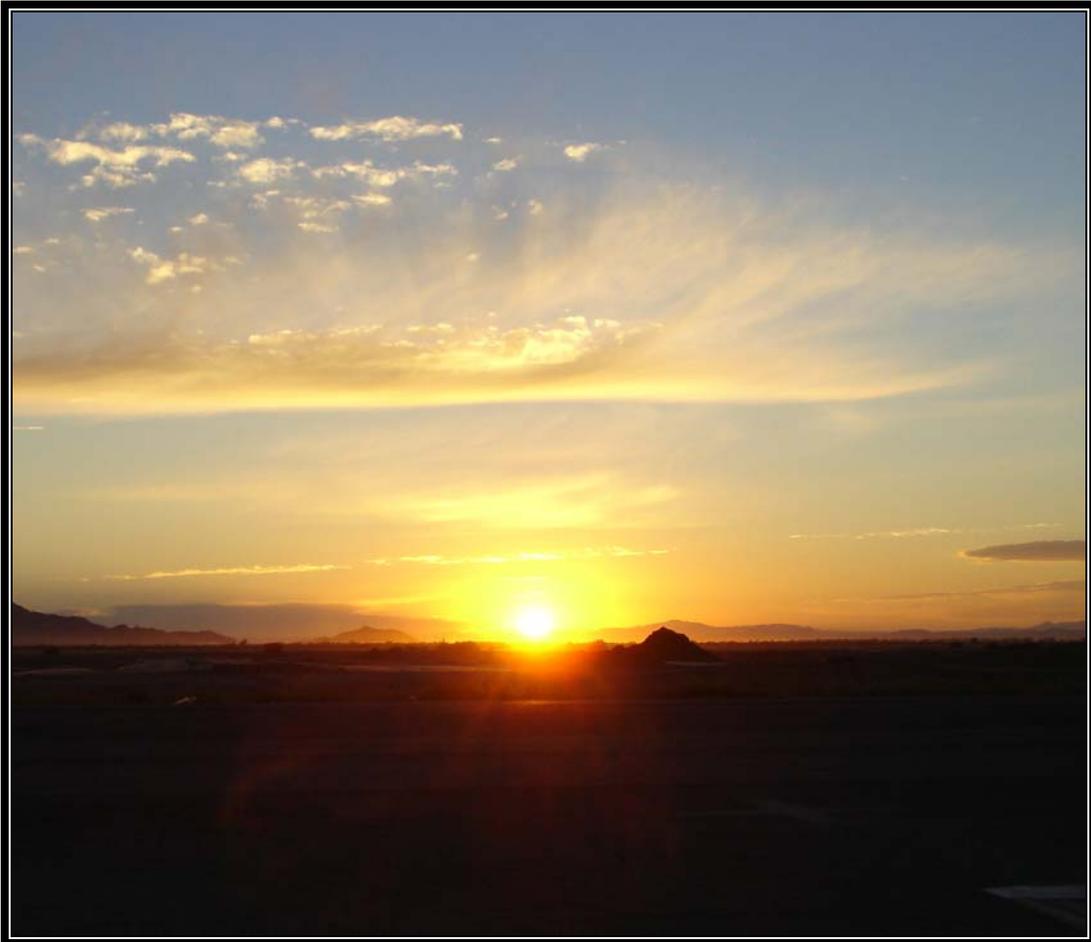




# City of Casa Grande, Arizona



## Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2010

**City of Casa Grande, Arizona**

**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

**For the Fiscal Year Ended June 30, 2010**



Prepared by the Finance Department  
Diane Archer, Finance Director  
Janice Rutherford, Supervising Accountant



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# City of Casa Grande

November 22, 2010

Honorable Mayor,  
City Council,  
City Manager  
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, 2010. The report was prepared by the City's Finance Department.

This document 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, 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](http://www.casagrandeaz.gov).

Responsibility for the accuracy of the presented data and for the completeness and fairness of the presentations, including all disclosures, rests with the management of the City. 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. We include all disclosures necessary to enable the reader to gain an understanding of the City's financial activity and financial stability.

These financial statements are prepared in accordance with generally accepted accounting principles in the United State of America (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). This letter of transmittal is designed to be read in conjunction with the Management's Discussion and Analysis.

Henry & Horne, L.L.P. audits 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, 2010 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 unqualified opinion that the financial statements of the City of Casa Grande, Arizona for the fiscal year ended June 30, 2010, 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, 2010, found no instances of material weakness in the internal control structure, or significant violations of applicable laws and regulations with respect to major programs. The reports from Henry & Horne L.L.P. are available in the City of Casa Grande, Arizona’s Single Audit Report.

## **PROFILE OF THE CITY**

The City of Casa Grande was founded in 1879 and is named for the famous Hohokam Indian Ruins. Since its incorporation in 1915, Casa Grande has grown to be the largest community in western Pinal County. Casa Grande is located in central Arizona, approximately halfway between the State’s two largest metropolitan areas of Phoenix and Tucson, and is surrounded by three Indian Reservations. In addition, the City is located at the intersection of two major interstate highways, which service the Los Angeles, and San Diego markets. The City is a dynamic, involved city with a rural heritage and old-fashioned values. The economic base is a mix of retail trade, manufacturing and agriculture.

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.

The City of Casa Grande’s legal boundaries grew substantially over the past 4 years to just over 105 squares miles. The Voters approved the 2020 General Plan on November 3<sup>rd</sup>, 2009. The City’s population increased by 79% over the past nine years from 25,224 in 2000 to 45,116 in 2009. The City’s growth is attributed to affordable housing, proximity to labor opportunities in the metropolitan 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, maintenance of streets, recreational and cultural events, 2 libraries, planning and zoning, building inspection, code enforcement, wastewater, sanitation, airport, golf course and general administration. The City invests in its historic downtown with the administration of three downtown redevelopment districts, of which two are funded through Tax Increment Financing.

In 2002, the City completed the process of updating its Strategic Agenda. In its most fundamental form, this process provides a structure for management staff to think about the current condition of the City of Casa Grande, the issues and challenges expected to confront the City in the next five years and beyond, the appropriate role for the City Government in responding to those issues and challenges, and the resources needed by the City government to fulfill this role.

This report includes financial statements 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) on page 38 of the notes to the financial statements.

## **FINANCIAL CONTROLS**

### **Internal Controls**

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.

### **Budgetary Controls**

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

In May 2007, the voters approved a permanent base adjustment to the state imposed expenditure limit. This option allowed Casa Grande to adjust the state imposed expenditure base from the original 1979-80 base of \$3,743,397 to \$18,793,221. After adjustments for inflation and population growth, the City's expenditure limitation for fiscal year 2009-10 is \$162,515,732.

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 operating budget, as adopted by the City Council. The City additionally exercises management control and oversight of the budget at the department level within each fund.

## **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. 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. In March 2004, the Community adopted a Strategic Plan for Community and Economic Development with the purpose of developing a process to successfully implement diverse type of businesses, attract new revenue, and expand/maintain the community revenues essential to sustaining Casa Grande and improving the quality-of-life.

Local indicators point to continued stability. Casa Grande continues to witness a sustained, but lower number of issued building permits. While the City has witnessed strong growth in residential building permits the past three years the prior two fiscal years brought anticipated slowing of the residential housing construction market. However, it also brought a recognized shift to non-residential building permits. The City documented strong numbers in commercial building permits for the year. The emergence of the commercial development conveys the actuality that sufficient rooftops have been constructed to expand the commercial markets, which in turn expands the City's economy and tax base.

The City continues to process several annexations annually. The expansion of the boundaries comes with new development activities and land entitlements. Many of these areas have development proposals submitted in conjunction with the annexation petitions. A cost impact proposal accompanies each annexation so the Council is aware of the financial impact before an annexation occurs.

Casa Grande's economy is reflective of the State and the nation in that housing development is reduced to about 15 new single family permits per month, sales tax revenue is down and state shared revenue is on the decline.

Retail Sales. The City of Casa Grande, like all Arizona cities, places a heavy reliance on City sales tax. Overall, local sales tax revenues comprise approximately 50% of General Fund revenues. The City's sales tax is currently at 1.8%, with an additional .2% pledged as collateral for the retirement of debt obtained to construct park and recreation projects. Management is projecting the city's sales tax to decrease by an additional 6.4% next year due to a decrease in spending and a slow economic recovery.

State Shared Revenues. The City of Casa Grande receives revenue allocation from the State. These "State Shared Revenues" include allocations of the state-collected income tax, sales tax, gas tax, and motor vehicle in-lieu taxes based on population formulas that are created on official census data. The majority of these revenues are placed in the General Fund, where it supports daily operations. This revenue source is expected to decrease by 9.2% this next year due to a 25% reduction in state shared income tax.

The State experienced negative growth patterns in the majority of these revenue sources. One disadvantage to placing a heavy reliance on state-shared revenues is the state legislature controls the distribution to municipalities each year.

Property Tax. The City's primary property tax levy increased in FY11 to .8110 from .7135 per \$100 of assessed valuation. Despite the increase in tax levy rate, most residential properties did not experience an increase due to decreasing property values. The primary levy can be used for any general government purpose, but is limited in size by State statute. The City has received voter authorization to issue \$47 million in General Obligation debt. Eleven million was issued in fiscal year 2008 and \$19 million in 2009. The secondary tax levy beginning in fiscal year 2009 is .6308.

## **MAJOR INITIATIVES AND ACCOMPLISHMENTS**

In 2010 the City continued to invest in programs and services that make Casa Grande a better community. The following are some of the efforts and accomplishments of the City during the year:

### Police

- Decreased call center response time by 17%.
- Part 1 UCR crimes increased by 6.3%.
- Held 16<sup>th</sup> annual "National Night Out" celebration.
- Citizen Survey rating for satisfaction with Police services increased from 75.2% to 80%.
- Maintained over a 90% victim contact rate for cases assigned to Criminal Investigations.

### Fire

- Responded to 5,703 emergencies, of which 4,289 (75.17%) involved emergency medical services, averaging a response time for all incidents of 5 minutes 44 seconds..
- Maintained a department commitment for excellence in public education with public contacts of 15,812.
- Structure fires reduced by 11.5%.
- Continued mentoring of the Casa Grande Fire Explorers Program.

Public Works

- o Installed 2 in ground lighted crosswalks.
- o Cracksealed 305,000 sq yards.
- o Completed facility assessment and energy audit of all City Facilities.
- o Hosted the 52<sup>nd</sup> Annual Cactus Fly-In at the municipal airport.
- o Treatment of an average of 5 million gallons per day of wastewater.
- o Collected 18.3 tons of residential trash.
- o Collected 66.8 tons of solid waste at the landfill site.
- o Recycled 11% of the residential solid waste materials.
- o Complete preventative maintenance, when due on vehicles, 71% of the time.

Community Services

- o Received a rate of 78% in the citizen survey for residents who feel the cleanliness of Casa Grande is excellent or good.
- o Provided a cost recovery rate of 93% on recreation programs.
- o Continued and expanded recreational participation by 12%.
- o Library visitors went over 366,000 at the two libraries.
- o Served a total of 39,864 meals and provided a total of 6,729 volunteer hours.
- o Maintained 1,392 acres of parkland.
- o Provided 292 swimming lessons.

Development Center

- o Published digital Zoning map to City web site.
- o Created online Code Enforcement complaint form and case status report.
- o Received voluntary code compliance in 87% of cases.

**OTHER MATTERS**

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

Debt Administration. On June 30, 2010, the City had a number of debt issues outstanding. Total bonded debt at June 30, 2010, was \$98.1 million. The City’s general credit was rated A+ by Fitch Ratings and received an A- rating from Moody’s.

The City is diligent in its efforts to maintain and improve these ratings. The ratings for the existing issues are as follows:

	Moody’s	Fitch
	Investor	IBCA
	Service	IBCA
	<hr/>	
ExciseTax Revenue		
Series 1997	Aaa	-
Series 2003	A3	A+
Series 2009	nr	AA-
General Obligation Bonds	A2	AA-

In October 1997, the City issued \$3,590,000 of Excise Tax Revenue Obligations to refurbish and restore a 1921 vintage school building for use as a new City Hall. In 2003 the City issued \$18,120,000 of Excise Tax Revenue Obligations for the purpose of expanding the wastewater treatment plant and refunding the 1994 and 1995 Obligations.

All Excise Tax 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. As of June 30, 2010 the City had \$71,540,540 of Excise Tax Revenue Obligations outstanding.

Under State statutes the City can issue general obligation bonds for up to an amount not exceeding 20% of the secondary assessed valuation. As of June 30, 2010, the City has debt capacity of \$67,781,620 for general obligation bonds subject under the 20% limitation based on the FY 2010 secondary assessed valuation. The City has \$26,605,000 in outstanding General Obligation bonds, with voter approval to issue an additional \$17 million over the next several years.

Cash Management. The Finance Department manages the City's investment portfolio. The City's investment strategy is to invest public funds with maximum security in a manner which provides a reasonable return while meeting the daily cash flow demands of the City and conforms to all applicable state and local statutes.

Idle cash is pooled into a single investment account except for the Casa Grande Part-time Firemen's Pension Plan. The City of Casa Grande is a participant in the Local Government Investment Pool operated by the State Treasurer for the benefit of counties, cities, towns and other political subdivisions of the State.

The deposits are pooled together and invested in U.S. Government securities, certificates of deposit, repurchase agreements and high-grade corporate issues. Earnings are apportioned monthly based on total "dollar days" of the participant's account balance for each day of the month. At the first of each month the earnings are automatically reinvested and a statement is sent to each participant.

The investment policy of the City is to keep risk as low as possible and then consider the yield. The majority of the City's funds are idle for less than 90 days at a time; therefore, liquidity also plays a major role. For these reasons and the fact that the pool has a diverse portfolio, the City invested all of its idle funds with the Pool during the 2010 fiscal year.

The yield for the investment account averaged .0867 percent for the fiscal year. At June 30, 2010, the Pool consisted of \$2.9 billion in total local government deposits, which included \$116 million the City had invested in the Pool.

With the issuance of GASB Statement No. 31, all investments are stated at fair value on the balance sheet. The State Treasurer's Local Governmental Investment Pool includes liquid investments in which cost approximates the market. The Firemen's Pension Fund is stated at fair value, which totals \$568,187.

Risk Management. The City is exposed to various risks of loss, related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's liability risks are covered by commercial insurance purchased from independent third parties. The City is fully insured with per occurrence limit at \$2 million general liability coverage with a \$50,000 deductible and a \$13 million umbrella liability policy.

The City began a self-insurance fund in fiscal year 2010 to account for and finance its uninsured risks of loss for medical claims and to account for all other insurance purchases. The City purchases commercial stop loss insurance to limit the claims liability for health insurance to \$85,000 per individual claims. There is also an aggregate stop loss for health insurance of \$3,574,213.

The City of Casa Grande has an aggressive safety program that promotes employee safety on the job and focuses on risk control techniques designed to minimize accident-related losses.

## **OTHER INFORMATION**

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Casa Grande, Arizona, for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This was the nineteenth consecutive year that the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principals and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association of the United States and Canada presented a Distinguished Budget Presentation Award to the City of Casa Grande, Arizona for its annual budget for the fiscal year beginning July 1, 2009. To receive this award, a governmental unit must publish a budget document that meets program criteria. The Award is valid for a period of one year. This is the twelfth Distinguished Budget Presentation Award the City of Casa Grande received. We expect to continue to participate and meet the program requirements.

**ACCOMPLISHMENT.** The preparation of the City's Comprehensive Annual Financial Report was only made possible by the dedication and hard work of Janice Rutherford, Supervising Accountant, the Finance Department, and the firm of Henry and Horne, L.L.P. We give them 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 support and leadership.

Sincerely,

A handwritten signature in cursive script that reads "Diane Archer".

Diane Archer  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Casa Grande  
Arizona

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**CITY COUNCIL**  
ROBERT M. JACKSON, MAYOR

DICK POWELL  
STEPHEN Q. MILLER  
KARL MONTOYA – Mayor Pro-Tem

LISA FITZGIBBONS  
MARY KORTSEN  
MATT HERMAN

**CITY MANAGER**  
JAMES THOMPSON

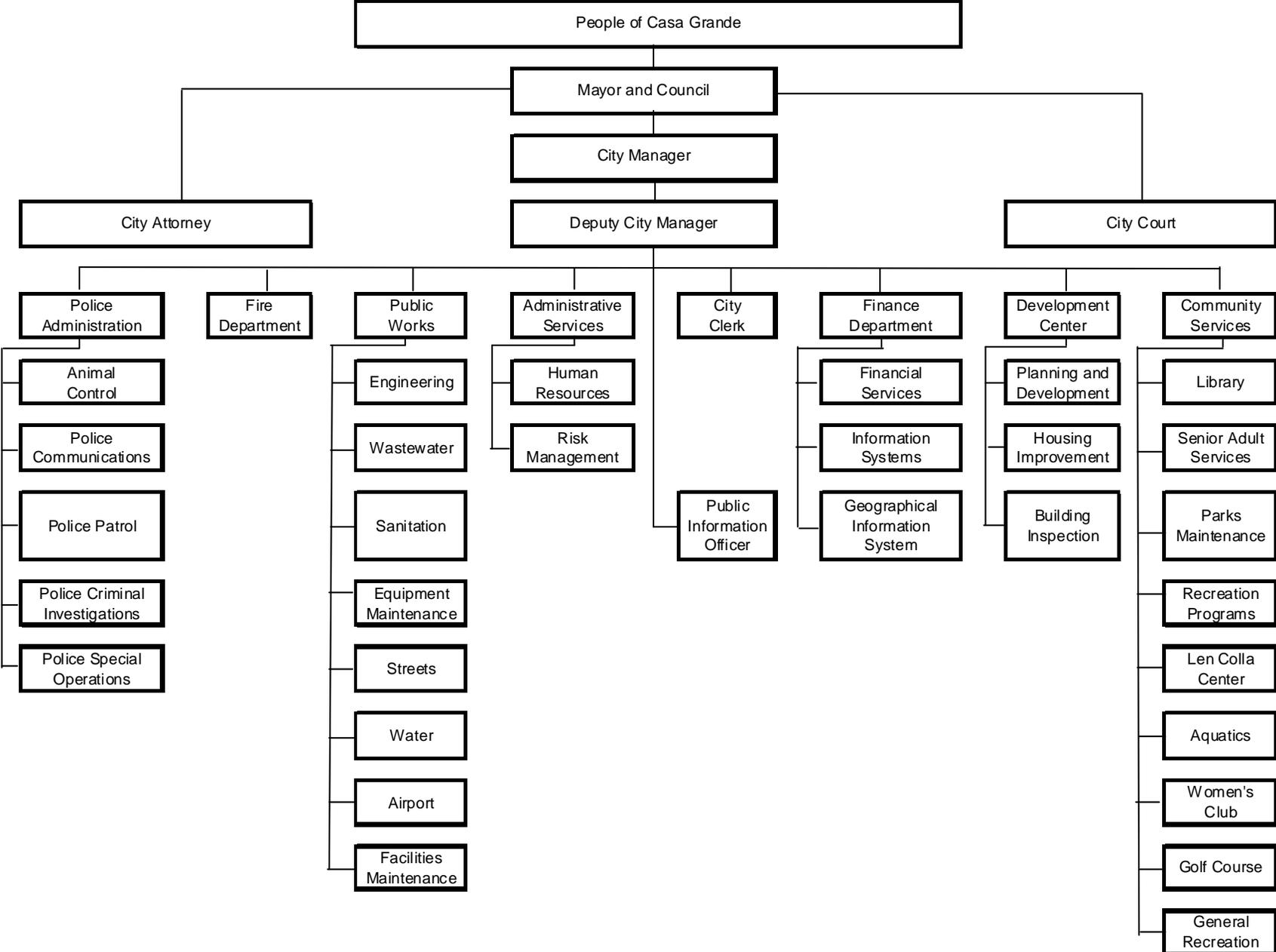


**FINANCE DEPARTMENT STAFF**

DIANE ARCHER  
JANICE RUTHERFORD  
GAY BARNHART

FINANCE DIRECTOR  
SUPERVISING ACCOUNTANT  
ASSISTANT

City of Casa Grande Organizational Chart





## **FINANCIAL SECTION**





## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Council  
City of Casa Grande, Arizona

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Casa Grande (the City), Arizona, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Casa Grande failed to use highway user revenue fund monies received by the City of Casa Grande 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. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2010 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance.

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Casa Grande, AZ 85122-2950  
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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

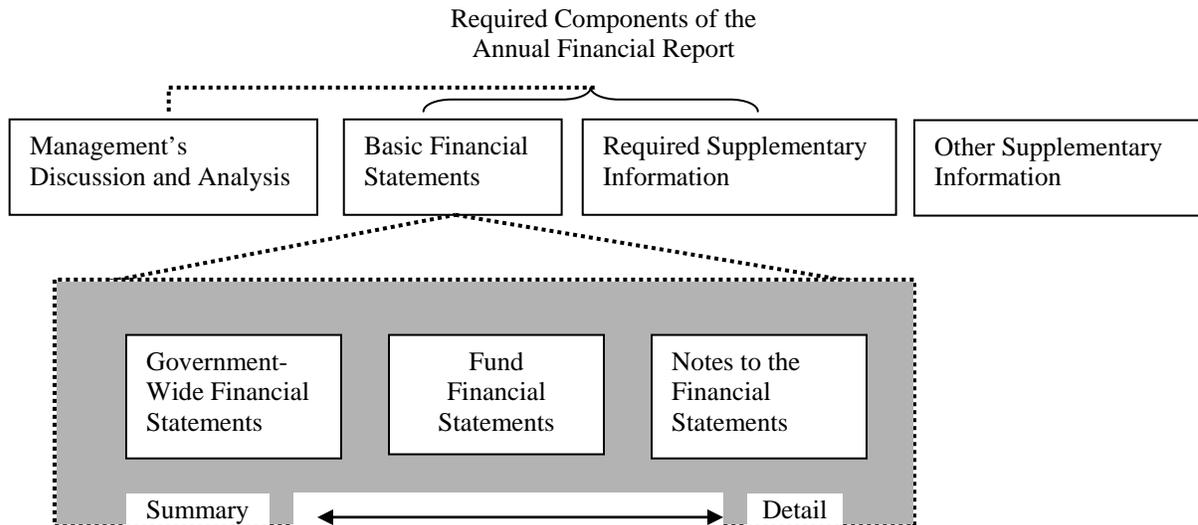
## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Casa Grande, Arizona (the City), we offer this narrative overview and analysis of the financial activities of the City of Casa Grande, Arizona for the fiscal year ended June 30, 2010. This discussion and analysis is designed to (1) assist the reader focus 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 material deviations from the approved annual budget, and (5) identify individual fund issues or concerns. Please read it in conjunction with the transmittal letter presented on pages v - xi of this report as well as the City's financial statements beginning on page 12 and the accompanying notes to the financial statements.

### Financial Highlights

- The City's total net assets, on the government-wide basis, totaled \$324 million at June 30, 2010 of which \$30 million is unrestricted. This was an increase of \$3.5 million from fiscal year 2009, \$3 million in the business-type activities and \$.5 in governmental activities.
- The governmental activities revenues decreased by approximately \$3.4 million over the previous year.
- The business-type activities operating revenues increased by \$1.3 million from the previous year.
- The General Fund reported expenses in excess of revenue and other financial sources and uses by \$335 thousand for the year.
- At June 30, 2010, unreserved fund balance for the General Fund was \$25.3 million, or 75% of General Fund expenses.
- At June 30, 2010, unreserved fund balance of the governmental funds was \$65.9 million, or 85% of governmental fund expenses for fiscal year 2010.
- The governmental activities general revenues of \$56.4 million were \$1.1 million greater than the \$55.3 million of expenses before other financial sources and uses.
- The business-type activities net assets were \$63.8 million as of June 30, 2010 which is an increase of \$3 million from the previous year.

### OVERVIEW OF THE FINANCIAL STATEMENTS



## Government-wide Financial Statements

The government-wide financial statements (see pages 12-14) 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), parks and recreation, police, fire, planning and development and streets. Taxes and general revenues generally support these activities.

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

The *statement of net assets* presents information on all of the City's assets and liabilities, both current and long-term, with the difference between assets and liabilities reported as net assets. The focus on net assets is designed to be similar to the emphasis for businesses. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City, other indicators, including non-financial indicators like the City's property tax base and condition of infrastructure, should be considered.

The *statement of activities* presents information showing how the City's net assets changed over the most recent fiscal year. Since full accrual accounting is used for the government-wide financial statements, all changes to net assets 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. This is designed to show the extent to which the various functions depend on general taxes and revenue for support.

## Fund Financial Statements

Also presented are the traditional fund financial statements for governmental funds, proprietary funds and fiduciary funds. The fund financial statements focus on major funds of the City. A major fund is determined based on the % a certain fund value is in relation to all 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 three kinds 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 provided 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, both the governmental fund balance sheet and the governmental fund statement of revenues, expenses, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on page 17 and 20, respectively.

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 for activities that primarily serve customers outside the governmental unit for which fees are charged. The City has four enterprise funds: The golf course, sanitation, water and wastewater funds.

The internal service funds are used for activities in which the City is the customer. The fleet maintenance and self insurance fund are the two City's internal service funds. Their purposes are to provide vehicle maintenance services to City departments and to provide cost accounting for insurance costs and risk.

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 (pages 38-70) provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and should be read with the financial statements.

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. 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, 2010.

### Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Assets for the City for June 30, 2010 compared to the prior year.

Condensed Statement of Net Assets  
(in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2010	2009	2010	2009	2010
Current and other assets	\$142.7	\$117.1	\$39.7	\$22.8	\$182.4	\$139.9
Capital assets	144.0	201.2	47.9	99.5	191.9	300.7
Total assets	<u>286.7</u>	<u>318.3</u>	<u>87.6</u>	<u>122.3</u>	<u>374.3</u>	<u>440.6</u>
Other liabilities	9.5	5.7	4.6	3.6	14.1	9.3
Long-term liabilities	17.6	52.5	22.1	55.0	36.7	107.5
Total liabilities	<u>27.1</u>	<u>58.2</u>	<u>26.7</u>	<u>58.6</u>	<u>53.8</u>	<u>116.8</u>
Net assets:						
Invested Capital assets net of related debt	166.6	169.0	42.8	46.7	209.4	215.7
Restricted	63.8	66.3	16.8	12.0	80.6	78.3
Unrestricted	29.2	24.8	1.2	5.1	30.4	29.9
Total net assets	<u>\$259.6</u>	<u>\$260.1</u>	<u>\$60.8</u>	<u>\$63.8</u>	<u>\$320.4</u>	<u>\$323.9</u>

The net assets of the City increased by \$3.5 million from June 30, 2009. At year end June 30, 2010 the net assets of the City totaled \$323.9 million. Of this \$323.9 million, \$260.1 million was in the governmental activities, a .1% increase and \$63.8 million was in the business-type activities, a 5% increase.

Net Assets consist of three components. The largest portion of net assets (\$215.7 million or 67%) 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; consequently, it is not the City's intention to sell these assets and they are therefore not available for future spending.

The second portion of the City's net assets (\$78.3 million or 24%) represents resources that are subject to external restrictions on how they may be used. This component is primarily made up of accumulated development impact fee collected by the City and funds are specifically reserved for capital improvements pertaining to growth as it relates to maintaining a consistent level of service to all citizens.

