjust the state-imposed expenditure base from the original 1979 -80 base of \$3,743,397 to \$18,793,221. After adjustments for inflation and population growth, the City's expenditure limitation for FY21 is \$238 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 FY21 final expenditure budget was \$204.8 million. Figure 1 provides a percentage breakdown of the FY21 allocations of resources by fund type.

Economic Conditions and Outlook

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

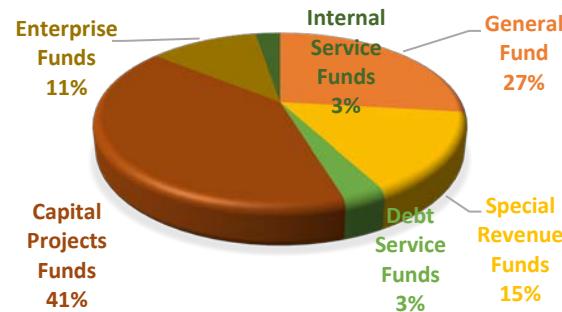
The economy of Casa Grande is a diverse combination of agriculture, manufacturing, commercial and service activities, as well as a haven for retired individuals who spend winters in Arizona.

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

The City's location, robust infrastructure, and unparalleled connectivity to modes of transportation (i.e., major interstate highways, commercial airports, and being directly served by the main line of the Union Pacific railroad) has enabled Casa Grande to attain numerous development deals that include Lucid Motors (over 3M square feet of facilities and projected employment of over 6,000), several suppliers to the semiconductor industry (over \$300M in capital investment and approximately 400 jobs), Attesa Motorsports (2,300 acre development that will include two professional racing venues, an industrial park, residential, and retail and commercial components), and Dreamport Villages (1,500 acre extreme sport themed amusement park). These projects are expected to create over 23,000 jobs and represent over \$5 billion in capital investment over the next ten years. In addition to the direct impact on the city, these projects will benefit the entire region as well as the state. They will draw visitors from all over the world and attract additional companies, both national and international, to Arizona.

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.

Casa Grande's high rates of population and economic growth have contributed to a significant drop in unemployment from 12.8% in 2009 at the height of the recession to 3.9% in 2021 attributed in part to the COVID-19 pandemic. The City's current job growth rate has expanded by more than 3% and the future job growth rate is projected to grow by 22% over the next ten years.



Economic Conditions and Outlook (Continued)

The City's current labor force is primarily composed of workers in health care, social services, logistics and manufacturing. Growth in the City's labor force is forecasted to shift significantly towards manufacturing, technology, construction, transportation, and warehousing. Over the next ten years nearly 25,000 construction workers are projected to be employed throughout the City as well as more than 10,000 transportation and warehousing workers. Casa Grande's proximity to the Phoenix and Tucson metropolitan areas provides easy access to a highly educated and skilled labor force of more than four million.

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.

In FY18, the Council established a new vision statement and defined five key focus areas. Following are the City's Mission and Vision Statements, and Strategic Focus Areas:

Mission Statement

To Provide a Safe, Pleasant Community for All Citizens

Vision Statement

Results Oriented Statement Experience (ROSE)

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

Five Strategic Focus Areas

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

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

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

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

The City of Casa Grande will partner with educational institutions and key industries to address needs and 1) Increase the number of baccalaureate degrees achieved by Casa Grande Residents by 10% over 5 years, 2) Increase the number of students attending post graduate institutions or vocational education by

20% through 2030, 3) Welcome five (5) industrial companies participating in an apprenticeship/internship program to place five (5) apprentices each year for the next five (5) years, and 4) Place five (5) interns within City Departments each year for the next five (5) years.

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

The City of Casa Grande will enhance the quality and availability of internet, transportation, traffic and trail infrastructure by striving to 1) Provide access to internet for 100% of citizens by 2021, 2) Identify and fund a transit plan within 5 years, 3) Implement traffic plan to improve travel system on major arterials by 25%, and 4) Increase trail system by 5% annually over 5 years.

Approximately 90% 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 strives to set a property tax levy that provides for a primary rate of less than \$1 per \$100 of net assessed value. Management calculates three potential tax levy scenarios based on current net assessed property tax values, less new construction; 1) the anticipated property tax rate assuming no change in the levy set in the prior year 2) the anticipated property tax levy assuming no change in the rate set in the prior year, and 3) the maximum allowable tax rate. The three scenarios are presented to the City Council for consideration.
2. The City strives to 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 maintains a vehicle replacement fund to replace vehicles and major equipment. The City funds replacement of existing fleet vehicles and equipment by placing funds in a specific fund (Capital Replacement Fund). The replacement schedule is updated annually to ensure all applicable vehicles and equipment are included and that the Capital Replacement Fund remains a sustainable funding source.
4. The City only focuses on providing new programs and services that are financed with new revenue sources or reductions in existing programs or services. Permanent reductions in existing revenues

or the elimination of existing revenues would result in the reduction or modification of existing services. Situations, such as unfunded mandates, will occur where new programs or services must be added using existing resources.

5. The City only uses one-time revenues to fund one-time expenses. One-time revenues and expenditures are defined as those items that are not reoccurring. These expenditures need not take place in the same fiscal year as receipt of the revenue, but instead can be reserved in a capital project fund for future capital projects as they occur or combined with other funds to complete other major capital projects. The City accounts for one-time revenues in a capital fund for the financing of one-time capital improvement projects.
6. The City maintains a performance measurement program to ensure that services are provided in a cost effective manner and provides the desired outcomes. The City will continue to improve cost accounting for services through program budgets and engage in cost of service analysis for fee schedule development. The City strives to better link and associate service provision with improved, outcome based performance measures.
7. The City annually evaluates the comprehensive fee schedule to ensure that the cost of services are fair and equitable. User Fees are generally developed to cover the cost of those who use the service. However, the City does provide some programs or services where the financial cost is greater than the revenue generated because they create a public benefit that is important to the community on a whole.
8. The City has an established 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 has established a 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 maintains monthly and quarterly financial reports to monitor and ensure that revenue and expenditure assumptions are still valid, that financial performance trends are consistent with budgeted expectations, and that actual spending is in compliance with the City's legal budget authority.

Major Initiatives

In FY21, the City focused on minimizing the effect of rising personnel costs, while ensuring that the City remained competitive in the local job market. Highlighted below are some of the major initiatives that are reflected in the financial statements:

- Allocate 1% of the General Fund resources to blight removal and improvement;
- Welcome five (5) industrial companies participating in apprenticeship/internship program to place five apprentices;
- Develop a plan to have 100% of the benchmarked job positions mid-point of the salary range to be competitive with the market;
- Analyze and evaluate five programs or services to ensure efficiency and effectiveness.

Awards and Acknowledgements

Casa Grande has received recognition for

- One of Travelocity's 25 Most Giving Cities in the US (#14)
- A Tree City USA by the National Arbor Day Foundation (14 Years)
- A Playful City USA designated by Kaboom!
- Excellence in Financial Reporting from the Government Finance Officers Association (26 years)
- Distinguished Budget Presentation from the Government Finance Officers Association (20 years)

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

We wish to express our appreciation to the City Manager, the Mayor and City Council for their continued support and leadership.

Sincerely,



Angele Ozoemelam
Finance Director

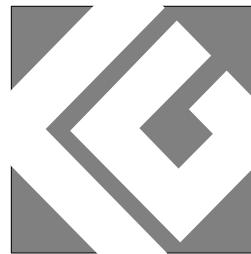
City of Casa Grande, Arizona
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2021

CITY COUNCIL

Mayor
Craig McFarland

Mayor Pro-Tem
Robert Huddleston

Council Members
Lisa Navarro Fitzgibbons
Matt Herman
Donna McBride
Jeff Lavender
Dick Powell

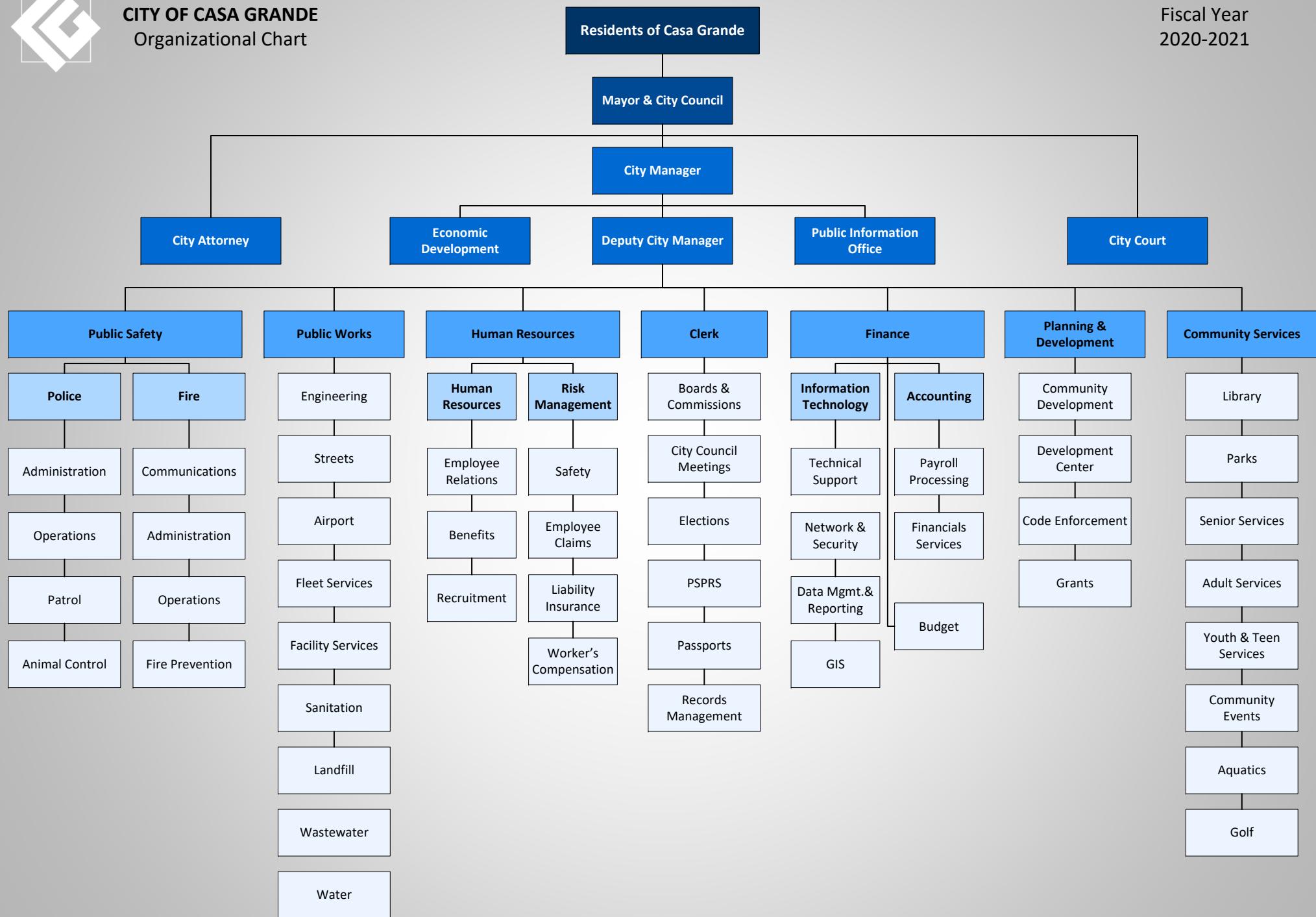


City Manager
Larry Rains



CITY OF CASA GRANDE Organizational Chart

Fiscal Year
2020-2021



Financial Section



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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 City of Casa Grande, Arizona, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Casa Grande, Arizona, as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022, on our consideration of the City of Casa Grande's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Casa Grande's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Casa Grande's internal control over financial reporting and compliance.

Henry + Horne, LLP

Casa Grande, Arizona
March 29, 2022



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Financial Section

MANAGEMENT'S DISCUSSION & ANALYSIS



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**CITY OF CASA GRANDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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, 2021. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, (4) identify any significant deviations from the approved annual budget, and (5) identify individual fund issues or concerns. Please read it in conjunction with the Letter of Transmittal, Basic Financial Statements and the Accompanying Notes to the financial statements.

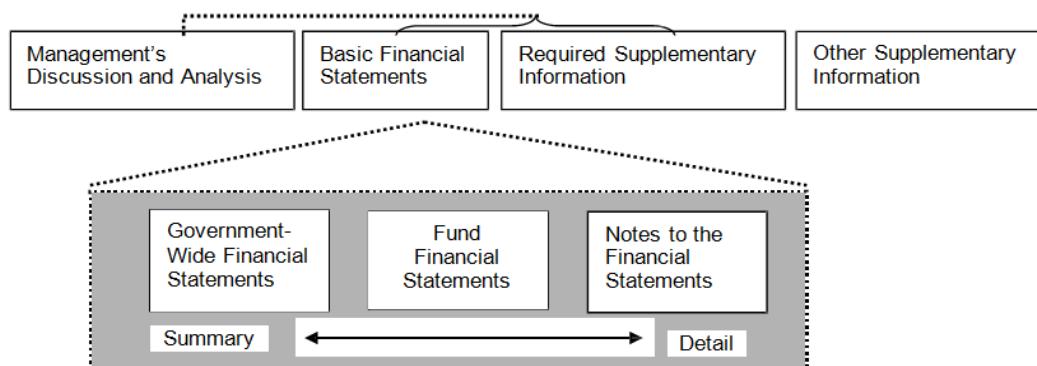
Financial Highlights

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

- The City's total net position totaled \$286 million at June 30, 2021. This is an increase of \$30.0 million compared to fiscal year 2020.
- Net Pension liabilities as of June 30, 2021 totaled \$81.3 million; \$77.6 million from Governmental Activities and \$3.7 million from Business-Type Activities. This is an increase of \$9.1 million compared to fiscal year 2020.
- Current and Long-Term Debt totaled \$85.6 million as of June 30, 2021, compared to \$90.1 million in the previous year. The difference of \$4.6 million represents net debt service activities accomplished during fiscal year 2021.
- With no significant changes to operations, Government Activities ended fiscal year 2021 with Net Inflows of \$17.6 million. In fiscal year 2021, Government Activities outflows and inflows totaled \$75.2 million and \$92.8 million, respectively. In fiscal year 2020, total Government Activities outflows and inflows totaled \$70.6 million and \$84.2 million, respectively.
- There was an increase of \$5.3 million in net revenues for Business-Type Activities compared to last year. In fiscal year 2021 there were \$12.3 million in net revenues, compared to \$6.8 million in fiscal year 2020. In fiscal year 2021, expenses and revenues for Business-Type Activities totaled \$16.5 million and \$28.6 million, respectively. In fiscal year 2020, expenses and revenues for Business-Type Activities totaled \$16.5 million and \$23.2 million, respectively.
- General Revenues for fiscal year 2021 were \$65.5 million, compared to \$60.2 million in the previous year. The net increase of \$5.3 million from the previous year was driven by increased revenues in each sales tax and increase in Wastewater Capital Contributions. The largest increase (\$5.8 million) was in sales tax revenues, attributable to construction and retail sales tax categories

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 liabilities is reported as net position. The focus on net position is designed to focus on government as a business. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, to accurately assess the overall health of the City, other indicators, including non-financial indicators like the City's property tax base, GASB changes, and condition of infrastructure should also be considered.

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

Fund Financial Statements

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

The City has four (4) types of funds:

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

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

Required supplementary information other than MD&A – Governments have an option of including the budgetary comparison statements for the general fund and major special revenue funds as either part of the fund financial statements within the basic financial statements or as required supplementary information after the notes. The City has chosen to present these budgetary statements as part of the basic financial statements and in the supplementary information. Additionally, governments are required to disclose certain information about employee pension funds. The City has disclosed this information in Note 8 to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the year ended June 30, 2021.

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, 2021 and June 30, 2020. The City has chosen to account for its golf course, water, wastewater and sanitation operations in enterprise funds which are shown as Business Activities.

Statement of Net Position (In Thousands)						
	Governmental Activities		Business Activities		Total Primary Government	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Current and Other Assets	\$ 157,821	\$ 123,710	\$ 34,581	\$ 25,446	\$ 192,403	\$ 149,156
Capital Assets	170,691	179,080	89,515	90,859	260,206	269,939
Total Assets	328,513	302,790	124,096	116,305	452,609	419,095
Deferred Outflow of Resources	20,063	14,371	674	343	20,737	14,714
Current Liabilities	17,914	13,250	6,583	6,330	24,497	19,580
Long-term Liabilities	127,205	116,602	33,722	38,005	160,928	154,607
Total Liabilities	145,119	129,852	40,305	44,335	185,425	174,187
Deferred Inflows of Resources	1,554	3,007	179	371	1,733	3,378
Net Position						
Net investment in Capital Assets	121,638	129,469	58,472	54,578	180,110	184,048
Restricted	67,060	54,146	19,755	12,097	86,814	66,242
Unrestricted	13,205	687	6,059	5,267	19,264	5,954
\$ 201,902	\$ 184,302	\$ 84,286	\$ 71,942	\$ 286,188	\$ 256,244	

As of June 30, 2021 the net position of the City totaled \$286.2 million, an increase of \$30 million from June 30, 2020. Net position is comprised of \$201.9 million in Governmental Activities and \$84.3 million in the Business-Type Activities.

Net Position consists of three components. The largest portion of net position (\$180.1 million or 63%) 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 (\$86. 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.

Statement of Net Position (Continued)

The third portion consists of unrestricted net position (\$19.3 million or 7%), which may be used to meet the City's ongoing obligations to its residents and creditors.

Changes in Net Position

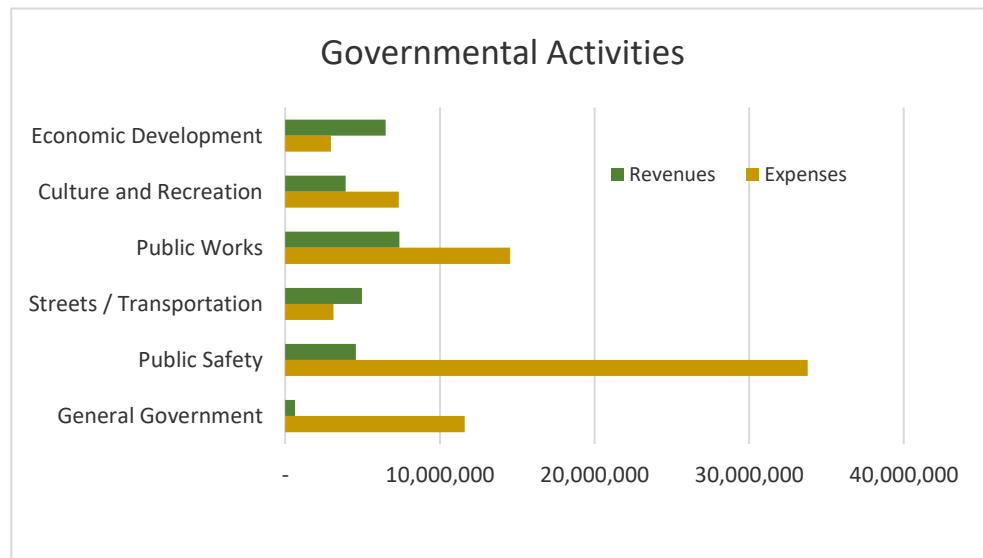
The City's total revenues for the year ended June 30, 2021 were \$121.4 million. The total cost of all programs and services was \$91.5 million. This resulted in a net revenue of \$29.9 million. The following table presents a summary of the changes in net position for the year ended June 30, 2021.

	Changes in Net Position (In Thousands)					
	Governmental Activities		Business Activities		Total Primary Government	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Revenues						
Program Revenues						
Charges for Service	\$ 10,459	\$ 6,511	\$ 20,484	\$ 19,580	\$ 30,944	\$ 26,091
Operating Grants and Contributions	8,153	12,644	-	-	8,153	12,644
Capital Grants and Contributions	9,230	5,478	7,644	3,132	16,875	8,610
General Revenues						
Property Taxes	6,113	5,848	-	-	6,113	5,848
Sales Taxes	36,505	30,674	22	17	36,527	30,691
Franchise Taxes	2,447	2,326	-	-	2,447	2,326
Share Revenues	19,426	16,897	-	-	19,426	16,897
Other	497	3,804	491	609	988	4,413
Total Revenues	92,832	84,183	28,642	23,338	121,473	107,521
Expenses						
General Government	11,605	8,985	-	-	11,605	8,985
Public Safety	33,789	32,332	-	-	33,789	32,332
Streets / Transportation	3,108	4,937	-	-	3,108	4,937
Public Works	14,547	10,777	-	-	14,547	10,777
Culture and Recreation	7,340	9,211	-	-	7,340	9,211
Economic Development	2,955	4,006	-	-	2,955	4,006
Interest on Long Term Debt	1,968	412	-	-	1,968	412
Water	-	-	385	373	385	373
Golf Course	-	-	1,263	1,352	1,263	1,352
Wastewater	-	-	9,389	9,319	9,389	9,319
Sanitation	-	-	5,258	5,454	5,258	5,454
	75,313	70,659	16,294	16,499	91,607	87,158
Net Revenues (Expense) before Transfers						
Net Transfers In (Out)	17,519	13,524	12,348	6,839	29,867	20,363
	4	42	(4)	(42)	-	-
Increase (Decrease) in Net Position	17,523	13,566	12,344	6,797	29,867	20,363
Beginning Net Position	184,302	170,736	71,942	65,145	256,244	235,881
Ending Net Position	\$ 201,824	\$ 184,302	\$ 84,286	\$ 71,942	\$ 286,111	\$ 256,244

In FY21, Governmental Activities accounted for 76% of the total revenues and 82% of the total expenditures for the City, in the amount of \$92.8 million and \$75.2 million, respectively.

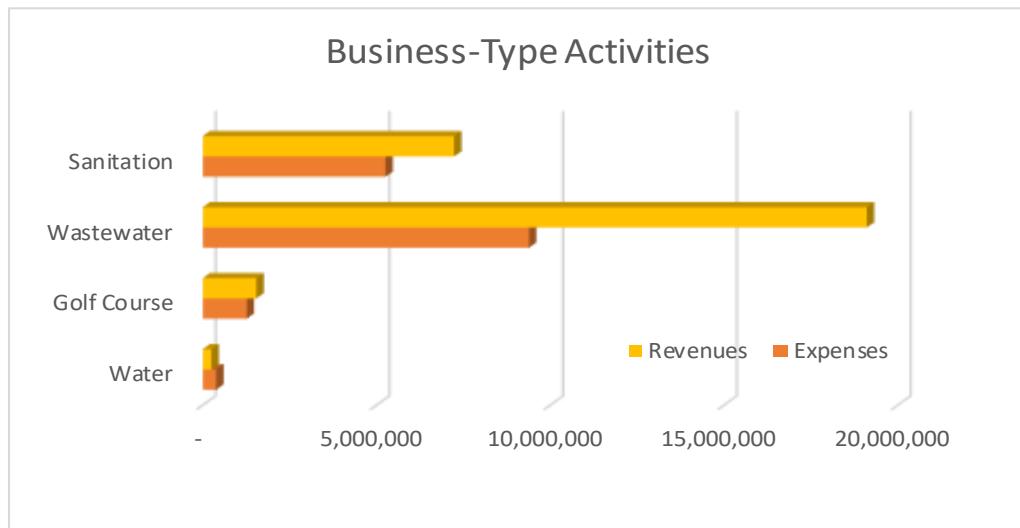
Changes in Net Position (Continued)

The following graph illustrates revenues and expenditures for Governmental Activities by function. Program revenues offset program costs in the current year. The General Fund Net Position increased from \$13.6 thousand in FY20 to \$17.6 thousand in FY21. Sales Taxes increased in the current year primarily due to increased population and new construction of residential and commercial buildings. We also see an increase in Charges for Services in Governmental Activities. This includes revenues generated from the plan review and building permit process.



Business Type Activities accounted for the remaining 24% of total revenues and 18% of total expenses, in the amount of \$28.6 million and \$16.3 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.

While keeping Business Type Activity expenses approximately the same from the previous year, revenues from Business Type Activities have increased in the area of Capital Grants and Contributions. This is an increase from new developments within the City. The largest increase is from impact fee assessments on new residential developments. With the new Lucid manufacturing plant bringing new jobs people are relocating to Casa Grande and housing demands have increased. New housing developments are on the rise.



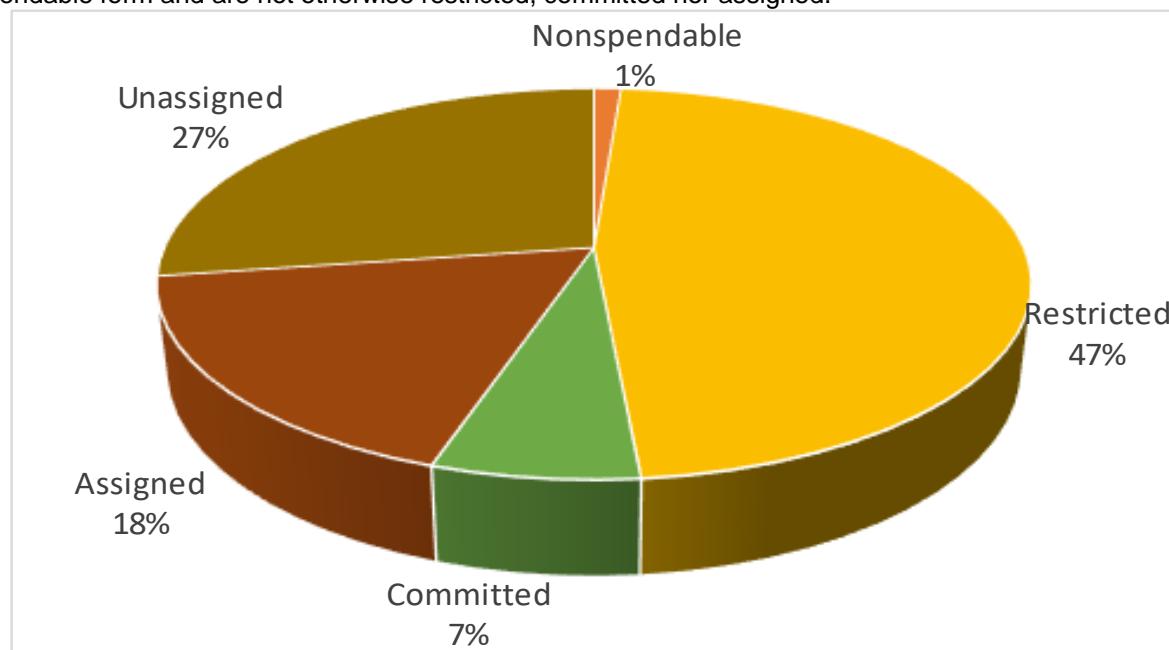
FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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 discreetly presented, while non-major funds are combined into a single column.

