



City of Casa Grande, Arizona



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2013

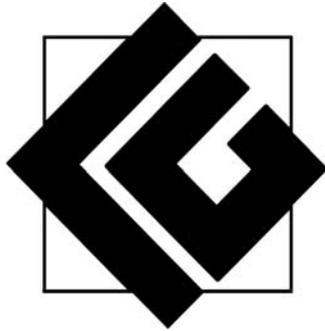
City of Casa Grande, Arizona

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

For the Fiscal Year Ended June 30, 2013



Prepared by the Finance Department
Doug Sandstrom, Finance Director
Julie Scherer, Supervising Accountant
Gay Barnhart, Assistant



City of
Casa Grande

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City of Casa Grande, Arizona

February 21, 2014

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, 2013. This 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.

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).

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, 2013 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 report includes one finding regarding reconciliation of a cash account. 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, 2013, are fairly presented, in all material respects, in conformity with GAAP.

(continued)

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, 2013, 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 separately issued Single Audit Report.

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. The single finding in the audit report recommends that procedures be put in place to reconcile all cash accounts properly. Current controls were not adequate to reconcile the account properly.

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 2012-2013 is \$177,594,102.

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.

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

(continued)

PROFILE OF THE CITY (continued)

major interstate highways, one services the Los Angeles and San Diego markets, one to the Phoenix & Tucson 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 5 years to just over 110 squares miles. The Voters approved the 2020 General Plan on November 3rd, 2009. The City's population has doubled over the past thirteen years from 25,224 in 2000 to 50,296 in 2013. 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. Most of the growth occurred prior to 2009.

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 two downtown redevelopment districts.

Financial Statement Structure

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

The Comprehensive Annual Financial Report (CAFR) 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 34 of the notes to the financial statements.

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. The Community has 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.

(continued)

ECONOMIC CONDITIONS AND OUTLOOK (continued)

Local indicators point to continued stability. Casa Grande is witness to a sustained, but lower number of issued building permits. The prior three fiscal years brought anticipated slowing of the residential housing construction market. Non-residential building permits with a value of \$38.5 million were issued in fiscal year 2013, an increase of \$15.8 million over FY2012. The continued commercial development conveys the actuality that sufficient roof-tops have been constructed to expand the commercial markets, which in turn expands the City's economy and tax base.

The City continues to process annexations. The expansion of the city's 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 remains at substantially reduced levels of about 13 new single family permits per month. Although total sales tax revenue is down 31% from FY2008 collections, however when adjusted for the construction portion of the sales tax the City's FY2013 collections are actually 1% higher than FY2008 collections.

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 46% of General Fund revenues. The City's sales tax rate is currently at 1.8%, with an additional .2% pledged to construct park and recreation projects, or for economic development. Management is projecting the city's sales tax collections to continue increasing slightly next year as the economy continues its slow recovery.

State Shared Revenues. The City of Casa Grande receives revenue allocations 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. With the exception of the gas tax which must be kept in a separate fund for transportation related activities, all other state shared revenues are placed in the General Fund, where they support daily operations. Like our local sales tax, this revenue source is expected to increase gradually as the economy improves. Although a stable source of revenue for the City, state-shared revenues are distributed through the state and are subject to some level of attention from the state legislature each year.

Property Tax. The City's primary property tax rate increased in FY 2013 to \$0.9489 from \$0.8988 per \$100 of assessed valuation. Despite the increase in the tax rate, most residential properties did not experience an increase due to decreasing property values. The amounts collected under 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. Of this amount \$11 million was issued in FY2008 and an additional \$19 million in FY2009. The city levies a secondary property tax to fund this debt service. The secondary rate continues to be \$0.6308 per \$100 of assessed valuation. The City has no immediate plans to issue debt that will result in an increase to the secondary levy.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

In 2013 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

- Transitioned to a new police chief
- Dispatch response time continued to increase from 49 seconds from start to dispatch, to 53 seconds
- Part 1 UCR crimes increased by 17%
- Cleared 55% of Part 1 UCR crimes
- 250 animals adopted

Fire

- Responded to 6,685 emergencies, of which 5,155 (77%) involved emergency medical services
- 81% of ALS responses were under 5 minutes.
- 3.17 residential structure fires per 1,000 structures
- Continued mentoring of the Casa Grande Fire Explorers Program.