The third portion consists of unrestricted net assets (\$29.9 million or 9%), which may be used to meet the City's ongoing obligation to citizens and creditors.

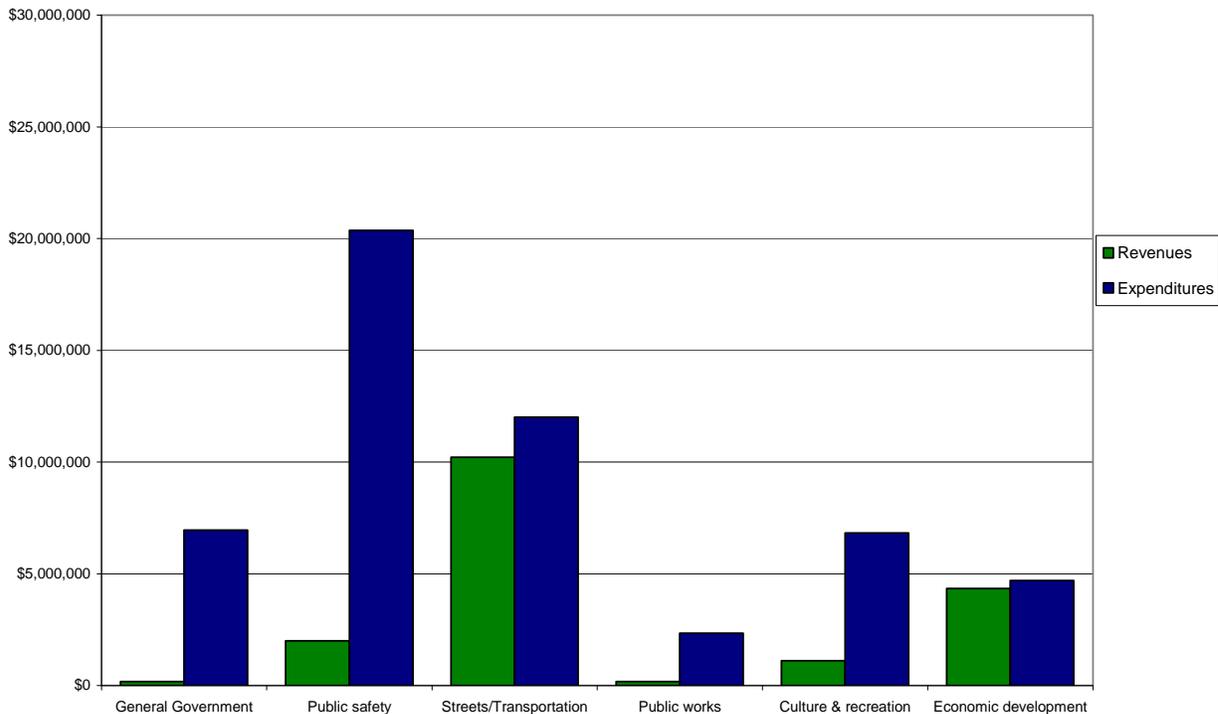
**Changes in Net Assets.** The City's total revenues for the year ended June 30, 2010 were \$69,802,604. The total cost of all programs and services was \$66,931,719. The following table presents a summary of the changes in net assets for the year ended June 30, 2010.

	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
<b>Revenues</b>						
Program revenues						
Charges for services	\$5,685	\$5,719	\$10,834	\$12,430	\$16,519	\$18,149
Operating grants and contributions	8,859	7,469	-	-	8,859	7,469
Capital grants and contributions	7,361	4,841	717	896	8,078	5,737
General revenues						
Property taxes	6,265	7,423	-	-	6,265	7,423
Sales taxes	23,314	19,776	21	26	23,335	19,802
Franchise taxes	1,910	1,947	-	-	1,910	1,947
Shared revenues	9,503	8,523	-	-	9,503	8,523
Other	1,255	733	525	19	1,780	752
<b>Total revenues</b>	<u>64,152</u>	<u>56,431</u>	<u>12,097</u>	<u>13,371</u>	<u>76,249</u>	<u>69,802</u>
<b>Expenses</b>						
General government	7,824	6,962	-	-	7,824	6,962
Public safety	20,385	20,367	-	-	20,385	20,367
Streets/Transportation	12,198	12,008	-	-	12,198	12,008
Public works	2,337	2,336	-	-	2,337	2,336
Culture and recreation	7,697	6,828	-	-	7,697	6,828
Economic development	4,367	4,700	-	-	4,367	4,700
Other	973	2,145	-	-	973	2,145
Water	-	-	153	160	153	160
Golf course	-	-	1,267	1,243	1,267	1,243
Sewer	-	-	4,610	5,529	4,610	5,529
Sanitation	-	-	5,466	4,653	5,466	4,653
<b>Total expenses</b>	<u>55,781</u>	<u>55,346</u>	<u>11,496</u>	<u>11,585</u>	<u>67,277</u>	<u>66,931</u>
<b>Excess before transfer</b>	8,371	1,085	601	1,786	8,972	2,871
<b>Transfers In (Out)</b>	(563)	(631)	563	631	-	-
<b>Increase in Net Assets</b>	<u>\$7,808</u>	<u>\$ 454</u>	<u>\$1,164</u>	<u>\$2,417</u>	<u>\$8,972</u>	<u>\$2,871</u>

The graph below shows the functional revenues and expenses of governmental activities to demonstrate the extent to which the governmental functions produce direct revenues to offset the program costs. The expenses do not represent full cost allocation to these functions. Expenses not covered by direct program revenues are covered by general revenues of the City, primarily taxes and state shared revenues.

Governmental activities account for 84% of the total revenues of the City and 83% of the total expenses in fiscal year 2010. This compares to 83% of total revenues and 80% of expenses in fiscal year 2009.

### Governmental Programs Revenues and Expenses



### 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.

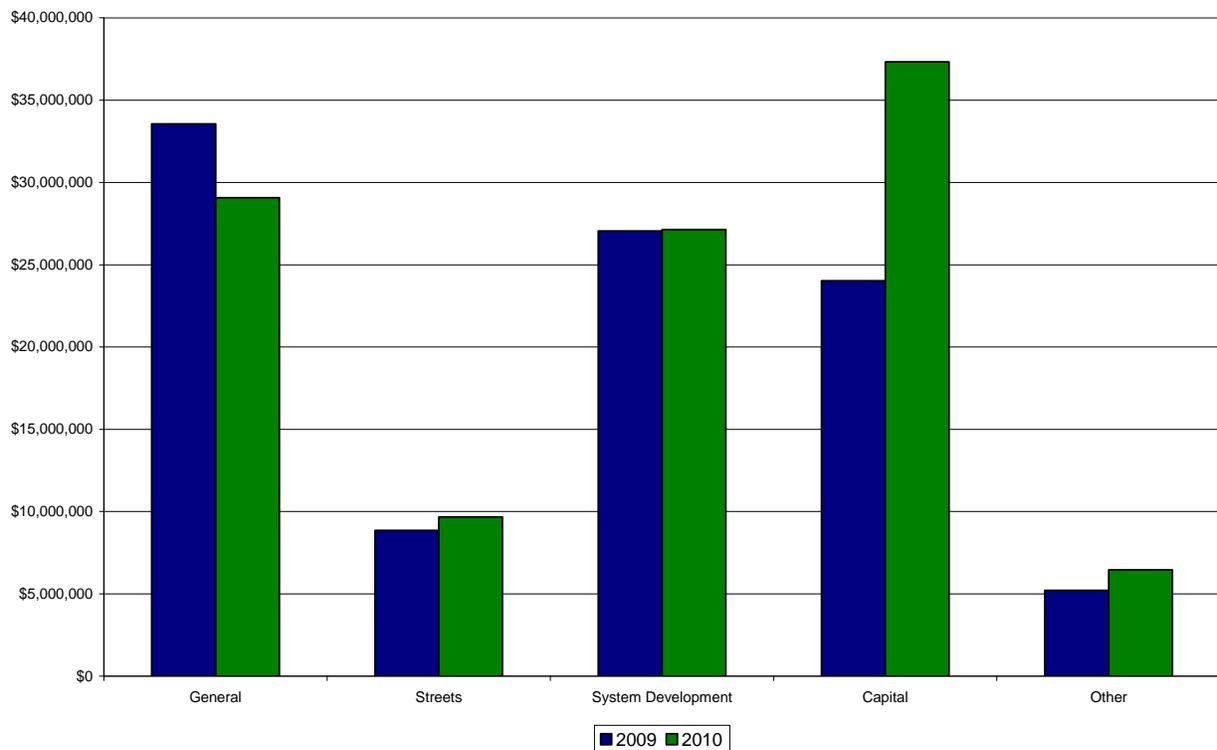
#### Governmental Funds

The focus of governmental fund financial statements (pages 15-27) is to provide information on near-term inflows, outflows and balances of spendable resources. All major governmental funds are discreetly presented on these financial statements, while the non-major funds are combined into a single column. Combining statements for the non-major funds may be found on pages 71-74.

For fiscal year ended June 30, 2010, the governmental funds reflect a combined fund balance of \$109.7 million, an increase of \$11 million. A portion of the fund balance, \$43.8 million is reserved for specific expenses or is legally segregated for a specific future use. The remaining \$65.9 million is classified as “Unreserved”. This balance may serve as a useful indicator of a government’s net resources available for spending at the end of the year.

The following graph indicates fund balances for select governmental funds for the past two fiscal years.

### Governmental Fund Balances



The General Fund is the chief operating fund of the City and accounts for many of the major functions of the government, including public safety, parks and recreation, community development and general administrative services. The General Fund revenues total \$33 million, a decrease of \$3 million, in fiscal year 2010. The primary decreases are in local sales tax, license and permits and investment earnings revenues. The expenses, before other financing sources and uses, totaled \$33.7 million, a decrease of \$1.5 million. Transfers to other funds were a net of (\$4.1) million resulting in a decrease to fund balance of \$4.5 million.

The Highway User Revenue Fund is required by state statute to track the state allocation of gasoline taxes and other state revenues shared with local governments and must be used for transportation purposes. The City 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 within the City. Revenue in this fund totaled \$4.6 million, a decrease of \$.4 million, while expenses totaled \$3.1 million, a decrease of \$1.9 million in fiscal year ended June 30, 2010.

Another governmental fund of the City is the System Development Fee Fund which collects impact fees for public safety, parks and recreational facilities, library facilities, and general government. The fund balance is planned to finance capital improvements over the next several years.

The Capital Development and Replacement Fund accounts for accumulated proceeds and capital expense of those proceeds for the construction of capital projects and for replacement of equipment. The fund balance increased in this fund due to year bond proceeds.

Other governmental funds include the Grants Fund which accounts for the various state and federal grants awarded to the City for specific purposes and services in public safety, parks and recreation, and library; the CDBG, Self Help, and Home Funds provide a variety of housing and neighborhood improvement services ranging from housing rehab to infrastructure improvements; the Special Assessment Fund collects special assessments levied through improvement districts and services the debt on the improvement district bond; the CFD Capital Projects Fund accounts for capital construction within the CFD; all non-major governmental funds of the City are combined into the "Other Governmental Funds" column on the governmental fund statements.

### **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 major enterprise fund is shown individually on the fund statement.

Net assets of the enterprise funds were \$63.8 million, an increase of \$3 million as of June 30, 2010. This increase includes an increase to unrestricted assets of \$3.9 million. Operating revenues in fiscal year 2010 were \$12.4 million, an increase of \$1.4 million from the prior fiscal year, while operating expenses totaled \$10.6 million, a decrease of \$.2 million, resulting in \$1.8million of net operating income.

### **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 on page 21. 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 (F) on page 45 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 \$221,082,560 during fiscal year 2010. Budget amendments between funds or departments or from budgeted contingencies into operational expense/expenditure accounts did occur. However, the adopted budget can not be increased.

General Fund inflows (revenues and other sources) of \$33.3 million, on a budgetary basis, were the same as budgeted inflows of \$33.3 million, while actual outflows (expenditures and other uses) of \$33.7 million were only 84% of final budgeted outflows. The decrease in General Fund outflows over budgeted amounts is primarily due to an emphasis on cost reductions.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of June 30, 2010, the City had \$300.8 million invested in various capital assets, net of accumulated depreciation and related debt, up \$91.8 million. Of the \$300.8 million \$201.2 million (67%) is invested in governmental activities and \$99.5 million (33%) is invested in business-type activities.

Major additions to capital assets during the fiscal year include the following:

- ✓ Continued construction of wastewater treatment plant expansion and renovation - work in progress amounted to \$34,266,900.
- ✓ Sanitation equipment - \$1,257,900
- ✓ Cottonwood Lane widening - \$5,109,200
- ✓ Construction of sports complex - \$11,623,150
- ✓ Began construction of Public Safety facility - \$9,156,000

The following table provides a breakdown of the capital asset balances net of accumulated depreciation at June 30, 2010. Additional information on the City's capital assets may be found in Note 7 on pages 54-56.

#### Capital Assets (In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Land & Const. in progress	\$ 33,045	\$ 37,023	\$14,416	\$52,092	\$ 47,461	\$ 89,115
Building and improvements	134,300	155,051	42,944	41,992	177,244	197,043
Machines and equipment	9,662	9,171	4,989	5,424	14,651	14,595
<b>Total</b>	<b>\$177,007</b>	<b>\$201,245</b>	<b>\$62,349</b>	<b>\$99,508</b>	<b>\$239,356</b>	<b>\$300,753</b>

## Long-Term Debt

The City's outstanding long-term debt, including bonds, notes, capital leases, and compensated absences, was \$105.4 million at June 30, 2010, with \$6.8 million due within one year. Of this total, \$52.6 million was in governmental activities and \$52.8 million was in business-type activities. Of the outstanding debt, \$72.8 million is excise tax revenue obligation bond collateralized by the City's excise tax stream. All other outstanding debt is secured by pledges of specific revenue sources of the City.

The following schedule shows the outstanding debt of the City (both current and long term) as of June 30, 2010. Further details can be found in Notes 10 to 15 on pages 61-67.

	Outstanding Debt (In Thousands)					
	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Compensated absences	\$ 1,615	\$ 1,668	\$ 241	\$ 215	\$ 1,856	\$ 1,883
Capital leases	2,909	2,599	58	5	2,967	2,604
Bonds payable	13,000	48,335	14,575	14,118	27,575	62,453
Notes/loans payable	-	-	4,352	38,502	4,352	38,502
<b>Total</b>	<b>\$17,524</b>	<b>\$52,602</b>	<b>\$19,226</b>	<b>\$52,840</b>	<b>\$36,750</b>	<b>\$105,442</b>

## ECONOMIC FACTORS

Casa Grande's population has grown steadily since 2000. The growth rate over the course of the past 9 years was 82% and is expected to be 2% in 2011. The unemployment rate in Casa Grande for June 2010 was 10.5%, which is higher than the state (9.6%) and higher than the national average (9.5%). While the local economy witnessed a solid year, it has been largely driven by commercial construction. The retail sales tax remained stable due to the regional nature of Casa Grande.

Arizona cities remain dependent on sales taxes and other economically sensitive tax revenues and are susceptible to slowdowns in the economy. The regional economy is slowing further due to sluggish building activity in both residential and commercial. Population growth is reduced to less than 1,000 persons in 2009 and personal income is declining. Within Casa Grande, the local economy is experiencing a temporary reduction in sales tax collection as the economy changes focus from one of spending to one of saving and repaying debt. Casa Grande continues to be a potential site for industrial and manufacturing companies.

Total assessed value in Casa Grande has increased progressively, showing a 326% overall increase from 2000 to 2010. For tax year 2011 the values decreased by 5.3% reflective of home value decreases and commercial building increases. Residential value in 2010 represented about 45% of the total.

## 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 [darcher@casagrandeaz.gov](mailto:darcher@casagrandeaz.gov).



## **BASIC FINANCIAL STATEMENTS**



**City of Casa Grande, Arizona**  
**Statement of Net Assets**  
**June 30, 2010**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash	\$ 11,569,968	\$ 1,024,564	\$ 12,594,532
Investments	78,111,090	20,963,422	99,074,512
Receivables (net of allowance for uncollectibles)	5,403,994	1,370,140	6,774,134
Due from other governments	1,298,233	-	1,298,233
Internal balances	960,000	(960,000)	-
Inventories	328,180	23,009	351,189
Restricted assets:			
Restricted investments	18,838,237	125,332	18,963,569
Deferred bond costs	569,053	262,144	831,197
Capital assets:			
Land and construction in progress	37,022,894	52,184,437	89,207,331
Other capital assets (net of accumulated depreciation)	164,222,412	47,323,396	211,545,808
<b>Total assets</b>	<b>318,324,061</b>	<b>122,316,444</b>	<b>440,640,505</b>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	4,754,078	2,955,426	7,709,504
Deposits held	-	15,004	15,004
Accrued wages and benefits	632,152	81,336	713,488
Accrued interest payable	286,599	515,514	802,113
Unearned revenue	(8,272)	-	(8,272)
Noncurrent liabilities:			
Due within one year:			
Current portion of compensated absences	1,668,315	215,408	1,883,723
Current portion of capital leases and notes	268,616	2,224,571	2,493,187
Current portion of excise tax revenue obligations	646,753	583,247	1,230,000
Current portion of bonds payable	1,086,363	113,638	1,200,001
Due in more than one year:			
Noncurrent portion of capital leases	2,330,254	-	2,330,254
Noncurrent portion of notes payable	-	36,281,846	36,281,846
Noncurrent portion of excise tax revenue obligations	20,609,173	12,438,613	33,047,786
Noncurrent portion of bonds payable	25,992,820	1,293,096	27,285,916
Less: Deferred amount on refunding	(26,517)	(135,806)	(162,323)
Closure and postclosure liability	-	1,970,031	1,970,031
<b>Total liabilities</b>	<b>58,240,334</b>	<b>58,551,924</b>	<b>116,792,258</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	169,037,582	46,698,154	215,735,736
Restricted for:			
Highways and streets	9,581,098	-	9,581,098
Grant purposes	1,363,054	-	1,363,054
Community development	34,603,491	-	34,603,491
Debt service	673,782	-	673,782
Capital projects	20,038,321	11,962,381	32,000,702
Unrestricted	24,786,399	5,103,985	29,890,384
<b>Total net assets</b>	<b>\$260,083,727</b>	<b>\$63,764,520</b>	<b>\$323,848,247</b>

The accompanying notes are an integral part of the financial statements

**City of Casa Grande, Arizona**  
**Statement of Activities**  
**For the Year Ended June 30, 2010**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 6,961,775	\$ 153,150	\$ 26,155	\$ -
Public safety	20,366,672	1,135,284	707,476	161,486
Streets/Transportation	12,007,921	1,144,798	4,631,873	4,438,207
Public works	2,335,926	9,736	164,300	-
Culture and recreation	6,828,387	469,536	403,698	241,319
Economic development	4,700,480	2,806,359	1,535,671	-
Interest on long-term debt	2,145,146	-	-	-
<b>Total governmental activities</b>	<b>55,346,307</b>	<b>5,718,863</b>	<b>7,469,173</b>	<b>4,841,012</b>
Business-type activities:				
Water	159,718	162,094	-	-
Golf course	1,243,440	1,066,642	-	-
Wastewater	5,528,871	6,049,625	-	895,826
Sanitation	4,653,383	5,151,563	-	-
<b>Total business-type activities</b>	<b>11,585,412</b>	<b>12,429,924</b>	<b>-</b>	<b>895,826</b>
<b>Total primary government</b>	<b>\$66,931,719</b>	<b>\$18,148,787</b>	<b>\$7,469,173</b>	<b>\$5,736,838</b>

General revenues:  
Property taxes  
Sales taxes  
Franchise taxes  
Shared revenues - unrestricted:  
State sales taxes  
Urban revenue sharing  
Auto-in-lieu  
Investment earnings  
Miscellaneous  
Transfers in (out)  
Total general revenues and transfers  
Change in net assets  
Net assets-beginning  
Prior period adjustment  
Net assets-beginning - restated  
**Net assets-ending**

The accompanying notes are an integral part of the financial statements

**Net (Expense) Revenue and Changes in Net Assets**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (6,782,470)	\$ -	\$ (6,782,470)
(18,362,426)	-	(18,362,426)
(1,793,043)	-	(1,793,043)
(2,161,890)	-	(2,161,890)
(5,713,834)	-	(5,713,834)
(358,450)	-	(358,450)
(2,145,146)	-	(2,145,146)
<b>(37,317,259)</b>	<b>-</b>	<b>(37,317,259)</b>
-	2,376	2,376
-	(176,798)	(176,798)
-	1,416,580	1,416,580
-	498,180	498,180
<b>-</b>	<b>1,740,338</b>	<b>1,740,338</b>
<b>(\$37,317,259)</b>	<b>\$1,740,338</b>	<b>(\$35,576,921)</b>
7,422,710	-	7,422,710
19,776,002	26,657	19,802,659
1,947,031	-	1,947,031
2,382,825	-	2,382,825
4,106,244	-	4,106,244
2,034,181	-	2,034,181
107,521	8,383	115,904
625,779	10,473	636,252
(631,320)	631,320	-
<b>37,770,973</b>	<b>676,833</b>	<b>38,447,806</b>
<b>453,714</b>	<b>2,417,171</b>	<b>2,870,885</b>
<b>259,630,013</b>	<b>60,821,850</b>	<b>320,451,863</b>
<b>-</b>	<b>525,499</b>	<b>525,499</b>
<b>259,630,013</b>	<b>61,347,349</b>	<b>320,977,362</b>
<b>\$260,083,727</b>	<b>\$63,764,520</b>	<b>\$323,848,247</b>

**City of Casa Grande, Arizona**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2010**

<b>ASSETS</b>	<b>General</b>	<b>Highway Users</b>	<b>System Development</b>	<b>Grants &amp; Subsidies</b>	<b>CDBG</b>
Cash	\$ 8,176,797	\$ 10,259	\$ -	\$ 150,253	\$ 183,431
Investments	16,752,794	9,229,852	27,357,863	142,631	-
Accounts receivable (less allowance for uncollectibles)	3,841,116	541,939	-	-	570,927
Due from other governments	15,600	-	-	191,341	11,924
Due from other funds	1,630,277	-	-	-	-
Inventories	12,314	-	-	-	-
Restricted assets:					
Cash and cash equivalents	-	-	-	-	-
<b>Total assets</b>	<b>\$30,428,898</b>	<b>\$9,782,050</b>	<b>\$27,357,863</b>	<b>\$484,225</b>	<b>\$766,282</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and other current liabilities	\$ 534,649	\$ 93,275	\$ 231,227	\$ 45,930	\$ 214,781
Accrued wages and benefits	538,465	31,606	-	15,931	-
Due to other funds	-	-	-	-	-
Deferred revenue	271,979	-	-	113,270	4,424
Compensated absences	5,800	224	-	-	-
<b>Total liabilities</b>	<b>1,350,893</b>	<b>125,105</b>	<b>231,227</b>	<b>175,131</b>	<b>219,205</b>
<b>Fund balances:</b>					
Reserved for:					
Court and development	3,815,142	-	-	-	-
Special revenue	-	-	-	309,094	547,077
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Unreserved, reported in:					
General fund	25,262,863	-	-	-	-
Special revenue funds	-	9,656,945	27,126,636	-	-
Capital projects funds	-	-	-	-	-
<b>Total fund balances</b>	<b>29,078,005</b>	<b>9,656,945</b>	<b>27,126,636</b>	<b>309,094</b>	<b>547,077</b>
<b>Total liabilities and fund balances</b>	<b>\$30,428,898</b>	<b>\$9,782,050</b>	<b>\$27,357,863</b>	<b>\$484,225</b>	<b>\$766,282</b>

The accompanying notes are an integral part of the financial statements

Self-help Technical Assistance	Home/HUD	General Obligation /Special Assessments	Capital Replacement/ Recreation/ Development	Community Facilities Districts Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 7,415	\$ 8,598	\$ 776,780	\$ 28,326	\$ 190,918	\$ 325,898	\$ 9,858,675
-	-	107,210	21,009,170	-	3,511,570	78,111,090
-	-	45,423	131,129	2,453	271,007	5,403,994
103,617	51,402	-	495,734	-	428,614	1,298,232
-	-	-	-	-	-	1,630,277
-	-	-	-	-	42,817	55,131
-	-	-	18,223,224	615,013	-	18,838,237
<b>\$111,032</b>	<b>\$60,000</b>	<b>\$929,413</b>	<b>\$39,887,583</b>	<b>\$808,384</b>	<b>\$4,579,906</b>	<b>\$115,195,636</b>

\$ 11	\$ -	\$ -	\$ 2,676,857	\$ 2,000	\$ 98,262	\$ 3,896,992
4,479	-	-	-	-	3,419	593,900
100,000	60,000	-	-	-	330,000	490,000
19,469	40,000	-	-	-	228,488	677,630
-	-	-	-	-	-	6,024
<b>123,959</b>	<b>100,000</b>	<b>-</b>	<b>2,676,857</b>	<b>2,000</b>	<b>660,169</b>	<b>5,664,546</b>

-	-	-	-	-	-	3,815,142
-	-	-	-	-	23,822	879,993
-	-	929,413	-	-	27,816	957,229
-	-	-	37,210,726	806,384	-	38,017,110
-	-	-	-	-	-	25,262,863
(12,927)	(40,000)	-	-	-	3,716,203	40,446,857
-	-	-	-	-	151,896	151,896
<b>(12,927)</b>	<b>(40,000)</b>	<b>929,413</b>	<b>37,210,726</b>	<b>806,384</b>	<b>3,919,737</b>	<b>109,531,090</b>
<b>\$111,032</b>	<b>\$60,000</b>	<b>\$929,413</b>	<b>\$39,887,583</b>	<b>\$808,384</b>	<b>\$4,579,906</b>	<b>\$115,195,636</b>

**City of Casa Grande, Arizona**  
**Reconciliation of the Balance Sheet to the Statement of Net Assets**  
**Governmental Funds**  
**June 30, 2010**

Fund balance - total governmental funds balance sheet		\$109,531,090
Amounts reported for governmental activities in the statement of net assets 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	\$289,919,070	
Less accumulated depreciation	(88,786,010)	
Internal service capital assets	376,958	
Less accumulated depreciation	<u>(264,712)</u>	
		201,245,306
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	(1,668,315)	
Capital leases	(2,598,870)	
Bonds payable	(48,532,066)	
Bond issuance costs	569,053	
Bond discount	310,929	
Deferred Loss	26,517	
Bond premium	<u>(113,972)</u>	
		(52,006,724)
Deferred revenue is shown on the governmental funds, but is not deferred on the statement of net assets.		
Special Assessments	3,152	
Property Tax	268,822	
Grant Revenue	<u>405,651</u>	
		677,625
Interest payable on long-term debt is not reported in the governmental funds.		(286,599)
Internal service funds are used by management to charge the costs of certain activities to individual funds.		
The assets and liabilities of the internal service funds (excluding capital assets) are reported with governmental activities.		
		<u>923,029</u>
Net assets of governmental activities - statement of net assets		<u><u>\$260,083,727</u></u>