The governmental fund financial statement provides fund balance by major fund, as well as, a combined total for non-major funds. Fund balance serves as a useful indicator of a government's net resources available for spending at the end of the year. As of June 30, 2021, fund balance for the City's governmental funds totaled \$141.5 million. Total fund balance is categorized in one of five types on the financial statements. Nonspendable fund balance totaled \$1.8 million, representing fund resources that are not in a form that could be spent. Restricted fund balance totaled \$67 million, representing fund resources that are subject to restrictions that are legally enforceable by outside parties or enabling legislation. Committed fund balance totaled \$9.1 million, representing fund resources that have self-imposed limitations on its use. Assigned fund balance totaled \$24.9 million, representing fund resources that are less formally limited. Unassigned fund balance totaled \$38.7 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 \$10.9 million, bringing ending fund balance to \$68.3 million. General Fund revenues totaled \$63 million, an increase of \$9.5 million over fiscal year 2020. The increase was driven primarily from city sales tax and licenses and permits. Expenses before transfers (in/out) totaled \$44 million, **an increase of \$6 million** over fiscal year 2020. There were no Transfers-In and Transfers-Out totaled \$8.2 million.

Governmental Funds (Continued)

The Highway User Revenue Fund (HURF) is governed by Arizona Revised Statutes. The HURF fund tracks the state allocation of gasoline taxes and other state shared revenues that are restricted for transportation. The Fund also accounts for a half-cent sales tax that is collected and distributed by Pinal County for the purposes of construction and improvements of major roadways. The following activity resulted in a positive net change of \$1.3 million, bringing ending fund balance to \$10.9 million. Revenues totaled \$8.3 million, an increase of \$415 thousand from the prior fiscal year. Expenses totaled \$7 million, an increase of \$1.2 million from the prior fiscal year. Net Transfers-Out totaled \$44 thousand in FY21, compared to \$59 thousand Net Transfers-In 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 \$7.5 million, bringing ending fund balance to \$28.7 million. Revenues totaled \$5.3 million, an increase of \$275 thousand from the prior fiscal year. Expenses totaled \$2.8 million, a decrease of \$4.9 million from the prior fiscal year. Net Transfers-In totaled \$5 million in FY21 compared to no Net Transfers-In in the prior year.

The Development Impact Fee Funds account for accumulated resources and costs associated with necessary infrastructure and public services to provide growth areas with the same level of services provided to existing developments. The following activity resulted in a net increase in fund balance of \$7.4 million, bringing ending fund balance to \$26.9 million. Revenues totaled \$9.4 million, a increase of \$4.7 million from the prior fiscal year. Expenses totaled \$1.2 million, a decrease of \$201 thousand from the prior fiscal year. Net Transfers-Out totaled \$670 thousand in FY21, compared to no Net Transfers-In in the prior fiscal year.

All non-major governmental funds are combined into "Non-Major Governmental Funds." The following activity resulted in a net increase in fund balance of \$1.1 million, bringing ending fund balance to \$6.5 million. Revenues totaled \$4.7 million, an increase of \$818 thousand from the prior fiscal year. Expenses totaled \$12.3 million, an increase of \$4.7 million from the prior fiscal year. Net Transfers-In totaled \$4.0 million in FY21, compared to \$3.1 million in the prior fiscal year.

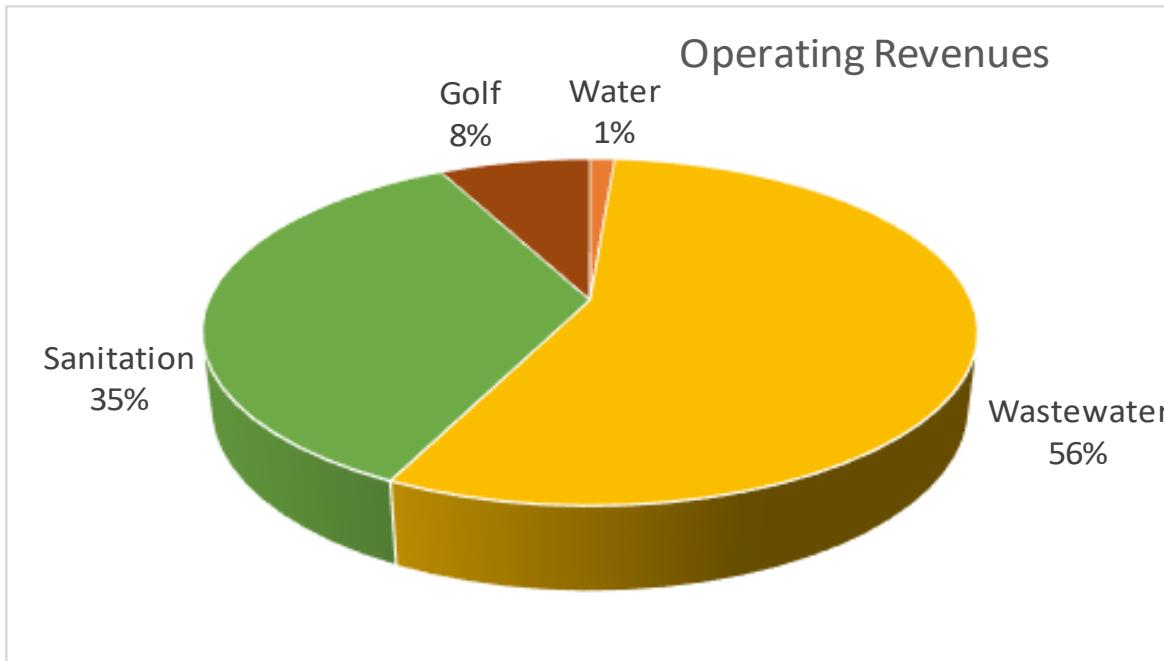
Proprietary Funds

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

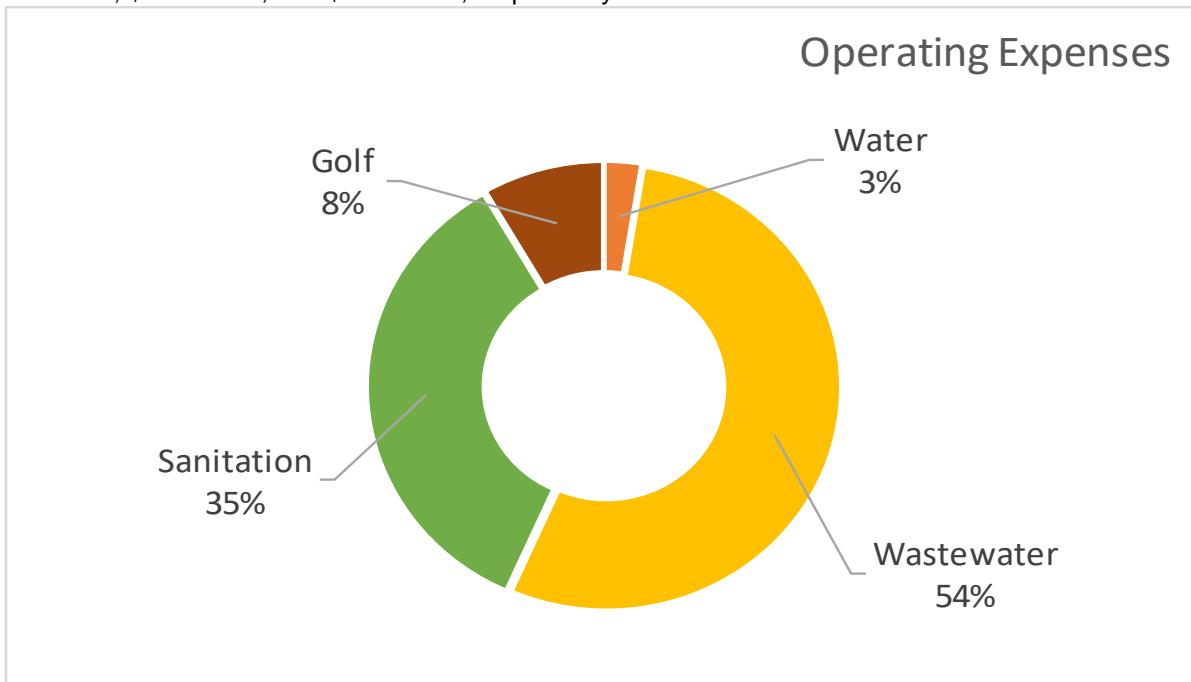
Consolidated net position of the City's enterprise funds totaled \$84.3 million, an increase of \$12.3 million from the prior year. The change in net position was based on the following activity.

Consolidated revenues totaled \$20.5 million, an increase of \$904 thousand 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 \$251 thousand, \$11.5 million, \$7.2 million, and \$1.5 million, respectively.

Proprietary Funds (Continued)



Consolidated operating expenses totaled \$15.0 million, a decrease of \$524 thousand 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 \$384 thousand, \$8.1 million, \$5.3 million, and \$1.3 million, respectively.



Consolidated operating income totaled \$5.4 million. Water, Wastewater, Sanitation, and Golf Course net operating income (loss) totaled (\$134 thousand), \$3.3 million, \$2 million, and \$279 thousand, respectively.

After non-operating revenues and (expenses) of (\$741 thousand), developer fees and contributions of \$7.6 million and net transfers-out of \$4 thousand, the total change in net position totaled \$12.3 million.

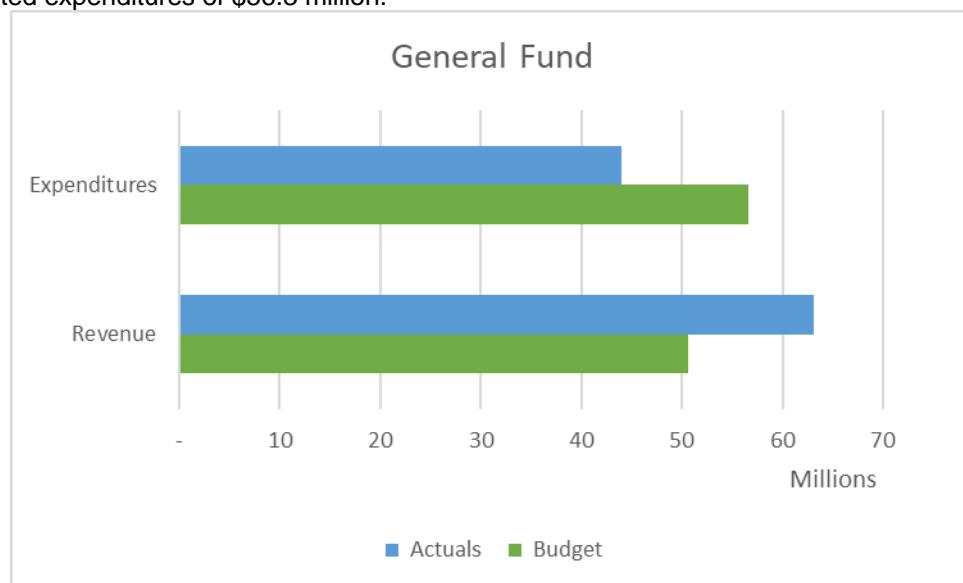
BUDGETARY HIGHLIGHTS

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

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

The City's total adopted budget was \$204.8 million during fiscal year 2021, compared to the Economic Estimates Commission Expenditure Limitation of \$238 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, as a whole.

Actual General Fund revenues of \$63.0 million were \$11.9 million more than the estimated \$51.1 million of budgeted General Fund revenues. Actual General Fund expenses of \$44 million were \$12.4 million less than budgeted expenditures of \$56.3 million.



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the City had \$260 million invested in various capital assets, net of accumulated depreciation. Of this amount, \$170 million (66%) is invested in governmental activities and \$90 million (34%) is invested in business-type activities.

The table below provides a breakdown of the capital asset balances net of accumulated depreciation at June 30, 2021. Additional information on the City's capital assets may be found in Note 7 Capital Assets.

	Governmental Activities		Business Activities		Total Primary Government	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Land and Construction in Progress	\$ 23,838	\$ 22,720	\$ 4,221	\$ 4,235	\$ 28,059	\$ 26,955
Building and Improvements	134,140	143,255	78,017	81,484	212,157	224,740
Heavy Machinery and Equipment	12,713	13,105	7,276	5,140	19,990	18,244
Total	\$ 170,691	\$ 179,080	\$ 89,515	\$ 90,859	\$ 260,206	\$ 269,939

Long-Term Debt

The City's outstanding long-term debt, including bonds, capital leases, compensated absences, excise tax revenue bonds, net pension liabilities, notes, and post closure costs, was \$170.3 million at June 30, 2021, with \$9.3 million due within one year. Of this total, \$131.8 million was in governmental activities and \$38.5 million was in business-type activities. Of the outstanding debt, \$12.0 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, 2021. Further details can be found in Notes 10 through Note 16.

	Governmental Activities		Business Activities		Total Primary Government	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
General Obligation Bonds	\$ 33,225	\$ 32,370	-	-	\$ 33,225	\$ 32,370
Capital Leases	4,589	5,008	-	-	4,589	5,008
Compensated Absences	3,311	2,404	299	216	3,610	2,620
Excise Tax Revenue Obligations	10,612	11,807	1,408	3,018	12,020	14,825
Bond Premium	2,480	2,438	151	301	2,630	2,739
Net Pension Liability	77,606	68,847	3,739	3,333	81,344	72,179
Notes and Loans Payable	-	-	29,484	32,564	29,484	32,564
Post Closure	-	-	3,388	3,361	3,388	3,361
Total	\$ 131,823	\$ 122,873	\$ 38,468	\$ 42,793	\$ 170,291	\$ 165,666

ECONOMIC FACTORS

The local economy continues to experience slow, but 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 58,632. The unemployment rate in Casa Grande (Pinal County) has improved from 11.2% in FY2012 to 5.1% in FY2021. In FY2021, 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 started manufacturing the company's electric-powered sedans in October 2021. Known as Lucid AMP-1 (Advanced Manufacturing Plant), it's not just a first for Lucid, but it's also the first greenfield, dedicated EV factory to be built in North America. The plant has created jobs for the City and will continue to create thousands more driving billions of dollars in related economic activity.

Shortly after finishing their first phase, Lucid has started on construction on Phase 2 of its manufacturing plant. A 2.8 million square foot assembly plant and warehouse, and a stamping facility for the aluminum vehicle parts. With this new phase, housing demands will continue as thousands of new jobs will be created.

Attesa Motorsports Complex broke ground in July 2021. The 496-acre Motorplex and Membership Club will be home to the southwest's only automobile and motorcycle track designed to FIA and FIM safety standards. The Podium Club will include a bi-directional, 15-turn, 2.25 mile paved road course. There will be leased garages, residential and industrial areas as well as an RV park.

FINANCIAL CONTACT

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

Financial Section

BASIC FINANCIAL STATEMENTS

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

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

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

Notes to the Financial Statements



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CITY OF CASA GRANDE, ARIZONA
 STATEMENT OF NET POSITION
 June 30, 2021

	Primary Government		
	Governmental Activities		Business-type Activities
	\$		
ASSETS			
Cash	\$ 80,596,682	\$ 13,918,770	\$ 94,515,452
Investments	65,270,676	17,919,643	83,190,319
Receivables (net of allowance for uncollectibles)	3,416,199	2,827,199	6,243,398
Internal balances	110,954	(110,954)	-
Due from other governments	7,232,027	-	7,232,027
Inventories	519,024	26,396	545,420
Prepays	429,801	-	429,801
Restricted cash and cash equivalents	246,129	-	246,129
Capital assets-nondepreciable	23,838,145	4,221,358	28,059,503
Capital assets-depreciable, net	146,853,270	85,293,450	232,146,720
Total assets	328,512,907	124,095,862	452,608,769
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	18,210,649	674,291	18,884,940
Deferred amount on refunding	1,852,050	-	1,852,050
Total deferred outflows of resources	20,062,699	674,291	20,736,990
LIABILITIES			
Accounts payable and other current liabilities	3,108,235	1,110,192	4,218,427
Deposits held	2,262,813	314,708	2,577,521
Accrued wages and benefits	1,161,911	99,257	1,261,168
Accrued interest payable	650,795	312,818	963,613
Unearned revenue	6,112,840	-	6,112,840
Noncurrent liabilities:			
Due within one year:			
Compensated absences	1,490,024	134,465	1,624,489
Capital leases	444,964	-	444,964
Notes/Loans payable	-	3,204,050	3,204,050
Excise tax revenue obligations	1,227,400	1,558,109	2,785,509
Bonds payable	1,455,000	-	1,455,000
Due in more than one year:			
Compensated absences	1,821,142	164,347	1,985,489
Capital leases	4,143,735	-	4,143,735
Notes/Loans payable	-	26,280,426	26,280,426
Excise tax revenue obligations	9,385,000	-	9,385,000
Bonds payable	34,249,865	-	34,249,865
Closure and postclosure liability	-	3,388,350	3,388,350
Net pension liability	77,605,730	3,738,661	81,344,391
Total liabilities	145,119,454	40,305,383	185,424,837
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	1,554,462	178,648	1,733,110
NET POSITION			
Net investment in capital assets	121,637,501	58,472,223	180,109,724
Restricted for:			
Highways and streets	10,875,062	-	10,875,062
Grant purposes	256,312	-	256,312
Community development	247,690	-	247,690
Public safety purposes	562,113	-	562,113
Debt service	2,553,639	4,935,049	7,488,688
Capital projects	52,564,799	14,819,772	67,384,571
Unrestricted	13,204,574	6,059,078	19,263,652
Total net position	\$ 201,901,690	\$ 84,286,122	\$ 286,187,812

See accompanying notes.

CITY OF CASA GRANDE, ARIZONA
 STATEMENT OF ACTIVITIES
 Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 11,604,796	\$ 240,515	\$ 326,703	\$ 70,088	
Public safety	33,789,441	1,251,053	1,727,163	1,579,198	
Streets/Transportation	3,108,249	-	4,950,075	-	
Public works	14,547,249	1,805,395	13,000	5,568,740	
Culture and recreation	7,339,659	1,538,436	357,041	2,012,212	
Economic development	2,955,078	5,682,737	797,795	-	
Interest on long-term debt	1,968,299	-	-	-	
Total governmental activities	<u>75,312,771</u>	<u>10,518,136</u>	<u>8,171,777</u>	<u>9,230,238</u>	
Business-type activities:					
Water	384,921	250,818	-	-	
Wastewater	9,388,670	11,462,017	-	7,644,348	
Sanitation	5,257,913	7,229,849	-	-	
Golf course	1,262,574	1,541,451	-	-	
Total business-type activities	<u>16,294,078</u>	<u>20,484,135</u>	<u>-</u>	<u>7,644,348</u>	
Total primary government	<u>\$ 91,606,849</u>	<u>\$ 31,002,271</u>	<u>\$ 8,171,777</u>	<u>\$ 16,874,586</u>	
General revenues:					
Property taxes					
Sales taxes					
Franchise taxes					
Shared revenues - unrestricted:					
State sales taxes					
Urban revenue sharing					
Auto-in-lieu					
Investment earnings					
Gain on sale of capital assets					
Miscellaneous					
Transfers in (out)					
Total general revenues and transfers					
Change in net position					
Net position-beginning					
Net position-ending					

Net (Expense) Revenue and Changes in Net Position

	Governmental Activities	Business-type Activities	Total
\$	(10,967,490)	\$ -	\$ (10,967,490)
	(29,232,027)	-	(29,232,027)
	1,841,826	-	1,841,826
	(7,160,114)	-	(7,160,114)
	(3,431,970)	-	(3,431,970)
	3,525,454	-	3,525,454
	(1,968,299)	-	(1,968,299)
	<u>(47,392,620)</u>	<u>-</u>	<u>(47,392,620)</u>
	-	(134,103)	(134,103)
	-	9,717,695	9,717,695
	-	1,971,936	1,971,936
	-	278,877	278,877
	<u>-</u>	<u>11,834,405</u>	<u>11,834,405</u>
	<u>(47,392,620)</u>	<u>11,834,405</u>	<u>(35,558,215)</u>
	6,113,399	-	6,113,399
	36,505,308	22,083	36,527,391
	2,447,297	-	2,447,297
	6,804,724	-	6,804,724
	8,379,332	-	8,379,332
	4,242,113	-	4,242,113
	248,917	144,413	393,330
	-	346,802	346,802
	247,611	-	247,611
	<u>3,956</u>	<u>(3,956)</u>	<u>-</u>
	<u>64,992,657</u>	<u>509,342</u>	<u>65,501,999</u>
	17,600,037	12,343,747	29,943,784
	<u>184,301,653</u>	<u>71,942,375</u>	<u>256,244,028</u>
	<u>\$ 201,901,690</u>	<u>\$ 84,286,122</u>	<u>\$ 286,187,812</u>



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Financial Section

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

CITY OF CASA GRANDE, ARIZONA
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2021

	Highway		
	General	Users	Grants
ASSETS			
Cash and cash equivalents	\$ 53,167,347	\$ 2,462,921	\$ -
Investments	11,882,426	8,823,552	-
Accounts receivable (less allowance for uncollectibles)	1,257,956	6,495	-
Due from other governments	4,749,262	1,027,074	635,834
Due from other funds	1,513,912	-	-
Inventories	-	-	-
Prepays	429,801	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Advances to other funds	1,224,262	-	-
Total assets	\$ 74,224,966	\$ 12,320,042	\$ 635,834
LIABILITIES			
Accounts payable and other current liabilities	\$ 1,917,894	\$ 189,606	\$ 67,833
Deposits held	2,258,933	-	-
Accrued wages and benefits	1,051,775	31,112	36,388
Due to other funds	-	-	193,598
Unearned revenue	-	-	-
Advance from other funds	-	1,224,262	-
Total liabilities	5,228,602	1,444,980	297,819
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	720,008	-	81,703
Total deferred inflows of resources	720,008	-	81,703
FUND BALANCES			
Nonspendable	1,654,063	-	-
Restricted	1,568,371	10,875,062	256,312
Committed	6,728,180	-	-
Assigned	18,347,591	-	-
Unassigned	39,978,151	-	-
Total fund balances	68,276,356	10,875,062	256,312
Total liabilities, deferred inflows of resources and fund balances	\$ 74,224,966	\$ 12,320,042	\$ 635,834

Capital Replacement/ Recreation/ Development	Development Impact Fee Funds	Non-Major Governmental Funds	Total Governmental Funds
\$ 8,551,742	\$ 10,859,559	\$ 5,076,196	\$ 80,117,765
26,052,705	16,225,947	2,286,046	65,270,676
-	578,864	1,563,026	3,406,341
512,677	-	307,180	7,232,027
-	-	-	1,513,912
-	-	28,975	28,975
-	-	-	429,801
-	-	246,129	246,129
-	-	-	1,224,262
\$ 35,117,124	\$ 27,664,370	\$ 9,507,552	\$ 159,469,888
\$ 330,662	\$ 141,756	\$ 172,594	\$ 2,820,345
-	-	3,880	2,262,813
-	-	14,891	1,134,166
-	-	1,209,360	1,402,958
6,112,842	-	-	6,112,842
-	-	-	1,224,262
6,443,504	141,756	1,400,725	14,957,386
-	578,864	1,598,684	2,979,259
-	578,864	1,598,684	2,979,259
-	-	28,975	1,683,038
22,071,573	26,943,750	5,344,547	67,059,615
-	-	2,418,880	9,147,060
6,602,047	-	-	24,949,638
-	-	(1,284,259)	38,693,892
28,673,620	26,943,750	6,508,143	141,533,243
\$ 35,117,124	\$ 27,664,370	\$ 9,507,552	\$ 159,469,888



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CITY OF CASA GRANDE, ARIZONA
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
 GOVERNMENTAL FUNDS
 June 30, 2021

Fund balance - total governmental funds balance sheet		\$141,533,243
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	\$ 426,793,519	
Less accumulated depreciation	(256,469,162)	
Internal service capital assets	658,500	
Less accumulated depreciation	<u>(291,442)</u>	170,691,415
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	(3,237,352)	
Capital leases	(4,588,699)	
Bonds payable	(43,837,400)	
Bond discounts/premiums	(2,479,865)	
Net pension liability	<u>(76,640,554)</u>	(130,783,870)
Delayed revenue is shown on the governmental funds, but is not on the statement of net position.		
Grants and other revenue	1,614,831	
Permit related revenues	822,807	
Property Tax	<u>541,623</u>	2,979,261
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	1,852,050	
Deferred outflows of resources related to pensions	18,035,285	
Deferred inflows of resources related to pensions	<u>(1,523,710)</u>	18,363,625
Interest payable on long-term debt is not reported in the governmental funds.		
		(650,795)
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>(231,189)</u>
Net position of governmental activities - statement of net position		<u>\$201,901,690</u>

CITY OF CASA GRANDE, ARIZONA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2021

	General	Highway Users	Grants
REVENUES			
Taxes:			
Property taxes	\$ 4,481,891	\$ -	\$ -
City sales tax	27,936,125	-	-
Franchise tax	2,447,297	-	-
Licenses and permits	4,533,874	-	-
Intergovernmental revenues	19,459,901	8,261,770	1,768,925
Charges for services	2,758,906	-	90,165
Fines	651,732	-	-
Investment earnings	86,087	29,297	-
Contributions and donations	133,869	-	-
Rental and sale of city property	349,215	50	-
Miscellaneous	201,312	-	-
Total revenues	63,040,209	8,291,117	1,859,090
EXPENDITURES			
Current:			
General government	7,754,301	-	65,687
Public safety	27,080,812	-	1,485,866
Streets/Transportation	-	4,629,054	-
Public works	1,034,562	-	-
Culture and recreation	5,692,304	-	114,082
Planning and economic development	2,140,641	-	43,000
Capital outlay	272,459	2,329,103	61,819
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	25,612	-
Issuance costs	-	-	-
Total expenditures	43,975,079	6,983,769	1,770,454
Excess (deficiency) of revenues over (under) expenditures	19,065,130	1,307,348	88,636
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(8,175,737)	(44,044)	-
Refunding bonds issued	-	-	-
Premium on refunding bonds	-	-	-
Total other financing sources and uses	(8,175,737)	(44,044)	-
Net change in fund balances	10,889,393	1,263,304	88,636
Fund balances - beginning of year	57,386,963	9,611,758	167,676
Fund balances - end of year	\$ 68,276,356	\$ 10,875,062	\$ 256,312