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MAJOR INITIATIVES AND ACCOMPLISHMENTS (continued)

Public Works

- Hosted the 55th Annual Cactus Fly-In at the municipal airport.
- Treatment of an average of 4.5 million gallons per day of wastewater.
- Collected 18.3 tons of residential trash.
- Collected 63.0 tons of solid waste at the landfill site.
- Recycled an average of 42.81 lbs per household in residential solid waste materials.

Community Services

- Golfers played 63,658 rounds of nine hole equivalents
- 98% of program participants rated programs as satisfactory or better
- Library visitors of 346,375 at the two libraries
- Served a total of 29,993 meals (a 24% decrease) and received a total of 5,925 volunteer hours
- Maintained 12.52 acres of parkland per 1,000 population at a cost of \$1,089 per acre

Development Center

- Completed 2,480 plan reviews and issued 1,552 building permits
- Performed an average of 19 inspections per inspector per day

OTHER MATTERS

Debt Administration. On June 30, 2013, the City had a number of debt issues outstanding. Total debt at June 30, 2013, was \$114.7 million. The City's general credit was rated A+ by Fitch Ratings and received an A- rating from Standard & Poors.

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

	Standard & Poors	Fitch
	Investor	IBCA
	Service	
Excise Tax Revenue		
Series 2009	nr	AA-
Series 2012	AA	nr
General Obligation Bonds	nr	AA

In 2003 the City issued \$18,120,000 of Excise Tax Revenue Obligations for the purpose of expanding the wastewater treatment plant and refunding 1994 and 1995 Obligations. This bond was advance refunded in 2012.

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, 2013 the City had \$17.7 million 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, 2013, the City has debt capacity remaining of \$56.8 million for general obligation bonds subject under the 20% and 6% constitutional limitations based on the FY 2013 secondary assessed valuation. The City has \$28.1 in outstanding General Obligation bonds, with voter approval to issue an additional \$17 million over the next several years.

FINANCIAL POLICIES

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 \$25,000 deductible and a \$13 million umbrella liability policy.

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.

(continued)

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, 2012. This was the 22nd consecutive year the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easy to read and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles 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, 2012. 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 16th 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 Julie Scherer, 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,



Doug Sandstrom
Finance Director



Government Finance Officers Association

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, 2012

Executive Director/CEO



City of
Casa Grande

City of Casa Grande, Arizona
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2013