The accompanying notes are an integral part of the financial statements



**City of Casa Grande, Arizona**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2010**

<b>REVENUES</b>	<b>General</b>	<b>Highway Users</b>	<b>System Development</b>	<b>Grants &amp; Subsidies</b>	<b>CDBG</b>
Taxes:					
Property taxes	\$ 2,981,577	\$ -	\$ -	\$ -	\$ -
City sales tax	16,677,293	-	-	-	-
Franchise tax	2,076,517	-	-	-	-
Licenses and permits	656,902	-	-	-	-
Intergovernmental revenues	8,557,763	4,569,263	-	2,522,143	435,942
Charges for services	616,958	-	1,366,846	-	-
Fines	978,765	-	-	-	-
Special assessments	-	-	-	-	-
Investment earnings	28,021	8,436	25,261	115	-
Contributions and donations	2,300	-	-	1,677	-
Rental and sale of city property	534,812	-	-	-	-
Miscellaneous	234,930	6,800	-	-	84,999
<b>Total revenues</b>	<b>33,345,838</b>	<b>4,584,499</b>	<b>1,392,107</b>	<b>2,523,935</b>	<b>520,941</b>
<b>EXPENDITURES</b>					
Current:					
General government	6,532,603	-	-	-	-
Public safety	18,063,834	-	-	863,435	-
Streets/Transportation	-	2,521,337	-	-	-
Public works	1,767,317	-	425,000	-	-
Culture and recreation	4,791,110	19,680	314,621	636,109	-
Planning and economic development	2,036,572	-	-	311,019	429,357
Capital outlay	405,327	406,605	219,624	893,483	-
Debt Service:					
Bond issuance costs	-	-	-	-	-
Principal	54,031	123,866	-	-	-
Interest and fiscal charges	30,170	74,606	-	-	-
<b>Total expenditures</b>	<b>33,680,964</b>	<b>3,146,094</b>	<b>959,245</b>	<b>2,704,046</b>	<b>429,357</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(335,126)</b>	<b>1,438,405</b>	<b>432,862</b>	<b>(180,111)</b>	<b>91,584</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	2,106,704	-	22,000	846,607	-
Transfers out	(6,250,065)	(636,000)	(375,000)	(22,000)	-
Bond issuance	-	-	-	-	-
Bond discount	-	-	-	-	-
<b>Total other financing sources and uses</b>	<b>(4,143,361)</b>	<b>(636,000)</b>	<b>(353,000)</b>	<b>824,607</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(4,478,487)</b>	<b>802,405</b>	<b>79,862</b>	<b>644,496</b>	<b>91,584</b>
<b>Fund balances - beginning of year</b>	<b>33,556,492</b>	<b>8,854,540</b>	<b>27,046,774</b>	<b>(335,402)</b>	<b>455,493</b>
<b>Fund balances - end of year</b>	<b>\$29,078,005</b>	<b>\$9,656,945</b>	<b>\$27,126,636</b>	<b>\$309,094</b>	<b>\$547,077</b>

The accompanying notes are an integral part of the financial statements

Self-help Technical Assistance	Home/HUD	General Obligation/ Special Assessments	Capital Replacement/ Recreation/ Development	Community Facilities Districts Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 3,140,640	\$ -	\$ 708,217	\$ 405,990	\$ 7,236,424
-	-	-	2,893,220	-	205,489	19,776,002
-	-	-	-	-	-	2,076,517
-	-	-	-	-	-	656,902
219,328	160,409	-	-	-	304,574	16,769,422
-	-	-	-	-	74,916	2,058,720
-	-	-	-	-	-	978,765
-	-	8,883	-	-	-	8,883
-	-	180	41,295	282	3,931	107,521
-	-	-	-	-	-	3,977
-	-	-	-	-	1,571,715	2,106,527
7,875	-	-	-	-	175,892	510,496
<b>227,203</b>	<b>160,409</b>	<b>3,149,703</b>	<b>2,934,515</b>	<b>708,499</b>	<b>2,742,507</b>	<b>52,290,156</b>
-	-	-	-	-	1,522,669	8,055,272
-	-	-	-	-	29,857	18,957,126
-	-	-	-	-	-	2,521,337
-	-	-	-	-	-	2,192,317
-	-	-	-	-	30,811	5,792,331
246,672	181,820	651	6,268	12,785	325,794	3,550,938
-	-	-	29,166,297	-	867,465	31,958,801
-	-	-	100,108	-	-	100,108
-	-	1,502,270	-	85,000	719,470	2,484,637
-	-	1,149,621	-	156,380	714,518	2,125,295
<b>246,672</b>	<b>181,820</b>	<b>2,652,542</b>	<b>29,272,673</b>	<b>254,165</b>	<b>4,210,584</b>	<b>77,738,162</b>
<b>(19,469)</b>	<b>(21,411)</b>	<b>497,161</b>	<b>(26,338,158)</b>	<b>454,334</b>	<b>(1,468,077)</b>	<b>(25,448,006)</b>
-	-	-	8,442,248	-	1,411,562	12,829,121
-	-	-	(6,346,000)	-	(336,188)	(13,965,253)
-	-	-	37,800,000	-	-	37,800,000
-	-	-	(371,958)	-	-	(371,958)
-	-	-	<b>39,524,290</b>	-	<b>1,075,374</b>	<b>36,291,910</b>
<b>(19,469)</b>	<b>(21,411)</b>	<b>497,161</b>	<b>13,186,132</b>	<b>454,334</b>	<b>(392,703)</b>	<b>10,843,904</b>
<b>6,542</b>	<b>(18,589)</b>	<b>432,252</b>	<b>24,024,594</b>	<b>352,050</b>	<b>4,312,440</b>	<b>98,687,186</b>
<b>\$ (12,927)</b>	<b>(\$40,000)</b>	<b>\$929,413</b>	<b>\$37,210,726</b>	<b>\$806,384</b>	<b>\$3,919,737</b>	<b>\$109,531,090</b>

**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**  
**For the Year Ended June 30, 2010**

Net change in fund balances - total governmental funds \$10,843,904

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	\$31,722,706	
Less current year depreciation	<u>(11,670,667)</u>	20,052,039

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

Contributed capital assets	4,437,135
Sale of capital assets	(223,266)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund statements.

Deferred property tax	56,800
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Bond issuance costs are expended in the governmental funds when paid, and are capitalized and amortized in the statement of net assets. This is the amount of current year bond issuance costs and bond discount .

445,602

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets.

Issuance of bond debt	(37,800,000)	
Bond payments	2,217,271	
Lease payments	<u>360,821</u>	(35,221,908)

Certain revenues in the governmental funds that provide current financial resources are not included in the statement of activities because they were recognized in a prior period. However, other revenues that are deferred in the governmental funds because they do not provide current financial resources due to unavailability are recognized in the statement of activities.

Special assessments	(9,224)
Grants	(306,908)

The internal service fund net revenue is reported with governmental activities.

691,043

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	(53,418)
Interest expense on long-term debt	<u>(258,085)</u>

Change in net assets of governmental activities

\$453,714

The accompanying notes are an integral part of the financial statements

**City of Casa Grande, Arizona**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 2,566,600	\$ 2,566,600	\$ 2,981,577	\$ 414,977
City sales tax	17,255,000	17,255,000	16,677,293	(577,707)
Franchise tax	1,720,000	1,720,000	2,076,517	356,517
Licenses and permits	725,000	725,000	656,902	(68,098)
Intergovernmental revenues	8,388,400	8,388,400	8,557,763	169,363
Charges for services	710,000	710,000	616,958	(93,042)
Fines	1,099,000	1,099,000	978,765	(120,235)
Investment earnings	240,000	240,000	28,021	(211,979)
Contributions and donations	57,000	-	2,300	2,300
Rental and sale of city property	228,000	228,000	534,812	306,812
Miscellaneous	310,000	310,000	234,930	(75,070)
<b>Total revenues</b>	<b><u>33,299,000</u></b>	<b><u>33,242,000</u></b>	<b><u>33,345,838</u></b>	<b><u>103,838</u></b>
<b>EXPENDITURES</b>				
Current:				
General government				
Mayor and Council	3,208,770	2,691,670	1,322,249	1,369,421
City manager	856,560	956,560	945,949	10,611
Attorney	665,030	665,030	622,644	42,386
Clerk	397,310	479,580	430,936	48,644
Finance	1,030,890	1,030,890	994,471	36,419
Information Technology	1,746,010	1,746,010	1,489,716	256,294
Administrative Services	896,680	896,680	726,638	170,042
Public safety				
Police	10,943,710	11,153,900	11,142,961	10,939
Fire	6,460,290	6,460,290	6,149,516	310,774
Court	530,950	530,950	502,531	28,419
Animal Control	286,520	286,520	268,826	17,694
Public works				
Culture and Recreation	1,812,200	1,886,200	1,767,317	118,883
Planning and Economic Development	4,992,810	5,210,810	4,791,110	419,700
Capital Outlay	2,162,690	2,162,690	2,036,572	126,118
Capital Outlay	3,604,600	3,560,850	405,327	3,155,523
Debt Service:				
Principal	54,040	54,050	54,031	19
Interest and fiscal charges	30,170	30,170	30,170	-
<b>Total expenditures</b>	<b><u>39,679,230</u></b>	<b><u>39,802,850</u></b>	<b><u>33,680,964</u></b>	<b><u>6,121,886</u></b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b><u>(6,380,230)</u></b>	<b><u>(6,560,850)</u></b>	<b><u>(335,126)</u></b>	<b><u>6,225,724</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,806,710	1,806,710	2,106,704	299,994
Transfers out	(1,251,400)	(2,379,360)	(6,250,065)	(3,870,705)
<b>Total other financing sources and uses</b>	<b><u>555,310</u></b>	<b><u>(572,650)</u></b>	<b><u>(4,143,361)</u></b>	<b><u>(3,570,711)</u></b>
<b>Net change in fund balance</b>	<b><u>(5,824,920)</u></b>	<b><u>(7,133,500)</u></b>	<b><u>(4,478,487)</u></b>	<b><u>2,655,013</u></b>
<b>Fund balance - beginning of year</b>	<b><u>5,824,920</u></b>	<b><u>7,133,500</u></b>	<b><u>33,556,492</u></b>	<b><u>26,422,992</u></b>
<b>Fund balance - end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$29,078,005</u></b>	<b><u>\$29,078,005</u></b>

The accompanying notes are an integral part of the financial statements

**City of Casa Grande, Arizona**  
**Highway Users Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget- Positive (Negative)</u>
<b>REVENUES</b>				
Taxes:				
State-shared gas tax	\$ 2,745,620	\$ 2,745,620	\$ 2,692,007	\$ (53,613)
Local transportation assistance	196,800	196,800	108,944	(87,856)
County sales tax	2,300,000	2,300,000	1,768,312	(531,688)
Investment earnings	100,000	100,000	8,436	(91,564)
Miscellaneous	270,000	270,000	6,800	(263,200)
<b>Total revenues</b>	<b><u>5,612,420</u></b>	<b><u>5,612,420</u></b>	<b><u>4,584,499</u></b>	<b><u>(1,027,921)</u></b>
<b>EXPENDITURES</b>				
Culture and recreation				
Contractual services	-	19,680	19,680	-
<b>Total Culture and recreation</b>	<b><u>-</u></b>	<b><u>19,680</u></b>	<b><u>19,680</u></b>	<b><u>-</u></b>
Streets/Transportation				
Personal services	1,333,780	1,375,160	1,325,907	49,253
Contractual services	1,261,010	1,232,450	369,555	862,895
Materials and supplies	799,460	873,260	825,875	47,385
Capital outlay	2,407,000	2,232,820	406,605	1,826,215
Debt service	68,830	199,330	198,472	858
<b>Total Streets/Transportation</b>	<b><u>5,870,080</u></b>	<b><u>5,913,020</u></b>	<b><u>3,126,414</u></b>	<b><u>2,786,606</u></b>
<b>Total expenditures</b>	<b><u>5,870,080</u></b>	<b><u>5,932,700</u></b>	<b><u>3,146,094</u></b>	<b><u>2,786,606</u></b>
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	<b><u>(257,660)</u></b>	<b><u>(320,280)</u></b>	<b><u>1,438,405</u></b>	<b><u>1,758,685</u></b>
<b>OTHER FINANCING USES</b>				
Transfers out	(625,500)	(625,500)	(636,000)	(10,500)
<b>Total other financing sources and uses</b>	<b><u>(625,500)</u></b>	<b><u>(625,500)</u></b>	<b><u>(636,000)</u></b>	<b><u>(10,500)</u></b>
<b>Net change in fund balance</b>	<b><u>(883,160)</u></b>	<b><u>(945,780)</u></b>	<b><u>802,405</u></b>	<b><u>1,748,185</u></b>
Fund balance - beginning of year	883,160	945,780	8,854,540	7,908,760
Fund balance - end of year	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$9,656,945</u></b>	<b><u>\$9,656,945</u></b>

The accompanying notes are an integral part of the financial statements

**City of Casa Grande, Arizona**  
**System Development Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with</b>
	<u>Original</u>	<u>Final</u>		<b>Final Budget- Positive (Negative)</b>
<b>REVENUES</b>				
Charges for services	\$2,027,000	\$2,027,000	\$1,366,846	(\$660,154)
Investment earnings	300,000	300,000	25,261	(274,739)
<b>Total revenues</b>	<b><u>2,327,000</u></b>	<b><u>2,327,000</u></b>	<b><u>1,392,107</u></b>	<b><u>(934,893)</u></b>
<b>EXPENDITURES</b>				
Public works	-	425,000	425,000	-
Culture and recreation	315,000	315,000	314,621	379
Capital outlay	12,421,000	11,496,000	219,624	11,276,376
<b>Total expenditures</b>	<b><u>12,736,000</u></b>	<b><u>12,236,000</u></b>	<b><u>959,245</u></b>	<b><u>11,276,755</u></b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b><u>(10,409,000)</u></b>	<b><u>(9,909,000)</u></b>	<b><u>432,862</u></b>	<b><u>10,341,862</u></b>
<b>OTHER FINANCING SOURCES ( USES)</b>				
Transfers in	-	-	22,000	22,000
Transfers out	(375,000)	(375,000)	(375,000)	-
<b>Total other financing sources and uses</b>	<b><u>(375,000)</u></b>	<b><u>(375,000)</u></b>	<b><u>(353,000)</u></b>	<b><u>22,000</u></b>
<b>Net change in fund balance</b>	<b><u>(10,784,000)</u></b>	<b><u>(10,284,000)</u></b>	<b><u>79,862</u></b>	<b><u>10,363,862</u></b>
<b>Fund balance - beginning of year</b>	<b><u>10,784,000</u></b>	<b><u>10,284,000</u></b>	<b><u>27,046,774</u></b>	<b><u>16,762,774</u></b>
<b>Fund balance - end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$27,126,636</u></b>	<b><u>\$27,126,636</u></b>

The accompanying notes are an integral part of the financial statements

**City of Casa Grande, Arizona**  
**Grants and Subsidies Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget- Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental revenues	\$5,169,000	\$5,169,000	\$2,522,143	(\$2,646,857)
Investment earnings	-	-	115	115
Contributions and donations	15,000	15,000	1,677	(13,323)
<b>Total revenues</b>	<b>5,184,000</b>	<b>5,184,000</b>	<b>2,523,935</b>	<b>(2,660,065)</b>
<b>EXPENDITURES</b>				
Public safety				
Personal services	-	653,340	651,212	2,128
Contractual services	-	100	215	(115)
Materials and supplies	1,235,240	2,213,260	212,008	2,001,252
Capital outlay	1,250,000	1,356,180	355,090	1,001,090
Total Public Safety	<u>2,485,240</u>	<u>4,222,880</u>	<u>1,218,525</u>	<u>3,004,355</u>
Culture and recreation				
Personal services	155,250	165,600	123,353	42,247
Contractual services	200,000	255,530	255,466	64
Materials and supplies	119,500	310,770	257,290	53,480
Capital outlay	1,778,000	1,491,100	538,393	952,707
Total Culture and Recreation	<u>2,252,750</u>	<u>2,223,000</u>	<u>1,174,502</u>	<u>1,048,498</u>
Community Development				
Contractual services	200,000	311,810	311,019	791
Total Community Development	<u>200,000</u>	<u>311,810</u>	<u>311,019</u>	<u>791</u>
<b>Total expenditures</b>	<b>4,937,990</b>	<b>6,757,690</b>	<b>2,704,046</b>	<b>4,053,644</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>246,010</b>	<b>(1,573,690)</b>	<b>(180,111)</b>	<b>1,393,579</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	846,607	846,607
Transfers out			(22,000)	(22,000)
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>824,607</b>	<b>824,607</b>
<b>Net change in fund balance</b>	<b>246,010</b>	<b>(1,573,690)</b>	<b>644,496</b>	<b>2,218,186</b>
<b>Fund balance - beginning of year</b>	<b>-</b>	<b>1,573,690</b>	<b>(335,402)</b>	<b>(1,909,092)</b>
<b>Fund balance - end of year</b>	<b>\$ 246,010</b>	<b>\$ -</b>	<b>\$309,094</b>	<b>\$309,094</b>

The accompanying notes are an integral part of the financial statements

**City of Casa Grande, Arizona**  
**Community Development Block Grant Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget- Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental revenues	\$300,000	\$300,000	\$435,942	\$135,942
Program income	-	-	84,999	84,999
<b>Total revenues</b>	<b>300,000</b>	<b>300,000</b>	<b>520,941</b>	<b>220,941</b>
<b>EXPENDITURES</b>				
Community development				
Personal services	-	45,200	45,123	77
Contractual services	300,000	382,000	381,676	324
Materials and supplies	-	2,800	2,558	242
<b>Total expenditures</b>	<b>300,000</b>	<b>430,000</b>	<b>429,357</b>	<b>643</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	(130,000)	91,584	221,584
<b>Fund balance - beginning of year</b>	-	<b>130,000</b>	<b>455,493</b>	<b>325,493</b>
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$547,077</b>	<b>\$547,077</b>

The accompanying notes are an integral part of the financial statements

**City of Casa Grande, Arizona**  
**Self-Help Technical Assistance Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with</b>
	<u>Original</u>	<u>Final</u>		<b>Final Budget- Positive (Negative)</b>
<b>REVENUES</b>				
Intergovernmental revenues	\$400,000	\$400,000	\$219,328	(\$180,672)
Miscellaneous	7,000	7,000	7,875	875
<b>Total revenues</b>	<b>407,000</b>	<b>407,000</b>	<b>227,203</b>	<b>(179,797)</b>
<b>EXPENDITURES</b>				
Community development				
Personal services	281,760	229,420	224,714	4,706
Contractual services	-	21,000	20,763	237
Materials and supplies	-	2,000	1,195	805
<b>Total expenditures</b>	<b>281,760</b>	<b>252,420</b>	<b>246,672</b>	<b>5,748</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>125,240</b>	<b>154,580</b>	<b>(19,469)</b>	<b>(174,049)</b>
<b>Fund balance - beginning of year</b>	<b>-</b>	<b>(154,580)</b>	<b>6,542</b>	<b>161,122</b>
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (12,927)</b>	<b>\$ (12,927)</b>

The accompanying notes are an integral part of the financial statements

**City of Casa Grande, Arizona**  
**Home/HUD Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget- Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental revenues	\$750,000	\$750,000	\$160,409	(\$589,591)
<b>Total revenues</b>	<b>750,000</b>	<b>750,000</b>	<b>160,409</b>	<b>(589,591)</b>
<b>EXPENDITURES</b>				
Community development				
Personal services	-	8,000	7,600	400
Contractual services	750,000	653,710	174,220	479,490
<b>Total expenditures</b>	<b>750,000</b>	<b>661,710</b>	<b>181,820</b>	<b>479,890</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>88,290</b>	<b>(21,411)</b>	<b>(109,701)</b>
<b>Fund balance - beginning of year</b>	<b>-</b>	<b>(88,290)</b>	<b>(18,589)</b>	<b>69,701</b>
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(\$40,000)</b>	<b>(\$40,000)</b>

The accompanying notes are an integral part of the financial statements

**City of Casa Grande, Arizona**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2010**

	<b>Business-type Activities-Enterprise Funds</b>		
	<b>Water</b>	<b>Wastewater</b>	<b>Wastewater Dev Fees</b>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 889,722	\$ 108,606	\$ -
Cash with fiscal agent	-	1,225	-
Investments	-	6,773,908	12,503,860
Receivables, net of uncollectibles	10,187	756,116	-
Restricted assets - investments	-	-	-
Inventories	-	-	-
<b>Total current assets</b>	<b>899,909</b>	<b>7,639,855</b>	<b>12,503,860</b>
Noncurrent assets:			
Deferred bond costs	-	232,176	-
Capital assets:			
Land	-	-	2,700,724
Buildings and improvements	1,036,504	54,203,469	-
Machinery and equipment	-	1,374,132	200,256
Construction in progress	-	44,685,621	4,515,092
Less accumulated depreciation	(423,999)	(15,339,554)	(10,599)
<b>Total capital assets, net</b>	<b>612,505</b>	<b>84,923,668</b>	<b>7,405,473</b>
<b>Total noncurrent assets</b>	<b>612,505</b>	<b>85,155,844</b>	<b>7,405,473</b>
<b>Total assets</b>	<b>1,512,414</b>	<b>92,795,699</b>	<b>19,909,333</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	5,863	2,328,865	542,704
Deposits held	15,004	-	-
Accrued wages and benefits	1,481	12,472	-
Accrued interest payable	2,724	512,790	-
Due to other funds	-	900,000	-
Compensated absences	-	23,047	-
Capital leases	-	-	-
Notes payable	10,931	2,208,988	-
GO Bond/Excise tax revenue obligations	-	583,247	-
<b>Total current liabilities</b>	<b>36,003</b>	<b>6,569,409</b>	<b>542,704</b>
Noncurrent liabilities:			
Notes payable	116,929	36,164,917	-
General obligation bond	-	-	-
Excise tax revenue obligations	-	12,438,613	-
Deferred amount on refunding	-	(135,806)	-
Closure and postclosure liability	-	-	-
<b>Total noncurrent liabilities</b>	<b>116,929</b>	<b>48,467,724</b>	<b>-</b>
<b>Total liabilities</b>	<b>152,932</b>	<b>55,037,133</b>	<b>542,704</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	484,645	33,527,903	7,405,473
Restricted for:			
Construction	-	1,225	11,961,156
Unrestricted	874,837	4,229,438	-
<b>Total net assets</b>	<b>\$1,359,482</b>	<b>\$37,758,566</b>	<b>\$19,366,629</b>

The accompanying notes are an integral part of the financial statements

<b>Business-type Activities-Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
<b>Sanitation</b>	<b>Golf Course</b>	<b>Total</b>	
\$ 10,893	\$ 14,118	\$ 1,023,339	\$ 1,711,293
-	-	1,225	-
1,684,986	668	20,963,422	-
600,419	3,418	1,370,140	-
-	125,332	125,332	-
-	23,009	23,009	273,049
<u>2,296,298</u>	<u>166,545</u>	<u>23,506,467</u>	<u>1,984,342</u>
-	29,968	262,144	-
-	283,000	2,983,724	-
138,496	2,378,830	57,757,299	52,354
6,753,017	596,798	8,924,203	324,604
-	-	49,200,713	-
<u>(2,641,872)</u>	<u>(942,082)</u>	<u>(19,358,106)</u>	<u>(264,712)</u>
<u>4,249,641</u>	<u>2,316,546</u>	<u>99,507,833</u>	<u>112,246</u>
<u>4,249,641</u>	<u>2,346,514</u>	<u>99,769,977</u>	<u>112,246</u>
<u><b>6,545,939</b></u>	<u><b>2,513,059</b></u>	<u><b>123,276,444</b></u>	<u><b>2,096,588</b></u>
17,236	60,758	2,955,426	859,085
-	-	15,004	-
58,082	9,301	81,336	13,148
-	-	515,514	-
-	60,000	960,000	170,000
161,188	31,173	215,408	19,080
4,652	-	4,652	-
-	-	2,219,919	-
-	113,638	696,885	-
<u>241,158</u>	<u>274,870</u>	<u>7,664,144</u>	<u>1,061,313</u>
-	-	36,281,846	-
-	1,293,096	1,293,096	-
-	-	12,438,613	-
-	-	(135,806)	-
<u>1,970,031</u>	<u>-</u>	<u>1,970,031</u>	<u>-</u>
<u>1,970,031</u>	<u>1,293,096</u>	<u>51,847,780</u>	<u>-</u>
<u><b>2,211,189</b></u>	<u><b>1,567,966</b></u>	<u><b>59,511,924</b></u>	<u><b>1,061,313</b></u>
4,244,989	1,035,144	46,698,154	-
-	-	11,962,381	-
89,761	(90,051)	5,103,985	1,035,275
<u><b>\$4,334,750</b></u>	<u><b>\$945,093</b></u>	<u><b>\$63,764,520</b></u>	<u><b>\$1,035,275</b></u>

**City of Casa Grande, Arizona**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2010**

	<b>Business-type Activities-Enterprise Funds</b>		
	<b>Water</b>	<b>Wastewater</b>	<b>Wastewater Dev Fees</b>
<b>Operating revenues:</b>			
Service fees	\$ 162,094	\$ 5,041,530	\$ -
Connection fees	-	14,664	983,431
Recycling revenue	-	-	-
Department Insurance charges	-	-	-
Rental	-	-	-
Green fees	-	-	-
Impact fees	-	-	-
Miscellaneous	-	17,717	-
<b>Total operating revenue</b>	<b>162,094</b>	<b>5,073,911</b>	<b>983,431</b>
<b>Operating expenses:</b>			
Personal services	55,673	627,378	-
Contractual services	17,175	1,209,077	-
Materials and supplies	37,754	916,755	-
Depreciation	44,540	1,796,786	4,005
Closure and postclosure costs	-	-	-
<b>Total operating expenses</b>	<b>155,142</b>	<b>4,549,996</b>	<b>4,005</b>
<b>Operating income (loss)</b>	<b>6,952</b>	<b>523,915</b>	<b>979,426</b>
<b>Nonoperating revenues (expense):</b>			
Loss on sale of assets	-	-	-
Investment earnings	-	7,165	13,932
Interest expense	(4,576)	(974,870)	-
City sales tax	-	-	-
<b>Total nonoperating revenues (expense)</b>	<b>(4,576)</b>	<b>(967,705)</b>	<b>13,932</b>
<b>Income (loss) before contributions and transfers</b>	<b>2,376</b>	<b>(443,790)</b>	<b>993,358</b>
Capital contributions	-	895,826	-
Transfers in	-	2,092,748	-
Transfers out	(23,788)	(416,608)	(1,997,748)
<b>Change in net assets</b>	<b>(21,412)</b>	<b>2,128,176</b>	<b>(1,004,390)</b>
<b>Total net assets-beginning of year</b>	<b>1,380,894</b>	<b>35,630,390</b>	<b>20,371,019</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net assets-beginning of year-restated</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net assets-end of year</b>	<b>\$1,359,482</b>	<b>\$37,758,566</b>	<b>\$19,366,629</b>