Capital Replacement/ Recreation/ Development	Development Impact Fee Funds	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,635,976	\$ 6,117,867
4,985,949	-	418,952	33,341,026
-	-	-	2,447,297
-	-	-	4,533,874
199,407	-	1,263,730	30,953,733
-	9,301,935	1,112,623	13,263,629
-	-	-	651,732
75,222	51,094	7,216	248,916
-	-	961	134,830
-	-	244,363	593,628
-	-	51,652	252,964
<u>5,260,578</u>	<u>9,353,029</u>	<u>4,735,473</u>	<u>92,539,496</u>
-	423,247	48,675	8,291,910
-	-	134,010	28,700,688
-	-	-	4,629,054
-	-	-	1,034,562
-	-	731,414	6,537,800
455	-	1,770,032	3,954,128
2,758,998	813,119	2,371,409	8,606,907
-	-	5,188,707	5,188,707
-	-	1,850,417	1,876,029
-	-	207,967	207,967
<u>2,759,453</u>	<u>1,236,366</u>	<u>12,302,631</u>	<u>69,027,752</u>
2,501,125	8,116,663	(7,567,158)	23,511,744
6,400,424	1,389,881	4,089,242	11,879,547
(1,389,881)	(2,060,604)	(69,548)	(11,739,814)
-	-	4,430,000	4,430,000
-	-	225,283	225,283
<u>5,010,543</u>	<u>(670,723)</u>	<u>8,674,977</u>	<u>4,795,016</u>
7,511,668	7,445,940	1,107,819	28,306,760
<u>21,161,952</u>	<u>19,497,810</u>	<u>5,400,324</u>	<u>113,226,483</u>
<u>\$ 28,673,620</u>	<u>\$ 26,943,750</u>	<u>\$ 6,508,143</u>	<u>\$ 141,533,243</u>

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, 2021

Net change in fund balances - total governmental funds	\$28,306,760
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	\$ 8,097,482
Less current year depreciation	<u>(16,588,529)</u>
	(8,491,047)
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	453,474
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	6,741,532
Pension expense	<u>(8,219,439)</u>
	(1,477,907)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are amortized in the statement of activities.	
Issuance of bonds	(4,430,000)
Issuance of bond premium	(225,283)
Bond payments	4,769,300
Amortization of bond discount/premium	182,924
Deferred amount on refunding	(159,613)
Lease payments	<u>419,407</u>
	556,735
The internal service fund net revenue is reported with governmental activities	(952,198)
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	(899,266)
Interest expense on long-term debt	<u>103,486</u>
	(795,780)
Change in net position of governmental activities	<u>\$17,600,037</u>

Financial Section

PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF CASA GRANDE, ARIZONA
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 June 30, 2021

	Business-type Activities-Enterprise Funds	
	Water	Wastewater
ASSETS		
Current assets:		
Cash and cash equivalents	\$ -	\$ 10,689,833
Investments	- -	9,300,968
Receivables, net of uncollectibles	42,268	1,697,475
Inventories	- -	-
Total current assets	<u>42,268</u>	<u>21,688,276</u>
Noncurrent assets:		
Capital assets-nondepreciable	- -	3,933,809
Capital assets-depreciable	<u>243,725</u>	<u>77,621,893</u>
Total noncurrent assets	<u>243,725</u>	<u>81,555,702</u>
Total assets	<u>285,993</u>	<u>103,243,978</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	<u>5,936</u>	<u>199,982</u>
LIABILITIES		
Current liabilities:		
Accounts payable	61,350	597,052
Deposits held	19,650	113,133
Accrued wages and benefits	25	32,972
Accrued interest payable	- -	312,818
Due to other funds	110,954	-
Compensated absences	- -	39,905
Notes/Loans payable	- -	3,204,050
Excise tax revenue obligations	- -	1,558,109
Total current liabilities	<u>191,979</u>	<u>5,858,039</u>
Noncurrent liabilities:		
Compensated absences	- -	48,773
Notes/Loans payable	- -	26,280,426
Excise tax revenue obligations	- -	-
Closure and postclosure liability	- -	-
Net pension liability	<u>53,482</u>	<u>1,111,672</u>
Total noncurrent liabilities	<u>53,482</u>	<u>27,440,871</u>
Total liabilities	<u>245,461</u>	<u>33,298,910</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	<u>3,035</u>	<u>50,139</u>
Total deferred inflows of resources	<u>3,035</u>	<u>50,139</u>
NET POSITION		
Net investment in capital assets	243,725	50,513,117
Restricted for:		
Debt service	- -	4,935,049
Capital projects	- -	14,819,772
Unrestricted	<u>(200,292)</u>	<u>(173,027)</u>
Total net position	<u>\$ 43,433</u>	<u>\$ 70,094,911</u>

Business-type Activities-Enterprise Funds			Governmental Activities	
Sanitation	Golf Course	Total	Internal Service Funds	
\$ 2,423,965	\$ 804,972	\$ 13,918,770	\$ 478,917	
8,618,675	-	17,919,643	-	
1,067,456	20,000	2,827,199	9,858	
-	26,396	26,396	490,049	
<u>12,110,096</u>	<u>851,368</u>	<u>34,692,008</u>	<u>978,824</u>	
4,549	283,000	4,221,358	-	
6,250,625	1,177,207	85,293,450	367,058	
6,255,174	1,460,207	89,514,808	367,058	
<u>18,365,270</u>	<u>2,311,575</u>	<u>124,206,816</u>	<u>1,345,882</u>	
446,238	22,135	674,291	175,364	
202,186	249,604	1,110,192	287,890	
181,925	-	314,708	-	
58,737	7,523	99,257	27,745	
-	-	312,818	-	
-	-	110,954	-	
85,633	8,927	134,465	33,216	
-	-	3,204,050	-	
-	-	1,558,109	-	
<u>528,481</u>	<u>266,054</u>	<u>6,844,553</u>	<u>348,851</u>	
104,663	10,911	164,347	40,598	
-	-	26,280,426	-	
-	-	-	-	
3,388,350	-	3,388,350	-	
2,428,895	144,612	3,738,661	965,176	
<u>5,921,908</u>	<u>155,523</u>	<u>33,571,784</u>	<u>1,005,774</u>	
<u>6,450,389</u>	<u>421,577</u>	<u>40,416,337</u>	<u>1,354,625</u>	
<u>117,709</u>	<u>7,765</u>	<u>178,648</u>	<u>30,752</u>	
<u>117,709</u>	<u>7,765</u>	<u>178,648</u>	<u>30,752</u>	
6,255,174	1,460,207	58,472,223	367,058	
-	-	4,935,049	-	
-	-	14,819,772	-	
<u>5,988,236</u>	<u>444,161</u>	<u>6,059,078</u>	<u>(231,189)</u>	
<u>\$ 12,243,410</u>	<u>\$ 1,904,368</u>	<u>\$ 84,286,122</u>	<u>\$ 135,869</u>	

CITY OF CASA GRANDE, ARIZONA
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 Year Ended June 30, 2021

	Business-type Activities- Enterprise Funds	
	Water	Wastewater
Operating revenues:		
Service fees	\$ 250,818	\$ 11,112,182
Rental	-	-
Green fees	-	-
Miscellaneous	-	349,835
Total operating revenue	<u>250,818</u>	<u>11,462,017</u>
Operating expenses:		
Personal services	21,440	1,141,903
Contractual services	250,791	2,751,866
Materials and supplies	41,239	857,847
Depreciation	71,451	3,382,549
Closure and postclosure costs	-	-
Other expenses	-	-
Total operating expenses	<u>384,921</u>	<u>8,134,165</u>
Operating income (loss)	<u>(134,103)</u>	<u>3,327,852</u>
Nonoperating revenues (expense):		
Investment earnings	-	69,767
Interest expense	-	(1,254,505)
City sales tax	-	-
Gain (loss) on sale of equipment	-	-
Total nonoperating revenues (expense)	<u>-</u>	<u>(1,184,738)</u>
Income (loss) before contributions and transfers	<u>(134,103)</u>	<u>2,143,114</u>
Developer fees	-	7,644,348
Transfers out	<u>-</u>	<u>(1,978)</u>
Change in net position	<u>(134,103)</u>	<u>9,785,484</u>
Total net position-beginning of year	<u>177,536</u>	<u>60,309,427</u>
Total net position-end of year	<u>\$ 43,433</u>	<u>\$ 70,094,911</u>

Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Funds
Sanitation	Golf Course	Total	
\$ 6,991,333	\$ 268,035	\$ 18,622,368	\$ 3,623,500
-	248,343	248,343	-
-	1,025,073	1,025,073	-
238,516	-	588,351	385,394
<u>7,229,849</u>	<u>1,541,451</u>	<u>20,484,135</u>	<u>4,008,894</u>
2,298,480	258,864	3,720,687	1,043,098
1,257,307	715,086	4,975,050	2,938,802
730,183	159,397	1,788,666	824,388
944,314	129,135	4,527,449	19,027
27,629	-	27,629	-
-	92	92	-
<u>5,257,913</u>	<u>1,262,574</u>	<u>15,039,573</u>	<u>4,825,315</u>
<u>1,971,936</u>	<u>278,877</u>	<u>5,444,562</u>	<u>(816,421)</u>
74,646	-	144,413	-
-	-	(1,254,505)	-
-	22,083	22,083	-
233,780	113,022	346,802	-
<u>308,426</u>	<u>135,105</u>	<u>(741,207)</u>	<u>-</u>
2,280,362	413,982	4,703,355	(816,421)
-	-	7,644,348	-
<u>(1,978)</u>	<u>-</u>	<u>(3,956)</u>	<u>(135,777)</u>
2,278,384	413,982	12,343,747	(952,198)
<u>9,965,026</u>	<u>1,490,386</u>	<u>71,942,375</u>	<u>1,088,067</u>
<u>\$ 12,243,410</u>	<u>\$ 1,904,368</u>	<u>\$ 84,286,122</u>	<u>\$ 135,869</u>

CITY OF CASA GRANDE, ARIZONA
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended June 30, 2021

	Business-type Activities- Enterprise Funds	
	Water	Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 231,304	\$ 11,529,610
Receipt (payments) from/to other funds	66,655	-
Payments to suppliers	(276,167)	(3,682,284)
Payments to employees	(21,792)	(1,128,135)
Net cash provided (used) by operating activities	<u>-</u>	<u>6,719,191</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
City sales tax	-	-
Transfers to other funds	-	<u>(1,978)</u>
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(1,978)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	-	(501,312)
Proceeds from sale of capital assets	-	-
Contributions	-	7,644,348
Principal paid on capital debt	-	(4,690,659)
Interest paid on capital debt	-	<u>(1,456,333)</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>996,044</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	-	7,050
Interest and dividends received	-	<u>17,594</u>
Net cash provided (used) by investing activities	<u>-</u>	<u>24,644</u>
Net increase (decrease) in cash	-	7,737,901
Cash and cash equivalents at beginning of year	<u>-</u>	<u>2,951,932</u>
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 10,689,833</u>

Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Funds
Sanitation	Golf Course	Total	
\$ 7,061,538	\$ 1,541,475	\$ 20,363,927	\$ 3,999,106
-	-	66,655	-
(1,810,570)	(724,639)	(6,493,660)	(4,136,060)
(2,332,271)	(255,168)	(3,737,366)	(1,075,670)
<u>2,918,697</u>	<u>561,668</u>	<u>10,199,556</u>	<u>(1,212,624)</u>
-	22,083	22,083	-
<u>(1,978)</u>	<u>-</u>	<u>(3,956)</u>	<u>(135,777)</u>
<u>(1,978)</u>	<u>22,083</u>	<u>18,127</u>	<u>(135,777)</u>
(2,537,797)	(357,188)	(3,396,297)	(121,603)
406,850	153,002	559,852	-
-	-	7,644,348	-
-	-	(4,690,659)	-
-	-	(1,456,333)	-
<u>(2,130,947)</u>	<u>(204,186)</u>	<u>(1,339,089)</u>	<u>(121,603)</u>
16,426	-	23,476	-
-	-	<u>17,594</u>	<u>-</u>
<u>16,426</u>	<u>-</u>	<u>41,070</u>	<u>-</u>
802,198	379,565	8,919,664	(1,470,004)
1,621,767	425,407	4,999,106	1,948,921
<u>\$ 2,423,965</u>	<u>\$ 804,972</u>	<u>\$ 13,918,770</u>	<u>\$ 478,917</u>

CITY OF CASA GRANDE, ARIZONA
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended June 30, 2021

	Business-type Activities- Enterprise Funds	
	Water	Wastewater
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (134,103)	\$ 3,327,852
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Closure and postclosure costs	-	-
Depreciation expense	71,451	3,382,549
Provision for bad debt	-	188,881
(Increase) decrease in:		
Accounts receivable	(21,639)	(151,515)
Inventory	-	-
Due from other funds	110,954	-
Deferred outflows of resources related to pensions	(2,230)	(105,488)
Increase (decrease) in:		
Accounts payable	15,863	(72,571)
Due to other funds	(44,299)	-
Deposits held	2,125	30,227
Accrued wages	(559)	10,999
Compensated absences	-	34,746
Net pension liabilities	4,318	130,226
Deferred inflows of resources related to pensions	(1,881)	(56,715)
Total adjustments	<u>134,103</u>	<u>3,391,339</u>
Net cash provided (used) by operating activities	<u>\$ -</u>	<u>\$ 6,719,191</u>
Schedule of Noncash Investing, Capital and Financing Activities		
Loss on disposal of assets	\$ -	\$ -
Unrealized change in investments	-	52,173
Amortization of bond premium	-	150,508

<u>Business-type Activities-Enterprise Funds</u>			<u>Governmental Activities -</u>	
<u>Sanitation</u>	<u>Golf Course</u>	<u>Total</u>	<u>Internal Service Fund</u>	
\$ 1,971,936	\$ 278,877	\$ 5,444,562	\$ (816,421)	
27,629	-	27,629	-	
944,314	129,135	4,527,449	19,027	
268,581	-	457,462	-	
(466,112)	24	(639,242)	(9,788)	
-	2,977	2,977	(145,601)	
-	-	110,954	-	
(212,056)	(11,154)	(330,928)	(97,353)	
176,920	146,959	267,171	(227,269)	
-	-	(44,299)	-	
29,220	-	61,572	-	
5,756	1,169	17,365	(17,385)	
43,194	5,076	83,016	8,016	
256,245	15,243	406,032	131,358	
(126,930)	(6,638)	(192,164)	(57,208)	
<u>946,761</u>	<u>282,791</u>	<u>4,754,994</u>	<u>(396,203)</u>	
<u>\$ 2,918,697</u>	<u>\$ 561,668</u>	<u>\$ 10,199,556</u>	<u>\$ (1,212,624)</u>	
\$ 173,070	\$ 39,980	\$ 213,050	\$ -	
74,646	-	126,819	-	
-	-	150,508	-	



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Financial Section

FIDUCIARY FUNDS

CITY OF CASA GRANDE, ARIZONA
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 June 30, 2021

	Part-Time Firemen's Pension Trust
ASSETS	
Cash	\$ 19,051
Investments at fair value	<u>564,993</u>
Total assets	<u>584,044</u>
LIABILITIES	
Accounts payable	<u>70</u>
Total liabilities	<u>70</u>
NET POSITION	
Net position restricted for pensions	<u>\$ 583,974</u>

CITY OF CASA GRANDE, ARIZONA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 Year Ended June 30, 2021

	<u>Part-Time Firemen's Pension Trust</u>
ADDITIONS	
Investment earnings:	
Interest and dividends	\$ 24,214
Net increase (decrease) in change in the fair value of investments	139,458
Total additions	<u>163,672</u>
DEDUCTIONS	
Administrative expenses	9,741
Beneficiary payments to individuals	9,375
Total deductions	<u>19,116</u>
Change in fiduciary net position	144,556
Net position-beginning of year	<u>439,418</u>
Net position-end of year	<u>\$ 583,974</u>



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Financial Section

NOTES TO THE FINANCIAL STATEMENTS



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CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

No separate financial statements were prepared for the Districts.

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses for a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. A fund is considered a major fund if it meets several threshold tests based on size and proportionate share.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

C. Basis of Presentation – Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

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

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

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Fund Accounting (Continued)

PROPRIETARY FUNDS

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

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

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

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

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

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

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

FIDUCIARY FUNDS

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

At June 30, 2021, the City had one fiduciary fund considered a pension trust fund used to report resources that are required to be held in trust for the members and beneficiaries of the part-time firemen's pension plan.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Different measurement focuses are applied to governmental, proprietary, and fiduciary funds. The governmental fund measurement focus is on determination of financial position and changes in financial position. Governmental funds focus on the flow of resources. The proprietary and pension fund measurement focus is on determination of net income, financial position, and changes in financial position. Agency funds are custodial in nature and do not measure results of operation or have a measurement focus.

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

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

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

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

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

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

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The portion of property tax levies available on June 30, 2021, are recorded as receivable, net of allowance for un-collectibles. The balance of the tax levy not collected within 60 days after year-end are reflected as deferred revenue.

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

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

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

E. Budgetary Data

- In the spring of each year, the City Manager submits to City Council an estimate of the expenditures necessary to conduct the affairs of the City for the fiscal year commencing July 1st.
- The Council holds open work sessions relating to budget preparation.
- After required public hearings are held, a budget for all governmental and proprietary funds (excluding internal service and pension funds) is legally enacted prior to the third Monday of July as required by Arizona Revised Statutes. The budget specifies expenditure amounts by activity with each Fund.
- Transfer of budgeted amounts within a department may be authorized by the Director of each department, unless the transfer involves personnel services. This type of budgetary transfer requires City Manager approval. In the adoption of the budget the City Council delegates authority to transfer budget amounts between funds and departments to the City Manager. The original budget was amended for the year ending June 30, 2021.
- All funds are subject to the comprehensive appropriated budget.
- Encumbrances used by the City during the budget year. All appropriations lapse at fiscal year-end unless re-appropriated as a carry-over. Invoices for goods and services received on or before June 30 must be paid within 60 days of the fiscal year-end.
- The budget for the City is adopted on a basis consistent with generally accepted accounting principles.
- Under State statutes, certain annual expenditure limitations must be adhered to.
- Several supplemental appropriations were necessary during the year.
- Expenditures may not exceed budgeted appropriations at the total budget level.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash, Cash Equivalents, and Investments

Cash represents amounts in demand deposits, cash on hand, and amounts held in trust by financial institutions. The funds held in trust are available to the City upon demand. Cash equivalents are defined as short-term (original maturities of three months or less), highly liquid investments that are 1) readily convertible to known amounts of cash and 2) so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

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

The State's investment pool is managed by the State Treasurer's office. The pool is not required to register with the Securities and Exchange Commission under the 1940 Investments Advisors Act. The activity and performance of the pool is reviewed monthly by the State Board of Investment in accordance with A.R.S. §35-311. The Arizona State Treasurer issues a publicly available financial report that includes financial statements and required supplementary information.

Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, Arizona 85007. In accordance with GASB Codification the City records all its investments at fair value as defined in the statement. The Part-time Firemen's Pension investments are valued from quoted market prices at year-end.

G. Inventory

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

H. Capital Assets

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

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

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets (Continued)

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

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

Buildings	40 years
Sewer Systems	20 to 50 years
Street Systems	20 to 30 years
Building and Facility Improvements	20 years
Streetlights and Traffic Control Devices	20 years
Other Improvements and Landscaping	15 years
Vehicles	3 to 15 years
Equipment	5 to 10 years
Furniture and Fixtures	5 to 10 years
Computers/ Software	3 years

I. Deferred outflows and inflows of resources

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

J. Postemployment 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, 2021 in accordance with GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, due to the relative insignificance to the City's financial statements.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated absences

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

New employees hired between November 1, 2015 and June 30, 2021 are allowed to participate in either the Paid Time Off (PTO) program or the traditional vacation/sick leave program.

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

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

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

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

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

L. Long-term Obligations

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

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Interfund Activity

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

N. Fund Equity

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

O. Fund Balance Policies

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

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

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

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

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Expenditures over Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level for the General Fund and at the Fund level for all other budgeted funds. The individual Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual reports found in the required supplementary information and the other supplementary information present all of the departments and funds which incurred an excess of expenditures/expenses over appropriations for the year ended June 30, 2021, if any.

Q. Change in Accounting Principle

The City adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*. This statement established criteria for identifying fiduciary activities of all state and local governments to include whether the government is controlling the assets of the fiduciary activity, and the beneficiaries with whom a fiduciary relationship exists. Funds previously reported as Fiduciary (Agency Funds) no longer meet the definition of Fiduciary under GASB Statement No. 84 and are now recorded as separate governmental funds or as an inclusion to the General Fund.

NOTE 2 CASH AND INVESTMENTS

The carrying amount of the City's cash in bank totaled \$4,101,057 from which \$4,082,006 are City deposits and \$19,051 are fiduciary deposits, and the bank balance for those deposits was \$4,832,296. The City had cash on hand of \$6,075. Federal Depository Insurance covered the City's deposits at June 30, 2021, to the extent of \$250,000. Deposits of \$4,582,296 were collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City's name. Casa Grande does not have a deposit policy for custodial credit risk.

In addition, the City holds Certificates of Deposit with Western State Bank totaling \$256,249 at June 30, 2021.

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, 2021, the City's funds invested with the State Treasurer totaled \$90,689,696.

The City also holds \$82,934,069 invested with PFM Asset Management, LLC, \$246,129 with Zions Bank, and \$564,993 with TD Ameritrade. The accounts are invested in U.S. Treasury securities, U.S. Government bonds, certificates of deposit and corporate debt securities.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 2 CASH AND INVESTMENTS (Continued)

Investments (Continued)

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

	Governmental Activities	Business - Type Activities	Fiduciary Fund	Total
Cash and cash equivalents	\$ 80,596,682	\$ 13,918,770	\$ 19,051	\$ 94,534,503
Investments	65,270,676	17,919,643	564,993	83,755,312
Restricted cash and cash equivalents	246,129	-	-	246,129
	<u>\$ 146,113,487</u>	<u>\$ 31,838,413</u>	<u>\$ 584,044</u>	<u>\$ 178,535,944</u>

Interest Rate Risk

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

Investment Type	2021 Amount	Remaining Maturity (In Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury Notes	\$ 40,215,865	\$ 7,625,788	\$ 14,716,735	\$ 17,873,342	\$ -
Supra-National Agency Bond	3,724,376	-	1,570,106	2,154,270	-
Municipal Bond	445,707	-	-	445,707	-
Federal Agency Collateralized Mortgage Obligations	2,011,181	390,103	1,470,520	150,558	-
Federal Agency Notes	18,796,309	-	9,836,495	8,959,814	-
Corporate Note	12,125,059	-	3,504,238	8,620,821	-
Certificate of Deposit	5,141,233	1,639,154	3,502,079	-	-
Bank Note	370,291	-	370,291	-	-
Money Market	606,426	606,426	-	-	-
Mutual Funds	564,993	564,993	-	-	-
State Investment Pool 7 (LGIP)	90,689,696	90,689,696	-	-	-
	<u>\$ 174,691,136</u>	<u>\$ 101,516,160</u>	<u>\$ 34,970,464</u>	<u>\$ 38,204,512</u>	<u>\$ -</u>

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 2 CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

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

Investment Type	Amount	Rating Agency	Rating
U.S. Treasury Notes	\$ 40,215,865	S&P	AA+
Supra-National Agency Bond	3,724,376	S&P	AAA
Federal Agency Collateralized Mortgage Obligations	2,011,182	S&P	AA+
Federal Agency Notes	18,796,309	S&P	AA+
Corporate Note	455,679	S&P	AA+
Corporate Note	1,129,283	S&P	AA
Corporate Note	1,068,718	S&P	AA-
Corporate Note	2,126,375	S&P	A+
Corporate Note	2,020,077	S&P	A
Corporate Note	2,931,890	S&P	A-
Corporate Note	2,393,035	S&P	BBB+
Municipal Note	445707	S&P	A+
Certificate of Deposit	1,533,936	S&P	AA-
Certificate of Deposit	1,390,443	S&P	A+
Certificate of Deposit	577,701	S&P	A
Certificate of Deposit	1,382,905	S&P	A-1
Certificate of Deposit	256,249	Unrated	
Bank Note	370,291	Unrated	
Money Market	606,426	Unrated	
Mutual Funds	564,993	Unrated	
State Investment Pool 7 (LGIP)	90,689,696	Unrated	
	<u>\$ 174,691,136</u>		

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 2 CASH AND INVESTMENTS (Continued)

Fair Value Measurement

Investments are measured at fair value. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2021:

Investments By Fair Value Level	Amount	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
U.S. Treasury Notes	\$ 40,215,865	\$ -	\$ 40,215,865	\$ -
Supra-National Agency Bond	3,724,376	-	3,724,376	-
Municipal Bond	445,707		445,707	
Federal Agency Collateralized Mortgage Oblig.	2,011,181	-	2,011,181	-
Federal Agency Notes	18,796,309	-	18,796,309	-
Corporate Note	12,125,059	-	12,125,059	-
Certificate of Deposit	5,141,233	-	5,141,233	-
Bank Note	370,291	370,291	-	-
Money Market	606,426	606,426	-	-
Total Investments by Fair Value Level	<u>\$ 83,436,447</u>	<u>\$ 976,717</u>	<u>\$ 82,459,730</u>	<u>\$ -</u>
External Investment Pool Measured at Fair Value				
State Investment Pool 7 (LGIP)	<u>\$ 90,689,696</u>			
Total Investments Measured at Fair Value	<u>174,126,143</u>			
Investments Measured at Amortized Costs				
Mutual Funds	<u>564,993</u>			
Total Investments	<u>\$ 174,691,136</u>			

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

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 2 CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

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

2021 Issuer	Reported Amount	Concentration
U.S. Treasury Notes	\$ 40,215,865	23.0%
Supra-National Agency Bond	3,724,376	2.1%
Municipal Bond	445,707	0.3%
Federal Agency Collateralized Mortgage Obligations	2,011,181	1.2%
Federal Agency Notes	18,796,309	10.8%
Corporate Note	12,125,059	6.9%
Certificate of Deposit	5,141,233	2.9%
Bank Note	370,291	0.2%
Money Market	606,426	0.3%
Mutual Funds	564,993	0.3%
State Investment Pool 7 (LGIP)	90,689,696	51.9%
	<u>\$ 174,691,136</u>	<u>100%</u>

NOTE 3 CASH WITH FISCAL AGENT/RESTRICTED INVESTMENTS

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

Fund Type	Description of Designated Capital	Balance at 6/30/2021
Capital - CFD	Infrastructure	\$ <u>246,124</u>

Excise tax restricted in the Debt Service Fund.

Fund Type	Description of Designated Capital	Balance at 6/30/2021
Debt Service	Excise Tax	\$ <u>5</u>

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 4 RECEIVABLES

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

Receivables:	Capital Replacement						Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Highway User Fund	Grants	Recreation Development Fund	Developer Impact Fees			
Intergovernmental Accounts	\$ 4,749,262 1,257,956	\$ 1,027,074 6,495	\$ 635,834 -	\$ 512,677 -	\$ - 578,864		\$ 307,180 1,563,026	\$ 7,232,027 3,406,341
Total receivables	<u>\$ 6,007,218</u>	<u>\$ 1,033,569</u>	<u>\$ 635,834</u>	<u>\$ 512,677</u>	<u>\$ 578,864</u>		<u>\$ 1,870,206</u>	<u>\$ 10,638,368</u>

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

Receivables:	Wastewater						Internal Service Fund	Total
	Water Fund	Wastewater Fund	Development Fund	Sanitation Fund	Golf Course Fund			
Accounts	\$ 42,268	6,408,701	\$ -	\$ 4,132,043	20,000		\$ 9,858	\$ 10,612,870
Less:								
Allowance	-	(4,711,226)	-	(3,064,587)	-	-	-	(7,775,813)
Net receivables	<u>\$ 42,268</u>	<u>\$ 1,697,475</u>	<u>\$ -</u>	<u>\$ 1,067,456</u>	<u>\$ 20,000</u>		<u>\$ 9,858</u>	<u>\$ 2,837,057</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	\$ 188,881
Uncollectibles related to sanitation	<u>\$ 268,581</u>
Total uncollectibles for the current year	<u>\$ 457,462</u>

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 5 DIRECT LOANS

The City issues loans to provide housing for low-income families, which are funded by Community Development Block Grants from the U.S. Department of Housing and Urban Development through the Arizona Department of Commerce. These loans are paid back on a monthly basis and have varying terms and maturity dates. At June 30, 2021 these loans outstanding totaled \$267,669 and is included in the non-major funds accounts receivable balance on the Governmental Funds Balance Sheet.

NOTE 6 PROPERTY TAXES

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

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

The City's 2020-2021 maximum primary levy limit was \$4,617,712. The primary tax levy was \$4,270,004. The City's secondary tax levy was \$1,108,799.

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, 2021, are \$374,504 and \$541,623, respectively.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 7 CAPITAL ASSETS

A summary of capital assets activity for the fiscal year ended June 30, 2021 follows: The beginning balances have been restated according to the prior period restatement.

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 21,427,866	\$ -	\$ -	\$ 21,427,866
Construction in progress	1,291,958	3,633,768	(2,515,447)	2,410,279
Total capital assets not being depreciated	22,719,824	3,633,768	(2,515,447)	23,838,145
Capital assets, being depreciated:				
Buildings	95,088,999	349,579	-	95,438,578
Improvements	262,008,963	4,507,166	-	266,516,129
Heavy machinery & equipment	39,425,394	2,251,462	(17,692)	41,659,164
Total capital assets being depreciated	396,523,356	7,108,207	(17,692)	403,613,871
Less accumulated depreciation for:				
Buildings	(38,491,935)	(2,631,877)	-	(41,123,812)
Improvements	(175,350,597)	(11,340,435)	-	(186,691,032)
Heavy machinery & equipment	(26,320,766)	(2,635,243)	10,252	(28,945,757)
Total accumulated depreciation	(240,163,298)	(16,607,555)	10,252	(256,760,601)
Total capital assets, being depreciated, net	156,360,058	(9,499,348)	(7,440)	146,853,270
Governmental activities capital assets, net	\$ 179,079,882	\$ (5,865,580)	\$ (2,522,887)	\$ 170,691,415
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 4,216,809	\$ -	\$ -	\$ 4,216,809
Construction in progress	18,278	-	(13,729)	4,549
Total capital assets not being depreciated	4,235,087	-	(13,729)	4,221,358
Capital assets, being depreciated:				
Buildings and improvements	130,987,462	13,729	-	131,001,191
Machinery and equipment	16,097,802	3,396,297	(1,158,388)	18,335,711
Total capital assets being depreciated	147,085,264	3,410,026	(1,158,388)	149,336,902
Less accumulated depreciation for:				
Buildings and improvements	(49,503,158)	(3,481,039)	-	(52,984,197)
Machinery and equipment	(10,958,183)	(1,046,411)	945,339	(11,059,255)
Total accumulated depreciation	(60,461,341)	(4,527,450)	945,339	(64,043,452)
Total capital assets, being depreciated, net	86,623,923	(1,117,424)	(213,049)	85,293,450
Business-Type activities capital assets, net	\$ 90,859,010	\$ (1,117,424)	\$ (226,778)	\$ 89,514,808

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 7 CAPITAL ASSETS (Continued)

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

Governmental activities:

General government	\$ 329,114
Public safety	2,772,217
Streets/Transportation	552,764
Public Works	9,412,559
Culture and recreation	2,546,701
Economic Development	975,174
Internal Service	<u>19,026</u>

Total depreciation expense

\$ 16,607,555

Business-type activities:

Water	\$ 71,452
Wastewater	3,382,548
Sanitation	944,314
Golf Course	<u>129,136</u>

Total depreciation expense

\$ 4,527,450

NOTE 8 PENSIONS

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

At June 30, 2021, the City reported the following aggregate amounts related to pensions) for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-type Activities	Total
Net pension liability	\$ 77,605,730	\$ 3,738,661	\$ 81,344,391
Deferred outflows of resources	18,210,649	674,291	18,884,940
Deferred inflows of resources	1,554,462	178,648	1,733,110
Pension expense	8,219,439	238,135	8,457,574

The City reported \$6,741,532 of pension contributions as expenditures in the governmental fund statements related to all pension plans to which it contributes.

Net OPEB asset/liabilities have not been recorded, or further disclosed, at June 30, 2021 in accordance with GASB Statement 75, due to the relative insignificance to the City's financial statements.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 8 PENSIONS (Continued)

A. Arizona State Retirement System

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

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

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

*with actuarially reduced benefits.

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

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 8 PENSIONS (Continued)

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2021 active ASRS members were required by statute to contribute at the actuarially determined rate of 12.22 percent (12.04 percent for retirement and 0.18 percent for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 12.22 percent (11.65 percent for retirement, 0.39 percent for health insurance premium benefit, and 0.18 percent for long-term disability) of the active members' annual covered payroll. In addition, the City was required by statute to contribute at the actuarially determined rate of 10.21 percent (10.14 percent for retirement and 0.07 percent for long-term disability) of annual covered payroll of retired members who worked for the City in positions that an employee who contributes to the ASRS would typically fill. The City's contributions to the pension plans for the year ended June 30, 2021, was \$1,644,996..

During fiscal year 2021, the City paid for ASRS pension as follows:

66.4 percent from the General Fund, 6.0 percent from the HURF Fund, 0.6 percent from the Grants Fund, 4.1 percent from Non-Major Funds, 0.1 percent from the Water Fund, 5.7 percent from the Wastewater Fund, 11.3 percent from the Sanitation Fund, 0.6 percent from the Golf Fund, and 5.2 percent from internal service funds.

Pension Liability – At June 30, 2021, the City reported a liability of \$22,252,450 for its proportionate share of the ASRS' net pension liability. The net liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020.

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, 2020. The City's proportion measured as of June 30, 2020, was 0.128433 percent, which was a decrease of 0.005878 percent from its proportion measured as of June 30, 2019.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 8 PENSIONS (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2021, the City recognized pension expense of \$1,254,641. At June 30, 2021, 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	\$ 201,312	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	2,146,275	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	1,036,069
City contributions subsequent to the measurement date	<u>1,644,996</u>	<u>-</u>
Total	<u>\$ 3,992,583</u>	<u>\$ 1,036,069</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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as expense as follows:

Year ending June 30	
2022	\$ (509,324)
2023	380,680
2024	776,330
2025	663,832
2026	-
Thereafter	-

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 8 PENSIONS (Continued)

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

ASRS

Actuarial valuation date	June 30, 2019
Actuarial roll forward date	June 20, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7 - 7.2% for pensions
Inflation	2.3%
Permanent benefit increase	Included for pensions
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLTD for long-term disability
Healthcare cost trend rate	Not Applicable

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected geometric real rate of return
Equity	50%	6.39%
Fixed income - credit	20%	5.44%
Fixed income - interest rate sensitive	10%	0.22%
Real estate	20%	5.85%
Total	<u><u>100%</u></u>	

Discount Rate -The discount rate used to measure ASRS total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 8 PENSIONS (Continued)

Sensitivity of the City's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

ASRS	Current		
	1% Decrease (6.5%)	Discount Rate (7.5%)	1% increase (8.5%)
City's proportionate share of the net pension liability	\$ 30,429,923	\$ 22,252,450	\$ 15,416,502

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

B. Public Safety Personnel Retirement System

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

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

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 8 PENSIONS (Continued)

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

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

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

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 8 PENSIONS (Continued)

Employees Covered by Benefit Terms - At June 30, 2021, the following employees were covered by the agent plans' benefit terms:

	PSPRS Police	PSPRS Fire
Inactive employees or beneficiaries currently receiving benefits	50	28
Inactive employees entitled to by not yet receiving benefits	23	5
Active employees	<u>52</u>	<u>46</u>
 Total	 <u>125</u>	 <u>79</u>

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, 2021, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police	PSPRS Fire
Active members - Pension	7.65% - 11.65%	7.65% - 11.65%
City		
Pension	63.99%	42.69%
Health insurance premium benefit	0.50%	0.40%

In addition, statute required the City to contribute at the actuarially determined rate of 52.55 percent for Police and 29.63 percent for Fire for the PSPRS of annual covered payroll of retired members who worked for the City in positions that would typically be filled by an employee who contributes to the PSPRS.

The City's contributions to the plans for the year ended June 30, 2021, were:

	PSPRS Police	PSPRS Fire
Pension Contributions made	\$ 3,342,204	\$ 2,132,730

During fiscal year 2021, the City paid for PSPRS pension contributions 100 percent from the General Fund.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 8 PENSIONS (Continued)

Pension Liability- At June 30, 2021, the City reported a PSPRS net pension liabilities for Police of \$37,356,871 and Fire of \$21,735,070 for a total of \$59,091,941.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

PSPRS

Actuarial valuation date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.30%
Wage inflation	3.5% for pensions
Price inflation	2.5% for pensions
Cost-of-living adjustment	1.75% for pensions
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 8 PENSIONS (Continued)

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

PSPRS	Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. public equity		23%	4.93%
International public equity		15%	6.09%
Global private equity		18%	8.42%
Other assets (capital appreciation)		7%	5.61%
Core bonds		2%	0.22%
Private equity		22%	5.31%
Diversifying strategies		12%	3.22%
Cash - Mellon		1%	-0.60%
Total		100.00%	

Discount Rate - At June 30, 2020, the discount rate used to measure the PSPRS total pension liabilities was 7.3 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 8 PENSIONS (Continued)

Changes in the Net Pension Liability

PSPRS - Police	Increase (Decrease)		
	Plan		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2020	\$ 57,420,833	\$ 23,674,056	\$ 33,746,777
Adjustment to beginning of year	-	(106,668)	106,668
Changes for the year:			
Service Cost	858,613	-	858,613
Interest on the total liability	4,164,541	-	4,164,541
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the liability	2,111,581	-	2,111,581
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	2,927,180	(2,927,180)
Contributions - employee	-	414,474	(414,474)
Net investment income	-	315,368	(315,368)
Benefit payments, including refunds of employee contributions	(2,461,877)	(2,461,877)	-
Administrative expense	-	(25,713)	25,713
Other changes	-	-	-
Net changes	4,672,858	1,169,432	3,503,426
Balances at June 30, 2021	<u>\$ 62,093,691</u>	<u>\$ 24,736,820</u>	<u>\$ 37,356,871</u>

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 8 PENSIONS (Continued)

Changes in the Net Pension Liability (Continued)

PSPRS - Fire	Increase (Decrease)		
	Plan		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2020	\$ 39,659,047	\$ 20,825,883	\$ 18,833,164
Adjustment to beginning of year	-	1	(1)
Changes for the year:			
Service Cost	903,486	-	903,486
Interest on the total liability	2,893,804	-	2,893,804
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the liability	1,776,229	-	1,776,229
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	2,019,501	(2,019,501)
Contributions - employee	-	378,609	(378,609)
Net investment income	-	297,777	(297,777)
Benefit payments, including refunds of employee contributions	(1,842,752)	(1,842,752)	-
Administrative expense	-	(24,275)	24,275
Other changes	-	-	-
Net changes	<u>3,730,767</u>	<u>828,860</u>	<u>2,901,907</u>
Balances at June 30, 2021	<u>\$ 43,389,814</u>	<u>\$ 21,654,744</u>	<u>\$ 21,735,070</u>

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 8 PENSIONS (Continued)

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

	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% increase (8.30%)
PSPRS - Police			
Net pension liability	\$ 45,662,473	\$ 37,356,871	\$ 30,600,198
PSPRS - Fire			
Net pension liability	\$ 27,916,611	\$ 21,735,070	\$ 16,703,948

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

Expense - For the year ended June 30, 2021, the City recognized \$7,827,081 of PSPRS pension expense.

Deferred Outflows/Inflows of Resources - At June 30, 2021, 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	\$ 2,162,480	\$ 234,303
Changes of assumptions or other inputs	964,751	-
Net difference between projected and actual		
earnings on pension plan investments	1,173,227	-
City contributions subsequent to the		
measurement date	3,342,204	-
Total	\$ 7,642,662	\$ 234,303
PSPRS - Fire		
Differences between expected and actual experience	\$ 2,201,154	\$ 457,655
Changes of assumptions or other inputs	1,855,836	-
Net difference between projected and actual		
earnings on pension plan investments	1,058,453	-
City contributions subsequent to the		
measurement date	2,132,730	-
Total	\$ 7,248,173	\$ 457,655

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 8 PENSIONS (Continued)

The amounts reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as expenses as follows:

	PSPRS
	Police
Year ending June 30,	
2022	\$ 1,284,048
2023	1,238,494
2024	1,256,368
2025	287,245
2026	-
Thereafter	-

	PSPRS
	Fire
Year ending June 30,	
2022	\$ 1,203,725
2023	1,220,048
2024	1,116,077
2025	781,900
2026	336,038
Thereafter	-

NOTE 9 RISK MANAGEMENT

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

NOTE 10 UNEARNED REVENUE

As of June 30, 2021, the City received \$6,112,842 in Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) from the federal government passed through the State of Arizona for the American Rescue Plan Act (ARPA). These funds are unspent for eligible activities, or revenue recovery, as of June 30, 2021 and included in the Statement of Net Position and the Balance Sheet-Governmental Funds as unearned revenue.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 11 CAPITAL LEASES

Leases at June 30, 2021, included the following:

Governmental activities:

Lease to finance Energy Improvements. The lease qualifies as an Energy Conservation Bond where tax credits are available annually to reduce interest. Payments are due semi-annually at an interest rate of 4.25%, due through July 1, 2027.	\$ 1,508,000
Lease to finance Solar Panels. Payments are due semi-annually at an interest rate of 3.59%, due through April 2031.	2,232,616
Lease to finance Solar Panels. Payments are due semi-annually at an interest rate of 3.75%, due through February 2033.	848,083
Total Governmental Activities Capital Lease Obligation	<u>\$ 4,588,699</u>

The future minimum lease payments by year are:

Fiscal Year Ending June 30,	Government Activities
2022	\$ 615,758
2023	623,645
2024	631,155
2025	639,292
2026	645,996
2027-2031	2,138,636
2032-2033	<u>170,802</u>
Total minimum lease payments	5,465,284
Less: amount representing interest	(876,585)
Present value of future minimum lease payments	4,588,699
Less: current portion	<u>(444,964)</u>
Noncurrent portion	<u>\$ 4,143,735</u>

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 11 CAPITAL LEASES (Continued)

Leased Capital Assets

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

	Cost	Accumulated Depreciation	Net Balance
Building and Improvements:			
Governmental Activities Assets	\$ 12,278,922	\$ (5,902,833)	\$ 6,376,089
Total Building and Improvement	<u>\$ 12,278,922</u>	<u>\$ (5,902,833)</u>	<u>\$ 6,376,089</u>

NOTE 12 BOND DEBT

General Obligation Bonds

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

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

In April 2005 the Mission Royale Community Facilities District issued \$1,335,000 of General Obligation bonds to finance the construction of a sewer line. These bonds will be repaid by the property owners within Mission Royale 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 Mission Royale. Principal payments on the bond began in July, 2009. There was no outstanding principal balance at June 30, 2021.

Villago Community Facilities District issued General Obligation bonds to finance construction for the amounts of \$455,000 in November 2006, \$750,000 in December 2008 and \$2,200,000 in August, 2010. 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. 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, 2021. The outstanding principal balance of Series 2020 is \$4,430,000 at June 30, 2021.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 12 BOND DEBT (Continued)

In June 2016, the City issued General Obligation bonds (Series 2016A) in the amount of \$16,000,000 to be used to design, construct, furnish and equip a new recreational center in the City. The 30-year bond has interest rates ranging from 2% to 3%. Principal payments ranging from \$540,000 to \$990,000 are paid annually on August 1, with payments beginning August 2016 and with interest paid semiannually on August and February 1. In addition, the City also issued General Obligation Refunding bonds (Series 2016B) in the amount \$18,650,000 which will be refund a portion of the City's Series 2008 and Series 2009 bonds. The 20-year bonds has interest rates of 4%. Principal payments range from \$540,000 to \$1,635,000 and are paid annually on August 1, with payments beginning August 2020 and interest paid semiannually on August and February 1. The refunded portion of the Series 2008 and Series 2009 bonds are considered defeased and the related liability for the bonds removed from the City's liabilities. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds of \$1,835,568. At June 30, 2021, there is no balance of defeased bonds, Series 2008 and 2009, still outstanding. The outstanding principal balance for the Series 2016A and 2016B is \$11,500,000 and \$17,295,000, respectively, at June 30, 2021.

In January 2019, the City defeased \$2,555,000 of General Obligation Bonds, Series 2008, 2009, and 2016B using their own resources. Sufficient assets to pay all principal and interest in the defeased bonds had been placed in irrevocable trust accounts at commercial banks and invested in U.S. Government securities which, together with interest earned thereon, will provide amounts sufficient for future payment of principal and interest of the issues defeased. The defeased portion of the Series 2008, 2009, and 2016B bonds are considered defeased and the related liability for the bonds removed from the City's liabilities. The transaction resulted in a gain on early extinguishment of debt of \$106,940. At June 30, 2021, there is no balance of defeased bond, Series 2008. The amount of the defeased bonds, Series 2009 and 2016B, still outstanding as of June 30, 2021 was \$425,000 and \$815,000, respectively.

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

Fiscal year ending June 30,	Governmental Activities	
	Principal	Interest
2022	\$ 1,455,000	\$ 1,108,275
2023	1,535,000	1,063,825
2024	1,635,000	1,013,075
2025	1,810,000	957,175
2026	2,140,000	891,750
2027-2031	11,085,000	3,279,000
2032-2036	11,320,000	1,199,425
2037-2040	2,245,000	95,569
Total	<u>\$ 33,225,000</u>	<u>\$ 9,608,094</u>

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 13 EXCISE TAX REVENUE OBLIGATIONS

In 2012 the City issued \$9,355,000 of Excise Tax Revenue Refunding Bonds, Series 2012, with interest rates ranging from 2-5%. The proceeds were used to advance refund the Excise Tax Revenue Bonds, Series 2003 by placing new bond proceeds in an irrevocable trust to provide for future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the refunded bonds are not included in the government's financial statements. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of \$868,776. At June 30, 2021, there is no balance of defeased bond, Series 2003, still outstanding. The outstanding principal balance for the Series 2012 excise tax obligations is \$1,530,000 at June 30, 2021.

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, 2021, there is no balance of defeased bond, Series 2009, still outstanding. The outstanding principal balance for the Series 2017 excise tax obligations is \$7,455,000 at June 30, 2021.

The 2012 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, 2021:

Fiscal year ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 1,227,400	\$ 420,911	\$ 1,407,600	\$ 63,342
2023	1,175,000	346,138	-	-
2024	1,245,000	272,629	-	-
2025	1,310,000	205,119	-	-
2026	1,355,000	166,540	-	-
2027-2030	4,300,000	255,626	-	-
Total	<u>\$ 10,612,400</u>	<u>\$ 1,666,963</u>	<u>\$ 1,407,600</u>	<u>\$ 63,342</u>

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 14 WIFA FINANCING

In January 2009 the City of Casa Grande received financing from the Water Infrastructure Finance Authority (WIFA) of Arizona to finance a wastewater treatment plant expansion project which was completed in 2011. The original loan was authorized for a total of \$62,555,540; however, the balance disbursed to the City of Casa Grande at June 30, 2021 is \$59,095,269. The following schedule shows estimated payments based on the remaining amount due of \$29,484,476.

Fiscal Year Ending June 30,	Principal	Interest
2022	\$ 3,204,050	\$ 1,187,930
2023	3,333,142	1,058,838
2024	3,467,434	924,546
2025	3,607,137	784,843
2026	3,752,468	639,512
2027-2030	12,120,245	986,802
	<u>\$ 29,484,476</u>	<u>\$ 5,582,471</u>

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

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 15 CHANGES IN LONG-TERM OBLIGATIONS

	Beginning Balance	Additions & transfers	Reductions & transfers	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 2,403,884	\$ 2,867,461	\$ (1,960,179)	\$ 3,311,166	\$ 1,490,024
General obligation bonds	32,370,000	4,430,000	(3,575,000)	33,225,000	1,455,000
Excise tax revenue obligations	11,806,700	-	(1,194,300)	10,612,400	1,227,400
Capital leases	5,008,106	-	(419,407)	4,588,699	444,964
Bonds premiums	2,437,506	225,283	(182,924)	2,479,865	-
Net pension liability	68,846,791	8,758,939	-	77,605,730	-
Governmental activities long-term liabilities	<u>\$ 122,872,987</u>	<u>\$ 16,281,683</u>	<u>\$ (7,331,810)</u>	<u>\$ 131,822,860</u>	<u>\$ 4,617,388</u>
 Business-type activities					
Compensated absences	\$ 215,796	\$ 255,946	\$ (172,930)	\$ 298,812	\$ 134,465
Excise tax revenue obligations	3,018,300	-	(1,610,700)	1,407,600	1,407,600
Loan payable	32,564,435	-	(3,079,959)	29,484,476	3,204,050
Bond premiums	301,017	-	(150,508)	150,509	-
Postclosure liability	3,360,721	27,629	-	3,388,350	-
Net pension liability	3,332,629	406,032	-	3,738,661	-
Business-type activities long-term liabilities	<u>\$ 42,792,898</u>	<u>\$ 689,607</u>	<u>\$ (5,014,097)</u>	<u>\$ 38,468,408</u>	<u>\$ 4,746,115</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, 2021, the City primarily paid for compensated absences and pension liabilities from the General Fund.

NOTE 16 LONG-TERM DEBT

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

Fiscal year ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 2,682,400	\$ 1,529,186	\$ 4,611,650	\$ 1,251,272
2023	2,710,000	1,409,963	3,333,142	1,058,838
2024	2,880,000	1,285,704	3,467,434	924,546
2025	3,120,000	1,162,294	3,607,137	784,843
2026	3,495,000	1,058,290	3,752,468	639,512
2027-2031	15,385,000	3,534,626	12,120,245	986,802
2032-2036	11,320,000	1,199,425	-	-
2037-2040	2,245,000	95,569	-	-
Total	<u>\$ 43,837,400</u>	<u>\$ 11,275,057</u>	<u>\$ 30,892,076</u>	<u>\$ 5,645,813</u>

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 17 LANDFILL CLOSURE AND POST CLOSURE CARE COSTS

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

The amount recognized each year is based on landfill capacity used at the end of each fiscal year. The \$3,388,350 reported as landfill closure and postclosure care liability at June 30, 2021, represents the cumulative amount reported to date based on the use of 63.98 percent of the landfill's estimated capacity. The City will recognize the remaining estimated cost of closure and postclosure care of \$1,908,013 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 2021. The City expects to close the landfill in the year 2039, and the actual cost may be higher because of inflation, changes in technology, or changes in regulations.

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

NOTE 18 CONSTRUCTION COMMITMENTS

As of June 30, 2021, the City had outstanding construction commitments and contractual commitments that will be financed from operating funds. The City's commitments are as follows:

Project	Remaining Commitment
Maricopa/Casa Grande Hwy	\$ 311,503
Thornton Rd Widening	654,942
Through the Fence Taxiway	153,821
Traffic Signal - Sunland Gin & Jimmie Kerr	28,979
Pearl Road Improvements from O'Neil to Cottonwood	1,058,021
Turn Lane Installation - Trekell at Florence	651,117
Traffic Signal - Thornton & Peters, Florence to NOC	478,556
Perimeter Landfill Berm & Drainage Ditch	55,002
	\$ 3,391,941

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 19 SUMMARY OF INTERFUND TRANSACTIONS

Interfund transactions as of June 30, 2021, were as follows:

Fund	Receivable Amount	Payable Amount
General Fund	\$ 2,738,174	\$ -
HURF	-	1,224,262
Grants	-	193,598
Non-Major Funds	-	1,209,360
Water	-	110,954
Total	\$ 2,738,174	\$ 2,738,174

The interfund balances at June 30, 2021 are short-term loans to cover temporary cash deficits in various funds. The interfund balance between the General Fund and HURF fund is an advance for a streetlight project.