The accompanying notes are an integral part of the financial statements

<b>Business-type Activities-Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
<b>Sanitation</b>	<b>Golf Course</b>	<b>Total</b>	
\$4,990,348	\$ -	\$10,193,972	\$1,398,768
97,117	-	1,095,212	-
-	-	-	-
-	-	-	5,540,900
-	125,398	125,398	-
-	941,928	941,928	-
64,098	-	64,098	-
-	2,075	19,792	38,004
<b>5,151,563</b>	<b>1,069,401</b>	<b>12,440,400</b>	<b>6,977,672</b>
2,384,717	479,865	3,547,633	2,134,322
931,487	149,200	2,306,939	4,001,583
614,733	469,229	2,038,471	628,171
580,182	144,440	2,569,953	27,365
141,145	-	141,145	-
<b>4,652,264</b>	<b>1,242,734</b>	<b>10,604,141</b>	<b>6,791,441</b>
<b>499,299</b>	<b>(173,333)</b>	<b>1,836,259</b>	<b>186,231</b>
(14,277)	-	(14,277)	-
1,354	209	22,660	-
(1,119)	(706)	(981,271)	-
-	26,657	26,657	-
<b>(14,042)</b>	<b>26,160</b>	<b>(946,231)</b>	<b>-</b>
<b>485,257</b>	<b>(147,173)</b>	<b>890,028</b>	<b>186,231</b>
-	-	895,826	-
1,625,000	326,000	4,043,748	600,000
(827,424)	(146,860)	(3,412,428)	(95,188)
<b>1,282,833</b>	<b>31,967</b>	<b>2,417,174</b>	<b>691,043</b>
<b>2,526,418</b>	<b>913,126</b>	<b>60,821,847</b>	<b>344,232</b>
<b>525,499</b>	<b>-</b>	<b>525,499</b>	<b>-</b>
<b>3,051,917</b>	<b>-</b>	<b>61,347,346</b>	<b>344,232</b>
<b>\$4,334,750</b>	<b>\$945,093</b>	<b>\$63,764,520</b>	<b>\$1,035,275</b>

**City of Casa Grande, Arizona**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2010**

	<b>Business-type Activities-Enterprise Funds</b>		
	<b>Water</b>	<b>Wastewater</b>	<b>Wastewater Dev Fees</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$173,388	\$4,666,924	\$997,323
Payments to suppliers	(51,661)	(2,786,204)	-
Payments to employees	(55,465)	(666,895)	-
<b>Net cash provided (used) by operating activities</b>	<b>66,262</b>	<b>1,213,825</b>	<b>997,323</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
City sales tax	-	-	-
Transfers to other funds	(23,788)	(416,608)	(1,997,748)
Transfers from other funds	-	2,092,748	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(23,788)</b>	<b>1,676,140</b>	<b>(1,997,748)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sale of capital assets	-	11,875	-
Purchases of capital assets	-	(33,856,525)	(2,789,812)
Proceeds from capital debt	-	35,417,458	-
Principal paid on capital debt	(10,567)	(1,826,860)	-
Interest paid on capital debt	(4,576)	(1,213,236)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(15,143)</b>	<b>(1,467,288)</b>	<b>(2,789,812)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received	-	60,296	13,932
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>60,296</b>	<b>13,932</b>
Net increase (decrease) in cash	27,331	1,482,973	(3,776,305)
<b>Cash and cash equivalents at beginning of year</b>	<b>862,391</b>	<b>5,400,766</b>	<b>16,280,165</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 889,722</b>	<b>\$ 6,883,739</b>	<b>\$ 12,503,860</b>
Cash	\$ 889,722	\$ 108,606	\$ -
Cash with fiscal agent	-	1,225	-
Investments	-	6,773,908	12,503,860
	<b>\$889,722</b>	<b>\$6,883,739</b>	<b>\$12,503,860</b>

The accompanying notes are an integral part of the financial

<b>Business-type Activities-Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
<b>Sanitation</b>	<b>Golf Course</b>	<b>Total</b>	
\$4,975,833	\$1,068,140	\$11,881,608	\$6,977,672
(1,729,207)	(542,134)	(5,109,206)	(3,678,028)
<u>(2,375,535)</u>	<u>(472,063)</u>	<u>(3,569,958)</u>	<u>(2,130,785)</u>
<b>871,091</b>	<b>53,943</b>	<b>3,202,444</b>	<b>1,168,859</b>
-	26,657	26,657	-
(827,424)	(146,860)	(3,412,428)	(95,188)
<u>1,625,000</u>	<u>326,000</u>	<u>4,043,748</u>	<u>600,000</u>
<b>797,576</b>	<b>205,797</b>	<b>657,977</b>	<b>504,812</b>
14,625	-	26,500	-
(1,257,911)	(139,145)	(38,043,393)	-
(53,138)	(216,745)	35,417,458	-
<u>(1,119)</u>	<u>(706)</u>	<u>(2,107,310)</u>	<u>-</u>
<b>(1,297,543)</b>	<b>(356,596)</b>	<b>(5,926,382)</b>	<b>-</b>
1,356	209	75,793	-
<u>1,356</u>	<u>209</u>	<u>75,793</u>	<u>-</u>
372,480	(96,647)	(1,990,168)	1,673,671
<u>1,323,399</u>	<u>236,765</u>	<u>24,103,486</u>	<u>37,622</u>
<b>\$ 1,695,879</b>	<b>\$ 140,118</b>	<b>\$ 22,113,318</b>	<b>\$ 1,711,293</b>
\$ 10,893	\$ 14,118	\$ 1,023,339	\$ 1,711,293
-	-	1,225	-
1,684,986	126,000	21,088,754	-
<u><b>\$1,695,879</b></u>	<u><b>\$140,118</b></u>	<u><b>\$22,113,318</b></u>	<u><b>\$1,711,293</b></u>

**City of Casa Grande, Arizona**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2010**

	<b>Business-type Activities-Enterprise Funds</b>		
	<b>Water</b>	<b>Wastewater</b>	<b>Wastewater Dev Fees</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 6,952	\$ 523,915	\$ 979,426
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Closure and postclosure costs	-	-	-
Depreciation expense	44,540	1,796,786	4,005
(Increase) decrease in accounts receivable	10,880	(406,987)	13,892
(Increase) decrease in inventory	-	-	-
Increase (decrease) in accounts payable	3,268	(1,560,372)	-
Increase (decrease) in deposits held	414	-	-
Increase (decrease) in accrued wages	208	(3,232)	-
Increase (decrease) in due to other funds	-	900,000	-
Increase (decrease) in compensated absences	-	(36,285)	-
Total adjustments	<u>59,310</u>	<u>689,910</u>	<u>17,897</u>
<b>Net cash provided (used) by operating activities</b>	<b><u>\$ 66,262</u></b>	<b><u>\$ 1,213,825</u></b>	<b><u>\$ 997,323</u></b>
<b>Noncash investing, capital, and financing activities:</b>			
Contributions of capital assets	-	<b><u>\$905,826</u></b>	-

The accompanying notes are an integral part of the financial statements

<b>Business-type Activities-Enterprise Funds</b>			<b>Governmental Activities - Internal Service Fund</b>
<b>Sanitation</b>	<b>Golf Course</b>	<b>Total</b>	
<u>\$ 499,299</u>	<u>\$ (173,333)</u>	<u>\$ 1,836,259</u>	<u>\$ 186,231</u>
141,145	-	141,145	-
580,182	144,440	2,569,953	27,365
(175,730)	(1,261)	(559,206)	-
-	(10,091)	(10,091)	(23,218)
(182,987)	26,386	(1,713,705)	804,944
-	-	414	-
4,870	1,572	3,418	1,706
-	60,000	960,000	170,000
4,312	6,230	(25,743)	1,831
<u>371,792</u>	<u>227,276</u>	<u>1,366,185</u>	<u>982,628</u>
<u><b>\$ 871,091</b></u>	<u><b>\$ 53,943</b></u>	<u><b>\$ 3,202,444</b></u>	<u><b>\$ 1,168,859</b></u>
-	-	<u><u><b>\$905,826</b></u></u>	

**City of Casa Grande, Arizona**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2010**

	<b>Agency Funds</b>	<b>Part-Time Firemen's Pension</b>
<b>ASSETS</b>		
Cash	\$ 30,220	\$ 1,314
Investments, at fair value	1,780,844	568,187
<b>Total assets</b>	<b>1,811,064</b>	<b>569,501</b>
<b>LIABILITIES</b>		
Other liabilities	1,811,064	-
<b>Total liabilities</b>	<b>1,811,064</b>	<b>-</b>
<b>NET ASSETS</b>		
Held in trust for pension benefits and other purposes	\$ -	\$ 569,501

The accompanying notes are an integral part of the financial statements

**City of Casa Grande, Arizona**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2010**

	<b>Part-Time Firemen's Pension</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ -
Plan members	-
<b>Total contributions</b>	-
Investment earnings:	
Interest	7,069
Change in the fair value of investments	70,975
<b>Total investment earnings</b>	78,044
Less investment expense	(5,328)
<b>Net investment earnings</b>	72,716
<b>Total additions</b>	<b>72,716</b>
<b>DEDUCTIONS</b>	
Pension payments	31,500
Administrative expenses	1,526
<b>Total deductions</b>	<b>33,026</b>
Change in net assets	39,690
<b>Net assets-beginning of year</b>	<b>529,811</b>
<b>Net assets-end of year</b>	<b>\$ 569,501</b>

The accompanying notes are an integral part of the financial statements

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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 specified 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 assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from Business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses for a given function or segment 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.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 1: **Summary of Significant Accounting Policies** (continued)

(B) **Government-wide and Fund Financial Statements** (continued)

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.

Generally, the effect of interfund activity has been 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. The “doubling up” effect of internal service fund activity has been 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 general operation 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 Special Revenue Funds presented as major funds in the basic financial statement are as follows:

Highway Users Fund, used to account for the City’s share of tax revenues that are legally restricted to the maintenance of highways within the City’s boundaries;

Systems Development Fund, used for fees collected to help defray the costs of development of general government;

Grants and Subsidies Fund, used to account for various grants;

Community Development Block Grant Fund (CDBG), used to account for intergovernmental grants, which are used to improve and develop neighborhoods by developing housing;

Self-help Technical Assistance Fund, used to account for the activity related to the Rural Development Self-Help Technical Assistance Grant;

Home/HUD Fund, used to account for intergovernmental grants used to rehabilitate owner occupied homes and to provide counseling services.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 1: **Summary of Significant Accounting Policies** (continued)

(C) **Basis of Presentation – Fund Accounting** (continued)

**GOVERNMENTAL FUNDS** (continued)

**Debt Service Funds** - Debt Service Funds are used to account for the accumulation of resources for and the payment of general obligation long-term debt principal, interest and related costs. The General Obligation/Special Assessment Debt Service Fund is a major fund presented in the basic financial statements. This fund accounts for the receipts of revenues from property taxes and payment of the 2008 general obligation bonds and revenues from special assessment districts and the payment of special assessment bonds.

**Capital Project Funds** - Capital Project Funds are used to 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 is a major fund presented in the basic financial statements. This fund is used to account for the replacement of various capital items, recreation facilities construction and development of infrastructure. The Community Facilities Districts (CFD) Capital Projects Fund accounts for capital construction activities within the CFDs.

**PROPRIETARY FUNDS**

**Enterprise Funds** - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services 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 - Used to account for water related activities.

Wastewater Fund – This fund is used to account for the activities of the sewer (wastewater) operations and maintenance.

Wastewater Development Fees Fund – Fees collected to help defray the costs of development of the wastewater system.

Sanitation Fund – This fund is used to account for the operations of the City’s trash and landfill services.

Golf Course Fund – This fund is used to account for the operations of the City’s public golf course.

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.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 1: **Summary of Significant Accounting Policies** (continued)

(C) **Basis of Presentation – Fund Accounting** (continued)

**PROPRIETARY FUNDS** (continued)

**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 two internal services funds: Equipment Mechanics is used to account for the maintenance and operations of City owned vehicles and Risk Management is used for self insurance activities.

**FIDUCIARY FUNDS**

Fiduciary funds account for assets held by the City in a trustee or agency capacity on behalf of others and therefore are not available to support City programs. The reporting focus is upon net assets and changes in net assets 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.

**Pension Trust Funds** are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post employment benefit plans, or other employee benefit plans. The City has one Pension Trust Fund to account for the activities of the part-time firemen's pension plan.

**Agency Funds** account for assets the City holds as an agent for individuals, private organizations, other governments or other funds in a temporary custodial capacity. The City currently maintains two agency funds, one to account for deposits received from various businesses in order to conduct business within the City, and the other to account for employee deposits into a flexible spending plan. The two agency funds are aggregated in the statements.

**NON-CURRENT GOVERNMENTAL ASSETS AND LIABILITIES**

**Non-Current Governmental Assets and Liabilities** - GASB Statement #34 eliminates the presentation of account groups in the financial statements (formerly the general fixed asset account group and the general long-term debt account group). The governmental long-term assets and liabilities continue to be maintained in a separate fund for tracking purposes, but are presented with the governmental activities in the government-wide Statement of Net Assets.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 1: **Summary of Significant Accounting Policies** (continued)

(D) **Implementation of GASB Statement No.34**

**1. Governmental Accounting Standards Board Statement No. 34**

In fiscal year 2002/2003 the City adopted the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This statement affects the manner in which the City records transactions and presents financial information. State and local governments have traditionally used a financial reporting model substantially different from the one used to prepare private sector financial reports. GASB Statement No. 34 establishes new requirements and a new reporting model for the annual financial reports of state and local governments.

The statement was developed to make annual reports of state and local governments easier to understand and more useful to the people who use governmental financial information to make decisions and include the following sections, which were not previously included in the Comprehensive Annual Financial Statements. The governmental fund financial statements continue to be presented as a building block for the new GASB Statement No. 34 statements.

- a. *Management’s Discussion and Analysis* – GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the City’s financial activities in the form of “management’s discussion and analysis” (MD&A). This analysis is similar to the analysis provided in the annual reports of private-sector organizations.
- b. *Government-Wide Financial Statements* – The reporting model includes financial statements prepared using full accrual accounting for all of the City’s activities. This approach includes not just current assets and liabilities but also capital and other long-term assets as well as long-term liabilities. Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter.

*Statement of Net Assets* – The statement of net assets is designed to display the financial position of the primary government (government and business-type activities). The City now reports all capital assets in the government-wide statement of net assets and reports depreciation expense – the cost of “using up” capital assets – in the statement of activities. The net assets of the City are broken down into three components: 1) invested in capital assets, net of related debt, 2) restricted and 3) unrestricted.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 1: **Summary of Significant Accounting Policies** (continued)

(D) **Implementation of GASB Statement No.34** (continued)

1. Governmental Accounting Standards Board Statement No. 34 (continued)

b. *Statement of Net Assets* (continued)

Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted are shown as unrestricted. Generally, the City would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

*Statement of Activities* – The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the City’s functions. The expense of individual functions is compared to the revenue generated directly by the function. Accordingly, the City has recorded capital and certain other long-term assets and liabilities in the statement of net assets, and has reported all revenues and the cost of providing services under the accrual basis of accounting in the statement of activities.

2. Governmental Accounting Standards Board Statement No. 36

The City adopted the provisions of GASB Statement No. 36, *Receipt Reporting for Certain Shared Nonexchange Revenues*. This statement amends GASB Statement No. 33 with respect to the manner in which shared nonexchange revenues are accounted for by recipient governments.

3. Governmental Accounting Standards Board Statement No. 37

The City adopted the provisions of GASB Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*. This statement amends GASB Statement No. 34 to either 1) clarify certain provisions or 2) modify other provisions that GASB believes may have unintended consequences in some circumstances. Accordingly, the City considered the effects of this statement when adopting the provisions of GASB Statement No. 34 as previously described.

4. Governmental Accounting Standards Board Statement No. 38

The City adopted the provisions of GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. This statement modifies, establishes, and rescinds certain financial statement disclosure requirements. Accordingly, certain footnote disclosures have been revised to conform to the provisions of GASB Statement No. 38.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 1: **Summary of Significant Accounting Policies** (continued)

(D) Implementation of GASB Statement No.34 (continued)

5. Governmental Accounting Standards Board Statement No. 40

The City adopted the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. This statement amends GASB Statement No. 3 and establishes more comprehensive disclosure requirements addressing common risks of the deposits and investments of state and local governments.

6. Governmental Accounting Standards Board Statement No. 44

The City adopted the provisions of GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*. This statement amends National Council on Governmental Accounting Statement 1 and establishes and modifies requirements related to the supplementary information presented in a Statistical section in order to improve the understandability and usefulness of the information.

7. Governmental Accounting Standards Board Statement No. 50

The City adopted the provisions of GASB Statement No. 50, *Pension Disclosures*. This statement amends GASB Statements No. 25 and No. 27 and establishes more comprehensive disclosure requirements related to financial reporting by pension plans and by employers that provide defined benefit and defined contribution pensions.

(E) Measurement Focus and Basis of Accounting

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. Under the modified accrual basis of accounting, 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, however, essentially two types of these revenues. In one, monies must be expended on specific purpose of the project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 1: **Summary of Significant Accounting Policies** (continued)

(E) **Basis of Accounting** (continued)

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

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

The portion of property tax levies available on June 30, 2010, are recorded as receivable, net of allowance for uncollectibles. The balance of the tax levy not collected within 60 days after year-end are reflected as deferred revenue.

Special assessments and 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.

Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting, the City follows GASB guidance as applicable to its proprietary funds, and Financial Accounting Standards Boards Statements and Interpretations, Accounting Principals Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB Pronouncements.

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.

(F) **Budgetary Data**

- (1) 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.
- (2) The Council holds open work sessions relating to budget preparation.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 1: **Summary of Significant Accounting Policies** (continued)

(F) **Budgetary Data** (continued)

- (3) After required public hearings are held, budget for all governmental and proprietary funds (excluding internal service and pension funds) are legally enacted prior to the third Monday of July as required by Arizona Revised Statutes. The budget specifies expenditure amounts by activity.
- (4) Transfers of budgeted amounts within a department can be authorized by the Director of Finance upon the City Manager's approval unless the transfer involves a transfer from personal services. This type of budgetary transfer requires Council approval. Council approval is required for transfers of budgeted amounts from one department or fund to another. The original budget has been amended for the year ending 2009-2010.
- (5) All funds except internal service funds are subject to the comprehensive appropriated budget except as provided under state law.
- (6) Encumbrances are not used by the City. All appropriations lapse at fiscal year-end. Invoices for goods and services received on or before June 30 must be paid within 60 days of the fiscal year-end.
- (7) The budget for the City is adopted on a basis consistent with generally accepted accounting principles.
- (8) Under State statutes, there are certain annual expenditure limitations to which the City adheres.
- (9) Several supplemental appropriations were necessary during the year.
- (10) Expenditures may not legally exceed budgeted appropriations at the department level.

GASB #34 requires that budgetary comparison statements for the general fund and major special revenue funds be presented in the annual financial statements. These statements must display original budget, final budget and actual results. The City has also shown this information as supplementary schedules for other governmental funds as well as enterprise funds.

(G) **Cash and Cash Equivalents**

Cash represents amounts in demand deposits 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.

(H) **Investments**

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, county, city, town or school district. All investments except for the Part-time Firemen's Pension funds are invested in the State's Local Government Investment Pool.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 1: **Summary of Significant Accounting Policies** (continued)

(H) Investments (continued)

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 Statement No. 31 "Accounting and Financial Reporting for Certain Investments and External Investment Pools," 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.

(I) Inventories

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

(J) 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 are recorded by reference to historical costs of the donor if recently purchased or constructed, or if such records are not available, at estimated fair market value on the date of receipt. General government infrastructure capital assets include those assets acquired or constructed since 1980.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest of \$564,379 was capitalized for the wastewater treatment plant expansion.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 1: **Summary of Significant Accounting Policies** (continued)

(J) **Capital Assets** (continued)

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

Buildings .....	40 years
Sewer system.....	20 to 50 years
Street system .....	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

(K) **Compensated Absences**

Employees are entitled to accumulate vacation to a maximum allowable limit depending on the number of years of service. In the event of termination, an employee is reimbursed for the accumulated vacation leave.

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).

City employees with less than ten years of service are granted nonvesting 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
- 15 – 19 years of service will receive 40% up to a maximum of 288 hours
- 20 or more years of service will receive 50% up to a maximum of 640 hours.

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 those funds.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 1: **Summary of Significant Accounting Policies** (continued)

(M) Interfund Transactions

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 services provided and used transaction is a revenue or expenditure/expense if the transaction involved an outside party. Utility receipts and payments are examples of transactions where the fund receiving the service records an expenditure/expense and the fund supplying the service records a revenue. 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.

NOTE 2: **Cash and Investments**

At year-end, the City had the following cash and investments:

Cash	\$ 12,626,066
Investments	101,423,543
Restricted investments	<u>18,963,569</u>
Total cash and investments	<u>\$133,013,178</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, an entity will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The carrying amount of the City's cash in bank totaled \$12,626,066 and the bank balance was \$13,360,247. Federal Depository Insurance covered the City's deposits at June 30, 2010, to the extent of \$250,000. Deposits of \$13,110,247 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.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 2: **Cash and Investments** (continued)

Custodial Credit Risk (continued)

Cash and cash equivalents include restricted and unrestricted amounts and are included in the financial statements as follows:

	<u>Governmental Activities</u>	<u>Business Activities</u>	<u>Fiduciary Fund</u>	<u>Total</u>
Cash	\$ 11,569,968	\$1,024,564	\$ 31,534	\$ 12,626,066
Investments	78,111,090	20,963,422	2,349,031	101,423,543
Restricted investments	<u>18,838,237</u>	<u>125,332</u>	-	<u>18,963,569</u>
	<u>\$108,519,295</u>	<u>\$22,113,318</u>	<u>\$2,380,565</u>	<u>\$133,013,178</u>

Investments

The City's policy is to invest unrestricted cash in the Local Government Investment Pool (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 in accordance with ARS 35-311. The pool's policy is to invest in fixed-rate securities with a final maturity less than 24 months from the settlement date of the purchase and variable-rate securities with final maturity less than 5 years. The dollar weighted average portfolio maturity is less than 180 days. Only securities backed by the full faith and credit of the U.S. Government may be purchased for this pool. The fair value balance of the pool at June 30, 2010 was \$2,916,987,191.

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. All investments have a remaining maturity of 12 months or less. Casa Grande does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 2: **Cash and Investments** (continued)

Credit Risk

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. Presented below is the actual rating as of year-end for each investment type.

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>	<u>Ratings at year end</u>
			<u>Unrated</u>
LGIP	State Investment Pool	\$116,203,912	\$116,203,912
Firefighter Pension:			
American Funds	Money Market	4,662	4,662
Linsco	Money Market/Mut Fnds	563,525	563,525
Bank of New York	Money Market	3,000,000	3,000,000
Wells Fargo	Money Market	615,013	615,013
		<u>\$120,387,112</u>	<u>\$120,387,112</u>

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:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
LGIP	State Investment Pool	\$116,203,912
Fire Fighter Pension Plan:		
American Funds	Money Market	4,662
Linsco/Private Ledger	Money Market & Mutual Funds	563,525
Bank of New York	Money Market	3,000,000
Wells Fargo	Money Market	615,013
		<u>\$120,387,112</u>

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 3: **Cash with Fiscal Agent/Restricted Investments**

In November 2006 and December 2008 the Villago Community Facilities District issued long-term revenue obligations. Certain resources set aside for repayment are classified as restricted cash on the statement of net assets and on the balance sheet because their use is limited by applicable bond covenants.

Fund Type	Description of Designated Capital	Balance at June 30, 2010
Capital - CFD	Infrastructure	<u>\$376,556</u>

In April 2005, the Mission Royale Community Facilities District issued long-term revenue obligations. Certain resources set aside for repayment are classified as restricted cash on the statement of net assets and on the balance sheet because their use is limited by applicable bond covenants.

Fund Type	Description of Designated Capital	Balance at June 30, 2010
Capital - CFD	Sewer Line	<u>\$238,457</u>

In August 2009, the City issued long-term revenue obligations in which the funds received were placed with a third party trustee in an interest bearing escrow account. The purpose of the funds is to finance a courthouse, a sports complex and street improvements.

Fund Type	Description of Designated Capital	Balance at June 30, 2010
Capital Project	Courthouse	<u>\$2,937,890</u>

In June 2008 and August 2009 the City issued general obligation bonds. A portion of the bonds has been spent on infrastructure and a public safety complex and the balance is a restricted investment.

Fund Type	Description of Designated Capital	Balance at June 30, 2010
Capital Project	Infrastructure	\$2,773,487
Enterprise – Golf Course	Irrigation System	<u>125,332</u>
Capital Project	Public Safety Complex	\$12,511,847
		<u>\$18,963,569</u>

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 4: **Receivables**

The following table summarizes the City's governmental activities receivables as of June 30, 2010:

	General	Special Revenue	Debt Service	Capital	Total
Receivables:					
Taxes	\$3,815,115	\$ 563,596	\$44,575	\$ 131,765	\$4,555,051
Accounts	26,251	810,383	848	1,817	839,299
Interest	-	9,894	-	-	9,894
Gross Receivables	3,841,366	1,383,873	45,423	133,582	5,404,244
Less: allowance for uncollectible	(250)	-	-	-	(250)
Net total receivables	\$3,841,116	\$1,383,873	\$45,423	\$133,582	\$5,403,994

The following table summarizes the City's business-type activities receivables as of June 30, 2010

	Water	Wastewater	Sanitation	Golf Course	Total
Receivables:					
Accounts	\$10,187	\$2,080,425	\$1,640,913	\$3,418	\$3,734,943
Gross Receivables	10,187	2,080,425	1,640,913	3,418	3,734,943
Less: allowance for uncollectible	-	(1,324,309)	(1,040,494)	-	(2,364,803)
Net total receivables	\$10,187	\$ 756,116	\$ 600,419	\$3,418	\$ 1,370,140

Revenues of wastewater and sanitation are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to wastewater	\$ 543,795
Uncollectibles related to sanitation	58,794
Total uncollectibles of the current fiscal year	<u>\$ 602,589</u>

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, 2010, there were 62 of these loans outstanding, totaling \$561,033.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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 County 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 2009-2010 maximum primary levy limit was \$2,968,634. The primary tax levy was \$2,566,600. The City's secondary tax levy was \$2,941,870.

Using the modified accrual basis of accounting, property tax revenue is recognized when it becomes both measurable and available to finance expenditures as of June 30, 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, 2010, are \$42,631 and \$268,822 respectively.

NOTE 7: **Capital Assets**

A summary of business-type activities property, plant and equipment at June 30, 2010 follows:

	Balance June 30, 2009	Additions & Adjustments	Disposals & Adjustments	Balance June 30, 2010
Capital assets not being depreciated:				
Land/Constr in progress	\$14,416,023	\$37,768,414	\$ -	\$52,184,437
Capital assets being depreciated:				
Building & Improvements	56,851,473	905,826	-	57,757,299
Machinery & Equipment	8,229,158	1,123,024	(427,979)	8,924,203
Total Capital Assets	79,496,654	39,797,264	(427,979)	118,865,939
Less: accumulated depreciation	(17,147,468)	(2,567,450)	356,812	(19,358,106)
Net Capital Assets	\$62,349,186	\$37,229,814	\$(71,167)	\$99,507,833

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 7: **Capital Assets** (continued)

Business-type capital assets changes in Accumulated Depreciation by class:

	Balance June 30, 2009	Additions	Disposals	Balance June 30, 2010
Buildings & improvements	\$13,907,404	\$1,848,339	\$ -	\$15,755,743
Machinery & equipment	3,240,064	719,111	(356,812)	3,602,363
<b>Total Accumulated Depreciation</b>	<b>\$17,147,468</b>	<b>\$2,567,450</b>	<b>\$(356,812)</b>	<b>\$19,358,106</b>

A summary of changes in governmental activities capital assets follows:

	Balance June 30, 2009	Adjustments & Additions	Adjustments & Disposals	Balance June 30, 2010
Capital assets not being depreciated:				
Land & construction in progress	\$33,044,946	\$4,163,623	\$(185,675)	\$37,022,894
Capital assets being depreciated:				
Buildings	19,248,467	16,433,175	-	35,681,642
Improvements	181,482,565	14,050,247	-	195,532,812
Heavy machinery & equipment	1,799,445	-	-	1,799,445
Operational Equipment	18,923,972	1,512,795	(177,532)	20,259,235
<b>Total General Capital Assets</b>	<b>254,499,395</b>	<b>36,159,840</b>	<b>(363,207)</b>	<b>290,296,028</b>

Less Accumulated Depreciation for:

Buildings	7,495,028	1,156,551	-	8,651,579
Improvements	58,935,843	8,575,877	-	67,511,720
Heavy machinery & equipment	1,334,052	144,927	-	1,478,979
Operational equipment	9,727,708	1,820,577	(139,941)	11,408,444
<b>Total Accumulated Depreciation</b>	<b>77,492,631</b>	<b>11,697,932</b>	<b>(139,941)</b>	<b>89,050,722</b>
<b>Total General Capital Assets</b>	<b>\$177,006,764</b>	<b>\$24,461,808</b>	<b>\$(223,266)</b>	<b>\$201,245,306</b>

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 7: **Capital Assets** (continued)

The City had additions to contributed capital assets during the fiscal year 2009-2010. The Governmental Activities Capital Assets include a total of \$4,437,135 in contributed capital assets received in fiscal year 2009-2010.

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

Governmental Activities:

General Government	\$ 376,109
Public Safety	1,349,528
Streets/Transportation	8,224,527
Public Works	69,385
Culture and Recreation	971,264
Economic Development	679,754
Internal Service	27,365
Total Depreciation Expense - Governmental Activities	\$11,697,932

Business-type Activities:

Water	\$ 44,540
Wastewater	1,800,789
Sanitation	580,183
Golf Course	141,938
Total Depreciation Expense - Business-type Activities	\$2,567,450

NOTE 8: **Retirement and Pension Plans**

All full-time City employees are covered by one of two contributory retirement and pension plans, which are administered by the State of Arizona under State Statute. Part-time firefighters participate in the Casa Grande Part-time Firemen's Pension Plan. The following summarizes each plan.

(A) **Arizona State Retirement Plan**

**Plan Description.** The Arizona State Retirement System (ASRS) administers a cost sharing multiple-employer defined benefit pension plan that covers general employees of the City. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. ASRS issues a publicly available report that includes financial statements and required supplementary information. The report may be obtained in writing at ASRS, 3300 N. Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling 602-240-2200 or 1-800-621-3778.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 8: **Retirement and Pension Plans** (continued)

(A) Arizona State Retirement Plan (continued)

Funding Policy. The Arizona State Legislature has the authority to establish and amend benefits provisions and contributions for active plan members. For the year ended June 30, 2010, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 9.4 percent (9.0 percent retirement and 0.4 percent long-term disability) of the members' annual covered payroll. The City's contributions to ASRS for the years ended June 30, 2010, 2009 and 2008 were \$1,281,990, \$1,263,961 and \$1,142,516, respectively, which were equal to the required contributions for those years. Prior year's rates are 9.45% for 2009 and 9.6% for 2008.

(B) Arizona Public Safety Personnel Retirement System

Plan Description. The Public Safety Personnel Retirement System (PSPRS) is an agent multiple-employer defined benefit pension plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five-member board, known as The Fund Manager, and 167 local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. The City contributes to one PSPRS plan for police and one for fire fighters. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. PSPRS issues a publicly available report that includes financial statements and required supplementary information. The report may be obtained in writing at PSPRS, 1020 E. Missouri Avenue, Phoenix, Arizona 85014.

Funding Policy - The Arizona State Legislature has the authority to establish and amend benefits provisions and contributions for active plan members. For the year ended June 30, 2009 active PSPRS members were required by statute to contribute 7.65 percent of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 22.05 percent and 17.38 percent for covered payroll totaling \$4,958,997 and \$3,980,691 to the plan for police and fire respectively. The City contributed the required amount.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 8: **Retirement and Pension Plans** (continued)

(B) **Arizona Public Safety Personnel Retirement System** (continued)

**Annual Pension Cost** - The City's pension cost for the year ended June 30, 2009, the date of the most recent actuarial valuation, and related information follow.

Contribution rates:	PSPRS - Police	PSPRS - Fire
City	22.05%	17.38%
Plan members	7.65%	7.65%
Annual pension cost	1,111,706	825,836
Contributions made	1,111,706	825,836
Actuarial valuation date	June 30, 2009	June 30, 2009
Actuarial cost method	Entry Age	Entry Age
Actuarial assumptions:		
Investment rate of return	8.50%	8.50%
Projected salary increases	5.5% - 8.5%	5.5% - 8.5%
Includes inflation at cost-of-living adjustments	5.5%	5.5%
Amortization method	Level Percentage	Level Percentage
	Open	Open
Remaining amortization period from 7/1/00	Open 20 Years	Open 20 Years
Asset valuation method	Smoothed Market	Smoothed Market
Post retirement benefit increases	Based on Inv. Income	Based on Inv. Income

Trend Information - Information of the PSPRS plan as of the most recent actuarial valuation follows:

Plan	Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contribution	Net Pension Obligation
PSPRS - Police	2009	\$1,111,706	100%	-
	2008	804,354	100%	-
	2007	572,490	100%	-
PSPRS - Fire	2009	\$825,836	100%	-
	2008	524,248	100%	-
	2007	342,549	100%	-

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 8: **Retirement and Pension Plans** (continued)

(B) Arizona Public Safety Personnel Retirement System (continued)

Required Supplementary Information (unaudited)

Schedule of Funding progress - An analysis of funding progress for each of the plans as of the most recent actuarial valuations, June 30, 2009, follows:

PSPRS - Police

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
6/30/09	\$14,941,827	\$25,601,105	\$10,659,278	58.4%	\$5,045,343	211.3%
6/30/08	13,843,134	23,975,402	10,132,268	57.7%	4,958,997	204.3%
6/30/07	13,287,359	22,057,218	8,769,859	60.2%	4,264,393	205.7%

PSPRS – Fire

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
6/30/09	\$9,084,607	\$14,493,872	\$5,409,265	62.7%	\$4,130,364	131.0%
6/30/08	8,171,079	13,175,141	5,004,062	62.0%	3,980,691	125.7%
6/30/07	7,581,685	12,800,685	5,219,000	59.2%	2,918,183	178.8%

(C) Casa Grande Part-time Firemen's Pension Plan

The Casa Grande Part-time Firemen's Pension Plan is a single-employer defined contribution plan, which was approved by the City Council on August 21, 1989, under Arizona Revised Statutes Section 9-981. The authority to establish and amend benefit provisions rests with the City Council. In December 1999, the council revised the pension and benefit program for the part-time firefighters.

The City discontinued using part-time firefighters as of December 31, 2005.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 8: **Retirement and Pension Plans** (continued)

(C) **Casa Grande Part-time Firemen's Pension Plan** (continued)

The assets of the plan are valued annually and the earnings or loss is distributed among the participant's accounts in the plan. The only expenditures being made from this fund are administration fees, retirement payments, and refunds to those firefighters who leave the service of the Fire Department before becoming eligible for pension benefits. The cost of administering the plan is financed from investment earnings. Retirement with full benefits can be at age fifty-five (55) or twenty years of credited service. This plan was fully vested as of June 30, 2005. As of June 30, 2010, there were 15 eligible employees participating in the plan. The plan is administered by The Innes Associates.

As of June 30, 2010, the plan's assets consisted of the following:

Cash	\$ 1,314
Money Market Funds	4,662
Mutual Funds	<u>563,525</u>
Total Assets	<u><u>\$569,501</u></u>

The plan has never had an actuarial valuation; however, benefits cannot exceed plan assets. The market values of mutual funds are determined from readily available market quotations.

The fund uses the accrual basis of accounting. Contributions are recognized when earned; benefits and refunds are expensed when incurred.

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 Administrative Services 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 2010 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.

On July 1, 2009 the City established a self-insurance fund (internal service) to account for and finance its uninsured risks of loss for medical claims. The City purchases commercial stop loss insurance to limit the claims liability to the employee benefit self-insurance fund. The stop loss insurance provides specific (individual member) coverage for claims incurred in excess of \$85,000 on the plan year and aggregate (plan wide) coverage for claims incurred over \$3,574,213 on the plan year. During fiscal year 2010 the plan did incur and receive recoveries for \$19,492 through specific stop loss coverage. For policy year 2009/2010 no liability for incurred but not reported (IBNR) claims is calculated because the plan is fully funded to maximum liability.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 10: **Capital Leases**

Leases at June 30, 2010, included the following:

Governmental activities:

Lease with option to purchase Public Works Facility. Quarterly installments of \$74,375 including interest of 4.887%, due through May 9, 2020.	\$2,343,016
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Lease with option to purchase 2 Airport fuel trucks. Final installments of \$4,903 including interest of 4.461%, due August 20, 2010.	4,903
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Lease with option to purchase Airport T-hangers. Quarterly installments of \$20,972 including interest of 5.081%, due through August 20, 2013.	<u>250,951</u>
--	----------------

Total Governmental Activities Capital Lease Obligation	<u>\$2,598,870</u>
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Business-Type Activities:

Sanitation:

Lease with option to purchase a garbage truck. Final installment of \$4,727, including interest at 4.461%, due August 20, 2010.	<u>4,652</u>
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Total Business-type Activities Capital Lease Obligation	<u>4,652</u>
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Total Long-Term Lease Payable	<u>\$2,603,522</u>
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(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 10: **Capital Leases** (continued)

The future minimum lease payments by year are:

Fiscal Year Ending June 30,	Government Activities	Business-type Activities	Total
2011	\$390,422	\$4,727	\$ 395,149
2012	381,388	-	381,388
2013	381,388	-	381,388
2014	315,619	-	315,619
2015	297,500	-	297,500
2016-2020	1,487,504	-	1,487,504
<hr/>			
Total minimum lease payments	3,253,821	4,727	3,258,548
Less: amount representing interest	(654,951)	(75)	(655,026)
Present value of future minimum lease payments	2,598,870	4,652	2,603,522
Less: current portion	(268,616)	(4,652)	(273,268)
Noncurrent portion	<u>\$2,330,254</u>	<u>\$ -</u>	<u>\$2,330,254</u>

Leased Capital Assets

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

	Cost	Accumulated Depreciation	Net Balance
<b>Building and Improvements:</b>			
Governmental Activities Assets	\$4,016,939	\$(528,955)	\$3,487,984
Total Building and Improvement	<u>4,016,939</u>	<u>(528,955)</u>	<u>3,487,984</u>
<b>Machinery and Equipment</b>			
Governmental Activities Assets	96,096	(68,068)	28,028
Business-type Activities Assets:			
Sanitation	<u>164,408</u>	<u>(126,046)</u>	<u>38,362</u>
Total Machinery and Equipment	<u>260,504</u>	<u>(194,114)</u>	<u>66,390</u>
Total Leased Capital Assets	<u>\$4,277,443</u>	<u>\$(723,069)</u>	<u>\$3,554,374</u>

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 11: **Bond Debt**

A summary of long-term bond debt transactions for the year ended June 30, 2010, follows:

	Balance July 1, 2009	Issued	Retired	Balance June 30, 2010
<b>Governmental Activities</b>				
General obligation bonds	\$9,739,549	\$19,000,000	\$(1,457,271)	\$27,282,278
Special assessment bonds	130,000	-	(130,000)	-
<b>Total Bonds Outstanding</b>	<b><u>\$9,869,549</u></b>	<b><u>\$19,000,000</u></b>	<b><u>\$(1,587,271)</u></b>	<b><u>\$27,282,278</u></b>
<b>Business-type Activities</b>				
General obligation bonds	\$1,605,451	-	\$(222,730)	\$1,382,721
<b>Total Bonds Outstanding</b>	<b><u>\$1,605,451</u></b>	<b><u>-</u></b>	<b><u>\$(222,730)</u></b>	<b><u>\$1,382,721</u></b>

Summarization of the long-term bond debt payable at June 30, 2010, follows:

Bond Description	Original Issue Amount	Amount of Installment	Interest Rate	Date of Final Payment
General obligation	\$32,540,000	\$10,000 – 2,170,000	3.50% - 5.80%	07/15/32
Special Assessment: ID #38	1,030,000	75,000 - 130,000	5.40%	01/01/10
<b>Total Bonds Outstanding</b>				

The following table summarizes the City's future bond debt service requirements as of June 30, 2010:

Year Ending June 30,	<u>Governmental Activities</u>		<u>Business- Activities</u>		Total	
	General Obligation Bonds	Interest	General Obligation Bonds	Interest		
	Bonds	Interest	Bonds	Interest	Bonds	Interest
2011	\$1,086,363	\$1,242,325	\$113,638	\$53,811	\$1,200,001	\$1,296,136
2012	575,454	1,205,329	44,546	51,043	620,000	1,256,372
2013	650,454	1,180,785	54,546	49,308	705,000	1,230,093
2014	630,454	1,154,126	54,546	47,399	685,000	1,201,525
2015	635,454	1,128,034	54,546	45,422	690,000	1,173,456
2016-2020	4,268,632	5,138,080	376,368	185,637	4,645,000	5,323,717
2021-2025	6,008,106	4,024,538	561,824	84,681	6,569,930	4,109,219
2026-2030	7,117,291	2,536,927	122,707	2,610	7,239,998	2,539,537
2031-2032	6,310,070	808,815	-	-	6,310,070	808,815
	<b><u>\$27,282,278</u></b>	<b><u>\$18,418,959</u></b>	<b><u>\$1,382,721</u></b>	<b><u>\$519,911</u></b>	<b><u>\$28,664,999</u></b>	<b><u>\$18,938,870</u></b>

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 11: **Bond Debt** (continued)

1) 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 begin in July, 2009.

In November 2006 the Villago Community Facilities District issued \$455,000 and in December 2008 issued \$750,000 of General Obligation bonds to finance construction. 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. Principal payments on the bonds began in July, 2007 and 2009.

2) In June 2008 the City issued \$11,000,000 of General Obligation bond debt to finance golf course improvements of \$2,000,000, recreation center improvements of \$1,500,000, construction of a new public safety building of \$2,000,000, new fire station of \$2,500,000 and new library of \$3,000,000. The 20-year bond has interest rates ranging from 3.50% to 4.25%. Principal payments ranging from \$2,170,000 to \$675,000 are paid annually with interest paid semiannually on July 1 and January 1.

3) In July 2009 the City issued \$19,000,000 of General Obligation bond debt to design and construct a new public safety facility. The 25-year bond has interest rates ranging from 4% to 5%. Principal payments ranging from \$370,000 to \$1,700,000 are paid annually on July 1, with payments beginning July 2010 and with interest paid semiannually on July and January 1.

NOTE 12: **Excise Tax Revenue Obligations**

In October 1997, the City issued \$3,590,000 of Excise Tax Revenue Obligations Series 1997 to finance the restoration of a 1921 vintage school building for use as a new City Hall. The 20-year revenue obligations have interest rates that range from 4.80 to 6.00 percent. Principal payments ranging from \$110,000 to \$290,000 are paid annually with interest paid semiannually on April 1, and October 1.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 12: **Excise Tax Revenue Obligations** (continued)

On December 1, 2003, the City issued \$18,120,000 of Excise Tax Revenue Obligations Series 2003. The 20-year revenue obligations have interest rates that range from 2.00 to 5.00 percent. Principal payments ranging from \$780,000 to \$1,600,000 are paid annually on April 1. \$9,300,000 was used to finance the construction of a wastewater treatment plant. \$8,820,000 was used to advance refund \$4,560,000 of Series 1994 and \$3,830,000 of Series 1995 Excise Tax Revenue Obligations with interest rates ranging from 4.35 to 6.00 and 5.00 to 6.20 percent, respectively.

In August, 2009 the City issued \$18,800,000 in excise tax revenue obligations consisting of: \$7,175,000 in tax exempt obligations will be used to construct a new courthouse and make road improvements. The 20-year obligation has interest rates ranging from 4.4% to 4.9% with principal payments beginning April 1, 2024. \$11,625,000 in taxable obligations will be used to construct a multi-use sports complex. The 15-year obligation has interest rates ranging from 2.3% to 6.4% with principal payments beginning April 1, 2010.

The 1997, 2003 and 2009 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 revenue obligation debt service requirements as of June 30, 2010:

Year Ending June 30,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$646,753	\$1,106,081	\$583,248	\$583,856	\$1,230,001	\$1,689,937
2012	908,790	1,082,941	606,210	561,984	1,515,000	1,644,925
2013	940,828	1,049,829	629,173	539,251	1,570,001	1,589,080
2014	982,865	1,009,051	652,135	514,084	1,635,000	1,523,135
2015	1,025,718	962,686	684,283	487,999	1,710,001	1,450,685
2016-2020	5,275,094	3,977,314	6,424,909	1,832,363	11,700,003	5,809,677
2021-2025	5,844,740	2,366,348	3,155,074	231,232	8,999,814	2,597,580
2026-2029	5,625,000	707,287	-	-	5,625,000	707,287
	<u>\$21,249,788</u>	<u>\$12,261,537</u>	<u>\$12,735,032</u>	<u>\$4,750,769</u>	<u>\$33,984,820</u>	<u>\$17,012,306</u>

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 13: **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 expected to be completed in 2011. The loan is for a total of \$62,555,540; however the balance disbursed to the City of Casa Grande at June 30, 2010 is \$38,373,905. The following schedule shows estimated payments based on the amount due of \$38,373,905.

Year Ending June 30,	Principal	Interest
2011	\$2,208,988	\$1,495,796
2012	2,297,957	1,406,773
2013	2,390,542	1,314,166
2014	2,486,857	1,217,827
2015	2,587,052	1,117,607
2016-20	14,585,314	3,937,569
2021-24	11,817,195	2,434,352
Total	<u>\$38,373,905</u>	<u>\$12,924,090</u>

The twenty year loan has an interest rate of 4.029%. Principal payments ranging from \$1,257,390 to \$4,497,458 are paid annually with interest paid semiannually on October 1 and April 1.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 14: **Changes in Long-Term Obligations**

	Balance			Balance	Amounts
Governmental Activities:	July 1, 2009	Additions	Reductions	June 30, 2010	Due Within One Year
Compensated absences	\$1,614,897	\$61,418	\$(908,000)	\$1,668,315	\$1,668,315
Bonds payable	9,869,549	19,000,000	(1,587,271)	27,282,278	1,086,363
Excise tax revenue obligations	3,130,318	18,800,000	(680,530)	21,249,788	646,753
Capital leases	2,909,161	-	(310,291)	2,598,870	268,616
Bond premium	120,770	-	(6,798)	113,972	-
Bond discount	(43,594)	(268,741)	1,406	(310,929)	-
Total Governmental Activities	<u>\$17,601,101</u>	<u>38,492,677</u>	<u>\$(3,491,484)</u>	<u>\$52,602,294</u>	<u>\$3,670,047</u>

	Balance			Balance	Amounts
Business-type Activities:	July 1, 2009	Additions	Reductions	June 30, 2010	Due Within One Year
Compensated absences	\$241,151	\$69,257	\$(95,000)	\$215,408	\$215,408
Bond payable	1,578,668	-	(195,947)	1,382,721	113,638
Capital leases	57,790	-	(53,138)	4,652	4,652
Excise tax revenue obligations	12,996,427	-	(569,470)	12,426,957	583,247
Notes payable (1)	138,476	-	(10,567)	127,909	10,931
Loan payable – see note 13	4,213,836	35,417,459	(1,257,390)	38,373,905	2,208,988
Bond premium	334,858	-	(26,783)	308,075	-
Total Business-type Activities	<u>\$19,561,206</u>	<u>\$35,486,716</u>	<u>\$(2,208,295)</u>	<u>\$52,839,627</u>	<u>\$3,136,864</u>

(1) In January, 2002 the Water Fund received financing from the Water Infrastructure Finance Authority of Arizona. The note is paid semi-annually until July 2019 with an interest rate of 3.437%.

Compensated absences are liquidated when mature by the various operating funds accruing the liability.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 15: **Long-Term Debt**

The following summarizes the annual debt service requirements to maturity for all long-term debt excluding compensated absences, including interest of \$49,553,486.

Year Ending June 30,	Governmental <u>Activities</u>		Business-type <u>Activities</u>		Total Principal
	Principal	Interest	Principal	Interest	
2011	2,001,732	2,470,212	2,921,457	2,137,745	4,923,189
2012	1,756,807	2,397,094	2,960,019	2,023,624	4,716,826
2013	1,877,379	2,325,904	3,085,955	1,906,154	4,963,334
2014	1,846,981	2,245,135	3,205,635	1,782,330	5,052,616
2015	1,887,655	2,161,737	3,338,394	1,653,625	5,226,049
2016-2020	10,855,175	9,291,450	21,455,908	5,961,686	32,311,083
2021-2025	11,852,846	6,390,886	15,534,144	2,750,265	27,386,990
2026-2030	12,742,291	1,516,102	122,707	2,610	12,864,998
2031-2032	6,310,070	2,536,927	-	-	6,310,070
	<u>\$51,130,936</u>	<u>\$31,335,447</u>	<u>\$52,624,219</u>	<u>\$18,218,039</u>	<u>\$103,755,155</u>

NOTE 16: **Landfill Closure and Postclosure Care Costs**

The U.S. Environmental Protection Agency and the Arizona Department of Environmental Quality require municipal solid waste landfill (MSWLF) owners and operators to provide for landfill closure and postclosure care costs. The City of Casa Grande owns and operates one landfill. Closure and postclosure care costs include cost of equipment expected to be installed and facilities expected to be constructed, cost of final cover and cost of monitoring and maintaining the expected useable MSWLF area. These costs are expected to be paid near or after the date that the MSWLF stops accepting solid waste and during the postclosure period. The Environmental Protection Agency has established the postclosure period to be 30 years. Closure and postclosure care costs are recognized in the current period based on landfill capacity used to date. On June 30, 2010 the City has reported a \$2,118,018 landfill closure and postclosure care liability that represents the total current cost based on 47.2 percent of estimated capacity of the landfill.

The remaining cost of \$2,361,857 will be recognized in the future periods as the remaining capacity is filled. The City expects the remaining capacity to extend for 21 years, which will be through the year 2030. Total closure and postclosure costs are based on current costs, and are reevaluated annually for changes in inflation or deflation, technology, and applicable laws or regulations. The 2010 valuation of the total closure and postclosure costs were estimated to be \$4,479,875.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 17: **Construction Commitments**

The City has four significant construction commitments as of 6/30/10:

Hunter Contracting Company is constructing a wastewater plant expansion. The contract sum is \$49,228,273 and of that amount \$39,948,697 has been paid.

Core Construction Services is constructing the following:

The Len Colla Recreation Center expansion original contract sum is \$1,937,166 and of that amount \$1,472,469 has been paid.

The Fire Station #504 construction original contract sum is \$3,734,840 and of that amount \$310,353 has been paid.

The Public Safety building original contract sum is \$19,672,951 and of that amount \$8,267,548 has been paid.

NOTE 18: **Summary of Interfund Transactions**

Interfund transactions as of June 30, 2010, were as follows:

Interfund Receivable/Payable:

Fund	Receivable Amount	Payable Amount
General	\$1,620,000	\$ -
Airport		120,000
Promotion & Tourism	-	200,000
Housing	-	170,000
Golf course	-	60,000
WWTP expansion	-	900,000
Equipment maintenance	-	170,000
Total	<u>\$1,620,000</u>	<u>\$1,620,000</u>

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

NOTE 18: **Summary of Interfund Transactions** (continued)

The interfund balances at June 30, 2010 are short-term loans to cover temporary cash deficits in various funds.

Transfers:

Fund	Transfers Out	Transfers In
Governmental Funds:		
General	\$6,250,065	\$2,106,704
Highway Users	636,000	-
System Development	375,000	22,000
Capital Replacement	6,346,000	8,442,248
Grants	22,000	846,607
Other Non-major Governmental	336,188	1,411,562
Total Governmental Funds	13,965,253	12,829,121
Enterprise Funds:		
Water	23,788	-
Golf Course	146,860	326,000
Wastewater	2,414,356	2,092,748
Sanitation	827,424	1,625,000
Total Enterprise Funds	3,412,428	4,043,748
Internal Service Fund	95,188	600,000
Grand Totals	\$17,472,869	\$17,472,869

There were no significant transfers during fiscal year 2010 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

(continued)

**CITY OF CASA GRANDE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

Note 19: **Deficit in Net Assets**

Four funds had deficits in net assets. The Self-help housing fund has a deficit of (\$12,927) in net assets because \$19,469 in Due from other governments was not received within 60 days of year end and is shown in deferred revenue. The Home/HUD fund has a deficit of (\$40,000) because \$40,000 in Due from other governments was not received within 60 days of year end and is shown in deferred revenue. The Municipal Airport operating fund had a deficit of (\$75,847) because air traffic and fuel sales were less than anticipated. The Promotion and Tourism has a deficit of (\$41,578) because \$175,965 in receivables was not received within 60 days of year end and is shown in deferred revenue.

Note 20: **Sales Tax Incentive Agreement**

In March, 2006 the City entered a tax-incentive agreement with WP Casa Grande Retail LLC in order to develop the Promenade at Casa Grande mall. WP Casa Grande Retail is paid 50% of the retail sales and construction activities tax collected by the City from Promenade sales. The agreement only applies to the portion of tax that is not a dedicated or special tax.

The agreement is in effect for twenty years up to a maximum payment of \$19,950,000 plus interest of 7%. There is a provision to extend the agreement for an additional three years if the amount remaining unpaid after twenty years is \$3,000,000 or more (including accrued but unpaid interest). Payments are made to WP Casa Grande Retail within forty-five days after the end of each calendar quarter for 50% of the tax collected during that quarter. The first payment to WP Casa Grande Retail was made in September, 2008. As of June 30, 2010 \$2,537,188 (including \$936,027 in interest) has been paid.

Note 21: **Prior Period Adjustment**

The City made a prior period adjustment to the Sanitation fund in order to correct an error in the year ended June 30, 2009 calculation of the landfill closure and postclosure expense and liability. The expense and liability were overstated by \$525,499.

Note 22: **Subsequent Events**

In August, 2010 the Villago Community Facilities District issued \$2,200,000 in General Obligation Debt for infrastructure. The 25 year obligation has interest rates ranging from 2% to 6% with principal payments beginning in July, 2011.