Transfers:

Fund	Transfers Out	Transfers In
General Fund	\$ 8,175,737	\$ -
Highway Users Fund	44,044	-
Capital Replacement	1,389,881	6,400,424
Development Impact Fee Funds	2,060,604	1,389,881
Non-Major Governmental Funds	69,548	4,089,242
Wastewater Fund	1,978	-
Sanitation Fund	1,978	-
Internal Service Funds	135,777	-
Total	\$ 11,879,547	\$ 11,879,547

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

NOTE 20 DEFICIT IN FUND BALANCE

Four funds have deficits in fund balance. The Municipal Airport operating fund has a deficit of \$297,286. 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 Senior Services fund has a deficit of \$275,693. It is expected that these deficit balances will decrease as intergovernmental revenues increase. The Grande Sports World fund has a deficit of \$654,899. It is expected that these deficit balances will decrease as charges for service revenues increase. The HOME fund has a deficit of \$27,406. It is expected that these deficit balances will decrease as intergovernmental revenues increase.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 21 SALES TAX INCENTIVE AGREEMENT

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

Under the assigned agreement, 50% of the retail sales and construction activities uncommitted tax collected by the City from Promenade sales will be paid to Promenade CG Retail, LLC. The agreement applies to the portion of tax that is not a dedicated or special tax. The twenty-year agreement provides a maximum payment of \$19,950,000, including interest calculated at 7%. The agreement can be extended for an additional three years if the amount remaining unpaid after twenty years is \$3,000,000 or more (including accrued unpaid interest). Payments are made within forty-five days after the end of each calendar quarter. The first payment under the agreement was made in September 2008. As of June 30, 2021, \$9,458,955 has been paid.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 22 FUND BALANCE DETAILS BY CLASSIFICATION

	General	Major Governmental Funds	Non-Major Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable:				
Inventories	\$ -	\$ -	\$ 28,975	\$ 28,975
Prepaid items	429,801	-	-	429,801
Advances to other funds	1,224,262	-	-	1,224,262
Restricted for:				
Highway Users Revenue Fund	-	10,875,062	-	10,875,062
Grants	-	256,312	-	256,312
Airport Improvement	-	-	264,768	264,768
Debt Services	-	-	2,553,639	2,553,639
Court Enhancement	-	-	562,113	562,113
Housing	-	-	247,690	247,690
CFD Capital Projects	-	-	1,716,337	1,716,337
Capital Replacement	-	22,071,573	-	22,071,573
Developer Impact Fees - Capital	-	26,943,750	-	26,943,750
Developer Agreements	1,568,371			1,568,371
Committed to:				
Aesthetic Revitalization	6,728,180	-	-	6,728,180
Parks Development	-	-	996,519	996,519
Rodeo Grounds	-	-	2,249	2,249
Redevelopment	-	-	553,491	553,491
Youth Services	-	-	866,621	866,621
Assigned to:				
General Fund Reserves	18,347,591	-	-	18,347,591
Capital Replacement	-	6,602,047	-	6,602,047
Unassigned	39,978,151	-	(1,284,259)	38,693,892
Total fund balances	\$ 68,276,356	\$ 66,748,744	\$ 6,508,143	\$ 141,533,243

The General Fund has assigned funds consisting of a stabilization arrangement in the amount of \$18,347,591. 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.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 23 SUBSEQUENT EVENTS

On August 11, 2021, the City issued Excise Tax Revenue Obligations, Taxable Series 2021, to provide funds to the Arizona Public Safety Pension Retirement System (PSPRS) to fully fund the pension liability with PSPRS on September 1, 2021 in the amount of \$63,260,000. These taxable bonds have been issued for governmental activities. Taxable excise tax revenue obligations are secured by future excise tax revenues. These bonds mature in 15 years and accrue interest between 0.219% and 2.537% annually.

Financial Section

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

HIGHWAY USERS FUND

GRANTS FUND

PENSION SCHEDULES

CITY OF CASA GRANDE, ARIZONA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL

Year Ended June 30, 2021

REVENUES	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	
Taxes:				
Property taxes	\$ 4,475,004	\$ 4,475,004	\$ 4,481,891	\$ 6,887
City sales tax	21,385,556	21,385,556	27,936,125	6,550,569
Franchise tax	2,500,000	2,500,000	2,447,297	(52,703)
Licenses and permits	1,668,500	1,668,500	4,533,874	2,865,374
Intergovernmental revenues	16,264,470	16,264,470	19,459,901	3,195,431
Charges for services	1,142,920	1,142,920	2,758,906	1,615,986
Fines	757,050	757,050	651,732	(105,318)
Investment earnings	500,000	500,000	86,087	(413,913)
Contributions and donations	7,100	7,100	133,869	126,769
Rental and sale of city property	321,370	321,370	349,215	27,845
Miscellaneous	596,191	1,595,541	201,312	(1,394,229)
Total revenues	<u>49,618,161</u>	<u>50,617,511</u>	<u>63,040,209</u>	<u>12,422,698</u>
EXPENDITURES				
Current:				
General government				
Mayor and Council	514,765	514,765	418,583	96,182
City manager	1,070,265	3,269,615	1,748,352	1,521,263
Attorney	968,101	968,101	924,417	43,684
Clerk	527,398	527,398	491,249	36,149
Finance/Information technology	3,864,630	3,881,863	3,310,969	570,894
Human resources	692,400	692,400	672,051	20,349
Administrative services	5,653,876	5,653,876	188,680	5,465,196
Public safety				
Police	14,658,486	14,658,486	13,801,493	856,993
Fire	11,790,863	11,790,863	10,431,006	1,359,857
Court	634,390	634,390	605,214	29,176
Animal control	462,609	462,609	396,490	66,119
Communications	2,006,094	2,006,094	1,846,609	159,485
Public works	1,179,607	1,179,607	1,034,562	145,045
Culture and recreation	7,255,030	7,256,310	5,692,304	1,564,006
Planning and economic development	2,832,333	2,832,333	2,140,641	691,692
Capital outlay	233,980	267,700	272,459	(4,759)
Total expenditures	<u>54,344,827</u>	<u>56,596,410</u>	<u>43,975,079</u>	<u>12,621,331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,726,666)</u>	<u>(5,978,899)</u>	<u>19,065,130</u>	<u>25,044,029</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,423,007	2,423,007	-	(2,423,007)
Transfers out	(4,319,853)	(4,319,853)	(8,175,737)	(3,855,884)
Total other financing sources and uses	<u>(1,896,846)</u>	<u>(1,896,846)</u>	<u>(8,175,737)</u>	<u>(6,278,891)</u>
Net change in fund balance	<u>(6,623,512)</u>	<u>(7,875,745)</u>	<u>10,889,393</u>	<u>18,765,138</u>
Fund balance - beginning of year	<u>57,386,963</u>	<u>57,386,963</u>	<u>57,386,963</u>	<u>-</u>
Fund balance - end of year	<u>\$ 50,763,451</u>	<u>\$ 49,511,218</u>	<u>\$ 68,276,356</u>	<u>\$ 18,765,138</u>

CITY OF CASA GRANDE, ARIZONA
 HIGHWAY USERS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
State-shared gas tax	\$ 4,014,813	\$ 4,014,813	\$ 5,025,675	\$ 1,010,862
County sales tax	1,700,000	1,700,000	3,236,095	1,536,095
Investment earnings	250,000	250,000	29,297	(220,703)
Rental and sale of city property	-	-	50	50
Miscellaneous	-	-	-	-
Total revenues	<u>5,964,813</u>	<u>5,964,813</u>	<u>8,291,117</u>	<u>2,326,304</u>
EXPENDITURES				
Current:				
Streets/Transportation	8,617,999	7,842,719	4,629,054	3,213,665
Capital outlay	3,828,178	4,599,344	2,329,103	2,270,241
Debt service	-	-	25,612	(25,612)
Total expenditures	<u>12,446,177</u>	<u>12,442,063</u>	<u>6,983,769</u>	<u>5,458,294</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,481,364)</u>	<u>(6,477,250)</u>	<u>1,307,348</u>	<u>7,784,598</u>
OTHER FINANCING USES				
Transfers out	<u>(477,421)</u>	<u>(477,421)</u>	<u>(44,044)</u>	<u>433,377</u>
Net change in fund balance	<u>(6,958,785)</u>	<u>(6,954,671)</u>	<u>1,263,304</u>	<u>8,217,975</u>
Fund balance - beginning of year	<u>9,611,758</u>	<u>9,611,758</u>	<u>9,611,758</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,652,973</u>	<u>\$ 2,657,087</u>	<u>\$ 10,875,062</u>	<u>\$ 8,217,975</u>

CITY OF CASA GRANDE, ARIZONA
 GRANTS AND SUBSIDIES SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental revenues	\$ 14,496,576	\$ 11,476,853	\$ 1,768,925	\$ (9,707,928)
Charges for services	100,000	100,000	90,165	(9,835)
Total revenues	<u>14,596,576</u>	<u>11,576,853</u>	<u>1,859,090</u>	<u>(9,717,763)</u>
EXPENDITURES				
Current:				
General government:	12,741,365	8,409,381	65,687	8,343,694
Public safety:	621,569	2,182,846	1,485,866	696,980
Planning and Economic Development:	-	43,000	43,000	-
Culture and recreation:	100,000	119,171	114,082	5,089
Capital outlay	-	260,343	61,819	198,524
Total expenditures	<u>13,462,934</u>	<u>11,014,741</u>	<u>1,770,454</u>	<u>9,244,287</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,133,642</u>	<u>562,112</u>	<u>88,636</u>	<u>(473,476)</u>
OTHER FINANCING SOURCES				
Transfers out	<u>(695,670)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	437,972	562,112	88,636	(473,476)
Fund balance - beginning of year	<u>167,676</u>	<u>167,676</u>	<u>167,676</u>	<u>-</u>
Fund balance - end of year	<u>\$ 605,648</u>	<u>\$ 729,788</u>	<u>\$ 256,312</u>	<u>\$ (473,476)</u>

CITY OF CASA GRANDE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY SCHEDULES
Year Ended June 30, 2021

NOTE 1 BUDGETING AND BUDGETARY CONTROL

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

NOTE 2 BUDGETARY BASIS OF ACCOUNTING

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

CITY OF CASA GRANDE, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 COST-SHARING PENSION PLAN
 Year Ended June 30, 2021

Arizona Retirement System	Reporting Fiscal Year (Measurement Date)							2014 through 2012 Information
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
City's proportion of the net pension liability	0.128433%							
City's proportionate share of the net pension liability	\$ 22,252,450	\$ 19,543,668	\$ 20,092,695	\$ 22,351,387	\$ 23,853,177	\$ 22,737,813	\$ 21,766,069	not available
City's covered payroll	\$ 14,373,677	\$ 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	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	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	

CITY OF CASA GRANDE, ARIZONA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS AGENT PENSION PLAN

Year Ended June 30, 2021

PSPRS - Police	Reporting Fiscal Year (Measurement Date)							
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2012
Total pension liability								
Service cost	\$ 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	4,164,541	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	2,111,581	879,309	(669,456)	222,393	(873,099)	(909,542)	(573,850)	
Changes of assumptions or other inputs	-	990,827	-	1,607,956	1,728,627	-	4,417,506	
Benefit payments, including refunds of employee contributions	(2,461,877)	(2,721,465)	(2,267,800)	(2,274,512)	(2,813,757)	(1,993,041)	(2,309,869)	
Net change in total pension liability	4,672,858	4,083,347	1,826,532	4,908,788	4,042,855	1,302,898	6,120,633	
Total pension liability - beginning	57,420,833	53,337,486	51,510,954	46,602,166	42,559,311	41,256,413	35,135,780	
Total pension liability - ending (a)	<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>	
Plan fiduciary net position								
Contributions - employer	\$ 2,927,180	\$ 2,619,482	\$ 2,731,284	\$ 2,661,381	\$ 2,318,393	\$ 1,632,224	\$ 1,604,579	
Contributions - employee	414,474	397,833	494,033	751,939	726,673	559,645	539,514	
Net investment income	315,368	1,310,394	1,508,301	2,233,060	105,517	598,261	1,965,995	
Benefit payments, including refunds of employee contributions	(2,461,877)	(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	(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	1,169,432	1,582,488	1,663,361	3,334,111	220,657	681,047	1,017,556	
Plan fiduciary net position - beginning	23,674,056	22,112,568	20,449,207	17,115,096	16,894,439	16,213,392	15,195,836	
Adjustment to beginning of year	(106,668)	(21,000)	-	-	-	-	-	
Plan fiduciary net position - ending (b)	<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>	
City's net pension liability (asset) - ending (a) - (b)	<u>\$ 37,356,871</u>	<u>\$ 33,746,777</u>	<u>\$ 31,224,918</u>	<u>\$ 31,061,747</u>	<u>\$ 29,487,070</u>	<u>\$ 25,664,872</u>	<u>\$ 25,043,021</u>	

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

CITY OF CASA GRANDE, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS AGENT PENSION PLAN (Continued)
 Year Ended June 30, 2021

PSPRS - Police	Reporting Fiscal Year (Measurement Date)							
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2012
Plan fiduciary net position as a percentage of the total pension liability	39.84%	41.23%	41.46%	39.70%	36.73%	39.70%	39.30%	Information not available
Covered payroll	\$ 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	876.50%	751.40%	623.92%	548.42%	530.87%	521.48%	476.65%	

CITY OF CASA GRANDE, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS AGENT PENSION PLAN (Continued)
 Year Ended June 30, 2021

PSPRS - Fire	Reporting Fiscal Year (Measurement Date)								2014 through 2012
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)		
Total pension liability									
Service cost	\$ 903,486	\$ 1,006,360	\$ 986,910	\$ 986,609	\$ 775,382	\$ 872,432	\$ 817,489		
Interest on the total pension liability	2,893,804	2,760,313	2,549,509	2,276,137	1,967,441	1,899,792	1,586,947	Information not available	
Changes on benefit terms	-	-	-	347,560	1,771,605	-	346,208		
Differences between expected and actual experience in the measurement of the pension liability	1,776,229	(342,819)	358,294	487,783	680,418	(825,229)	288,360		
Changes of assumptions or other inputs	-	622,816	-	1,462,032	1,122,239	-	1,859,876		
Benefit payments, including refunds of employee contributions	(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	3,730,767	2,681,092	2,142,462	4,400,492	5,202,418	988,256	3,975,499		
Total pension liability - beginning	39,659,047	36,977,955	34,835,493	30,435,001	25,232,583	24,244,327	20,268,828		
Total pension liability - ending (a)	\$ 43,389,814	\$ 39,659,047	\$ 36,977,955	\$ 34,835,493	\$ 30,435,001	\$ 25,232,583	\$ 24,244,327		
Plan fiduciary net position									
Contributions - employer	\$ 2,019,501	\$ 1,881,489	\$ 1,920,207	\$ 1,472,557	\$ 1,329,591	\$ 968,712	\$ 991,261		
Contributions - employee	378,609	365,521	387,117	514,482	521,437	618,303	555,093		
Net investment income	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	(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	(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	828,860	1,962,246	977,014	2,725,310	845,047	1,126,871	1,829,632		
Plan fiduciary net position - beginning	20,825,883	18,878,391	17,901,377	15,176,067	14,331,020	13,204,149	11,374,517		
Adjustment to beginning of year	1	(14,754)							
Plan fiduciary net position - ending (b)	\$ 21,654,744	\$ 20,825,883	\$ 18,878,391	\$ 17,901,377	\$ 15,176,067	\$ 14,331,020	\$ 13,204,149		
City's net pension liability (asset) - ending (a) - (b)	\$ 21,735,070	\$ 18,833,164	\$ 18,099,564	\$ 16,934,116	\$ 15,258,934	\$ 10,901,563	\$ 11,040,178		

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

CITY OF CASA GRANDE, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS AGENT PENSION PLAN (Concluded)
 Year Ended June 30, 2021

PSPRS - Fire	Reporting Fiscal Year (Measurement Date)							
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2012
Plan fiduciary net position as a percentage of the total pension liability	49.91%	52.51%	51.05%	51.39%	49.86%	56.80%	54.46%	Information not available
Covered payroll	\$ 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	515.04%	440.07%	402.19%	395.11%	380.79%	260.01%	242.63%	

CITY OF CASA GRANDE, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CITY PENSION CONTRIBUTIONS
 Year Ended June 30, 2021

	Reporting Fiscal Year									2013 through 2012 Information not available
	2021	2020	2019	2018	2017	2016	2015	2014	2013	
Arizona Retirement System										
Statutorily required contribution	\$ 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	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	\$ 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	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%	10.88%	10.70%		
PSPRS - Police										
Statutorily required contribution	\$ 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	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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
City's covered payroll	\$ 5,223,010	\$ 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	63.99%	68.68%	58.32%	54.50%	45.21%	41.50%	28.47%	29.00%		
PSPRS - Fire										
Statutorily required contribution	\$ 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	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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
City's covered payroll	\$ 4,995,854	\$ 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	42.69%	47.85%	43.96%	44.43%	32.79%	28.95%	23.27%	22.97%		

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

CITY OF CASA GRANDE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE SCHEDULE OF AGENT PENSION PLAN SCHEDULES
Year Ended June 30, 2021

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

CITY OF CASA GRANDE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE SCHEDULE OF AGENT PENSION PLAN SCHEDULES
Year Ended June 30, 2021

NOTE 2 FACTORS THAT AFFECT TRENDS

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



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Financial Section

OTHER SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENT FUNDS

CITY OF CASA GRANDE, ARIZONA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2021

	Special Revenue			
	Municipal Airport	Parks Develop.	Redevelop- ment	Senior Services
ASSETS				
Cash	\$ -	\$ 1,005,649	\$ 540,669	\$ -
Investments	-	-	-	-
Receivables (less allowance for uncollectibles)	24,995	-	13,570	-
Due from other governments	-	-	-	-
Inventory	28,975	-	-	-
Restricted assets: cash and cash equivalents	-	-	-	-
Total assets	\$ 53,970	\$ 1,005,649	\$ 554,239	\$ -
LIABILITIES				
Accounts payable and other current liabilities	\$ 29,376	\$ 9,130	\$ 748	\$ 16,465
Deposits held	3,880	-	-	-
Accrued wages and benefits	2,159	-	-	3,934
Due to other funds	315,841	-	-	255,294
Total liabilities	351,256	9,130	748	275,693
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
FUND BALANCES				
Nonspendable	28,975	-	-	-
Restricted	-	-	-	-
Committed	-	996,519	553,491	-
Unassigned	(326,261)	-	-	(275,693)
Total fund balances	(297,286)	996,519	553,491	(275,693)
Total liabilities, deferred inflows of resources, and fund balances	\$ 53,970	\$ 1,005,649	\$ 554,239	\$ -

Special Revenue					
Youth Services	Rodeo Grounds	Grande Sports	Court Enhancement	CDBG	
\$ 810,934	\$ 2,249	\$ -	\$ 563,439	\$ 10,905	
-	-	-	-	-	
-	-	1,244,178	-	267,770	
55,687	-	-	-	98,126	
-	-	-	-	-	
-	-	-	-	-	
<u>\$ 866,621</u>	<u>\$ 2,249</u>	<u>\$ 1,244,178</u>	<u>\$ 563,439</u>	<u>\$ 376,801</u>	
\$ -	\$ -	\$ 55,925	\$ 738	\$ 29,529	
-	-	-	-	-	
-	-	-	588	7,254	
-	-	598,975	-	-	
-	-	654,900	1,326	36,783	
-	-	<u>1,244,177</u>	<u>-</u>	<u>278,266</u>	
-	-	-	-	-	
-	-	-	562,113	61,752	
866,621	2,249	-	-	-	
-	-	(654,899)	-	-	
<u>866,621</u>	<u>2,249</u>	<u>(654,899)</u>	<u>562,113</u>	<u>61,752</u>	
<u>\$ 866,621</u>	<u>\$ 2,249</u>	<u>\$ 1,244,178</u>	<u>\$ 563,439</u>	<u>\$ 376,801</u>	

CITY OF CASA GRANDE, ARIZONA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 June 30, 2021

ASSETS	Special Revenue			Debt Service	
	Tribal		Home	Debt Service	General Obligations
	Housing	Tribal Housing			
Cash	\$ 107,069	\$ 77,724	\$ -	\$ 137,125	\$ 74,694
Investments	-	-	-	-	2,286,046
Receivables (less allowance for uncollectibles)	12,513	-	-	-	-
Due from other governments	-	-	42,800	-	104,204
Inventory	-	-	-	-	-
Restricted assets: cash and cash equivalents	-	-	-	-	-
Total assets	\$ 119,582	\$ 77,724	\$ 42,800	\$ 137,125	\$ 2,464,944
LIABILITIES					
Accounts payable and other current liabilities	\$ 38	\$ 645	\$ 30,000	\$ -	\$ -
Deposits held	-	-	-	-	-
Accrued wages and benefits	-	-	956	-	-
Due to other funds	-	-	39,250	-	-
Total liabilities	38	645	70,206	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	10,685	-	-	-	61,535
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	108,859	77,079	-	137,125	2,403,409
Committed	-	-	-	-	-
Unassigned	-	-	(27,406)	-	-
Total fund balances	108,859	77,079	(27,406)	137,125	2,403,409
Total liabilities, deferred inflows of resources, and fund balances	\$ 119,582	\$ 77,724	\$ 42,800	\$ 137,125	\$ 2,464,944

Debt Service		Capital Improvements		Total
Excise Bonds	Airport Improvements	Community Facilities District	Nonmajor Governmental Funds	
\$ 13,100	\$ 264,768	\$ 1,467,871	\$ 5,076,196	
-	-	-	2,286,046	
-	-	-	1,563,026	
-	-	6,363	307,180	
-	-	-	28,975	
5	-	246,124	246,129	
<u>\$ 13,105</u>	<u>\$ 264,768</u>	<u>\$ 1,720,358</u>	<u>\$ 9,507,552</u>	
 \$ -	 \$ -	 \$ -	 \$ 172,594	
-	-	-	3,880	
-	-	-	14,891	
-	-	-	1,209,360	
-	-	-	1,400,725	
 - -	 - -	 - -	 4,021	 1,598,684
 13,105	 264,768	 1,716,337	 28,975	
-	-	-	5,344,547	
-	-	-	2,418,880	
-	-	-	(1,284,259)	
<u>13,105</u>	<u>264,768</u>	<u>1,716,337</u>	<u>6,508,143</u>	
 <u>\$ 13,105</u>	 <u>\$ 264,768</u>	 <u>\$ 1,720,358</u>	 <u>\$ 9,507,552</u>	

CITY OF CASA GRANDE, ARIZONA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2021

	Municipal Airport	Parks Develop.	Special Revenue Redevelop- ment	Senior Services
REVENUES				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-
Intergovernmental revenues	-	-	-	204,327
Charges for services	827,364	-	-	13,159
Investment earnings	-	-	-	-
Contributions and donations	-	-	-	961
Rental and sale of city property	211,942	-	32,421	-
Miscellaneous	3,158	-	-	-
Total revenues	1,042,464	-	32,421	218,447
EXPENDITURES				
Current:				
General government	-	-	57	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	307,495
Economic development	882,916	-	-	-
Capital outlay	-	61,555	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond costs	-	-	-	-
Total expenditures	882,916	61,555	57	307,495
Excess (deficiency) of revenues over (under) expenditures	159,548	(61,555)	32,364	(89,048)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Refunding bonds issued	-	-	-	-
Premium on refunding bonds	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	159,548	(61,555)	32,364	(89,048)
Fund balances - beginning of year	(456,834)	1,058,074	521,127	(186,645)
Fund balances - end of year	\$ (297,286)	\$ 996,519	\$ 553,491	\$ (275,693)

Special Revenue				
Youth Services	Rodeo Grounds	Grande Sports	Court Enhancement	CDBG
\$ -	\$ -	\$ -	\$ -	\$ -
418,952	-	-	-	-
-	-	-	-	612,276
-	-	127,888	105,122	29,123
117	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
419,069	-	127,888	105,122	641,399
-	-	-	-	-
-	-	-	104,747	-
105,000	1,493	294,386	-	2,798
-	-	-	-	593,204
-	-	-	7,565	14,755
-	-	-	-	-
-	-	-	-	-
105,000	1,493	294,386	112,312	610,757
314,069	(1,493)	(166,498)	(7,190)	30,642
-	-	-	-	-
-	-	(69,548)	-	-
-	-	-	-	-
-	-	-	-	-
-	-	(69,548)	-	-
314,069	(1,493)	(236,046)	(7,190)	30,642
552,552	3,742	(418,853)	569,303	31,110
\$ 866,621	\$ 2,249	\$ (654,899)	\$ 562,113	\$ 61,752

CITY OF CASA GRANDE, ARIZONA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 Year Ended June 30, 2021

	Special Revenue			Debt Service	
	Housing	Tribal Housing	Home	Debt Service	General Obligations
REVENUES					
Taxes:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,128,890
Sales Tax	-	-	-	-	-
Intergovernmental revenues	-	186,349	260,778	-	-
Charges for services	9,967	-	-	-	-
Investment earnings	-	-	-	-	7,099
Contributions and donations	-	-	-	-	-
Rental and sale of city property	-	-	-	-	-
Miscellaneous	-	-	-	25,035	-
Total revenues	9,967	186,349	260,778	25,035	1,135,989
EXPENDITURES					
Current:					
General government	-	40,520	-	-	2,000
Public safety	-	29,263	-	-	-
Culture and recreation	-	20,242	-	-	-
Planning and economic development	20,406	12,680	260,826	-	-
Capital outlay	-	85,146	-	-	-
Debt service:					
Principal	-	-	-	419,407	1,185,000
Interest and fiscal charges	-	-	-	188,604	1,037,450
Bond costs	-	-	-	-	3,700
Total expenditures	20,406	187,851	260,826	608,011	2,228,150
Excess (deficiency) of revenues over (under) expenditures	(10,439)	(1,502)	(48)	(582,976)	(1,092,161)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	608,516	2,060,604
Transfers out	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-
Total other financing sources and uses	-	-	-	608,516	2,060,604
Net change in fund balances	(10,439)	(1,502)	(48)	25,540	968,443
Fund balances - beginning of year	119,298	78,581	(27,358)	111,585	1,434,966
Fund balances - end of year	\$ 108,859	\$ 77,079	\$ (27,406)	\$ 137,125	\$ 2,403,409

Debt Service Excise Bonds	Capital Improvements		Nonmajor Governmental Funds	Total
	Airport Improvements	Community Facilities		
\$ -	\$ -	\$ 507,086	\$ 1,635,976	
			418,952	
-	-	-	1,263,730	
-	-	-	1,112,623	
-	-	-	7,216	
-	-	-	961	
-	-	-	244,363	
<u>16,176</u>	<u>-</u>	<u>7,283</u>	<u>51,652</u>	
<u>16,176</u>	<u>-</u>	<u>514,369</u>	<u>4,735,473</u>	
2,000	-	4,098	48,675	
-	-	-	134,010	
-	-	-	731,414	
-	-	-	1,770,032	
-	68,429	2,133,959	2,371,409	
1,194,300	-	2,390,000	5,188,707	
479,844	-	144,519	1,850,417	
2,000	-	202,267	207,967	
<u>1,678,144</u>	<u>68,429</u>	<u>4,874,843</u>	<u>12,302,631</u>	
<u>(1,661,968)</u>	<u>(68,429)</u>	<u>(4,360,474)</u>	<u>(7,567,158)</u>	
1,420,122	-	-	4,089,242	
-	-	-	(69,548)	
-	-	4,430,000	4,430,000	
-	-	225,283	225,283	
<u>1,420,122</u>	<u>-</u>	<u>4,655,283</u>	<u>8,674,977</u>	
(241,846)	(68,429)	294,809	1,107,819	
<u>254,951</u>	<u>333,197</u>	<u>1,421,528</u>	<u>5,400,324</u>	
<u>\$ 13,105</u>	<u>\$ 264,768</u>	<u>\$ 1,716,337</u>	<u>\$ 6,508,143</u>	



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Financial Section

OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

General Fund Legal and Other Major Governmental Funds



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CITY OF CASA GRANDE, ARIZONA
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - LEGAL LEVEL BUDGET COMPLIANCE
 Year Ended June 30, 2021

EXPENDITURES	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
Current:				
General Government				
Mayor and Council				
Personnel services	\$ 155,072	\$ 155,072	\$ 159,226	\$ (4,154)
Other expenditures	359,693	359,693	259,357	100,336
City Manager				
Personnel services	670,640	670,640	613,266	57,374
Other expenditures	399,625	2,598,975	1,135,086	1,463,889
Attorney				
Personnel services	896,045	896,045	875,133	20,912
Other expenditures	72,056	72,056	49,284	22,772
Clerk				
Personnel services	331,950	331,950	332,466	(516)
Other expenditures	195,448	195,448	158,783	36,665
Finance/Information technology				
Personnel services	1,768,750	1,768,750	1,692,149	76,601
Other expenditures	2,095,880	2,113,113	1,618,820	494,293
Human Resources				
Personnel services	419,096	419,096	413,399	5,697
Other expenditures	273,304	273,304	258,652	14,652
Administrative Services				
Other expenditures	5,653,876	5,653,876	183,132	5,470,744
Public Safety				
Police				
Personnel services	12,994,385	12,994,385	12,354,900	639,485
Other expenditures	1,664,101	1,664,101	1,446,593	217,508
Fire				
Personnel services	9,840,896	9,840,896	8,973,580	867,316
Other expenditures	1,949,967	1,949,967	1,457,426	492,541
Court				
Personnel services	534,341	534,341	527,094	7,247
Other expenditures	100,049	100,049	78,120	21,929
Animal Control				
Personnel services	309,306	309,306	247,492	61,814
Other expenditures	153,303	153,303	148,998	4,305
Communications				
Personnel services	1,472,101	1,472,101	1,447,018	25,083
Other expenditures	533,993	533,993	399,591	134,402
Public Works				
Personnel services	1,063,865	988,865	925,475	63,390
Other expenditures	115,742	190,742	109,087	81,655
Culture and Recreation				
Personnel services	4,101,085	4,101,085	2,916,255	1,184,830
Other expenditures	3,153,945	3,155,225	2,776,049	379,176
Planning and Economic Development				
Personnel services	1,973,208	1,973,208	1,657,350	315,858
Other expenditures	859,125	859,125	483,291	375,834
Capital outlay				
Transfers out	233,980	267,700	272,459	(4,759)
	4,319,853	4,319,853	8,175,737	(3,855,884)
Total expenditures	\$ 58,664,680	\$ 60,916,263	\$ 52,150,816	\$ 8,765,447

CITY OF CASA GRANDE, ARIZONA
 CAPITAL REPLACEMENT/RECREATION/DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Construction sales tax	\$ 5,122,293	\$ 5,122,293	\$ 4,985,949	\$ (136,344)
Investment earnings	55,000	55,000	75,222	20,222
Intergovernmental revenue	12,000,000	12,000,000	199,407	(11,800,593)
Total revenues	<u>17,177,293</u>	<u>17,177,293</u>	<u>5,260,578</u>	<u>(11,916,715)</u>
EXPENDITURES				
Current:				
General Government	1,500,000	1,500,000	-	1,500,000
Planning and economic development	-	-	455	(455)
Capital outlay	<u>45,882,291</u>	<u>42,355,698</u>	<u>2,758,998</u>	<u>39,596,700</u>
Total expenditures	<u>47,382,291</u>	<u>43,855,698</u>	<u>2,759,453</u>	<u>41,096,245</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,204,998)</u>	<u>(26,678,405)</u>	<u>2,501,125</u>	<u>29,179,530</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	6,400,424	6,400,424
Transfers out	-	-	(1,389,881)	(1,389,881)
Total other financing sources and uses:	<u>-</u>	<u>-</u>	<u>5,010,543</u>	<u>5,010,543</u>
Net change in fund balance	(30,204,998)	(26,678,405)	7,511,668	34,190,073
Fund balance - beginning of year	<u>21,161,952</u>	<u>21,161,952</u>	<u>21,161,952</u>	<u>-</u>
Fund balance - end of year	<u>\$ (9,043,046)</u>	<u>\$ (5,516,453)</u>	<u>\$ 28,673,620</u>	<u>\$ 34,190,073</u>

CITY OF CASA GRANDE, ARIZONA
 DEVELOPMENT IMPACT FEES FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Charges for services	\$ 3,970,610	\$ 3,970,610	\$ 9,301,935	\$ 5,331,325
Investment earnings	35,500	35,500	51,094	15,594
Total revenues	<u>4,006,110</u>	<u>4,006,110</u>	<u>9,353,029</u>	<u>5,346,919</u>
EXPENDITURES				
Current:				
General government	2,206,558	2,206,558	423,247	1,783,311
Capital outlay	<u>21,879,228</u>	<u>23,272,513</u>	<u>813,119</u>	<u>22,459,394</u>
Total expenditures	<u>24,085,786</u>	<u>25,479,071</u>	<u>1,236,366</u>	<u>24,242,705</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,079,676)</u>	<u>(21,472,961)</u>	<u>8,116,663</u>	<u>29,589,624</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,389,881	1,389,881
Transfers out	-	-	<u>(2,060,604)</u>	<u>(2,060,604)</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(670,723)</u>	<u>(670,723)</u>
Net change in fund balance	<u>(20,079,676)</u>	<u>(21,472,961)</u>	<u>7,445,940</u>	<u>28,918,901</u>
Fund balance - beginning of year	<u>19,497,810</u>	<u>19,497,810</u>	<u>19,497,810</u>	<u>-</u>
Fund balance - end of year	<u>\$ (581,866)</u>	<u>\$ (1,975,151)</u>	<u>\$ 26,943,750</u>	<u>\$ 28,918,901</u>



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Financial Section

OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES
NON - MAJOR GOVERNMENTAL FUNDS



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CITY OF CASA GRANDE, ARIZONA
 MUNICIPAL AIRPORT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Charge for service	\$ 577,100	\$ 577,100	\$ 827,364	\$ 250,264
Rental and sale of city property	259,896	259,896	211,942	(47,954)
Miscellaneous	1,400	1,400	3,158	1,758
Total revenues	838,396	838,396	1,042,464	204,068
EXPENDITURES				
Current:				
Planning and Economic Development	915,933	915,933	882,916	33,017
Capital outlay	28,825	28,825	-	28,825
Total expenditures	944,758	944,758	882,916	61,842
Excess (deficiency) of revenues over (under) expenditures	(106,362)	(106,362)	159,548	265,910
OTHER FINANCING SOURCES (USES)				
Transfers out	(72,934)	(72,934)	-	72,934
Net change in fund balance	(179,296)	(179,296)	159,548	338,844
Fund balance - beginning of year	(456,834)	(456,834)	(456,834)	-
Fund balance - end of year	\$ (636,130)	\$ (636,130)	\$ (297,286)	\$ 338,844

CITY OF CASA GRANDE, ARIZONA
 PARKS DEVELOPMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Rental and sale of City property	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Investment earnings	10,000	10,000	-	(10,000)
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
EXPENDITURES				
Capital outlay	70,000	70,000	61,555	8,445
Total expenditures	<u>70,000</u>	<u>70,000</u>	<u>61,555</u>	<u>8,445</u>
Excess (deficiency) of revenues over (under) expenditures	(40,000)	(40,000)	(61,555)	(21,555)
Net change in fund balances	(40,000)	(40,000)	(61,555)	(21,555)
Fund balance - beginning of year	<u>1,058,074</u>	<u>1,058,074</u>	<u>1,058,074</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,018,074</u>	<u>\$ 1,018,074</u>	<u>\$ 996,519</u>	<u>\$ (21,555)</u>

CITY OF CASA GRANDE, ARIZONA
 REDEVELOPMENT/DOWNTOWN REVITALIZATION SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Rental and sale of city property	\$ 28,800	\$ 28,800	\$ 32,421	\$ 3,621
EXPENDITURES				
Current:				
General Government:	-	-	57	(57)
Excess (deficiency) of revenues over (under) expenditures	28,800	28,800	32,364	3,564
Net change in fund balances	28,800	28,800	32,364	3,564
Fund balance - beginning of year	521,127	521,127	521,127	521,127
Fund balance - end of year	\$ 549,927	\$ 549,927	\$ 553,491	\$ 524,691

CITY OF CASA GRANDE, ARIZONA
 SENIOR SERVICES SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental revenues	\$ 154,489	\$ 154,489	\$ 204,327	\$ 49,838
Charges for services	26,000	26,000	13,159	(12,841)
Contributions and donations	7,500	7,500	961	(6,539)
Total revenues	<u>187,989</u>	<u>187,989</u>	<u>218,447</u>	<u>30,458</u>
EXPENDITURES				
Current:				
Culture and recreation:	324,616	324,616	307,495	17,121
Excess (deficiency) of revenues over (under) expenditures	<u>(136,627)</u>	<u>(136,627)</u>	<u>(89,048)</u>	<u>47,579</u>
OTHER FINANCING USES				
Transfers in	195,819	195,819	-	(195,819)
Net change in fund balance	59,192	59,192	(89,048)	(148,240)
Fund balance - beginning of year	<u>(186,645)</u>	<u>(186,645)</u>	<u>(186,645)</u>	<u>-</u>
Fund balance - end of year	<u>\$ (127,453)</u>	<u>\$ (127,453)</u>	<u>\$ (275,693)</u>	<u>\$ 148,240</u>

CITY OF CASA GRANDE, ARIZONA
 YOUTH SERVICES SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
City sales taxes	\$ 200,000	\$ 200,000	\$ 418,952	\$ 218,952
Investment earnings	3,500	3,500	117	(3,383)
Total revenues	203,500	203,500	419,069	215,569
EXPENDITURES				
Current:				
Culture and recreation:	133,000	133,000	105,000	28,000
Excess (deficiency) of revenues over (under) expenditures	70,500	70,500	314,069	243,569
Fund balance - beginning of year	552,552	552,552	552,552	-
Fund balance - end of year	\$ 623,052	\$ 623,052	\$ 866,621	\$ 243,569

CITY OF CASA GRANDE, ARIZONA
 RODEO GROUNDS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Rental and sale of city property	\$ 4,600	\$ 4,600	\$ -	\$ (4,600)
EXPENDITURES				
Current:				
Culture and recreation:	4,600	4,600	1,493	3,107
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,493)	(1,493)
Fund balance - beginning of year	3,742	3,742	3,742	-
Fund balance - end of year	\$ 3,742	\$ 3,742	\$ 2,249	\$ (1,493)

CITY OF CASA GRANDE, ARIZONA
 GRANDE SPORTS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Charges for services	\$ 215,000	\$ 215,000	\$ 127,888	\$ (87,112)
EXPENDITURES				
Current:				
Culture and recreation:	343,132	343,132	294,386	48,746
Excess (deficiency) of revenues over (under) expenditures	(128,132)	(128,132)	(166,498)	(38,366)
OTHER FINANCING USES				
Transfers in	1,650,685	1,650,685	-	(1,650,685)
Transfers out	(1,522,552)	(1,522,552)	(69,548)	(1,453,004)
Total other financing uses	128,133	128,133	(69,548)	(3,103,689)
Net change in fund balance	1	1	(236,046)	(236,047)
Fund balance - beginning of year	(418,853)	(418,853)	(418,853)	-
Fund balance - end of year	\$ (418,852)	\$ (418,852)	\$ (654,899)	\$ (236,047)

CITY OF CASA GRANDE, ARIZONA
 COURT ENHANCEMENT/PROBATIONARY SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Charges for services	\$ 165,000	\$ 165,000	\$ 105,122	\$ (59,878)
EXPENDITURES				
Current:				
Public safety:	195,098	195,098	104,747	90,351
Capital outlay	107,700	107,700	7,565	100,135
Total expenditures	302,798	302,798	112,312	190,486
Excess (deficiency) of revenues over (under) expenditures	(137,798)	(137,798)	(7,190)	130,608
Fund balance - beginning of year	569,303	569,303	569,303	-
Fund balance - end of year	\$ 431,505	\$ 431,505	\$ 562,113	\$ 130,608

CITY OF CASA GRANDE, ARIZONA
 COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental revenues	\$ 666,197	\$ 291,585	\$ 612,276	\$ 320,691
Charges for services	10,000	10,000	29,123	19,123
Total revenues	676,197	301,585	641,399	339,814
EXPENDITURES				
Current:				
Public safety:	-	5,000	-	5,000
Culture and recreation:	-	35,000	2,798	32,202
Planning and Economic Development:	801,538	863,277	593,204	270,073
Capital outlay	380,000	645,000	14,755	630,245
Total expenditures	1,181,538	1,548,277	610,757	937,520
Excess (deficiency) of revenues over (under) expenditures	(505,341)	(1,246,692)	30,642	1,277,334
OTHER FINANCING USES				
Transfers in	127,000	77,000	-	77,000
Net change in fund balance	(378,341)	(1,169,692)	30,642	1,354,334
Fund balance - beginning of year	31,110	31,110	31,110	-
Fund balance - end of year	\$ (347,231)	\$ (1,138,582)	\$ 61,752	\$ 1,200,334

CITY OF CASA GRANDE, ARIZONA
 HOUSING SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Charges for service	\$ 135,000	\$ 135,000	\$ 9,967	\$ (125,033)
EXPENDITURES				
Current:				
Planning and Economic Development:	117,100	117,100	20,406	96,694
Excess (deficiency) of revenues over (under) expenditures	17,900	17,900	(10,439)	(28,339)
Fund balance - beginning of year	119,298	119,298	119,298	-
Fund balance - end of year	\$ 137,198	\$ 137,198	\$ 108,859	\$ (28,339)

CITY OF CASA GRANDE, ARIZONA
 TRIBAL HOUSING SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental revenues	\$ 258,000	\$ 259,203	\$ 186,349	\$ (72,854)
EXPENDITURES				
Current:				
General government:	350,000	350,000	40,520	309,480
Planning and Economic Development:	188,000	182,683	12,680	170,003
Culture and recreation:	-	16,486	20,242	(3,756)
Public safety:	-	30,034	29,263	771
Capital outlay	-	85,146	85,146	-
Total expenditures	538,000	664,349	187,851	476,498
Excess (deficiency) of revenues over (under) expenditures	(280,000)	(405,146)	(1,502)	(403,644)
Fund balance - beginning of year	78,581	78,581	78,581	-
Fund balance - end of year	\$ (201,419)	\$ (326,565)	\$ 77,079	\$ 403,644

CITY OF CASA GRANDE, ARIZONA
 HOME SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental revenues	\$ 470,500	\$ 305,500	\$ 260,778	\$ (44,722)
EXPENDITURES				
Current:				
Planning and Economic Development:	626,786	1,011,786	260,826	750,960
Total expenditures	626,786	1,011,786	260,826	750,960
Excess (deficiency) of revenues over (under) expenditures	(156,286)	(706,286)	(48)	706,238
Fund balance - beginning of year	(27,358)	(27,358)	(27,358)	-
Fund balance - end of year	\$ (183,644)	\$ (733,644)	\$ (27,406)	\$ 706,238

CITY OF CASA GRANDE, ARIZONA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Miscellaneous revenues	\$ 70,000	\$ 70,000	\$ 25,035	\$ (44,965)
EXPENDITURES				
Debt Service:				
Principal retirement	420,257	420,257	419,407	850
Interest	188,259	188,259	188,604	(345)
Total expenditures	608,516	608,516	608,011	505
Excess (deficiency) of revenues over (under) expenditures	(538,516)	(538,516)	(582,976)	(44,460)
OTHER FINANCING SOURCES (USES)				
Transfers in	538,516	538,516	608,516	70,000
Net change in fund balance	-	-	25,540	25,540
Fund balance - beginning of year	111,585	111,585	111,585	-
Fund balance - end of year	\$ 111,585	\$ 111,585	\$ 137,125	\$ 25,540

CITY OF CASA GRANDE, ARIZONA
 GENERAL OBLIGATION BOND DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Property taxes	\$ 1,108,799	\$ 1,108,799	\$ 1,128,890	\$ 20,091
Investment earnings	-	-	7,099	7,099
Total revenues	<u>1,108,799</u>	<u>1,108,799</u>	<u>1,135,989</u>	<u>27,190</u>
EXPENDITURES				
Current:				
General government:	-	-	2,000	(2,000)
Debt Service				
Principal retirement	1,400,000	1,400,000	1,185,000	215,000
Interest and fiscal charges	1,058,050	1,058,050	1,037,450	20,600
Bond costs	-	-	3,700	(3,700)
Total expenditures	<u>2,458,050</u>	<u>2,458,050</u>	<u>2,228,150</u>	<u>229,900</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,349,251)</u>	<u>(1,349,251)</u>	<u>(1,092,161)</u>	<u>257,090</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	2,060,604	2,060,604
Net change in fund balance	(1,349,251)	(1,349,251)	968,443	2,317,694
Fund balance - beginning of year	<u>1,434,966</u>	<u>1,434,966</u>	<u>1,434,966</u>	<u>-</u>
Fund balance - end of year	<u>\$ 85,715</u>	<u>\$ 85,715</u>	<u>\$ 2,403,409</u>	<u>\$ 2,317,694</u>

CITY OF CASA GRANDE, ARIZONA
 EXCISE TAX DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
	\$	\$	\$	
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 16,176	\$ 16,176
EXPENDITURES				
Current:				
General government:	\$ -	\$ -	\$ 2,000	\$ (2,000)
Debt Service				
Principal retirement	2,805,000	2,805,000	1,181,200	1,623,800
Interest	637,385	637,385	492,944	144,441
Bond issuance costs	-	-	2,000	(2,000)
Total expenditures	<u>3,442,385</u>	<u>3,442,385</u>	<u>1,678,144</u>	<u>1,764,241</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,442,385)</u>	<u>(3,442,385)</u>	<u>(1,661,968)</u>	<u>1,780,417</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>3,442,385</u>	<u>3,442,385</u>	<u>1,420,122</u>	<u>(2,022,263)</u>
Net change in fund balance	-	-	(241,846)	(241,846)
Fund balance - beginning of year	<u>254,951</u>	<u>254,951</u>	<u>254,951</u>	<u>-</u>
Fund balance - end of year	<u>\$ 254,951</u>	<u>\$ 254,951</u>	<u>\$ 13,105</u>	<u>\$ (241,846)</u>

CITY OF CASA GRANDE, ARIZONA
 AIRPORT IMPROVEMENT CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental revenues	<u>\$ 4,030,000</u>	<u>\$ 4,030,000</u>	<u>\$ -</u>	<u>\$ (4,030,000)</u>
EXPENDITURES				
Current:				
Planning and Economic Development:	3,115,000	3,115,000	-	3,115,000
Capital outlay	<u>1,035,000</u>	<u>1,035,000</u>	<u>68,429</u>	<u>966,571</u>
Total expenditures	<u>4,150,000</u>	<u>4,150,000</u>	<u>68,429</u>	<u>4,081,571</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(120,000)</u>	<u>(120,000)</u>	<u>(68,429)</u>	<u>51,571</u>
Fund balance - beginning of year	<u>333,197</u>	<u>333,197</u>	<u>333,197</u>	<u>-</u>
Fund balance - end of year	<u>\$ 213,197</u>	<u>\$ 213,197</u>	<u>\$ 264,768</u>	<u>\$ 51,571</u>

CITY OF CASA GRANDE, ARIZONA
 COMMUNITY FACILITIES DISTRICTS - CAPITAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
REVENUES				
Property tax	\$ 478,874	\$ 478,874	\$ 507,086	\$ 28,212
Miscellaneous	-	-	7,283	7,283
Total revenues	478,874	478,874	514,369	35,495
EXPENDITURES				
Current:				
General government:	15,515	15,515	4,098	11,417
Capital outlay	17,700,400	17,700,400	2,133,959	15,566,441
Debt Service				
Principal retirement	120,000	120,000	2,390,000	(2,270,000)
Interest	156,174	156,174	144,519	11,655
Bond costs	-	-	202,267	(202,267)
Total expenditures	17,992,089	17,992,089	4,874,843	13,117,246
Excess (deficiency) of revenues over (under) expenditures	(17,513,215)	(17,513,215)	(4,360,474)	13,152,741
OTHER FINANCING SOURCES (USES)				
Issuance of debt	17,665,000	17,665,000	4,655,283	(13,009,717)
Net change in fund balance	151,785	151,785	294,809	143,024
Fund balance - beginning of year	1,421,528	1,421,528	1,421,528	-
Fund balance - end of year	\$ 1,573,313	\$ 1,573,313	\$ 1,716,337	\$ 143,024



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Financial Section

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL PROPRIETARY FUNDS

CITY OF CASA GRANDE, ARIZONA
 WATER ENTERPRISE FUND
 SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Service fees	\$ 249,009	\$ 249,009	\$ 250,818	\$ 1,809
OPERATING EXPENSES:				
Personnel services	29,570	29,570	21,440	8,130
Contractual	292,280	287,280	250,791	36,489
Materials and supplies	46,600	50,600	41,239	9,361
Depreciation	70,905	70,905	71,451	(546)
Total operating expenses	439,355	438,355	384,921	53,434
Operating income (expense)	(190,346)	(189,346)	(134,103)	(55,243)
Transfers out	(37,414)	(37,414)	-	37,414
Net change in Fund Balance	(227,760)	(226,760)	(134,103)	92,657
Fund Balance - beginning of year	177,536	177,536	177,536	-
Fund Balance - end of year	\$ (50,224)	\$ (49,224)	\$ 43,433	\$ 92,657

CITY OF CASA GRANDE, ARIZONA
 WASTEWATER/DEVELOPMENT ENTERPRISE FUND
 SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Service fees	\$ 11,545,125	\$ 11,545,125	\$ 11,112,182	\$ (432,943)
Miscellaneous	230,850	230,850	349,835	118,985
Total operating revenues	11,775,975	11,775,975	11,462,017	(313,958)
OPERATING EXPENSES:				
Personnel services	1,240,009	1,240,429	1,141,903	98,526
Contractual	6,940,240	7,141,854	2,751,866	4,389,988
Materials and supplies	4,732,288	5,124,868	857,847	4,267,021
Depreciation	3,286,170	3,286,170	3,382,549	(96,379)
Other expense	1,000,000	1,000,000	-	1,000,000
Total operating expenses	17,198,707	17,793,321	8,134,165	9,659,156
Operating income (expense)	(5,422,732)	(6,017,346)	3,327,852	9,345,198
NONOPERATING REVENUES (EXPENSES):				
Investment income	12,000	12,000	69,767	57,767
Debt Service - principal payments	(3,079,959)	(3,079,959)	-	3,079,959
Interest expense	(1,312,020)	(1,312,020)	(1,254,505)	57,515
Total nonoperating revenue (expense)	(4,379,979)	(4,379,979)	(1,184,738)	3,195,241
Income (loss) before contributions and transfers	(9,802,711)	(10,397,325)	2,143,114	12,540,439
Developer fees	2,349,100	2,349,100	7,644,348	5,295,248
Transfers out	(523,080)	(523,080)	(1,978)	521,102
Net change in Fund Balance	(7,976,691)	(8,571,305)	9,785,484	18,356,789
Fund Balance - beginning of year	60,309,427	60,309,427	60,309,427	-
Fund Balance - end of year	\$ 52,332,736	\$ 51,738,122	\$ 70,094,911	\$ 18,356,789

CITY OF CASA GRANDE, ARIZONA
 SANITATION ENTERPRISE FUND
 SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Service fees	\$ 6,927,146	\$ 6,927,146	\$ 6,991,333	\$ 64,187
Miscellaneous	17,000.00	17,000.00	238,516	221,516
Total operating revenues	6,944,146	6,944,146	7,229,849	285,703
OPERATING EXPENSES:				
Personnel services	2,548,859	2,548,859	2,298,480	250,379
Contractual	1,412,710	1,412,570	1,257,307	155,263
Materials and supplies	1,767,018	3,145,158	730,183	2,414,975
Depreciation	1,006,222	1,006,222	944,314	61,908
Closure and postclosure costs	130,000	130,000	27,629	102,371
Total operating expenses	6,864,809	8,242,809	5,257,913	2,984,896
Operating income (expense)	79,337	(1,298,663)	1,971,936	3,270,599
NONOPERATING REVENUES (EXPENSES):				
Investment income	-	-	74,646	74,646
Gain (loss) on sale of equipment	-	-	233,780	233,780
Total nonoperating revenue (expense)	-	-	308,426	308,426
Income (loss) before transfers	79,337	(1,298,663)	2,280,362	3,579,025
Transfers out	(1,520,618)	(1,450,618)	(1,978)	1,448,640
Net change in Fund Balance	(1,441,281)	(2,749,281)	2,278,384	5,027,665
Fund Balance - beginning of year	9,965,026	9,965,026	9,965,026	-
Fund Balance - end of year	\$ 8,523,745	\$ 7,215,745	\$ 12,243,410	\$ 5,027,665