## **COMBINING STATEMENTS**

**City of Casa Grande, Arizona**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2010**

	Special Revenue					
	Municipal Airport	Parks Develop.	Community Arts	Redevelop- ment	Promotion & Tourism	Court Enhancement
<b>ASSETS</b>						
Cash	\$ 17,148	\$ 5,672	\$ 1,403	\$ 10,844	\$ 15,192	\$ 9,131
Investments	50	818,441	16,003	1,875,091	138,487	594,214
Receivables (less allowance for uncollectibles)	34,404	12,500	-	26,481	197,622	-
Due from other governments	-	-	-	359,607	-	2,720
Fuel Inventory	42,817	-	-	-	-	-
<b>Total assets</b>	<b>\$ 94,419</b>	<b>\$ 836,613</b>	<b>\$ 17,406</b>	<b>\$ 2,272,023</b>	<b>\$ 351,301</b>	<b>\$ 606,065</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable and other current liabilities	\$ 46,847	\$ 92	\$ -	\$ 28,723	\$ 16,914	\$ -
Due to other funds	120,000				200,000	
Accrued wages and benefits	3,419	-	-	-	-	-
Deferred revenue	-	-	-	-	175,965	-
<b>Total liabilities</b>	<b>170,266</b>	<b>92</b>	<b>-</b>	<b>28,723</b>	<b>392,879</b>	<b>-</b>
<b>Fund balances:</b>						
Reserved for:						
Special revenue	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Unreserved, reported in:						
Special revenue funds	(75,847)	836,521	17,406	2,243,299	(41,578)	606,065
Capital projects funds	-	-	-	-	-	-
<b>Total fund balances</b>	<b>(75,847)</b>	<b>836,521</b>	<b>17,406</b>	<b>2,243,299</b>	<b>(41,578)</b>	<b>606,065</b>
<b>Total liabilities and fund balance</b>	<b>\$ 94,419</b>	<b>\$ 836,613</b>	<b>\$ 17,406</b>	<b>\$ 2,272,022</b>	<b>\$ 351,301</b>	<b>\$ 606,065</b>

Special Revenue		Debt Service		Capital Projects		Total Nonmajor Governmental Funds
Housing Programs	Wildland Fire/ Public Safety	Redevelopment	2009 Excise Recreation	Recreation Improvement	Airport Improvement	
\$ 76,307	\$ 19,645	\$ 27,816	\$ -	\$ 1,156	\$ 141,584	\$ 325,898
64,045	5,239	-	-	-	-	3,511,570
-	-	-	-	-	-	271,007
7,000	-	-	-	-	59,287	428,614
-	-	-	-	-	-	42,817
<b>\$ 147,352</b>	<b>\$ 24,884</b>	<b>\$ 27,816</b>	<b>\$ -</b>	<b>\$ 1,156</b>	<b>\$ 200,871</b>	<b>\$ 4,579,906</b>
\$ 15	\$ 1,062	\$ -	\$ -	\$ -	\$ 4,609	\$ 98,262
10,000	-	-	-	-	-	330,000
-	-	-	-	-	-	3,419
7,000	-	-	-	-	45,523	228,488
<b>17,015</b>	<b>1,062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,132</b>	<b>660,169</b>
-	23,822	-	-	-	-	23,822
-	-	27,816	-	-	-	27,816
130,337	-	-	-	-	-	3,716,203
-	-	-	-	1,156	150,740	151,896
<b>130,337</b>	<b>23,822</b>	<b>27,816</b>	<b>-</b>	<b>1,156</b>	<b>150,740</b>	<b>3,919,737</b>
<b>\$ 147,352</b>	<b>\$ 24,884</b>	<b>\$ 27,816</b>	<b>\$ -</b>	<b>\$ 1,156</b>	<b>\$ 200,872</b>	<b>\$ 4,579,906</b>

**City of Casa Grande, Arizona**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2010**

	Special Revenue					
	Municipal Airport	Parks Develop.	Community Arts	Redevelop- ment	Promotion & Tourism	Court Enhancement
<b>REVENUES</b>						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ 405,990	\$ -	\$ -
Sales Tax	-	-	-	-	205,489	-
Intergovernmental revenues	-	-	-	-	-	35,457
Charges for services	-	-	-	-	-	64,851
Investment earnings	52	760	6	2,183	302	530
Rental and sale of city property	1,137,998	32,405	-	359,607	41,705	-
Miscellaneous	1,971	25,000	50,000	-	5,000	-
<b>Total revenues</b>	<b>1,140,021</b>	<b>58,165</b>	<b>50,006</b>	<b>767,780</b>	<b>252,496</b>	<b>100,838</b>
<b>EXPENDITURES</b>						
Current:						
General government	1,173,526	-	-	-	349,143	-
Public safety	-	-	-	-	-	6,750
Culture and recreation	-	12,706	18,105	-	-	-
Economic development	-	-	-	17,952	-	-
Capital outlay	-	-	40,450	802,337	-	-
Debt Service:						
Principal	89,470	-	-	-	-	-
Interest and fiscal charges	16,643	-	-	-	-	-
<b>Total expenditures</b>	<b>1,279,639</b>	<b>12,706</b>	<b>58,555</b>	<b>820,289</b>	<b>349,143</b>	<b>6,750</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(139,618)</b>	<b>45,459</b>	<b>(8,549)</b>	<b>(52,509)</b>	<b>(96,647)</b>	<b>94,088</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	15,500	-	-	-
Transfers out	(36,188)	-	-	-	(300,000)	-
<b>Total other financing sources and uses</b>	<b>(36,188)</b>	<b>-</b>	<b>15,500</b>	<b>-</b>	<b>(300,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(175,806)</b>	<b>45,459</b>	<b>6,951</b>	<b>(52,509)</b>	<b>(396,647)</b>	<b>94,088</b>
<b>Fund balances - beginning of year</b>	<b>99,959</b>	<b>791,062</b>	<b>10,455</b>	<b>2,295,808</b>	<b>355,069</b>	<b>511,977</b>
<b>Fund balances - end of year</b>	<b>\$ (75,847)</b>	<b>\$ 836,521</b>	<b>\$ 17,406</b>	<b>\$ 2,243,299</b>	<b>\$ (41,578)</b>	<b>\$ 606,065</b>

Special Revenue		Debt Service		Capital Projects		Total Nonmajor Governmental Funds
Housing Programs	Wildland Fire/ Public Safety	Redevelopment	Recreation	Recreation Improvement	Airport Improvement	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,990
-	-	-	-	-	-	205,489
166,340	1,974	-	-	-	100,803	304,574
10,065	-	-	-	-	-	74,916
78	20	-	-	-	-	3,931
-	-	-	-	-	-	1,571,715
81,885	12,036	-	-	-	-	175,892
<b>258,368</b>	<b>14,030</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,803</b>	<b>2,742,507</b>
-	-	-	-	-	-	1,522,669
-	23,107	-	-	-	-	29,857
-	-	-	-	-	-	30,811
304,642	-	2,700	-	-	500	325,794
-	-	-	-	-	24,678	867,465
-	-	200,000	430,000	-	-	719,470
-	-	99,920	597,955	-	-	714,518
<b>304,642</b>	<b>23,107</b>	<b>302,620</b>	<b>1,027,955</b>	<b>-</b>	<b>25,178</b>	<b>4,210,584</b>
<b>(46,274)</b>	<b>(9,077)</b>	<b>(302,620)</b>	<b>(1,027,955)</b>	<b>-</b>	<b>75,625</b>	<b>(1,468,077)</b>
-	-	299,920	1,027,955	-	68,187	1,411,562
-	-	-	-	-	-	(336,188)
-	-	<b>299,920</b>	<b>1,027,955</b>	<b>-</b>	<b>68,187</b>	<b>1,075,374</b>
<b>(46,274)</b>	<b>(9,077)</b>	<b>(2,700)</b>	<b>-</b>	<b>-</b>	<b>143,812</b>	<b>(392,703)</b>
<b>176,611</b>	<b>32,899</b>	<b>30,516</b>	<b>-</b>	<b>1,156</b>	<b>6,928</b>	<b>4,312,440</b>
<b>\$ 130,337</b>	<b>\$ 23,822</b>	<b>\$ 27,816</b>	<b>\$ -</b>	<b>\$ 1,156</b>	<b>\$ 150,740</b>	<b>\$ 3,919,737</b>

**City of Casa Grande, Arizona**  
**Combining Statement of Fiduciary Net Assets**  
**All Agency Funds**  
**June 30, 2010**

	Performance Bond Fund	Flexible Spending Plan Fund	Total
<b>ASSETS</b>			
Cash	\$ -	\$ 30,220	\$ 30,220
Investments, at fair value	1,780,844	-	1,780,844
<b>Total assets</b>	<b>1,780,844</b>	<b>30,220</b>	<b>1,811,064</b>
<b>LIABILITIES</b>			
Other liabilities	1,780,844	30,220	1,811,064
<b>Total liabilities</b>	<b>1,780,844</b>	<b>30,220</b>	<b>1,811,064</b>
<b>NET ASSETS</b>			
Held in trust for other purposes	\$ -	\$ -	\$ -

**City of Casa Grande, Arizona**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended June 30, 2010**

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
<b>Performance Bond Fund</b>				
Assets:				
Investments	\$ 1,767,554	\$ 13,290	\$ -	\$ 1,780,844
Interest Receivable	1,412	-	(1,412)	-
Total Assets	<u>1,768,966</u>	<u>13,290</u>	<u>(1,412)</u>	<u>1,780,844</u>
Liabilities:				
Other Liabilities	1,730,808	46,254	-	1,777,062
Accounts Payable	38,158	-	(34,376)	3,782
	<u>1,768,966</u>	<u>46,254</u>	<u>(34,376)</u>	<u>1,780,844</u>
<b>Flexible Spending Plan Fund</b>				
Assets:				
Cash	19,407	10,813	-	30,220
Total Assets	<u>19,407</u>	<u>10,813</u>	<u>-</u>	<u>30,220</u>
Liabilities:				
Other Liabilities	19,407	10,813	-	30,220
	<u>19,407</u>	<u>10,813</u>	<u>-</u>	<u>30,220</u>
<b>Totals - All Agency Funds</b>				
Assets:				
Cash	19,407	10,813	-	30,220
Investments	1,767,554	13,290	-	1,780,844
Interest Receivable	1,412	-	(1,412)	-
Total Assets	<u>1,788,373</u>	<u>24,103</u>	<u>(1,412)</u>	<u>1,811,064</u>
Liabilities:				
Other Liabilities	1,750,215	57,067	-	1,807,282
Accounts Payable	38,158	-	(34,376)	3,782
Total Liabilities	<u>\$ 1,788,373</u>	<u>\$ 57,067</u>	<u>\$ (34,376)</u>	<u>\$ 1,811,064</u>

**City of Casa Grande, Arizona**  
**General Fund**  
**Schedule of Expenditures - Legal Level Budget Compliance**  
**For the Year Ended June 30, 2010**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Budget Variance Positive (Negative)
	Original	Final		
General Government				
Mayor and Council				
Personal services	\$ 154,190	\$ 154,190	\$ 135,725	\$ 18,465
Other expenditures	3,054,580	2,537,480	1,186,524	1,350,956
City Manager				
Personal services	679,850	779,850	655,635	124,215
Other expenditures	176,710	176,710	290,314	(113,604)
Attorney				
Personal services	597,920	597,920	581,906	16,014
Other expenditures	67,110	67,110	40,738	26,372
Clerk				
Personal services	323,410	326,460	324,187	2,273
Other expenditures	73,900	153,120	106,749	46,371
Finance				
Personal services	828,170	832,770	826,596	6,174
Other expenditures	202,720	198,120	167,875	30,245
Information Technology				
Personal services	733,000	733,000	675,035	57,965
Other expenditures	1,013,010	1,013,010	814,681	198,329
Administrative Services				
Personal services	615,200	622,000	548,550	73,450
Other expenditures	281,480	274,680	178,088	96,592
Public Safety				
Police				
Personal services	9,779,570	9,796,150	9,784,275	11,875
Other expenditures	1,164,140	1,357,750	1,358,686	(936)
Fire				
Personal services	5,709,240	5,709,240	5,443,715	265,525
Other expenditures	751,050	751,050	705,801	45,249
Court				
Personal services	442,330	442,330	427,470	14,860
Other expenditures	88,620	88,620	75,061	13,559
Animal Control				
Personal services	236,200	221,270	212,980	8,290
Other expenditures	50,320	65,250	55,846	9,404
Public Works				
Personal services	1,093,910	1,091,190	987,027	104,163
Other expenditures	718,290	795,010	780,290	14,720
Culture and Recreation				
Personal services	3,206,870	3,278,600	3,078,918	199,682
Other expenditures	1,785,940	1,932,210	1,712,192	220,018
Planning and Economic Development				
Personal services	2,027,040	2,027,040	1,998,621	28,419
Other expenditures	135,650	135,650	37,951	97,699
Capital Outlay	3,604,600	3,560,850	405,327	3,155,523
Debt service	84,210	84,220	84,201	19
<b>Total expenditures</b>	<b>\$ 39,679,230</b>	<b>\$ 39,802,850</b>	<b>\$ 33,680,964</b>	<b>\$ 6,121,886</b>



## **OTHER SUPPLEMENTARY INFORMATION**

**City of Casa Grande, Arizona**  
**General Obligation Bond/Special Assessments Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Special assessments	\$ 135,000	\$ 135,000	\$ 8,883	\$ (126,117)
Property tax	2,941,870	2,941,870	3,140,640	198,770
Investment earnings	-	-	180	180
<b>Total revenues</b>	<b>3,076,870</b>	<b>3,076,870</b>	<b>3,149,703</b>	<b>72,833</b>
<b>EXPENDITURES</b>				
Current:				
Contractual services	-	-	651	(651)
Debt Service				
Principal retirement	1,725,000	1,725,000	1,502,270	222,730
Interest	1,271,790	1,271,090	1,149,621	121,469
<b>Total expenditures</b>	<b>2,996,790</b>	<b>2,996,090</b>	<b>2,652,542</b>	<b>343,548</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>80,080</b>	<b>80,780</b>	<b>497,161</b>	<b>416,381</b>
<b>OTHER FINANCING USES</b>				
Transfers Out	-	-	-	-
<b>Total other financing uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>80,780</b>	<b>(80,780)</b>	<b>497,161</b>	<b>416,381</b>
<b>Fund balance - beginning of year</b>	<b>-</b>	<b>(80,780)</b>	<b>432,252</b>	<b>513,032</b>
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 929,413</b>	<b>\$ 929,413</b>

**City of Casa Grande, Arizona**  
**Capital Replacement/Recreation/Development Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 129,500	\$ 129,500	\$ 41,295	\$ (88,205)
Construction sales tax	3,500,000	3,500,000	2,893,220	(606,780)
<b>Total revenues</b>	<b><u>3,629,500</u></b>	<b><u>3,629,500</u></b>	<b><u>2,934,515</u></b>	<b><u>(694,985)</u></b>
<b>EXPENDITURES</b>				
Contractual services	-	553,330	6,268	547,062
Capital outlay	71,945,500	72,159,600	29,166,297	42,993,303
<b>Total expenditures</b>	<b><u>71,945,500</u></b>	<b><u>72,712,930</u></b>	<b><u>29,172,565</u></b>	<b><u>43,540,365</u></b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b><u>(68,316,000)</u></b>	<b><u>(69,083,430)</u></b>	<b><u>(26,238,050)</u></b>	<b><u>42,845,380</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,720,000)	(1,720,000)	(6,346,000)	(4,626,000)
Transfers in	1,442,260	1,442,260	8,442,248	6,999,988
Bond issuance costs	-	-	(472,066)	(472,066)
Proceeds from obligations	59,000,000	59,000,000	37,800,000	(21,200,000)
<b>Total other financing sources and uses</b>	<b><u>58,722,260</u></b>	<b><u>58,722,260</u></b>	<b><u>39,424,182</u></b>	<b><u>(19,298,078)</u></b>
<b>Net change in fund balance</b>	<b><u>(9,593,740)</u></b>	<b><u>(10,361,170)</u></b>	<b><u>13,186,132</u></b>	<b><u>23,547,302</u></b>
<b>Fund balance - beginning of year</b>	<b><u>9,593,740</u></b>	<b><u>10,361,170</u></b>	<b><u>24,024,594</u></b>	<b><u>13,663,424</u></b>
<b>Fund balance - end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 37,210,726</u></b>	<b><u>\$ 37,210,726</u></b>

**City of Casa Grande, Arizona**  
**Community Facilities Districts - Capital Projects**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property Tax	\$ 255,200	\$ 255,200	\$ 708,217	\$ 453,017
Investment Earnings	-	-	282	282
<b>Total revenues</b>	<u>255,200</u>	<u>255,200</u>	<u>708,499</u>	<u>453,299</u>
<b>EXPENDITURES</b>				
Contractual services	-	-	12,785	(12,785)
Debt Service	241,380	241,380	241,380	-
<b>Total expenditures</b>	<u>241,380</u>	<u>241,380</u>	<u>254,165</u>	<u>(12,785)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>13,820</u>	<u>13,820</u>	<u>454,334</u>	<u>440,514</u>
<b>Fund balance - beginning of year</b>	<u>(13,820)</u>	<u>(13,820)</u>	<u>352,050</u>	<u>365,870</u>
<b>Fund balance - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 806,384</u>	<u>\$ 806,384</u>

**City of Casa Grande, Arizona**  
**Municipal Airport Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 2,000	\$ 2,000	\$ 52	\$ (1,948)
Rental and sale of city property	1,394,000	1,032,000	1,137,998	105,998
Miscellaneous	1,000	1,000	1,971	971
<b>Total revenues</b>	<b><u>1,397,000</u></b>	<b><u>1,035,000</u></b>	<b><u>1,140,021</u></b>	<b><u>105,021</u></b>
<b>EXPENDITURES</b>				
Current:				
General government:				
Personal services	196,440	196,440	192,723	3,717
Contractual services	55,140	75,270	52,113	23,157
Materials and supplies	1,000,900	1,080,900	928,690	152,210
Capital outlay	1,220,000	1,210,000	-	1,210,000
Debt service	106,840	106,840	106,113	727
<b>Total expenditures</b>	<b><u>2,579,320</u></b>	<b><u>2,669,450</u></b>	<b><u>1,279,639</u></b>	<b><u>1,389,811</u></b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b><u>(1,182,320)</u></b>	<b><u>(1,634,450)</u></b>	<b><u>(139,618)</u></b>	<b><u>1,494,832</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from obligations	1,150,000	158,640	-	(158,640)
Transfers out	(36,190)	(36,190)	(36,188)	2
<b>Total other financing sources and uses</b>	<b><u>1,113,810</u></b>	<b><u>122,450</u></b>	<b><u>(36,188)</u></b>	<b><u>(158,638)</u></b>
<b>Net change in fund balance</b>	<b><u>(68,510)</u></b>	<b><u>(1,512,000)</u></b>	<b><u>(175,806)</u></b>	<b><u>1,336,194</u></b>
<b>Fund balance - beginning of year</b>	<b><u>68,510</u></b>	<b><u>1,512,000</u></b>	<b><u>99,959</u></b>	<b><u>(1,412,041)</u></b>
<b>Fund balance - end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (75,847)</u></b>	<b><u>\$ (75,847)</u></b>

**City of Casa Grande, Arizona**  
**Parks Development Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 8,000	\$ 8,000	\$ 760	\$ (7,240)
Rental and sale of City property	31,000	31,000	32,405	1,405
Miscellaneous	-	-	25,000	<b>25,000</b>
<b>Total revenues</b>	<b><u>39,000</u></b>	<b><u>39,000</u></b>	<b><u>58,165</u></b>	<b><u>19,165</u></b>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Contractual services	<u>580,000</u>	<u>580,000</u>	<u>12,706</u>	<u>567,294</u>
<b>Total expenditures</b>	<b><u>580,000</u></b>	<b><u>580,000</u></b>	<b><u>12,706</u></b>	<b><u>567,294</u></b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(541,000)	(541,000)	45,459	586,459
<b>Fund balance - beginning of year</b>	<b><u>541,000</u></b>	<b><u>541,000</u></b>	<b><u>791,062</u></b>	<b><u>250,062</u></b>
<b>Fund balance - end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 836,521</u></b>	<b><u>\$ 836,521</u></b>

**City of Casa Grande, Arizona**  
**Community Arts Reserve Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Contributions and Donations	\$ 20,000	\$ 20,000	\$ 50,000	\$ 30,000
Investment earnings	-	-	6	6
<b>Total revenues</b>	<b>20,000</b>	<b>20,000</b>	<b>50,006</b>	<b>30,006</b>
<b>EXPENDITURES</b>				
Current:				
Contractual services	-	-	1,142	(1,142)
Materials and supplies	-	17,000	16,963	37
Capital outlay	48,000	48,000	40,450	7,550
<b>Total expenditures</b>	<b>48,000</b>	<b>65,000</b>	<b>58,555</b>	<b>6,445</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(28,000)</b>	<b>(45,000)</b>	<b>(8,549)</b>	<b>36,451</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,000	5,000	15,500	10,500
<b>Total other financing sources and uses</b>	<b>5,000</b>	<b>5,000</b>	<b>15,500</b>	<b>10,500</b>
<b>Net change in fund balance</b>	<b>(23,000)</b>	<b>(40,000)</b>	<b>6,951</b>	<b>46,951</b>
<b>Fund balance - beginning of year</b>	<b>23,000</b>	<b>40,000</b>	<b>10,455</b>	<b>(29,545)</b>
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,406</b>	<b>\$ 17,406</b>

**City of Casa Grande, Arizona**  
**Redevelopment/Downtown Revitalization Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local taxes	\$ 250,000	\$ 250,000	\$ 405,990	\$ 155,990
Investment earnings	20,000	20,000	2,183	(17,817)
Rental and sale of city property	-	-	359,607	359,607
<b>Total revenues</b>	<b><u>270,000</u></b>	<b><u>270,000</u></b>	<b><u>767,780</u></b>	<b><u>497,780</u></b>
<b>EXPENDITURES</b>				
Current:				
Economic development:				
Contractual services	250,000	250,000	17,827	232,173
Materials and supplies	-	-	125	(125)
Capital outlay	<u>2,136,280</u>	<u>2,136,280</u>	<u>802,337</u>	<u>1,333,943</u>
<b>Total expenditures</b>	<b><u>2,386,280</u></b>	<b><u>2,386,280</u></b>	<b><u>820,289</u></b>	<b><u>1,565,991</u></b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,116,280)</b>	<b>(2,116,280)</b>	<b>(52,509)</b>	<b>2,063,771</b>
<b>Fund balance - beginning of year</b>	<b><u>2,116,280</u></b>	<b><u>2,116,280</u></b>	<b><u>2,295,808</u></b>	<b><u>179,528</u></b>
<b>Fund balance - end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,243,299</u></b>	<b><u>\$ 2,243,299</u></b>

**City of Casa Grande, Arizona**  
**Performance Institute / Promotion and Tourism Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local taxes	\$ 100,000	\$ 100,000	\$ 205,489	\$ 105,489
Facility Use	-	-	41,705	41,705
Contributions	-	-	5,000	5,000
Investment earnings	2,000	2,000	302	(1,698)
<b>Total revenues</b>	<b>102,000</b>	<b>102,000</b>	<b>252,496</b>	<b>150,496</b>
<b>EXPENDITURES</b>				
Contractual services	100,000	174,690	174,682	8
Materials & supplies	-	174,530	174,461	69
<b>Total expenditures</b>	<b>100,000</b>	<b>349,220</b>	<b>349,143</b>	<b>77</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,000</b>	<b>(247,220)</b>	<b>(96,647)</b>	<b>150,573</b>
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(300,000)	(300,000)
<b>Total other financing uses</b>				
<b>Net change in fund balance</b>	<b>2,000</b>	<b>(247,220)</b>	<b>(396,647)</b>	<b>(149,427)</b>
<b>Fund balance - beginning of year</b>	<b>(2,000)</b>	<b>247,220</b>	<b>355,069</b>	<b>107,849</b>
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (41,578)</b>	<b>\$ (41,578)</b>

**City of Casa Grande, Arizona**  
**Court Enhancement/Probationary Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 35,457	\$ 26,457
Charges for services	54,000	54,000	64,851	10,851
Investment earnings	4,000	4,000	530	(3,470)
<b>Total revenues</b>	<b>67,000</b>	<b>67,000</b>	<b>100,838</b>	<b>33,838</b>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Contractual services	87,950	87,950	6,750	81,200
Capital outlay	518,670	536,670	-	536,670
<b>Total expenditures</b>	<b>606,620</b>	<b>624,620</b>	<b>6,750</b>	<b>617,870</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(539,620)	(557,620)	94,088	651,708
<b>Fund balance - beginning of year</b>	<b>539,620</b>	<b>557,620</b>	<b>511,977</b>	<b>(45,643)</b>
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 606,065</b>	<b>\$ 606,065</b>

**City of Casa Grande, Arizona**  
**Housing Application and Development Fees Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for service	\$ 350,000	\$ 350,000	\$ 10,065	\$ (339,935)
Intergovernmental	250,000	250,000	166,340	(83,660)
Investment earnings	-	-	78	78
Loan fees	-	-	81,885	81,885
<b>Total revenues</b>	<b>600,000</b>	<b>600,000</b>	<b>258,368</b>	<b>(341,632)</b>
<b>EXPENDITURES</b>				
Current:				
Economic development:				
Personal services	50,000	3,550	-	3,550
Contractual services	550,000	473,340	304,642	168,698
<b>Total expenditures</b>	<b>600,000</b>	<b>476,890</b>	<b>304,642</b>	<b>172,248</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	123,110	(46,274)	(169,384)
<b>Fund balance - beginning of year</b>	-	<b>(123,110)</b>	<b>176,611</b>	<b>299,721</b>
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 130,337</b>	<b>\$ 130,337</b>

**City of Casa Grande, Arizona**  
**Wildland Firefighting/Public Safety Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenue	\$60,000	\$60,000	\$1,974	(\$58,026)
Investment earnings	200	200	20	(180)
Contributions	26,200	26,200	12,036	(14,164)
<b>Total revenues</b>	<b>86,400</b>	<b>86,400</b>	<b>14,030</b>	<b>(72,370)</b>
<b>EXPENDITURES</b>				
Current:				
Wildland firefighting	60,000	60,000	2,568	57,432
Public safety activities	21,000	21,000	20,539	461
<b>Total expenditures</b>	<b>81,000</b>	<b>81,000</b>	<b>23,107</b>	<b>57,893</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	5,400	5,400	(9,077)	(14,477)
<b>Fund balance - beginning of year</b>	<b>(5,400)</b>	<b>(5,400)</b>	<b>32,899</b>	<b>38,299</b>
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,822</b>	<b>\$ 23,822</b>

**City of Casa Grande, Arizona**  
**Redevelopment Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
<b>Total revenues</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	-	3,000	2,700	300
Debt service:				
Principal	200,000	200,000	200,000	-
Interest and fiscal charges	99,920	99,920	99,920	-
<b>Total expenditures</b>	<u>299,920</u>	<u>302,920</u>	<u>302,620</u>	<u>300</u>
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	<u>(299,920)</u>	<u>(302,920)</u>	<u>(302,620)</u>	<u>300</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	299,920	299,920	299,920	-
<b>Total other financing sources and uses</b>	<u>299,920</u>	<u>299,920</u>	<u>299,920</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>(3,000)</u>	<u>(2,700)</u>	<u>300</u>
<b>Fund balance - beginning of year</b>	<u>-</u>	<u>3,000</u>	<u>30,516</u>	<u>27,516</u>
<b>Fund balance - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,816</u>	<u>\$ 27,816</u>