CITY OF CASA GRANDE, ARIZONA
 GOLF COURSE ENTERPRISE FUND
 SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
OPERATING REVENUES:				
Service fees	\$ 282,000	\$ 282,000	\$ 268,035	\$ (13,965)
Rental	201,000	201,000	248,343	47,343
Green fees	897,000	897,000	1,025,073	128,073
Total operating revenues	<u>1,380,000</u>	<u>1,380,000</u>	<u>1,541,451</u>	<u>161,451</u>
OPERATING EXPENSES:				
Personnel services	234,613	234,613	258,864	(24,251)
Contractual	758,522	751,022	715,086	35,936
Materials and supplies	253,050	510,550	159,404	351,146
Depreciation	155,780	155,780	129,135	26,645
Other expense	-	-	85	(85)
Total operating expenses	<u>1,401,965</u>	<u>1,651,965</u>	<u>1,262,574</u>	<u>389,391</u>
Operating income (expense)	<u>(21,965)</u>	<u>(271,965)</u>	<u>278,877</u>	<u>550,842</u>
NONOPERATING REVENUES (EXPENSES):				
City sales tax	30,000	30,000	22,083	(7,917)
Gain (loss) on sale of equipment	-	-	113,022	113,022
Total nonoperating revenue	<u>30,000</u>	<u>30,000</u>	<u>135,105</u>	<u>105,105</u>
Income (loss) before transfers	8,035	(241,965)	413,982	655,947
Transfers out	<u>(125,888)</u>	<u>(125,888)</u>	-	<u>125,888</u>
Net change in Fund Balance	<u>(117,853)</u>	<u>(367,853)</u>	<u>413,982</u>	<u>781,835</u>
Fund Balance - beginning of year	<u>1,490,386</u>	<u>1,490,386</u>	<u>1,490,386</u>	-
Fund Balance - end of year	<u>\$ 1,372,533</u>	<u>\$ 1,122,533</u>	<u>\$ 1,904,368</u>	<u>\$ 781,835</u>



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Statistical Section

<u>Contents</u>	<u>Pages</u>
Financial Trends	152-157
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	158-161
These schedules contain information to help the reader assess the City's most significant local revenue sources, property tax and sales and uses taxes.	
Debt Capacity	162-170
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.	
Demographic and Economic Statistics	171-172
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	173-175
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	2012	2013	2014	2015
Governmental activities				
Net investment in Capital Assets	\$ 161,430,232	\$ 157,440,959	\$ 151,713,255	\$ 137,618,856
Restricted	37,158,304	40,395,789	23,313,575	40,862,091
Unrestricted	48,679,263	46,777,093	61,348,678	3,182,623
Total governmental activities net position	<u>\$ 247,267,799</u>	<u>\$ 244,613,841</u>	<u>\$ 236,375,508</u>	<u>\$ 181,663,570</u>
Business-type activities				
Net investment in Capital Assets	\$ 49,361,435	\$ 47,631,810	\$ 51,371,884	\$ 48,601,273
Restricted	11,742,168	9,245,649	6,187,139	6,317,620
Unrestricted	3,708,031	5,504,681	5,253,457	(265,067)
Total business-type activities net position	<u>\$ 64,811,633</u>	<u>\$ 62,382,140</u>	<u>\$ 62,812,480</u>	<u>\$ 54,653,826</u>
Primary government				
Net investment in Capital Assets	\$ 210,791,667	\$ 205,072,769	\$ 201,934,193	\$ 186,217,129
Restricted	48,900,472	49,641,438	29,500,714	47,179,711
Unrestricted	52,387,294	52,281,774	66,681,178	2,917,556
Total primary government net position	<u>\$ 312,079,433</u>	<u>\$ 306,995,981</u>	<u>\$ 298,116,085</u>	<u>\$ 236,314,396</u>

2016	2017	2018	2019	2020	2021
\$ 111,804,545	\$ 125,561,739	\$ 108,270,856	\$ 134,649,294	\$ 129,469,237	\$ 121,637,501
38,094,808	35,874,477	40,267,225	31,931,243	54,145,595	66,985,350
26,141,879	5,910,563	13,909,387	4,155,348	686,821	13,278,839
\$ 176,041,232	\$ 167,346,779	\$ 162,447,468	\$ 170,735,885	\$ 184,301,653	\$ 201,901,690
\$ 49,202,991	\$ 49,611,489	\$ 51,297,595	\$ 52,921,972	\$ 54,578,295	\$ 58,472,223
6,575,857	6,970,069	6,403,618	6,660,007	12,096,729	19,754,821
151,635	939,248	1,769,103	5,563,303	5,267,351	6,059,078
\$ 55,930,483	\$ 57,520,806	\$ 59,470,316	\$ 65,145,282	\$ 71,942,375	\$ 84,286,122
\$ 161,007,536	\$ 175,173,228	\$ 159,568,451	\$ 187,571,266	\$ 184,047,532	\$ 180,109,724
44,670,665	42,844,546	46,670,843	38,591,250	66,242,324	86,814,436
26,293,514	6,849,811	15,678,490	9,718,651	5,954,172	19,263,652
\$ 231,971,715	\$ 224,867,585	\$ 221,917,784	\$ 235,881,167	\$ 256,244,028	\$ 286,187,812

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

	2012	2013	2014	2015
Governmental Activities:				
Expenses				
General government	\$ 6,943,378	\$ 6,766,944	\$ 7,010,252	\$ 10,107,662
Public safety	22,629,105	24,280,544	25,534,564	26,520,689
Streets/Transportation	13,442,435	12,494,463	13,511,907	13,548,310
Public works	2,542,009	3,205,901	2,666,121	2,771,028
Culture and recreation	7,247,394	7,273,320	7,859,818	7,676,615
Economic development	3,186,873	3,117,655	3,269,820	2,765,522
Interest on long-term debt	2,670,881	2,367,185	2,333,855	2,504,944
Total expenses	<u>58,662,075</u>	<u>59,506,012</u>	<u>62,186,337</u>	<u>65,894,770</u>
Program Revenues				
Charges for services:				
General government	173,396	342,086	304,629	2,815,852
Public safety	1,370,883	1,182,158	1,345,626	1,076,004
Streets/Transportation	1,369,817	1,112,963	960,368	816,829
Public works	26,595	60,757	33,133	167,447
Culture and recreation	601,627	443,652	502,803	430,294
Development fees	161,576	2,198,089	110,170	179,753
Building permits	290,999	988,908	846,542	1,081,880
Development and engineering	40,880	74,375	16,393	78,284
Other economic development	429,012	416,676	163,809	307,578
Operating grants and contributions	7,420,053	6,823,705	7,163,717	6,775,967
Capital grants and contributions	3,507,353	10,177,899	1,333,697	4,132,231
Total program revenues	<u>15,392,191</u>	<u>23,821,268</u>	<u>12,780,887</u>	<u>17,862,119</u>
Total Governmental Activities Net Program Expense	<u><u>\$ (43,269,884)</u></u>	<u><u>\$ (35,684,744)</u></u>	<u><u>\$ (49,405,450)</u></u>	<u><u>\$ (48,032,651)</u></u>
General Revenues and Other Changes in Net Position				
Property taxes	6,439,021	6,877,452	6,197,813	6,366,087
Sales taxes	18,901,163	19,242,309	19,650,998	21,795,890
Franchise taxes	2,201,312	2,248,227	2,248,466	2,358,731
Shared revenues:				
State sales taxes	3,795,352	3,975,626	4,227,755	4,438,843
Urban revenue sharing	4,099,428	4,961,423	5,413,854	5,879,820
Auto-in-lieu	2,137,645	2,129,894	2,259,469	2,447,783
Investment earnings	67,705	3,586	330,546	174,864
Gain on early debt extinguishment	-	-	-	-
Miscellaneous	121,530	49,172	112,756	282,850
Transfers	94,464	1,337,500	725,460	78,030
Total general revenues and other changes in net position	<u>37,857,620</u>	<u>40,825,189</u>	<u>41,167,117</u>	<u>43,822,898</u>
Total Governmental Activities Change in Net Position	<u><u>\$ (5,412,264)</u></u>	<u><u>\$ 5,140,445</u></u>	<u><u>\$ (8,238,333)</u></u>	<u><u>\$ (4,209,753)</u></u>

2016	2017	2018	2019	2020	2021
\$ 11,103,379	\$ 8,951,427	\$ 9,203,693	\$ 6,211,501	\$ 8,985,376	\$ 11,604,796
23,893,064	31,694,293	31,273,684	31,268,662	32,331,599	33,789,441
12,823,511	12,159,682	5,042,379	3,187,209	4,936,659	3,108,249
7,723,880	5,944,648	9,664,687	11,612,371	10,776,751	14,547,249
7,805,438	7,994,626	7,696,620	10,140,746	9,210,516	7,339,659
2,350,547	2,573,276	3,909,504	3,032,017	4,006,477	2,955,078
2,424,163	2,571,381	3,118,414	3,255,720	411,944	1,968,299
<u>68,123,982</u>	<u>71,889,333</u>	<u>69,908,981</u>	<u>68,708,226</u>	<u>70,659,322</u>	<u>75,312,771</u>
1,388,172	824,576	460,030	394,210	298,032	240,515
1,487,150	1,608,334	1,388,042	1,544,494	1,079,211	1,251,053
-	-	-	-	-	-
3,476,748	3,944,961	909,437	874,890	989,335	1,805,395
1,035,225	741,249	691,224	951,399	1,232,935	1,538,436
110,678	783,045	251,681	-	-	-
1,314,910	777,911	1,027,288	1,948,462	1,700,990	3,865,170
-	-	-	-	-	-
96,668	238,566	65,718	124,015	1,210,920	1,817,567
4,945,110	5,752,093	6,155,986	6,435,375	12,643,572	8,171,777
1,451,669	805,309	1,802,175	4,960,817	5,477,699	9,230,238
<u>15,306,330</u>	<u>15,476,044</u>	<u>12,751,581</u>	<u>17,233,662</u>	<u>24,632,694</u>	<u>27,920,151</u>
\$ (52,817,652)	\$ (56,413,289)	\$ (57,157,400)	\$ (51,474,564)	\$ (46,026,628)	\$ (47,392,620)
6,410,163	6,472,519	6,970,676	6,862,999	5,847,793	6,113,399
22,909,814	23,402,408	25,292,113	27,193,495	30,674,410	36,505,308
2,388,109	2,449,704	2,502,845	2,343,033	2,326,462	2,447,297
-	-	-	-	-	-
4,602,342	4,734,258	5,246,154	5,595,095	5,923,694	6,804,724
5,847,942	6,295,760	6,754,555	6,718,257	7,400,926	8,379,332
2,638,312	2,666,254	3,172,178	3,378,251	3,572,877	4,242,113
775,075	444,399	746,889	4,388,415	3,033,946	248,917
-	-	-	106,940	-	-
329,338	665,351	380,656	456,445	770,281	247,611
1,297,300	1,371,224	1,192,023	1,444,610	42,007	3,956
<u>47,198,395</u>	<u>48,501,877</u>	<u>52,258,089</u>	<u>58,487,540</u>	<u>59,592,396</u>	<u>64,992,657</u>
\$ (5,619,257)	\$ (7,911,412)	\$ (4,899,311)	\$ 7,012,976	\$ 13,565,768	\$ 17,600,037

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

	2012	2013	2014	2015
Business-type Activities:				
Expenses				
Water	\$ 190,786	\$ 226,382	\$ 286,210	\$ 261,674
Golf course	1,303,013	1,299,400	1,212,036	1,195,987
Wastewater	9,786,826	9,188,433	9,559,101	9,119,769
Sanitation	5,060,239	4,953,994	5,410,150	5,386,901
Total expenses	<u>16,340,864</u>	<u>15,668,209</u>	<u>16,467,497</u>	<u>15,964,331</u>
Revenues				
Charges for services:				
Water	185,176	173,935	181,120	192,343
Golf course	1,066,136	994,534	1,076,014	1,100,780
Wastewater	6,871,045	6,541,782	8,027,267	8,541,358
Sanitation	6,264,192	6,151,881	6,385,562	6,739,816
Sales taxes	29,539	25,737	29,098	29,122
Investment earnings	15,397	40,519	8,917	11,680
Miscellaneous	21,139	60,209	57,654	72,228
Capital grants and contributions	2,337,217	545,163	587,959	582,705
Total revenues	<u>16,789,841</u>	<u>14,533,760</u>	<u>16,353,591</u>	<u>17,270,032</u>
Total Business-type Activities Net Program Expense	<u>\$ 448,977</u>	<u>\$ (1,134,449)</u>	<u>\$ (113,906)</u>	<u>\$ 1,305,701</u>
Other Changes in Net Position				
Transfers	<u>(94,464)</u>	<u>(1,337,500)</u>	<u>(725,460)</u>	<u>(78,030)</u>
Total Business-type Activities Change in Net Position	<u>\$ 354,513</u>	<u>\$ (2,471,949)</u>	<u>\$ (839,366)</u>	<u>\$ 1,227,671</u>
Total Primary Government Change in Net Position	<u>\$ (5,057,751)</u>	<u>\$ 2,668,496</u>	<u>\$ (9,077,699)</u>	<u>\$ (2,982,082)</u>

2016	2017	2018	2019	2020	2021
\$ 224,960	\$ 589,929	\$ 285,818	\$ 313,388	\$ 373,484	\$ 384,921
924,469	1,263,373	1,407,351	1,348,139	1,351,902	1,262,574
10,661,238	10,077,363	9,542,082	9,064,782	9,319,191	9,388,670
5,311,875	5,726,011	5,570,376	5,141,643	5,454,263	5,257,913
<u>17,122,542</u>	<u>17,656,676</u>	<u>16,805,627</u>	<u>15,867,952</u>	<u>16,498,840</u>	<u>16,294,078</u>
219,824	236,862	229,111	210,924	235,920	250,818
1,115,852	1,257,615	1,359,502	1,406,657	1,473,150	1,541,451
10,241,967	11,105,175	10,754,316	11,121,564	10,896,978	11,462,017
7,388,211	7,432,237	6,840,168	7,309,243	6,973,937	7,229,849
30,345	28,892	26,156	-	17,036	22,083
26,041	81,578	158,238	268,994	608,678	144,413
4,021	29,977	-	-	-	346,802
<u>670,238</u>	<u>445,883</u>	<u>579,670</u>	<u>2,670,146</u>	<u>3,132,241</u>	<u>7,644,348</u>
<u>19,696,499</u>	<u>20,618,219</u>	<u>19,947,161</u>	<u>22,987,528</u>	<u>23,337,940</u>	<u>28,641,781</u>
\$ 2,573,957	\$ 2,961,543	\$ 3,141,534	\$ 7,119,576	\$ 6,839,100	\$ 12,347,703
(78,030)	(1,371,224)	(1,192,023)	(1,444,610)	(42,007)	(3,956)
<u>\$ 2,495,927</u>	<u>\$ 1,590,319</u>	<u>\$ 1,949,511</u>	<u>\$ 5,674,966</u>	<u>\$ 6,797,093</u>	<u>\$ 12,343,747</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>

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

	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 6,023	\$ 6,264	\$ 6,281	\$ 1,647
Restricted	4,202,039	4,701,221	5,163,565	5,572,411
Committed	-	-	-	-
Assigned	19,251,625	14,550,404	13,384,358	11,631,345
Unassigned	502,264	5,281,667	6,892,105	12,631,345
Total general fund	<u>\$ 23,961,951</u>	<u>\$ 24,539,556</u>	<u>\$ 25,446,309</u>	<u>\$ 29,836,748</u>
All Other Governmental Funds				
Nonspendable	\$ 60,783	\$ 66,983	\$ 93,031	\$ 36,281
Restricted	33,542,117	35,694,573	32,227,498	35,291,890
Committed	15,628,386	2,523,457	-	-
Assigned	13,156,163	27,643,540	29,168,940	29,084,496
Unassigned	(385,290)	(576,410)	(576,846)	(593,322)
Total all other governmental funds	<u>\$ 62,002,159</u>	<u>\$ 65,352,143</u>	<u>\$ 60,912,623</u>	<u>\$ 63,819,345</u>

2016	2017	2018	2019	2020	2021
\$ 2,063	\$ -	\$ 1,006,102	\$ 2,063,308	\$ 3,359,483	\$ 1,654,063
-	1,670,016	1,482,581	1,568,371	1,568,371	1,568,371
-	4,654,417	5,232,779	5,611,482	6,265,454	6,728,180
20,453,537	20,494,239	13,094,976	14,870,455	13,269,260	18,347,591
<u>9,911,709</u>	<u>5,343,256</u>	<u>13,667,378</u>	<u>19,094,967</u>	<u>32,924,395</u>	<u>39,978,151</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>
\$ 59,867	\$ 40,286	\$ 170,140	\$ 45,123	\$ 362,008	\$ 28,975
37,376,941	36,647,161	38,784,644	30,362,872	52,577,224	65,491,244
-	1,164,600	-	1,989,707	2,135,495	2,418,880
45,538,029	42,075,694	39,202,559	22,507,732	2,169,694	6,602,047
<u>(635,129)</u>	<u>(750,466)</u>	<u>(531,017)</u>	<u>(1,080,079)</u>	<u>(1,404,901)</u>	<u>(1,284,259)</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>

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

	2012	2013	2014	2015
Revenues				
Taxes	\$ 27,524,503	\$ 28,352,139	\$ 28,304,305	\$ 30,557,352
Licenses and permits	494,921	1,263,721	1,055,340	1,344,254
Intergovernmental revenues	17,627,429	20,814,430	19,166,537	19,324,969
Charges for services	2,856,201	4,024,127	2,614,233	4,061,405
Fines	756,454	735,217	707,660	682,288
Investment earnings	67,707	3,586	339,728	207,833
Rental and sale of city property	502,054	537,055	536,601	761,495
Other revenues	1,599,077	477,857	968,313	821,199
Total revenues	<u>51,428,346</u>	<u>56,208,132</u>	<u>53,692,717</u>	<u>57,760,795</u>
Expenditures				
General government	7,932,235	7,473,914	7,801,503	7,810,453
Public safety	20,516,232	22,089,961	22,673,464	21,380,603
Streets/Transportation	3,287,682	2,717,802	2,645,606	2,821,113
Public works	1,913,991	2,040,691	1,350,102	1,352,469
Culture and recreation	5,939,441	6,041,037	6,413,990	6,157,841
Planning and economic development	2,467,005	2,424,452	2,526,552	2,276,725
Capital outlay	8,999,838	10,215,671	10,651,896	6,889,725
Debt service				
Principal	3,669,732	1,718,222	1,528,344	1,959,805
Interest	2,733,203	2,343,898	2,448,448	2,520,693
Bond issuance costs	-	-	-	-
Total expenditures	<u>57,459,359</u>	<u>57,065,648</u>	<u>58,039,905</u>	<u>53,169,427</u>
Other Financing Sources (Uses)				
Transfers in	17,492,942	7,243,155	8,818,190	5,813,795
Transfers out	(17,303,578)	(5,786,655)	(8,003,769)	(4,137,337)
Capital leases	2,787,000	3,328,600	-	-
Bond issuance	-	-	-	1,095,019
Payment to escrow agent	-	-	-	-
Sale of land	-	-	-	-
Total other financing sources (uses)	<u>2,976,364</u>	<u>4,785,100</u>	<u>814,421</u>	<u>2,771,477</u>
Net change in fund balances	<u>\$ (3,054,649)</u>	<u>\$ 3,927,584</u>	<u>\$ (3,532,767)</u>	<u>\$ 7,362,845</u>
Debt service as a percentage of noncapital expenditures	13.21%	8.67%	8.39%	9.68%

	2016	2017	2018	2019	2020	2021
\$ 29,707,719	\$ 30,324,120	\$ 32,272,000	\$ 33,953,688	\$ 36,243,848	\$ 41,906,190	
198,289	981,525	1,211,872	1,845,897	1,882,269	4,686,392	
20,210,255	21,520,997	23,349,174	24,300,942	32,478,962	30,953,733	
4,580,524	2,695,209	3,674,172	6,699,921	6,789,552	13,073,103	
589,589	1,012,427	873,169	723,082	644,422	651,732	
774,775	434,393	729,980	4,363,910	3,033,946	248,916	
763,824	608,524	622,603	566,569	638,269	593,628	
654,851	639,115	372,027	652,845	760,083	425,802	
57,479,826	58,216,310	63,104,997	73,106,854	82,471,351	92,539,496	
7,591,059	9,242,859	7,946,956	8,639,803	8,769,698	8,291,910	
23,899,172	23,008,996	25,620,207	26,185,872	26,815,785	28,700,688	
3,070,601	2,759,357	4,432,747	3,113,727	4,248,751	4,629,054	
1,286,448	1,159,563	1,111,264	1,039,146	1,043,362	1,034,562	
6,547,379	6,677,105	6,627,298	6,707,765	7,356,101	6,537,800	
2,860,992	3,017,753	3,354,879	3,051,499	3,515,430	3,954,128	
6,342,445	9,933,106	9,127,478	33,402,748	10,604,705	8,606,907	
2,771,539	3,084,158	3,596,214	5,251,754	3,324,478	5,175,607	
2,281,741	2,248,255	2,388,463	2,386,183	2,025,034	1,889,129	
(531,270)	-	169,890	41,393	66,924	207,967	
56,120,106	61,131,152	64,375,396	89,819,890	67,770,268	69,027,752	
13,931,824	8,129,320	8,250,363	15,753,858	3,124,333	11,879,547	
(12,261,624)	(6,582,296)	(6,423,156)	(13,732,058)	(3,902,444)	(11,739,814)	
-	-	-	-	-	-	
37,675,240	-	7,710,000	-	-	4,655,283	
(20,657,479)	-	(7,531,828)	-	-	-	
-	-	-	-	-	-	
18,687,961	1,547,024	2,005,379	2,021,800	(778,111)	4,795,016	
\$ 20,047,682	\$ (1,367,817)	\$ 734,981	\$ (14,691,236)	\$ 13,922,972	\$ 28,306,760	
10.15%	10.42%	10.83%	13.54%	9.36%	11.59%	

Schedule 6
City of Casa Grande
Sales Tax Revenue by Industry
Fiscal Years 2015- 2021

	Fiscal Year 2015		Fiscal Year 2016		Fiscal Year 2017	
	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total
Construction	\$ 2,963,203	13.48%	\$ 1,600,948	7.55%	\$ 1,453,489	6.72%
Manufacture	413,453	1.88%	347,578	1.64%	502,031	2.32%
Transportation/Communication/Utilities	2,349,392	10.68%	2,376,943	11.22%	2,762,747	12.77%
Wholesale Trade	409,233	1.86%	370,828	1.75%	311,761	1.44%
Retail Trade	10,748,122	48.88%	11,024,238	52.02%	10,940,735	50.58%
Restaurants/Bars	1,516,426	6.90%	1,646,747	7.77%	1,757,599	8.12%
Insurance/Real Estate	1,869,141	8.50%	2,038,474	9.62%	2,025,113	9.36%
Hotels/Lodging	494,388	2.25%	495,874	2.34%	497,256	2.30%
Services	645,623	2.94%	741,768	3.50%	742,586	3.43%
All Other	578,911	2.63%	550,108	2.60%	639,240	2.95%
Total	<u>\$ 21,987,890</u>	<u>100.00%</u>	<u>\$ 21,193,506</u>	<u>100.00%</u>	<u>\$ 21,632,557</u>	<u>100.00%</u>

Source: Arizona State Department of Revenue

Note:

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

Fiscal Year 2018		Fiscal Year 2019		Fiscal Year 2020		Fiscal Year 2021	
Tax Paid	Percentage of Total						
\$ 2,321,209	10.28%	\$ 2,982,855	12.16%	\$ 4,601,108	16.06%	\$ 6,324,701	18.25%
706,092	3.13%	583,874	2.38%	545,779	1.90%	609,678	1.76%
2,383,915	10.56%	2,357,393	9.61%	2,341,655	8.17%	2,530,577	7.30%
369,291	1.64%	423,087	1.73%	606,842	2.12%	653,606	1.89%
10,852,085	48.08%	11,159,883	45.51%	12,905,093	45.04%	15,099,338	43.57%
1,785,801	7.91%	1,954,939	7.97%	2,044,973	7.14%	2,382,999	6.88%
2,020,226	8.95%	2,689,023	10.97%	2,943,659	10.27%	3,407,775	9.83%
565,681	2.51%	615,273	2.51%	619,448	2.16%	790,475	2.28%
868,557	3.85%	1,081,410	4.41%	1,477,076	5.16%	2,408,535	6.95%
696,035	3.08%	674,652	2.75%	564,936	1.97%	446,726	1.29%
\$ 22,568,892	100.00%	\$ 24,522,388	100.00%	\$ 28,650,568	100%	\$ 34,654,410	100%



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Schedule 7
City of Casa Grande
Direct and Overlapping Sales Tax Rates
As of June 30, 2021

Type of Tax	Rates		
	City	State and Pinal County	Combined
Privilege tax, except retail, utilities and telecommunication	1.8%	7.2%	9.0%
Retail (excluding food sales)	2.0%	(b)	7.2%
Retail - privilege tax for single item over \$5000	1.5%	7.2%	8.7%
Retail - marijuana adult use	2.0%	7.2%	9.2%
Hotel/Motel	3.8%	7.2%	11.0%
Restaurant/Bar	1.8%	7.2%	9.0%
Utilities/Telecommunications	2.0%	7.2%	9.2%
Construction	4.0%	(a)	7.2%
Jet Fuel	1.8%	\$0.03965/gal	NA
Real Property Rental			
Commercial	1.8%	0.5%	2.3%
Residential	1.8%	0.0%	1.8%
All Other Services Not Specified	1.8%	7.2%	9.0%

(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

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

Fiscal Year	Governmental Activities				
	General Obligation Bonds	Tax Revenue Obligations	Excise	Premium on Debt Payable	Special Assessment Bonds
2012	28,800,000	18,358,670	101,044	-	4,846,117
2013	28,093,115	17,554,432	208,806	-	7,831,620
2014	27,385,814	16,824,237	189,130	-	7,470,835
2015	26,823,748	16,154,247	190,721	-	8,081,767
2016	44,193,352	15,351,500	3,105,241	-	7,537,984
2017	43,139,478	14,462,000	2,924,478	-	6,960,225
2018	38,375,000	13,981,900	2,745,187	-	6,342,211
2019	33,890,000	12,927,300	2,620,430	-	5,691,985
2020	32,370,000	11,806,700	2,437,506	-	5,006,106
2021	33,225,000	12,020,000	2,479,865	-	4,585,107

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

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

Personal income is based on Pinal County information.

Business-type Activities						
General Obligation Bonds	Excise Tax/ GO Bond Revenue Obligations	Capital Leases	Notes Payable	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
-	11,266,335	-	56,896,857	120,269,023	11.11%	2,414.85
-	12,002,655	-	50,024,722	115,715,350	10.72%	2,300.69
-	11,187,135	-	47,671,092	110,728,243	10.26%	2,173.78
-	10,352,512	-	46,289,847	107,892,842	9.86%	2,027.03
-	9,495,085	-	43,736,724	123,419,886	10.77%	2,260.88
-	8,250,541	-	41,106,899	116,843,621	10.14%	2,142.58
-	6,068,100	-	38,371,116	105,883,514	8.19%	1,879.82
-	4,577,700	-	35,525,109	95,232,524	5.57%	1,707.53
-	3,018,300	-	32,564,435	87,203,047	4.76%	1,530.90
-	1,407,600	-	29,484,476	83,202,048	2.89%	1,419.06

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

Fiscal Year	General Obligation Bonds	Estimated Actual Value of Property (a)	Percentage of Estimated Actual Value of Property	General Bonded Debt Per Capita (b)	Restricted for Principal Payment
2012	4,235,000 (1)	313,880,004	1.35%	1,366	100,000
2012	24,565,000 (2)	3,145,296,113	0.78%	419	625,000
2013	4,135,000 (1)	269,324,094	1.54%	782	105,000
2013	23,940,000 (2)	2,788,057,728	0.86%	465	600,000
2014	4,030,000 (1)	279,975,183	1.44%	762	110,000
2014	23,340,000 (2)	2,833,543,388	0.82%	454	595,000
2015	3,920,000 (1)	292,667,259	1.34%	742	120,000
2015	22,740,000 (2)	2,910,644,515	0.78%	442	700,000
2016	3,195,000 (1)	307,634,017	1.04%	604	125,000
2016	37,930,000 (2)	3,018,493,334	1.26%	737	1,505,000
2017	3,070,000 (1)	324,524,692	0.95%	328	125,000
2017	37,145,000 (2)	3,142,528,380	1.18%	634	1,505,000
2018	2,940,000 (1)	349,336,106	0.84%	314	135,000
2018	35,435,000 (2)	3,232,315,699	1.10%	604	1,795,000
2019	2,805,000 (1)	367,212,764	0.76%	300	410,000
2019	31,085,000 (2)	3,460,059,401	0.90%	530	1,105,000
2020	2,390,000 (1)	411,172,201	0.58%	255	2,390,000
2020	29,980,000 (2)	3,625,019,073	0.83%	511	1,185,000
2021	4,430,000 (3)	178,518,348	2.48%	473	185,000
2021	28,795,000 (2)	3,919,684,300	0.73%	491	1,270,000

(a) Source: Pinal County Assessor's records

(b) Estimated population of Mission Royale CFD 6/30/21

5,712

Estimated population of Villago CFD 6/30/21

3,649

Source: City of Casa Grande Development Center

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

Population of Casa Grande 58,632

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

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

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

Schedule 10
City of Casa Grande
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

<u>Governmental Unit</u>	<u>Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Elementary School District #4	\$ 47,217,400	56.45%	\$ 26,655,689
Union High School District #82	14,564,950	57.23%	8,335,310
*Central Arizona Community College	81,752,650	11.49%	9,394,216
Mission Royale CFD	-	100.00%	-
Villago CFD	4,430,000	100.00%	<u>4,430,000</u>
Subtotal, overlapping debt			\$ 48,815,215
City direct debt	122,672,987	100.00%	<u>122,672,987</u>
Total direct and overlapping debt			<u>\$ 171,488,202</u>

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

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

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

*Bonded debt outstanding for Central Arizona College reflects balance as of June 30, 2019. Updated information was not available for publication.

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

Net Secondary Assessed Valuation as of June 30, 2021 (a)	<u>\$ 495,832,047</u>
Debt limit (6% of assessed value)	29,749,923
Debt applicable to limit:	
General obligation bonds	<u>1,343,915</u>
Legal 6% debt margin	<u><u>\$ 28,406,008</u></u>
Debt limit (20% of assessed value)	99,166,409
Debt applicable to limit:	
General obligation bonds	<u>27,451,085</u>
Legal 20% debt margin	<u><u>\$ 71,715,324</u></u>

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

(a) Source: Pinal County Assessor's records

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

Fiscal Year	Transaction	State	State	Franchise Tax	Licenses & Permits/Fines & Forfeitures	Debt Service		
	Privilege (Sales) Tax (a)(b)	Shared Sales Tax	Shared Income Tax			Principal	Interest	Coverage
2012	18,179,713	3,795,352	4,099,428	2,330,056	1,109,259	1,515,000	1,644,925	9.34
2013	18,533,580	3,975,626	4,961,423	2,248,227	1,951,976	1,570,000	1,457,260	10.46
2014	19,143,334	4,227,755	5,413,854	2,248,466	1,727,402	1,385,000	1,403,535	11.75
2015	20,913,078	4,438,843	5,879,820	2,358,732	2,109,157	1,450,000	1,344,085	12.78
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	23,530,259	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

(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
2012	983,656
2013	954,988
2014	945,306
2015	1,074,812
2016	1,119,070
2017	1,094,074
2018	1,085,209
2019	1,280,472
2020	1,273,655
2021	1,509,934

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

Collected to June 30, 2021

Fiscal Year	Tax Levy	Collections	Taxes Receivable	Percent of Tax Levy	Adjustments
2012	5,455,201	5,446,761	8,439	99.85%	(24,944)
2013	5,589,212	5,581,712	7,500	99.87%	(49,432)
2014	5,349,732	5,341,573	8,159	99.85%	(24,693)
2015	5,351,592	5,347,903	3,689	99.93%	(26,966)
2016	5,487,409	5,481,241	6,168	99.89%	(23,491)
2017	5,563,565	5,555,481	8,084	99.85%	(11,814)
2018	5,636,188	5,526,226	109,961	98.05%	(8,678)
2019	6,013,399	5,844,411	168,988	97.19%	(1,559)
2020	5,113,550	4,987,873	125,677	97.54%	1,994
2021	4,267,000	4,190,467	76,534	98.21%	(6,082)

(a) Reflects collections made through June 30, 2021, on such year's levy. Property taxes are payable in two installments. The first installment is due the first day of October and becomes delinquent on November 1. The second installment becomes due the first day of March and is delinquent on May 1. Interest at the rate of 16% per annum attaches on first and second installments following their delinquent dates unless the full year tax is paid by December 31. Penalties for delinquent payments are not included in the above collections figures.

Source: Pinal County Treasurer's Office

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

Fiscal Year	City's Primary Tax Rate Per \$100 Assessed	City's Secondary Tax Rate Per \$100 Assessed	City's Total Tax Rate Per \$100 Assessed
2012	0.8988	0.6308	1.5296
2013	0.9489	0.6308	1.5797
2014	0.9999	0.6308	1.6307
2015	0.9999	0.6308	1.6307
2016	0.9999	0.6308	1.6307
2017	0.9999	0.6308	1.6307
2018	0.9999	0.6565	1.6564
2019	0.9905	0.6010	1.5915
2020	1.0606	0.2752	1.3358
2021	1.0598	0.2752	1.3350

Source: *City of Casa Grande*

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

Taxpayers (a)(b)	Type of Business/Property	Estimated 2021-22 Net Secondary Assessed Valuation	As Percent of City's 2021-22 Net Secondary Assessed Valuation
ARIZONA PUBLIC SERVICE COMPANY	Electric Utility	\$ 14,473,382	2.92%
WAL-MART STORES EAST LP #7013	Retailer	7,557,928	1.52%
ABBOTT MANUFACTURING	Manufacturing	7,338,589	1.48%
SOUTHWEST GAS CORPORATION	Gas Utility	6,368,300	1.28%
FRITO LAY SALES INC	Manufacturing	5,635,866	1.14%
EHRMANN ARIZONA DAIRY LLC	Dairy Product Manufacturing	4,959,536	1.00%
HEXCEL CORPORATION	Water Utility	4,729,830	0.95%
ATIEVE USA. INC DBA LUCID MOTORS	Retail Distribution Center	4,846,213	0.98%
ARIZONA WATER COMPANY	Dairy Product Manufacturing	4,287,164	0.86%
TRACTOR SUPPLY COMPANY #1808	Real Estate Management	3,918,975	0.79%
DAISY BRAND LLC	Dairy Product Manufacturing	3,407,998	0.69%
PALM CREEK HOLDINGS LLC	Retailer	3,584,455	0.72%
CADC PARTNERS LLC	Manufacturing	3,641,270	0.73%
FRITO-LAY LLC	Real Estate Management	2,853,659	0.58%
LINDEN STATION CASA GRANDE LLC	Dairy Product Manufacturing	2,885,803	0.58%
PROMENADE CG HOLDINGS LLC	Retailer	2,581,465	0.52%
FRANKLIN FOODS INC	Retailer	2,416,556	0.49%
DAISY BRAND LP	Dairy Product Manufacturing	2,404,436	0.48%
HSL DESERT SANDS PROPERTIES LLC	Real Estate Management	2,152,322	0.43%
SMITHS FOOD & DRUG CENTERS INC	Retailer	2,410,556	0.49%
TOTAL		\$ 92,454,303	18.65%

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

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

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

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

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

Fiscal Year	Population	County Per Capita Personal Income	Total Personal Income	School Enrollment	Unemployment Rate
2012	49,804	21,716	1,081,543,664	11,512	11.20%
2013	50,296	21,419	1,077,290,024	10,852	9.10%
2014	50,938	21,409	1,090,531,642	11,720	8.40%
2015	51,478	20,983	1,080,162,874	12,752	6.80%
2016	51,460	20,983	1,079,785,180	12,412	6.70%
2017	54,534	21,130	1,152,303,420	12,694	5.20%
2018	54,866	22,944	1,258,845,504	12,666	5.30%
2019	55,772	30,644	1,709,077,168	12,100	4.80%
2020	56,962	32,182	1,833,151,084	12,056	9.70%
2021	58,632	49,069	2,877,013,608	12,116	5.10%

Sources: Arizona Department of Commerce
U.S. Bureau of Labor Statistics
National Center for Education Statistics
Casa Grande Elementary, Casa Grande Union High School Districts, and Charter Schools.
U.S. Census Bureau

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

Employer	2021		2012	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Casa Grande Elementary School District	847	15.85%	1,030	25.15%
Casa Grande Regional Medical Center	-	0.00%	860	21.00%
Banner Casa Grande Medical Center	624	11.67%	-	0.00%
Wal-Mart Distribution Center	752	14.07%	560	13.67%
Frito-Lay Inc.	375	7.02%	450	10.99%
City of Casa Grande	462	8.64%	421	10.28%
Abbott Laboratories/Ross Products	420	7.86%	425	10.38%
Wal-Mart Supermarket	420	7.86%		
Hexcel Corporation	350	6.55%	350	8.54%
Casa Grande Union High School District	346	6.47%	-	0.00%
Price Industry	321	6.01%	-	0.00%
Tractor Supply	268	5.01%	-	0.00%
National Vitamin Company	160	2.99%	-	0.00%
	5,345	100.00%	4,096	100.00%

Sources:

City of Casa Grande

Arizona Department of Administration/Office of Employment & Population Statistics

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

Fiscal Year	Function/Program						Total
	General Government	Police, City Attorney and Court	Fire	Culture and Recreation	Planning and Development	Public Works	
2012	38.8	126.4	62.3	66.6	24.5	99.4	418.0
2013	38.3	135.3	62.3	51.0	21.5	102.0	410.4
2014	46.7	142.1	62.3	76.4	21.0	100.6	449.1
2015	46.7	141.9	62.3	75.5	21.0	100.8	448.2
2016	46.6	142.1	62.3	75.3	21.0	100.6	447.9
2017	47.2	142.8	62.3	68.7	21.0	101.8	443.8
2018	44.7	144.6	62.3	67.7	21.0	103.7	444.0
2019	50.0	145.8	62.0	70.6	21.0	104.5	453.9
2020	49.5	125.8	83.0	89.1	21.0	103.0	471.3
2021	49.5	125.7	93.0	89.1	21.0	103.0	481.3

Source: City Budget

Note: Information is based on authorized positions.

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
Registered voters	20,805	20,417	20,417	20,417	22,959	22,959	27,110	28,982	31,784	34,090
Ballots cast last primary election	4,182	3,886	3,886	3,886	6,651	6,651	7,336	7,336	8,414	8,414
Fire										
Medical support calls	4,941	5,155	5,400	5,710	5,840	5,612	6,594	6,603	6,711	6,953
Total alarms	6,515	6,685	6,951	7,356	7,717	7,498	9,400	9,997	10,621	10,980
Inspections/investigations	1,458	910	687	504	681	333 *	564	906	1,005	2,549
Public education contacts	18,743	26,225	15,556	13,247	13,992	10,102 *	16,035	15,864	9,000	10,140
Police										
Calls for service	34,213	31,308	22,079	23,314	37,135	31,693	30,920	28,350	25,337	32,072
Officer initiated	30,648	46,880	29,117	20,569	28,683	25,761	43,042	24,160	26,573	27,242
Patrolled miles	974,867	991,778	696,743	640,119	745,208	964,325	1,010,722	1,017,201	460,559	415,117
Traffic accidents	938	874	843	912	904	812	1,181	1,021	882	953
Traffic citations	6,008	7,836	7,912	4,897	5,953	7,353	6,979	7,947	4,867	4,631
Arrests (adult and juvenile)	4,052	4,098	4,760	4,477	4,335	3,164	3,563	3,384	3,166	3,209
Culture and recreation - library (a) (b) (c)										
Items in collections	117,108	454,700	645,613	330,220	350,182	269,535	92,821	339,022	327,927	366,678
Total circulation transactions	361,334	376,405	359,585	346,683	346,667	341,354	283,101	364,201	369,409	241,479
Total circulation items	69,376	129,695	124,944	99,057	104,590	104,057	266,916	151,607	157,723	86,958
Economic development										
Building permits - commercial	63	94	63	94	75	58	78	81	90	85
Building permits - residential	259	264	698	438	761	523	631	730	749	1,788
Self-help homes completed	11	-	-	-	-	-	-	-	-	-
Self-help homes started	14	-	-	-	-	-	-	-	-	-
Housing rehabilitations	11	21	17	13	11	4	12	4	5	3
Code enforcement cases	1,203	1,206	1,349	1,241	1,448	2,162	2,305	4,589	5,753	4,365
Planning cases	110	133	152	135	100	124	117	106	115	174

Sources: Various City departments

* Data through 12-31-16

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

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

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

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fire stations	4	4	4	4	4	4	4	4	4	4
Parks and recreation										
Park areas	27	27	27	27	27	27	27	27	27	27
Parkland acreage	1,611	1,611	1,611	1,611	1,611	1,611	1,611	1,625	1,625	1,625
Community centers	5	5	5	5	5	5	5	6	5	5
Golf courses	1	1	1	1	1	1	1	1	1	1
Playgrounds	26	26	26	26	26	26	26	26	26	26
Other maintenance areas	97	99	99	99	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**	5,340	3,948	3,988	3,996	3,996	3,996	3,770	3,884	3,714	3,886
Miles of streets (centerline)**	414	409	403	396	401	406	410	410	428	432
Miles of sewer**	455	284	290	290	290	291	288	295	314	286
Number of lift stations	10	10	10	10	7	7	7	7	8	7
Number of signalized intersections*	41	41	42	43	45	45	45	45	48	49

* Includes ADOT signalized intersections

**Enhanced GIS information utilized beginning in FY2013

Sources: Various City departments



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Compliance Section



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Casa Grande, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Casa Grande's basic financial statements, and have issued our report thereon dated March 29, 2022.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be material weakness.

Compliance and Other Matters

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

City of Casa Grande's Response to Findings

City of Casa Grande's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Casa Grande's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Henry + Horne, LLP

Casa Grande, Arizona
March 29, 2022

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

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

Report on Compliance for Each Major Federal Program

We have audited City of Casa Grande's, Arizona's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Casa Grande, Arizona's major federal programs for the year ended June 30, 2021. The City of Casa Grande, Arizona's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Casa Grande's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Casa Grande's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Casa Grande's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Casa Grande, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the City of Casa Grande, Arizona is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Casa Grande, Arizona's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Casa Grande, Arizona's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Henry + Horne, LLP

Casa Grande, Arizona
March 29, 2022

CITY OF CASA GRANDE, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal AL Number	Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number/Grant Number	Total Federal Expenditures	Amount Provided to Subrecipients
Department of Housing and Urban Development						
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228		Arizona Department of Housing and Urban Development	BM-18-MC-32-007, BM-19-MC-32-0007, BM-20-MC-32-0007	\$ 358,873	\$ 126,336
COVID-19 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228		Arizona Department of Housing and Urban Development	B-20-MW-32-0007	256,769	29,632
Home Investments Partnerships Program	14.239		Arizona Department of Housing and Urban Development	300-20, 300-21	<u>240,000</u>	<u> </u>
Total Department of Housing and Urban Development					<u>855,642</u>	<u>155,968</u>
Department of Justice						
Bulletproof Vest Partnership Program	16.607		Arizona Department of Public Safety	N/A	5,525	
Crime Victim Assistance Edward Byrne Memorial Justice Assistance	16.575		Arizona Department of Public Safety	2016-VA-GX-0046, 201-VA-GX-0041	58,654	
Grant Program COVID-19 - Coronavirus Emergency Supplemental	16.738		Arizona Department of Public Safety	2017-DJ-BX-0325, 2019-DJ-BX-0418, 2020-DJ-BX-0456	20,495	
Funding Program	16.034		Arizona Department of Public Safety	2020-VD-BX-0295	<u>9,015</u>	<u> </u>
Total Department of Justice					<u>93,689</u>	<u> </u>
Department of Transportation						
State and Community Highway Safety Total Highway Safety Cluster	20.600	Highway Safety Cluster	Governor's Office of Highway Safety	2020-AL-011- DUI, 2020-PTS-010 STEP, 2020-AI-014, 2021-PTS-011, 2021-AL-009, 2020-CIOT-004, 2021-CIOT-004	<u>42,965</u>	<u>42,965</u>
COVID-19 - Airport Coronavirus Response Grant Program	20.106		Governor's Office of Highway Safety	3-04-0007-019-2020, 3-04-0007-020-2021	<u>43,000</u>	<u> </u>
Total Department of Transportation					<u>85,965</u>	<u> </u>

CITY OF CASA GRANDE, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Total Federal Expenditures	Amount Provided to Subrecipients
National Endowment for the Humanities (NEH)						
Grants to States	45.310		State Library Administrative Agencies	PLN LSTA 2021, 2020-0730-04, 2021- 0810-MvFor-03, 2020-0720-10 Barriers, LSTA-Continuing Education	<u>11,283</u>	
Department of Health and Human Services						
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	Aging Cluster	Pinal-Gila Council for Senior Citizens	019-0237	<u>15,930</u>	
Special Programs for the Aging_Title III, Part C_			Pinal-Gila Council for Senior Citizens	019-0237	<u>63,649</u>	
Nutrition Services	93.045	Aging Cluster	Pinal-Gila Council for Senior Citizens	019-0237	<u>52,469</u>	
COVID-19 Nutrition Services	93.045	Aging Cluster	Pinal-Gila Council for Senior Citizens		<u>11,765</u>	
Nutrition Services Incentive Program	93.053	Aging Cluster	Pinal-Gila Council for Senior Citizens	019-0237	<u>143,813</u>	
Total Aging Cluster					<u>37,520</u>	
Social Services Block Grant	93.667				<u>181,333</u>	
Total Department of Health and Human Services						
Department of Homeland Security						
Homeland Security Grant Program Staffing for Adequate Fire and Emergency Response	97.067 97.083		Arizona Department of Homeland Security	AZ DOHS-HSGP-200303+01, 190422-01, 180426-03, 180426-04, 200424-02 EMW-2018-FH-95	<u>620,997</u> * <u>585,342</u> *	
Total Department of Homeland Security						
U.S. Department of Treasury						
COVID-19 - Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	21.019		State of Arizona Governor's Office	ERMT-20-019	<u>115,919</u>	
Total U.S. Department of Treasury						
Total Expenditures of Federal Awards						
					<u>\$ 2,550,170</u>	<u>\$ 155,968</u>

* Denotes major program

CITY OF CASA GRANDE, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Casa Grande under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City of Casa Grande, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Casa Grande.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

CITY OF CASA GRANDE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? yes no

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? yes no

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

Staffing for Adequate Fire and Emergency Response (SAFER) Unmodified

Homeland Security Grant Program Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? yes no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
97.083	Staffing for Adequate Fire and Emergency Response (SAFER)
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

CITY OF CASA GRANDE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

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

REPEAT FINDING 2018-001 FINANCIAL STATEMENT CLOSING PROCESS

CRITERIA

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

CONDITION/CONTEXT

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

EFFECT

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

CAUSE

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

RECOMMENDATION

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

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION

We concur with the finding. See Corrective Action Plan.

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None noted.



CITY OF CASA GRANDE, ARIZONA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2021

The findings from the year ended June 30, 2020 schedule of findings and recommendations are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS RELATED TO FINANCIAL STATEMENTS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

FINDING 2020-001 PRIOR PERIOD ADJUSTMENT – INCORRECT RECOGNITION OF RETAINAGES PAYABLE

CRITERIA

Retainages payable are required to be recognized when a percentage of a construction project in process has been completed and held back until put into service. However, in the instances when a contractor places cash or investments with a trustee as insurance against the project to be released with the asset is placed into service, no retainage payable is necessary.

CONDITION/CONTEXT

The City incorrectly recorded a retainage payable in the prior year for a project in which assets were placed in an irrevocable trust by the contractor to be released at project completion. This impacted the General Fund financial statements only.

EFFECT

When the project was completed in the current fiscal year, no retainage was required to be paid to the contractor, instead a signed letter by a member of the City's management is sent to the trustee to release the assets back to the contractor when accepting the capital project. This caused the need to remove the prior year's retainage payable in the General Fund and adjust the beginning fund balance for that same fund. This error caused no misstatement to the government-wide financial statements.

CAUSE

The City's Finance Department did not scrutinize all construction projects in process, and the related pay applications from the contractors, to ensure retainages payable are only recorded for instances in which a percentage of the project has been held back until construction is complete.

RECOMMENDATION

We recommend that the City implement processes and controls to better review construction project pay applications to accurately record all material retainages payable to the fund financial statements

Current Status: Corrected.

FINDING 2019-006 VALUATION OF UTILITY JUDGMENTS RECEIVABLE

CRITERIA

The City should reconcile the utility judgements receivable subledger to the general ledger to ensure the amounts are accurate. Additionally, an allowance for doubtful accounts estimate should be reevaluated and adjusted each year for any long-term outstanding accounts. This is a repeat finding from the prior year's audit.

CONDITION/CONTEXT

The utility judgments receivable account balance does not agree to the detailed year end subledger balance. Additionally, no adjustments to, or estimates for, an allowance for doubtful accounts has been made for those judgements.

EFFECT

At June 30, 2020 the City maintained a higher detailed subledger listing of judgements receivables than had been recorded on the general ledger. In an effort to not overstate assets, the City has chosen not to adjust the general ledger, and instead will work to reconcile the difference in the next year.

CAUSE

Proper reconciliation procedures were not followed, and collectability was not analyzed to ensure that financial statements were accurately reported as required by GAAP.

RECOMMENDATION

We recommend that the City reconcile judgments monthly as well as analyze the collectability of the amounts outstanding.

Current Status: Corrected.

REPEAT FINDING 2018-001 FINANCIAL STATEMENT CLOSING PROCESS

CRITERIA

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

CONDITION/CONTEXT

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

EFFECT

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

CAUSE

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

RECOMMENDATION

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

Current Status: Not Corrected.

Sincerely yours,



Angele Ozoemelam, Finance Director
City of Casa Grande



City of Casa Grande

The City of Casa Grande respectfully submits the following corrective action plan for the year ended June 30, 2021.

Henry & Horne, LLP
1115 E. Cottonwood Lane, Suite 100
Casa Grande, AZ 85122
Audit period: June 30, 2021

The finding from the June 30, 2021 schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

FINDING 2018-001 FINANCIAL STATEMENT CLOSING PROCESS

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

Action Taken: Management understands the importance of ensuring that year-end closing entries are recorded in a timely and accurate manner to comply with generally accepted accounting principles. Further, management agrees that its closing procedures were inadequate and not properly followed resulting in issues relating to the financial statements.

Finance has established month-end and year-end closing processes. These processes include a checklist which addresses the required accruals, adjustments, reconciliations, and general ledger detail reviews that should be completed. Management has implemented a corrective action plan to ensure that established processes are completed. Steps completed to date include:

- Reevaluation and realignment of duties and responsibilities of the staff to ensure efficient and effective month-end and year-end closing processes.
- Staffing and focused recruiting to fill vacancies have been fulfilled, to ensure that those responsible for executing procedures, recording transactions, reconciling, and balancing accounts in the general ledger possess the requisite skill, knowledge, and experience to ensure that the recording and reporting of financial transactions are done timely, accurately, and completely.
- Implementation of training and periodic meetings to ensure that established processes are being completed in a timely manner.
- A monthly review of the general ledger is done to ensure accuracy of posted transactions.

Finance plans on requesting staffing expansion to ensure that processes are performed timely, to relieve staff's year-end processing burden and to address reporting deficiencies, if any, to external stakeholders. With a full complement of staff, regular training and two-way communication during the month-end and year-end closing processes, management is confident that it will correct this issue in an appropriate and timely manner.

If there are questions regarding this plan, please call Angele Ozoemelam, Finance Director, at 520-421-8600.

Sincerely,



Angele Ozoemelam, Finance Director
City of Casa Grande