**City of Casa Grande, Arizona**  
**Recreation Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
<b>Total revenues</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	-	950	-	950
Debt Service:				
Principal retirement	-	430,000	430,000	-
Interest	-	597,960	597,955	5
<b>Total expenditures</b>	<u>-</u>	<u>1,028,910</u>	<u>1,027,955</u>	<u>955</u>
 <b>Excess (deficiency) of revenues     over (under) expenditures</b>	 <u>-</u>	 <u>(1,028,910)</u>	 <u>(1,027,955)</u>	 <u>955</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	1,027,955	1,027,955
<b>Total other financing uses</b>	<u>-</u>	<u>-</u>	<u>1,027,955</u>	<u>1,027,955</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,028,910</u>
<b>Fund balance - beginning of year</b>	<u>-</u>	<u>1,028,910</u>	<u>-</u>	<u>(1,028,910)</u>
<b>Fund balance - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Casa Grande, Arizona**  
**Airport Improvement Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 1,718,920	\$ 1,718,920	\$ 100,803	\$ (1,618,117)
<b>Total revenues</b>	<b>1,718,920</b>	<b>1,718,920</b>	<b>100,803</b>	<b>(1,618,117)</b>
<b>EXPENDITURES</b>				
Contractual services	-	-	500	(500)
Capital outlay	1,763,000	1,751,080	24,678	1,726,402
<b>Total expenditures</b>	<b>1,763,000</b>	<b>1,751,080</b>	<b>25,178</b>	<b>1,725,902</b>
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	<b>(44,080)</b>	<b>(32,160)</b>	<b>75,625</b>	<b>107,785</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	44,080	44,080	68,187	24,107
<b>Total other financing sources</b>	<b>44,080</b>	<b>44,080</b>	<b>68,187</b>	<b>24,107</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>11,920</b>	<b>143,812</b>	<b>131,892</b>
Fund balance - beginning of year	-	(11,920)	6,928	18,848
Fund balance - end of year	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,740</b>	<b>\$ 150,740</b>

**City of Casa Grande, Arizona**  
**Copper Mountain Ranch Water Enterprise Fund**  
**Schedule of Operations - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OPERATING REVENUES:</b>				
Service fees	\$ 121,000	\$ 121,000	\$ 162,094	\$ 41,094
<b>Total operating revenues</b>	<b>121,000</b>	<b>121,000</b>	<b>162,094</b>	<b>41,094</b>
<b>OPERATING EXPENSES:</b>				
Personal services	54,680	56,250	55,673	577
Contractual	27,400	25,830	17,175	8,655
Materials and supplies	61,200	61,200	37,754	23,446
Depreciation	2,200,000	2,200,000	44,540	2,155,460
<b>Total operating expenses</b>	<b>2,343,280</b>	<b>2,343,280</b>	<b>155,142</b>	<b>2,188,138</b>
<b>Operating Income</b>	<b>(2,222,280)</b>	<b>(2,222,280)</b>	<b>6,952</b>	<b>2,229,232</b>
<b>NONOPERATING REVENUE (EXPENSES):</b>				
Interest expense	(15,400)	(4,900)	(4,576)	324
<b>Total nonoperating revenue (expense)</b>	<b>(15,400)</b>	<b>(4,900)</b>	<b>(4,576)</b>	<b>324</b>
<b>Income (loss) before transfers</b>	<b>(2,237,680)</b>	<b>(2,227,180)</b>	<b>2,376</b>	<b>2,229,556</b>
Transfers out	(23,790)	(23,790)	(23,788)	2
<b>Net change in net assets</b>	<b>(2,261,470)</b>	<b>(2,250,970)</b>	<b>(21,412)</b>	<b>2,229,558</b>
<b>Net Assets - beginning of year</b>	<b>2,261,470</b>	<b>2,250,970</b>	<b>1,380,894</b>	<b>(870,076)</b>
<b>Net Assets - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,359,482</b>	<b>\$ 1,359,482</b>

**City of Casa Grande, Arizona**  
**Wastewater Enterprise Fund**  
**Schedule of Operations - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OPERATING REVENUES:</b>				
Service fees	\$ 4,531,000	\$ 4,531,000	\$ 5,041,530	\$ 510,530
Connection fees	20,000	20,000	14,664	(5,336)
Miscellaneous	30,000	30,000	17,717	(12,283)
<b>Total operating revenues</b>	<b><u>4,581,000</u></b>	<b><u>4,581,000</u></b>	<b><u>5,073,911</u></b>	<b><u>492,911</u></b>
<b>OPERATING EXPENSES:</b>				
Personal services	856,390	709,830	627,378	82,452
Contractual	980,690	1,641,810	1,209,077	432,733
Materials and supplies	896,630	959,230	916,755	42,475
Depreciation	39,153,000	39,373,180	1,796,786	37,576,394
<b>Total operating expenses</b>	<b><u>41,886,710</u></b>	<b><u>42,684,050</u></b>	<b><u>4,549,996</u></b>	<b><u>38,134,054</u></b>
<b>Operating Income</b>	<b><u>(37,305,710)</u></b>	<b><u>(38,103,050)</u></b>	<b><u>523,915</u></b>	<b><u>38,626,965</u></b>
<b>NONOPERATING REVENUE (EXPENSES):</b>				
Interest income	3,000	3,000	7,165	4,165
Interest expense	(3,773,460)	(2,946,120)	(974,870)	1,971,250
City sales tax	-	-	-	-
<b>Total nonoperating revenue (expense)</b>	<b><u>(3,770,460)</u></b>	<b><u>(2,943,120)</u></b>	<b><u>(967,705)</u></b>	<b><u>1,975,415</u></b>
<b>Income (loss) before contributions and transfers</b>	<b><u>(41,076,170)</u></b>	<b><u>(41,046,170)</u></b>	<b><u>(443,790)</u></b>	<b><u>40,602,380</u></b>
Capital contributions	-	-	895,826	895,826
Transfers in	2,092,750	2,092,750	2,092,748	
Transfers out	(416,610)	(416,610)	(416,608)	2
<b>Net change in net assets</b>	<b><u>(41,492,780)</u></b>	<b><u>(41,462,780)</u></b>	<b><u>2,128,176</u></b>	<b><u>43,590,956</u></b>
<b>Net Assets - beginning of year</b>	<b><u>41,492,780</u></b>	<b><u>41,462,780</u></b>	<b><u>35,630,390</u></b>	<b><u>(5,832,390)</u></b>
<b>Net Assets - end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 37,758,566</u></b>	<b><u>\$ 37,758,566</u></b>

**City of Casa Grande, Arizona**  
**Wastewater Development Fees Enterprise Fund**  
**Schedule of Operations - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OPERATING REVENUES:</b>				
Connection fees	\$ 1,475,000	\$ 1,475,000	\$ 983,431	\$ (491,569)
<b>Total operating revenues</b>	<b><u>1,475,000</u></b>	<b><u>1,475,000</u></b>	<b><u>983,431</u></b>	<b><u>(491,569)</u></b>
<b>OPERATING EXPENSES:</b>				
Depreciation	1,100,000	2,805,160	4,005	2,801,155
<b>Total operating expenses</b>	<b><u>1,100,000</u></b>	<b><u>2,805,160</u></b>	<b><u>4,005</u></b>	<b><u>2,801,155</u></b>
<b>Operating Income</b>	<b><u>375,000</u></b>	<b><u>(1,330,160)</u></b>	<b><u>979,426</u></b>	<b><u>2,309,586</u></b>
<b>NONOPERATING REVENUE :</b>				
Interest income	175,000	175,000	13,932	(161,068)
<b>Total nonoperating revenue</b>	<b><u>175,000</u></b>	<b><u>175,000</u></b>	<b><u>13,932</u></b>	<b><u>(161,068)</u></b>
<b>Income (loss) before transfers</b>	<b><u>550,000</u></b>	<b><u>(1,155,160)</u></b>	<b><u>993,358</u></b>	<b><u>2,148,518</u></b>
Transfers out	(1,997,750)	(1,997,750)	(1,997,748)	2
<b>Net change in net assets</b>	<b><u>550,000</u></b>	<b><u>(3,152,910)</u></b>	<b><u>(1,004,390)</u></b>	<b><u>2,148,520</u></b>
<b>Net Assets - beginning of year</b>	<b><u>(550,000)</u></b>	<b><u>3,152,910</u></b>	<b><u>20,371,019</u></b>	<b><u>17,218,109</u></b>
<b>Net Assets - end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 19,366,629</u></b>	<b><u>\$ 19,366,629</u></b>

**City of Casa Grande, Arizona**  
**Sanitation/Development Enterprise Fund**  
**Schedule of Operations - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OPERATING REVENUES:</b>				
Service fees	\$ 5,683,000	\$ 5,683,000	\$ 4,990,348	\$ (692,652)
Recycling revenue	278,000	278,000	97,117	(180,883)
Impact fees	-	-	64,098	64,098
Miscellaneous	10,000	10,000	-	(10,000)
<b>Total operating revenues</b>	<b><u>5,971,000</u></b>	<b><u>5,971,000</u></b>	<b><u>5,151,563</u></b>	<b><u>(819,437)</u></b>
<b>OPERATING EXPENSES:</b>				
Personal services	2,531,410	2,503,270	2,384,717	118,553
Contractual	921,110	943,760	931,487	12,273
Materials and supplies	1,110,820	1,025,300	614,733	410,567
Depreciation	1,921,000	2,012,250	580,182	1,432,068
Closure and postclosure costs	150,000	150,000	141,145	8,855
<b>Total operating expenses</b>	<b><u>6,634,340</u></b>	<b><u>6,634,580</u></b>	<b><u>4,652,264</u></b>	<b><u>1,982,316</u></b>
<b>Operating Income</b>	<b><u>(663,340)</u></b>	<b><u>(663,580)</u></b>	<b><u>499,299</u></b>	<b><u>1,162,879</u></b>
<b>NONOPERATING REVENUE (EXPENSES):</b>				
Loss on sale of assets	-	-	(14,277)	(14,277)
Interest income	6,500	6,500	1,354	(5,146)
Interest expense	(54,510)	(53,860)	(1,119)	52,741
<b>Total nonoperating revenue (expense)</b>	<b><u>(48,010)</u></b>	<b><u>(47,360)</u></b>	<b><u>(14,042)</u></b>	<b><u>33,318</u></b>
<b>Income before transfers</b>	<b><u>(711,350)</u></b>	<b><u>(710,940)</u></b>	<b><u>485,257</u></b>	<b><u>1,196,197</u></b>
Transfers in	1,625,000	1,625,000	1,625,000	-
Transfers out	(827,430)	(827,450)	(827,424)	26
<b>Net change in net assets</b>	<b><u>(1,538,780)</u></b>	<b><u>(1,538,390)</u></b>	<b><u>1,282,833</u></b>	<b><u>2,821,223</u></b>
<b>Net Assets - beginning of year</b>	<b><u>1,538,780</u></b>	<b><u>1,538,390</u></b>	<b><u>2,526,418</u></b>	<b><u>988,028</u></b>
<b>Prior period adjustment</b>			<b><u>525,499</u></b>	<b><u>525,499</u></b>
<b>Net Assets - beginning of year restated</b>			<b><u>3,051,917</u></b>	<b><u>1,513,527</u></b>
<b>Net Assets - end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,334,750</u></b>	<b><u>\$ 4,334,750</u></b>

**City of Casa Grande, Arizona**  
**Golf Course Enterprise Fund**  
**Schedule of Operations - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OPERATING REVENUES:</b>				
Rental	\$ 210,000	\$ 210,000	\$ 125,398	\$ (84,602)
Green fees	857,550	857,550	941,928	84,378
Miscellaneous	10,000	10,000	2,075	(7,925)
<b>Total operating revenues</b>	<b><u>1,077,550</u></b>	<b><u>1,077,550</u></b>	<b><u>1,069,401</u></b>	<b><u>(8,149)</u></b>
<b>OPERATING EXPENSES:</b>				
Personal services	487,020	487,020	479,865	7,155
Contractual	107,280	149,280	149,200	80
Materials and supplies	426,150	459,790	469,229	(9,439)
Depreciation	265,500	189,860	144,440	45,420
<b>Total operating expenses</b>	<b><u>1,285,950</u></b>	<b><u>1,285,950</u></b>	<b><u>1,242,734</u></b>	<b><u>43,216</u></b>
<b>Operating Income</b>	<b><u>(208,400)</u></b>	<b><u>(208,400)</u></b>	<b><u>(173,333)</u></b>	<b><u>35,067</u></b>
<b>NONOPERATING REVENUE (EXPENSE):</b>				
Interest income	-	-	209	209
Interest expense			(706)	(706)
City sales tax	16,380	16,380	26,657	10,277
<b>Total nonoperating revenue</b>	<b><u>16,380</u></b>	<b><u>16,380</u></b>	<b><u>26,160</u></b>	<b><u>9,780</u></b>
<b>Income (loss) before transfers</b>	<b><u>(192,020)</u></b>	<b><u>(192,020)</u></b>	<b><u>(147,173)</u></b>	<b><u>44,847</u></b>
Transfers in	200,000	200,000	326,000	126,000
Transfers out	(146,860)	(146,860)	(146,860)	-
<b>Net change in net assets</b>	<b><u>(138,880)</u></b>	<b><u>(138,880)</u></b>	<b><u>31,967</u></b>	<b><u>170,847</u></b>
<b>Net assets - beginning of year</b>	<b><u>138,880</u></b>	<b><u>138,880</u></b>	<b><u>913,126</u></b>	<b><u>774,246</u></b>
<b>Net assets - end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 945,093</u></b>	<b><u>\$ 945,093</u></b>

**City of Casa Grande, Arizona**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Source**  
**June 30, 2010**

Governmental funds capital assets:	
Land and construction in progress	\$ 37,022,894
Buildings	35,629,288
Improvements other than buildings	195,532,715
Machinery and equipment	<u>21,734,073</u>
Total governmental funds capital assets	<u>\$ 289,918,970</u>
Investments in governmental funds capital assets by source:	
General obligation bonds	\$ 459,861
Grants	1,529,993
General Fund revenues	13,333,761
Special Revenue Fund revenues	111,145,808
Capital Project Funds	59,998,147
Gifts and donations	<u>103,451,400</u>
Total investments in governmental funds capital assets	<u>\$ 289,918,970</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**City of Casa Grande, Arizona**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes By Function and Activity**  
**For the Year Ended June 30, 2010**

<u>Function and Activity</u>	<u>General Capital Assets June 30, 2009</u>	<u>Additions</u>	<u>Adjustments/ Disposals</u>	<u>General Capital Assets June 30, 2010</u>
General government	\$ 10,040,166	\$ 1,062,050	\$ -	\$ 11,102,216
Public safety	15,733,482	10,271,158	(160,729)	25,843,911
Streets/Transportation	181,780,777	10,419,783	-	192,200,560
Public works	1,710,442	13,037	(16,802)	1,706,677
Culture and recreation	26,471,599	14,312,507	-	40,784,106
Economic development	18,385,971	81,204	(185,675)	18,281,500
<b>Total</b>	<b><u>\$ 254,122,437</u></b>	<b><u>\$ 36,159,739</u></b>	<b><u>\$ (363,206)</u></b>	<b><u>\$ 289,918,970</u></b>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.



## **STATISTICAL SECTION**



## Statistical Section

This part of the City of Casa Grande's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	100
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its sales and property taxes.	107
Debt Capacity 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.	109
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	115
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	117

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**Schedule 1**  
**City of Casa Grande**  
**Net Assets by Component**  
**Last Eight Fiscal Years**  
(accrual basis of accounting)

	June 30				
	2003	2004	2005	2006	2007
<b>Governmental activities</b>					
Invested in capital assets, net of related debt	\$ 21,646,269	\$ 24,413,490	\$ 28,136,615	\$ 74,265,031	\$ 121,397,151
Restricted	7,492,999	13,846,429	25,705,254	39,505,454	61,600,770
Unrestricted	3,935,234	5,857,139	10,880,929	17,574,060	24,880,238
<b>Total governmental activities net assets</b>	<b>\$ 33,074,502</b>	<b>\$ 44,117,058</b>	<b>\$ 64,722,798</b>	<b>\$ 131,344,545</b>	<b>\$ 207,878,159</b>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 15,329,786	\$ 9,650,425	\$ 19,179,454	\$ 27,728,464	\$ 29,545,366
Restricted	1,983,310	11,289,359	7,202,857	11,541,534	15,292,233
Unrestricted	97,231	1,030,876	4,985,723	8,492,036	9,374,364
<b>Total business-type activities net assets</b>	<b>\$ 17,410,327</b>	<b>\$ 21,970,660</b>	<b>\$ 31,368,034</b>	<b>\$ 47,762,034</b>	<b>\$ 54,211,963</b>
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ 36,976,055	\$ 34,063,915	\$ 47,316,069	\$ 101,993,495	\$ 150,942,517
Restricted	9,476,309	25,135,788	32,908,111	51,046,988	76,893,003
Unrestricted	4,032,465	6,888,015	15,866,652	26,066,096	34,254,602
<b>Total primary government net assets</b>	<b>\$ 50,484,829</b>	<b>\$ 66,087,718</b>	<b>\$ 96,090,832</b>	<b>\$ 179,106,579</b>	<b>\$ 262,090,122</b>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

<b>2008</b>	<b>2009</b>	<b>2010</b>
\$ 144,539,605	\$ 166,666,266	\$ 169,037,582
77,352,432	63,759,736	66,259,746
29,930,330	29,204,011	24,786,399
<u>\$ 251,822,367</u>	<u>\$ 259,630,013</u>	<u>\$ 260,083,727</u>
\$ 33,189,049	\$ 42,819,605	\$ 46,698,154
19,276,562	16,814,023	11,962,381
7,191,725	1,188,222	5,103,985
<u>\$ 59,657,336</u>	<u>\$ 60,821,850</u>	<u>\$ 63,764,520</u>
\$ 177,728,654	\$ 209,485,871	\$ 215,735,736
96,628,994	80,573,759	78,222,127
37,122,055	30,392,233	29,890,384
<u>\$ 311,479,703</u>	<u>\$ 320,451,863</u>	<u>\$ 323,848,247</u>

**Schedule 2**  
**City of Casa Grande**  
**Changes in Net Assets**  
**Last Eight Fiscal Years**  
(accrual basis of accounting)

	June 30				
	2003	2004	2005	2006	2007
<b>Governmental Activities:</b>					
Expenses					
General government	\$ 3,627,359	\$ 4,117,835	\$ 4,100,221	\$ 4,463,957	\$ 5,196,569
Public safety	9,888,543	10,732,674	11,789,718	13,504,033	14,765,435
Streets/Transportation	2,702,484	2,942,777	3,437,830	5,486,251	9,650,354
Public works	697,449	765,497	778,974	1,868,890	2,144,675
Culture and recreation	3,778,926	4,078,279	4,147,490	4,978,247	5,247,404
Economic development	2,289,429	2,422,140	2,716,784	4,468,076	5,564,781
Interest on long-term debt	540,921	499,031	477,956	500,879	610,630
Total expenses	<u>23,525,111</u>	<u>25,558,233</u>	<u>27,448,973</u>	<u>35,270,333</u>	<u>43,179,848</u>
Program Revenues					
Charges for services:					
General government	102,276	113,317	109,340	119,514	133,192
Public safety	823,583	810,216	904,202	984,555	1,091,960
Streets/Transportation	142,848	424,308	505,948	832,940	996,571
Public works	28,440	11,632	2,273,085	84,424	33,994
Culture and recreation	303,358	288,714	285,592	340,272	328,163
Development fees	1,511,684	2,139,152	4,667,542	11,353,338	13,115,223
Building permits	959,975	1,263,355	2,017,707	3,468,682	2,580,633
Development and engineering	583,532	430,876	1,876,291	3,357,825	2,456,074
Other economic development	213,613	572,326	795,721	1,282,294	863,185
Operating grants and contributions	4,584,394	4,993,835	5,834,031	7,866,501	9,066,924
Capital grants and contributions	4,312,801	4,199,412	6,372,598	43,675,183	14,852,514
Total program revenues	<u>13,566,504</u>	<u>15,247,143</u>	<u>25,642,057</u>	<u>73,365,528</u>	<u>45,518,433</u>
Total Governmental Activities Net Program Expense	<u>\$ (9,958,607)</u>	<u>\$ (10,311,090)</u>	<u>\$ (1,806,916)</u>	<u>\$ 38,095,195</u>	<u>\$ 2,338,585</u>
General Revenues and Other Changes in Net Assets					
Property taxes	1,536,606	1,799,803	2,333,638	2,401,386	2,475,296
Sales taxes	9,477,906	10,573,489	12,094,301	14,973,622	22,708,648
Franchise taxes	850,839	899,604	954,853	1,236,366	1,511,751
Shared revenues:					
State sales taxes	1,972,714	2,122,100	2,336,759	2,721,554	3,086,185
Urban revenue sharing	2,650,450	2,278,117	2,345,507	2,728,207	3,760,034
Auto-in-lieu	999,433	1,189,494	1,221,188	1,585,116	2,032,801
Investment earnings	(163,059)	124,545	466,925	1,508,717	3,222,176
Gain on sales of assets	221,721	(77,414)	414,900	660,798	1,846,201
Miscellaneous	200,444	277,201	145,585	361,586	274,310
Transfers	(26,617)	1,341,083	99,000	349,200	449,800
Total general revenues and other changes in net assets	<u>17,720,437</u>	<u>20,528,022</u>	<u>22,412,656</u>	<u>28,526,552</u>	<u>41,367,202</u>
Total Governmental Activities Change in Net Assets	<u>\$ 7,761,830</u>	<u>\$ 10,216,932</u>	<u>\$ 20,605,740</u>	<u>\$ 66,621,747</u>	<u>\$ 43,705,787</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

<b>2008</b>	<b>2009</b>	<b>2010</b>
\$ 6,958,153	\$ 7,824,380	\$ 6,961,775
17,799,896	20,384,692	20,366,672
10,614,899	12,198,334	12,007,921
1,652,940	2,336,854	2,335,926
5,853,610	7,696,876	6,828,387
5,932,564	4,367,403	4,700,480
641,914	972,791	2,145,146
<u>49,453,976</u>	<u>55,781,330</u>	<u>55,346,307</u>
144,550	131,394	153,150
1,214,170	1,410,573	1,135,284
1,345,035	1,297,796	1,144,798
100,784	23,399	9,736
378,268	378,961	469,536
8,272,278	1,332,296	1,414,107
1,692,576	635,045	494,055
694,885	96,008	55,896
627,986	379,636	842,301
9,303,041	8,859,174	7,469,173
22,402,954	7,360,861	4,841,012
<u>46,176,527</u>	<u>21,905,143</u>	<u>18,029,048</u>
<u>\$ (3,277,449)</u>	<u>\$ (33,876,187)</u>	<u>\$ (37,317,259)</u>
3,105,864	6,264,879	7,422,710
28,082,890	23,313,628	19,776,002
1,687,014	1,910,594	1,947,031
2,984,122	2,583,416	2,382,825
4,592,697	4,793,336	4,106,244
2,199,266	2,126,092	2,034,181
3,202,760	815,213	107,521
452,693	0	0
388,409	440,101	625,779
525,942	(563,426)	(631,320)
<u>47,221,657</u>	<u>41,683,833</u>	<u>37,770,973</u>
<u>\$ 43,944,208</u>	<u>\$ 7,807,646</u>	<u>\$ 453,714</u>

**Schedule 3**  
**City of Casa Grande**  
**Changes in Net Assets**  
**Last Eight Fiscal Years**  
(accrual basis of accounting)

	June 30				
	2003	2004	2005	2006	2007
<b>Business-type Activities:</b>					
Expenses					
Water	\$ 197,109	\$ 142,327	\$ 158,397	\$ 98,048	\$ 115,599
Golf course	698,909	716,703	844,434	928,321	1,107,942
Wastewater	2,465,665	2,981,091	2,487,685	3,138,128	5,413,331
Sanitation	2,638,820	2,797,052	3,148,693	3,538,650	3,902,782
Total expenses	<u>6,000,503</u>	<u>6,637,173</u>	<u>6,639,209</u>	<u>7,703,147</u>	<u>10,539,654</u>
<b>Revenues</b>					
Charges for services:					
Water	194,782	193,006	186,225	197,834	193,909
Golf course	420,799	433,686	584,429	781,464	784,983
Wastewater	2,767,417	3,703,613	7,618,055	7,533,801	6,001,607
Sanitation	2,687,498	3,056,414	3,804,163	4,571,127	4,963,964
Sales taxes	1,681,957	1,885,485	2,150,452	2,676,631	2,124,036
Investment earnings	(77,534)	88,214	183,584	635,533	1,167,957
Miscellaneous	7,157	1,895,607	47,086	58,502	73,411
Capital grants and contributions	1,099,166	1,136,713	1,561,589	7,991,457	2,129,515
Total revenues	<u>8,781,242</u>	<u>12,392,738</u>	<u>16,135,583</u>	<u>24,446,349</u>	<u>17,439,382</u>
Total Business-type Activities Net Program Expense	<u>\$ 2,780,739</u>	<u>\$ 5,755,565</u>	<u>\$ 9,496,374</u>	<u>\$ 16,743,202</u>	<u>\$ 6,899,728</u>
Other Changes in Net Assets					
Transfers	26,617	(1,341,083)	(99,000)	(349,200)	(449,800)
Total Business-type Activities Change in Net Assets	<u>\$ 2,807,356</u>	<u>\$ 4,414,482</u>	<u>\$ 9,397,374</u>	<u>\$ 16,394,002</u>	<u>\$ 6,449,928</u>
Total Primary Government Change in Net Assets	<u>\$ 10,569,186</u>	<u>\$ 14,631,414</u>	<u>\$ 30,003,114</u>	<u>\$ 83,015,749</u>	<u>\$ 50,155,715</u>

<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 117,638	\$ 153,147	\$ 159,718
967,750	1,266,986	1,243,440
4,522,025	4,610,789	5,528,871
<u>4,041,517</u>	<u>5,465,908</u>	<u>4,653,383</u>
<u>9,648,930</u>	<u>11,496,830</u>	<u>11,585,412</u>
190,125	196,410	162,094
797,501	962,206	1,066,642
5,972,329	5,119,786	6,049,625
4,990,169	4,555,927	5,151,563
14,203	20,612	26,657
919,273	202,016	8,383
155,834	323,560	10,473
<u>2,580,813</u>	<u>717,407</u>	<u>895,826</u>
<u>15,620,247</u>	<u>12,097,924</u>	<u>13,371,263</u>
<u>\$ 5,971,317</u>	<u>\$ 601,094</u>	<u>\$ 1,785,851</u>
(525,942)	563,426	631,320
<u>\$ 5,445,375</u>	<u>\$ 1,164,520</u>	<u>\$ 2,417,171</u>
<u>\$ 49,389,583</u>	<u>\$ 8,972,166</u>	<u>\$ 2,870,885</u>

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

	Fiscal Year				
	2001	2002	2003	2004	2005
General Fund					
Reserved	\$ 143,871	\$ 176,526	\$ 486,826	\$ 801,965	\$ 1,115,310
Unreserved	4,422,980	3,338,675	3,823,320	6,343,317	11,150,642
Total general fund	<u>\$ 4,566,851</u>	<u>\$ 3,515,201</u>	<u>\$ 4,310,146</u>	<u>\$ 7,145,282</u>	<u>\$ 12,265,952</u>
All Other Governmental Funds					
Reserved	\$ 2,186,274	\$ 2,311,916	\$ 2,341,307	\$ 2,368,606	\$ 6,252,078
Unreserved, reported in:					
Special revenue funds	2,761,029	3,758,330	4,328,235	9,013,364	15,594,386
Capital projects funds	1,406,775	1,214,043	372,078	1,066,167	2,479,265
Total all other governmental funds	<u>\$ 6,354,078</u>	<u>\$ 7,284,289</u>	<u>\$ 7,041,620</u>	<u>\$ 12,448,137</u>	<u>\$ 24,325,729</u>

Fiscal Year				
2006	2007	2008	2009	2010
\$ 1,476,273	\$ 1,959,234	\$ 2,548,121	\$ 3,153,554	\$ 3,815,142
17,796,454	25,521,015	30,572,472	30,402,947	25,262,863
<u>\$ 19,272,727</u>	<u>\$ 27,480,249</u>	<u>\$ 33,120,593</u>	<u>\$ 33,556,501</u>	<u>\$ 29,078,005</u>
\$ 4,250,108	\$ 4,413,184	\$ 32,896,933	\$ 25,327,803	\$ 39,966,314
28,612,756	43,633,806	49,835,900	39,794,807	40,446,857
5,365,147	10,701,962	77,406	8,084	151,896
<u>\$ 38,228,011</u>	<u>\$ 58,748,952</u>	<u>\$ 82,810,239</u>	<u>\$ 65,130,694</u>	<u>\$ 80,565,067</u>

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

	Fiscal Year				
	2001	2002	2003	2004	2005
<b>Revenues</b>					
Taxes	\$ 10,500,552	\$ 10,565,836	\$ 11,851,114	\$ 13,294,993	\$ 15,388,557
Licenses and permits	895,927	801,910	1,074,991	1,385,080	2,156,170
Intergovernmental revenues	11,303,184	10,763,681	10,358,329	10,902,234	11,911,931
Charges for services	974,559	1,578,990	2,528,275	3,221,772	9,853,065
Fines	628,857	801,690	690,177	677,048	739,283
Special assessments	309,163	244,872	211,787	137,644	217,895
Investment earnings	565,660	233,207	(163,059)	124,545	466,925
Rental and sale of city property	418,879	405,717	536,538	738,198	701,633
Other revenues	352,902	231,348	274,985	473,864	720,093
<b>Total revenues</b>	<b>25,949,683</b>	<b>25,627,251</b>	<b>27,363,137</b>	<b>30,955,378</b>	<b>42,155,552</b>
<b>Expenditures</b>					
General government	3,348,830	3,689,262	3,641,912	4,451,216	4,300,175
Public safety	8,237,440	9,639,754	9,499,759	10,309,036	11,344,629
Streets/Transportation	1,956,566	1,798,580	1,987,200	1,672,165	1,908,050
Public works	766,460	777,291	657,785	730,486	734,391
Culture and recreation	3,076,334	3,349,200	3,352,211	3,450,403	3,654,964
Planning and economic development	2,859,626	2,238,132	1,871,266	1,952,308	2,242,438
Capital outlay	6,307,819	2,593,601	4,472,441	1,939,318	4,526,914
Debt service					
Principal	979,300	956,448	932,344	960,801	799,546
Interest	465,622	620,054	559,527	471,539	477,428
<b>Total expenditures</b>	<b>27,997,997</b>	<b>25,662,322</b>	<b>26,974,445</b>	<b>25,937,272</b>	<b>29,988,535</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	2,391,189	1,010,817	1,618,327	2,919,819	2,686,632
Transfers out	(2,649,899)	(1,097,185)	(1,644,944)	(1,578,736)	(2,530,831)
Capital leases	369,137	-	150,000	1,056,839	3,500,000
Bond issuance	-	-	-	-	1,335,000
Bond issuance costs	-	-	-	-	(159,557)
Sale of land	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>110,427</b>	<b>(86,368)</b>	<b>123,383</b>	<b>2,397,922</b>	<b>4,831,244</b>
<b>Net change in fund balances</b>	<b>\$ (1,937,887)</b>	<b>\$ (121,439)</b>	<b>\$ 512,075</b>	<b>\$ 7,416,028</b>	<b>\$ 16,998,260</b>
 Debt service as a percentage of noncapital expenditures	 Not Available*	 Not Available*	 6.63%	 5.97%	 5.02%

\*Prior to implementation of GASB 34 in 2003, the Capital outlay number from the CAFR may not include all capital asset purchases.

Fiscal Year				
2006	2007	2008	2009	2010
\$ 18,585,602	\$ 26,706,698	\$ 32,840,670	\$ 31,334,264	\$ 29,088,943
3,632,214	2,756,899	1,881,951	808,414	656,902
15,208,404	18,007,273	20,798,409	17,188,146	16,769,422
16,390,930	16,678,803	10,171,890	2,188,466	2,058,720
734,495	826,533	815,081	1,092,331	978,765
354,840	28,907	29,691	21,092	8,883
1,508,717	3,222,176	3,202,760	815,213	107,521
1,071,511	1,459,760	1,546,935	1,645,235	2,106,527
1,198,605	720,635	608,700	536,204	514,473
<u>58,685,318</u>	<u>70,407,684</u>	<u>71,896,087</u>	<u>55,629,365</u>	<u>52,290,156</u>
5,230,006	5,921,449	8,076,361	8,996,033	8,055,272
12,957,767	14,155,865	16,983,507	18,594,022	18,957,126
2,168,597	2,846,301	2,323,097	2,991,139	2,521,337
1,650,860	2,063,253	1,684,699	1,716,458	2,192,317
4,446,967	4,828,294	5,463,871	5,222,719	5,792,331
3,914,867	4,821,056	4,965,772	3,425,837	3,550,938
6,149,634	8,251,421	11,030,175	27,511,902	31,846,819
1,206,388	882,247	1,226,548	5,313,821	2,484,637
484,775	707,501	607,351	955,207	2,125,295
<u>38,209,861</u>	<u>44,477,387</u>	<u>52,361,381</u>	<u>74,727,138</u>	<u>77,526,072</u>
5,808,434	6,844,898	8,101,980	5,630,797	12,829,121
(5,374,834)	(6,311,098)	(7,483,839)	(5,922,924)	(13,965,253)
-	-	-	-	-
-	455,000	9,000,000	750,000	37,800,000
-	-	(30,201)	(103,736)	(472,067)
-	1,809,371	578,989	1,500,000	-
<u>433,600</u>	<u>2,798,171</u>	<u>10,166,929</u>	<u>1,854,137</u>	<u>36,191,801</u>
<u>\$ 20,909,057</u>	<u>\$ 28,728,468</u>	<u>\$ 29,701,636</u>	<u>\$ (17,243,635)</u>	<u>\$ 10,955,886</u>
5.27%	4.30%	4.44%	13.28%	10.04%

**Schedule 6**  
**City of Casa Grande**  
**Sales Tax Revenue by Industry,**  
**Fiscal Years 2010, 2009, 2008, 2007, 2006 and 2005**

	Fiscal Year 2005		Fiscal Year 2006		Fiscal Year 2007	
	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total
Construction	\$ 2,187,722	15.36%	\$ 3,164,234	17.93%	\$ 8,405,855	33.85%
Manufacture	497,382	3.49%	599,880	3.40%	624,116	2.51%
Transportation/Communication/ Utilities	1,220,019	8.56%	1,470,192	8.33%	1,762,783	7.10%
Wholesale Trade	195,610	1.37%	211,865	1.20%	271,980	1.10%
Retail Trade	7,027,208	49.33%	8,377,108	47.46%	8,778,705	35.35%
Restaurants/Bars	923,817	6.49%	1,021,869	5.79%	1,027,918	4.14%
Insurance/Real Estate	1,485,089	10.43%	1,732,572	9.82%	2,122,802	8.55%
Hotels/Lodging	275,550	1.93%	316,538	1.79%	348,177	1.40%
Services	373,228	2.62%	427,755	2.42%	521,470	2.10%
All Other	59,128	0.42%	328,240	1.86%	968,878	3.90%
<b>Total</b>	<b>\$ 14,244,753</b>	<b>100.00%</b>	<b>\$ 17,650,253</b>	<b>100.00%</b>	<b>\$ 24,832,684</b>	<b>100.00%</b>

Source: Arizona State Department of Revenue

Note:

The categories presented are intended to provide alternative information regarding the sources of the City's revenue. Information prior to 2005 is not available.

\*Construction sales tax rate changed from 1.8% to 4% effective June 15, 2006

Fiscal Year 2008		Fiscal Year 2009		Fiscal Year 2010	
Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total
\$ 11,087,874	39.17%	\$ 6,722,392	28.81%	\$ 3,558,323	17.82%
750,711	2.65%	597,311	2.56%	594,982	2.98%
	0.00%		0.00%		
1,987,604	7.02%	1,761,603	7.55%	2,053,502	10.29%
233,859	0.83%	277,315	1.19%	238,731	1.20%
9,562,653	33.78%	9,585,867	41.08%	9,361,417	46.89%
1,118,248	3.95%	1,221,532	5.23%	1,228,270	6.15%
2,052,131	7.25%	1,869,128	8.01%	1,751,628	8.77%
316,241	1.12%	462,489	1.98%	390,430	1.96%
546,058	1.93%	560,571	2.40%	433,326	2.17%
652,605	2.31%	276,032	1.18%	355,036	1.78%
<u>\$ 28,307,984</u>	<u>100.00%</u>	<u>\$ 23,334,240</u>	<u>100.00%</u>	<u>\$ 19,965,645</u>	<u>100.00%</u>

**Schedule 7  
City of Casa Grande  
Direct and Overlapping Sales Tax Rates  
6/30/2010**

Type of Tax	Rates		
	City	State and Pinal County *	Combined
Privilege tax, except retail, utilities and telecommunication	1.80%	7.70%	9.50%
Retail	2.00%	7.70%	9.70%
Retail - privilege tax for single item over \$5000	1.50%	7.70%	9.20%
Hotel/Motel	3.80%	7.70%	11.50%
Restaurant/Bar	1.80%	7.70%	9.50%
Utilities/Telecommunications	2.00%	7.70%	9.70%
Construction	4.00%	7.70%	11.70%

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

\*Includes temporary 1% increase as of June 1, 2010



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

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Street & Hwy User Revenue Bonds	Excise Tax Revenue Obligations	Special Assessment Bonds	Capital Leases	Mortgages
2001	-	-	9,435,000	955,000	1,130,019	119,472
2002	-	-	8,980,000	870,000	761,093	-
2003	-	-	8,495,000	780,000	566,744	-
2004	-	-	8,138,000	685,000	1,236,062	-
2005	1,335,000	-	7,688,583	585,000	4,485,933	-
2006	1,335,000	-	7,217,943	480,000	4,029,980	-
2007	1,790,000	-	6,721,488	370,000	3,754,188	-
2008	10,775,000	-	6,199,218	255,000	3,180,356	-
2009	9,739,549	-	3,130,318	130,000	2,909,161	-
2010	27,282,278	-	21,249,788	-	2,598,870	-

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

(a) See Schedule 13 for personal income and population data.

Personal income is based on Pinal County information.

Business-type Activities					
General Obligation Bonds	Excise Tax Revenue Obligations	Capital Leases	Notes Payable	Total Primary Government	Percentage of Personal Income (a)
-	8,220,000	1,162,818	-	21,022,309	4.33%
-	7,625,000	787,125	203,193	19,226,411	3.94%
-	7,005,000	459,286	178,170	17,484,200	3.21%
-	15,926,820	404,534	178,170	26,568,586	4.32%
-	15,426,237	593,795	177,300	30,291,848	4.22%
-	14,911,877	408,291	168,069	28,551,160	3.59%
-	14,388,332	295,899	158,520	27,478,427	3.12%
2,000,000	13,855,602	179,122	148,643	36,592,941	3.61%
1,605,451	13,304,502	57,790	4,352,312	35,229,083	3.16%
1,382,721	12,735,032	6,793	38,501,765	103,757,247	8.55%

**Schedule 9  
City of Casa Grande  
Ratio of General Bonded Debt Outstanding  
Last Six 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)
2005	\$ 1,335,000		\$ 1,942,707	68.72%	\$ N/A
2006	1,335,000		8,183,338	16.31%	N/A
2007	1,790,000		39,939,824	4.48%	1,584
2008	1,775,000	(1)	93,675,428	1.89%	664
2008	11,000,000	(2)	2,295,221,460	0.48%	267
2009	2,515,000	(1)	167,571,141	1.50%	836
2009	8,830,000	(2)	2,928,179,559	0.30%	192
2010	2,430,000	(1)	249,681,000	0.97%	807
2010	20,634,999	(2)	3,680,064,800	0.56%	449

(a) Source: Pinal County Assessor's records

(b) Estimated population of Mission Royale CFD 6/30/09	1,970
Estimated population of Villago CFD 6/30/09	1,040
Provided by Sales Offices. No population data are available for years prior to 2007	
Population of Casa Grande	45,993

(1) General obligation bonds were issued by the Mission Royale Community Facilities District in 2005 and the Villago Community Facilities District in 2006 and 2008. 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 and July, 2009.

**Schedule 10**  
**City of Casa Grande**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2010**

<u>Governmental Unit</u>	<u>Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
School District #4	\$ 23,615,000	75.45%	\$17,816,931
School District #82	37,940,000	55.56%	21,079,122
Central Arizona Community College	40,000,000	13.91%	5,562,039
Mission Royale CFD	1,300,000	100.00%	1,300,000
Villago CFD	1,130,000	100.00%	<u>1,130,000</u>
Subtotal, overlapping debt			46,888,091
<b>City direct debt</b>			24,852,278
<b>Total direct and overlapping debt</b>			<u><u>\$ 71,740,369</u></u>

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

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

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

**Schedule 11  
City of Casa Grande  
Legal Debt Margin Information  
June 30, 2010**

Net Secondary Assessed Valuation as of June 30, 2010	\$460,008,100
Debt limit (6% of assessed value)	27,600,486
Debt applicable to limit:	
General obligation bonds	10,494,000
Legal 6% debt margin	\$ 17,106,486
Debt limit (20% of assessed value)	92,001,620
Debt applicable to limit:	
General obligation bonds	15,741,000
Legal 20% debt margin	\$ 76,260,620

Note: The City issued General Obligation bonds for \$11,000,000 in June, 2008 and \$19,000,000 in August, 2009.

No retroactive reporting of the legal debt margin is provided because the City had no prior general obligation debt since 1997.

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

Fiscal Year	Special Assessment Bonds				Excise Tax Revenue Obligations			
	Special Assessment Collections	Debt Service		Coverage	Pledged Revenue Collected (a)	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2001	308,629	215,000	37,785	1.22	23,176,964	1,000,000	1,010,013	11.53
2002	290,054	85,000	51,570	2.12	22,402,363	1,050,000	957,807	11.16
2003	174,365	90,000	56,147	1.19	23,444,022	1,105,000	901,980	11.68
2004	137,642	95,000	42,120	1.00	25,645,893	1,165,000	594,321	14.58
2005	217,895	100,000	36,990	1.59	29,267,707	950,001	1,054,202	14.60
2006	354,840	105,000	31,590	2.60	37,727,237	985,000	1,022,252	18.80
2007	28,907	110,000	25,920	0.21	44,984,571	1,020,000	987,632	22.41
2008	29,691	115,000	19,980	0.22	52,450,264	1,070,000	1,039,517	24.86
2009	21,092	135,000	17,280	0.14	43,338,764	3,630,000	1,008,269	9.34
2010	8,883	130,000	3,510	0.07	39,278,843	1,276,783	1,039,772	16.96

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

(a) The 1997 and 2003 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.

**Schedule 13  
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
2001	27,815	17,436	484,982,340	7,680	4.20%
2002	27,290	17,889	488,190,810	7,784	6.80%
2003	29,715	18,354	545,389,110	7,895	6.20%
2004	31,315	19,646	615,214,490	8,120	5.00%
2005	34,260	20,959	718,055,340	8,930	5.20%
2006	36,450	21,800	794,610,000	9,049	5.10%
2007	38,785	22,672	879,333,520	10,290	4.30%
2008	42,422	23,905	1,014,097,910	11,066	6.10%
2009	45,116	25,000	1,127,900,000	11,652	11.10%
2010	45,993	26,373	1,212,973,389	10,700	11.50%

Sources: Population, County Per Capita Income and City Unemployment Rate - Arizona Department of Commerce and Arizona Department of Economic Security. School Enrollment - Casa Grande Elementary and Casa Grande Union High School Districts.

**Schedule 14  
City of Casa Grande  
Principal Employers,  
Current Year and Nine Years Ago**

Employer	2010 (a)		2001	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Casa Grande Elementary School District	1050	5.00%	625	4.52%
Casa Grande Regional Medical Center	850	4.05%	788	5.70%
Wal-Mart Distribution Center	560	2.67%	-	0.00%
Wal-Mart Supermarket	450	2.14%	-	0.00%
Frito-Lay Inc.	450	2.14%	302	2.19%
City of Casa Grande	429	2.04%	251	1.82%
Abbott Laboratories/Ross Products	425	2.02%	397	2.87%
Hexcel Corporation	350	1.67%	562	4.07%
National Vitamin Company	160	0.76%	-	0.00%
Casa Grande Valley Newspapers	150	0.71%	100	0.72%
	4,874	23.21%	2,400	17.37%

Sources: (a) Casa Grande Valley Economic Development Foundation; various employers; AZ Dept of Economic Security (b) Casa Grande Valley Economic Development Foundation, July 2001; AZ Dept of Economic Security

**Schedule 15**  
**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	
2001	24.5	91.5	27	43	16	66	268.00
2002	26	93.5	30	43	17	76	285.50
2003	22.75	98.5	33	44	17	80	295.25
2004	23	97.5	37	44	17	80	298.50
2005	24	103.5	38	44	19	79	307.50
2006	26	107.5	41	44	22	84.25	324.75
2007	30	123.05	54.75	48	26.5	96.25	378.55
2008	39.25	139	60.5	61.25	34.5	104.5	439.00
2009	39.5	137.23	62.08	61.75	34	104.5	439.06
2010	37.25	128.75	63.25	68.25	31	100.5	429.00

Source: City Budget

Note: Information is based on authorized positions.

**Schedule 16**  
**City of Casa Grande**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
Registered voters	11,441	11,441	13,685	13,685	15,919	13,239	13,946	19,331	20,805	20,805
Votes cast last primary election	2,367	2,367	1,242	1,242	1,428	1,428	2,364	2,364	2,400	2,400
Fire										
Medical support calls	2,426	2,578	2,774	3,085	3,427	3,766	3,778	4,286	4,689	4,289
Total alarms	3,281	3,447	3,697	4,136	4,557	5,137	5,194	5,642	5,050	5,703
Inspections/investigations	415	222	305	524	487	390	986	1,512	1,505	883
Public education contacts	8,582	10,018	11,386	7,344	11,764	8,884	10,164	19,801	25,064	15,812
Police										
Calls for service	27,602	29,705	33,076	37,674	38,869	39,365	42,412	41,126	40,893	38,629
Officer initiated	63,362	71,814	68,677	69,588	69,412	69,936	72,028	71,626	76,263	72,807
Patrolled miles	654,370	700,884	671,030	716,138	702,062	706,375	802,935	864,421	939,398	983,100
Traffic accidents	853	796	886	928	1,046	1,213	1,121	1,104	991	974
Traffic citations	10,561	9,495	8,408	8,607	7,068	6,127	6,136	6,943	7,025	6,107
Arrests (adult and juvenile)	4,338	4,673	4,773	4,387	4,614	4,055	3,840	4,015	3,981	4,738
Culture and recreation - library (a)										
Items in collections	99,414	100,619	100,655	90,826	86,364	73,984	74,311	75,863	79,920	113,480
Total items circulated	422,063	374,840	149,210	52,240	51,915	49,718	73,079	75,840	78,727	98,937
Total circulation transactions	733,582	734,852	825,000	172,391	170,875	187,063	225,043	229,446	270,473	329,790
Economic development										
Building permits - commercial	279	256	262	262	273	339	143	195	114	90
Building permits - residential	1,446	1,333	1,639	1,983	2,565	3,501	1,454	777	329	369
Self-help homes completed	16	24	23	22	6	20	25	25	25	12
Self-help homes started	24	23	15	13	26	27	25	26	25	12
Housing rehabilitations	17	13	16	12	9	12	12	12	12	12
Code enforcement cases	617	675	724	660	1,059	1,704	984	1,150	1,331	1,317
Planning cases	78	61	114	161	154	334	193	85	95	90

Sources: Various City departments

Note: (a) In 2004 the library implemented a new system that tracks information more accurately.  
In 2007 the library changed Reference questions to include information transactions.

**Schedule 17**  
**City of Casa Grande**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Fire stations	3	3	3	3	3	3	3	3	3	3
Parks and recreation										
Park areas	25	24	23	24	24	24	25	26	26	27
Parkland acreage	2,152	1,787	1,783	1,790	1,370	1,370	1,371	1,387	1,396	1,566
Community centers	3	4	4	4	4	4	4	5	5	5
Golf courses	1	1	1	1	1	1	1	1	1	1
Playgrounds	19	19	20	22	22	24	24	25	26	26
Other maintenance areas	71	85	85	85	85	87	88	93	93	95
Airport										
T-hangers	22	22	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	1,525	1,638	1,638	1,893	2,011	2,217	3,130	3,302	3,500	3,363
Miles of streets	243	307	307	321	354	375	375	389	410	410
Miles of sewer	108	121	121	145	160	300	375	450	455	455
Number of lift stations	10	10	10	10	10	9	9	9	10	10
Number of signalized intersections	26	26	27	27	27	31	31	35	38	39

Sources: Various City departments



## **SINGLE AUDIT REPORTS**





**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**

The Honorable Mayor and Council  
City of Casa Grande, Arizona

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Casa Grande (the City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 10, 2010. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

*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.*

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Mayor and Council  
City of Casa Grande, Arizona

**Compliance**

We have audited the compliance of the City of Casa Grande (the City), Arizona with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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'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. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Casa Grande, Arizona, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

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

Internal Control Over Compliance

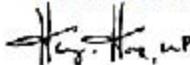
Management of the City, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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'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 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. We do not consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-1 to be a material weakness.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit City's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, City Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Casa Grande, Arizona  
November 10, 2010

**City of Casa Grande, Arizona**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2010**

	Grant Number	Federal CFDA Number	Expenditures
U.S. Department of Housing and Urban Development:			
Passed through Arizona Department of Housing:			
Community Development Block Grant - 2008	101-08	14.228	\$ 3,162 *
Community Development Block Grant - 2008	113-08	14.228	47,703 *
Community Development Block Grant - 2009	100-09	14.228	112,102 *
Community Development Block Grant - 2009	156-09	14.228	265,399 *
HOME - 2010	301-10	14.239	40,000
HOME - 2008	303-08	14.239	141,820
Total Department of Housing and Urban Development			610,186
U.S. Department of Agriculture:			
Self Help Housing Technical Assistance Grant	10	10.420	135,180 *
Self Help Housing Technical Assistance Grant	12	10.420	103,617 *
Housing preservation grant	40	10.433	29,340
Total Department of Agriculture			268,137
U.S. Department of Health & Human Services:			
Passed through Pinal-Gila Council for Senior Citizens:			
Aging cluster:			
Special Programs for the Aging	5-237	93.044	12,425 *
Special Programs for the Aging	5-237	93.045	61,607 *
Stimulus Congregate meals	5-237	93.707	5,111 *
Stimulus Home Delivered Meals	5-237	93.705	3,131 *
Nutritional Services Incentive Program	5-237	93.053	20,929 *
Subtotal - aging cluster			103,203
Social Services Block Grant	5-237	93.667	11,678
Total Department of Health & Human Services			114,881
U.S. Department of Energy:			
Stimulus Energy Efficiency Conservation Block Grant	DE-RW0000128	81.128	77,222
Total Department of Energy			77,222
U.S. Department of Justice:			
Stimulus JAG Grant	2009-SB-B9-3190	16.804	38,821
JAG Grant	2007-DJBX	16.592	225
Bulletproof Vest Grant	2006BUBX	16.607	9,988
JAG Grant	2006-DJBX1098	16.592	400
Total Department of Justice			49,434
U.S. Department of Transportation:			
FAA Airport Grant	3-04-0007-12-2008	20.106	12,120
FAA Airport Grant	3-04-0007-13-2009	20.106	475
Total Department of Transportation			12,595
U.S. Department of Homeland Security			
Federal Emergency Management Agency	EMW-2007-FF-00468	97.044	202,380
Passed through Arizona Division of Emergency Management:			
Arizona Department of Homeland Security	07-AZDOHS-HSGP-333303-01	97.067	22,979
Passed through Arizona Department of Homeland Security:			
Operation Stonegarden Grant Program	09-ACDOHS-OPSG-555312-01,02,03	97.067	109,013
Total Department of Homeland Security			334,372
Total Federal Financial Assistance and Expenditures of Federal Awards			<b>\$ 1,466,827</b>

\*Denotes major program

**City of Casa Grande**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2010**

**NOTE 1           BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Casa Grande and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

CITY OF CASA GRANDE, ARIZONA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

Summary of Auditors' Results

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Casa Grande.
2. No significant deficiency relating to the audit of the financial statements is reported.
3. No material weaknesses relating to the audit of the financial statements are reported.
4. No instances of noncompliance material to the financial statements of the City of Casa Grande were disclosed during the audit.
5. No significant deficiencies relating to the audit of the major federal award programs are reported.
6. The auditor's report on compliance for U.S. Department of Housing and Urban Development – Community Development Block Grant (CFDA 14.228) passed through Arizona Department of Housing, U.S. Department of Agriculture – Self Help Housing Technical Assistance Grant (CFDA 10.420), and U.S. Department of Health and Human Services-Passed through Pinal-Gila Council for Senior Citizens – Special Programs for the Aging and Nutrition Services Aging Cluster grants (CFDA #93.044, 93.045, 93.053, 93.705, 93.707) expresses an unqualified opinion.
7. The audit disclosed one finding that is required to be reported in accordance with Section 510(a) of OMB Circular A-133.
8. The programs tested as major programs include U.S. Department of Housing and Urban Development – Community Development Block Grant (CFDA 14.228) passed through Arizona Department of Housing, U.S. Department of Agriculture – Self Help Housing Technical Assistance Grant (CFDA 10.420), and U.S. Department of Health and Human Services-Passed through Pinal-Gila Council for Senior Citizens – Special Programs for the Aging and Nutrition Services Aging Cluster grants (CFDA #93.044, 93.045, 93.053, 93.705, 93.707).
9. The threshold used for distinguishing between Type A and B programs was \$300,000.
10. City of Casa Grande did not qualify as a low-risk auditee.

CITY OF CASA GRANDE  
SCHEDULE OF FINDINGS  
JUNE 30, 2010

OMB Circular A-133 Findings

2010-1 U.S. Department of Agriculture – Self Help Housing Technical Assistance Grant  
(CFDA 10.420)

Condition: A financial status report was not filed timely

Criteria: Grant criteria include requirements to timely submit a financial status report for within 90 days of the completion of the grant.

Effect: Grantor could delay disbursements until reports are filed.

Cause: Management did not have proper oversight over the process of filing reports timely.

Recommendation: We recommend that the Grants Coordinator be more involved in the reporting and compliance requirements of the Housing Department grants.

Management's response: The Grants Coordinator will work with the Housing Department Director to develop a schedule of due dates and reports to insure that reports are reviewed and filed on a timely basis.