CITY COUNCIL

Mayor

Robert M. Jackson

Mayor Pro-Tem

Lisa Fitzgibbons

Council Members

Matt Herman

Mary Kortsen

Karl Montoya

Dick Powell

Ralph Varela



City Manager

James Thompson

Deputy City Manager

Larry Rains

Finance Department Staff

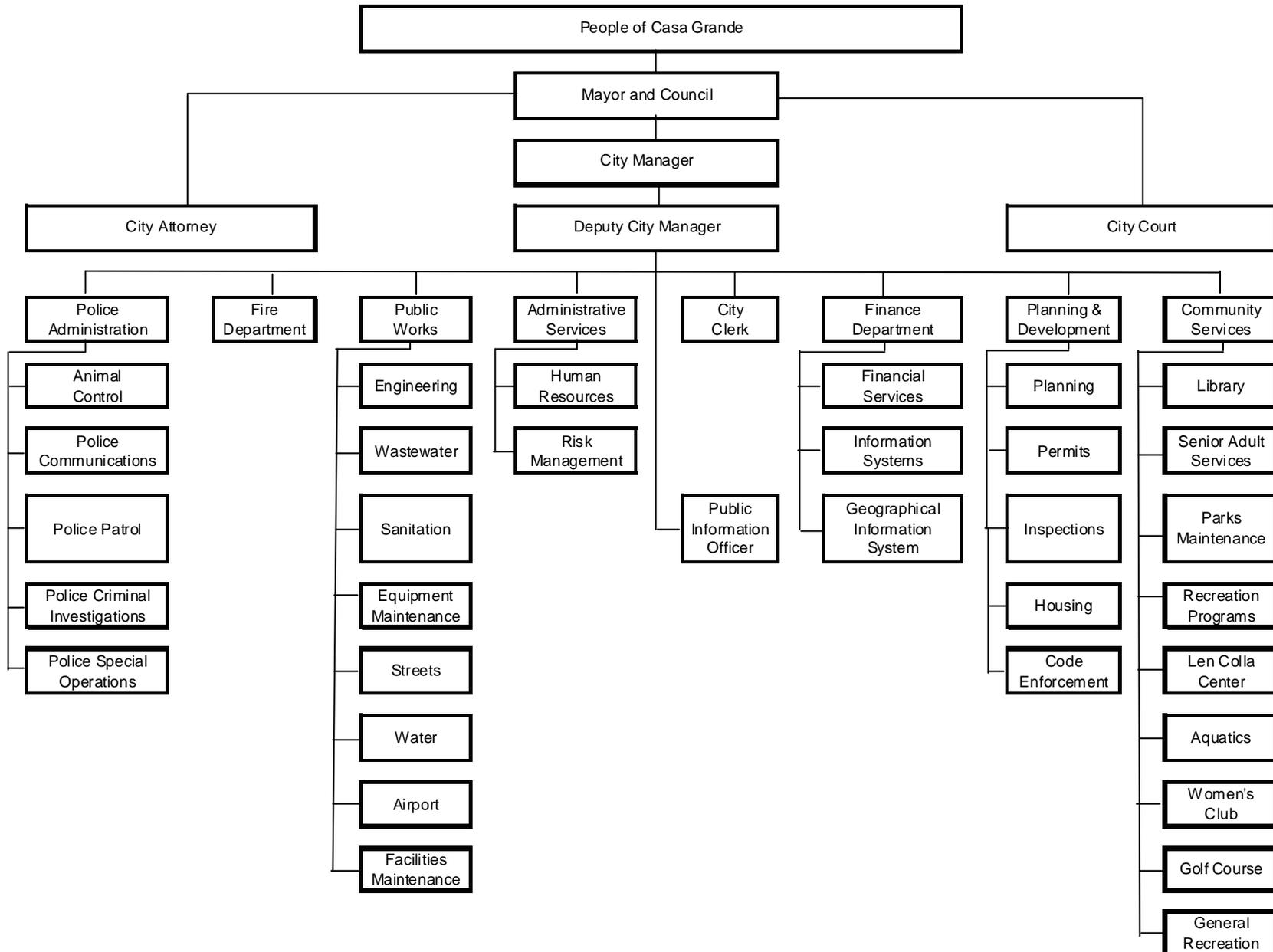
Doug Sandstrom, Finance Director

Julie Scherer, Supervising Accountant

James Fults, Accountant

Gay Barnhart, Administrative Assistant

City of Casa Grande Organizational Chart





FINANCIAL SECTION



City of
Casa Grande



HENRY & HORNE, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Council
City of Casa Grande, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Casa Grande, Arizona, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Casa Grande, Arizona, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and Highway Users Special Revenue Fund for the year then ended in accordance 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, Governmental Accounting Standards Board (GASB) issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and Statement No. 65, Items Previously Reported as Assets and Liabilities that could have a material impact on the financial statements. For the City of Casa Grande, GASB Statement No. 62 has not impacted the financial statements; however, GASB Statement No. 63 has impacted what was previously identified as "Statement of Net Assets" and renamed it to "Statement of Net Position" and has impacted the presentation of the financial statements in the reclassification of deferred revenues from liabilities to deferred inflows of resources. As discussed in Note 21 to the financial statements, the adoption of GASB 65 resulted in the restatement of beginning net position. Our opinions are not modified with respect to those matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any

assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Casa Grande, Arizona's basic financial statements. The introductory section, supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

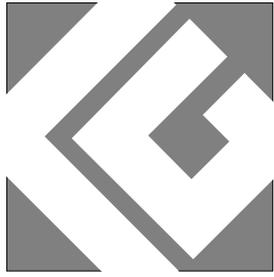
In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Casa Grande, Arizona's, internal control over financial reporting and compliance.



Casa Grande, Arizona
February 21, 2014



City of
Casa Grande



MANAGEMENT'S DISCUSSION AND ANALYSIS

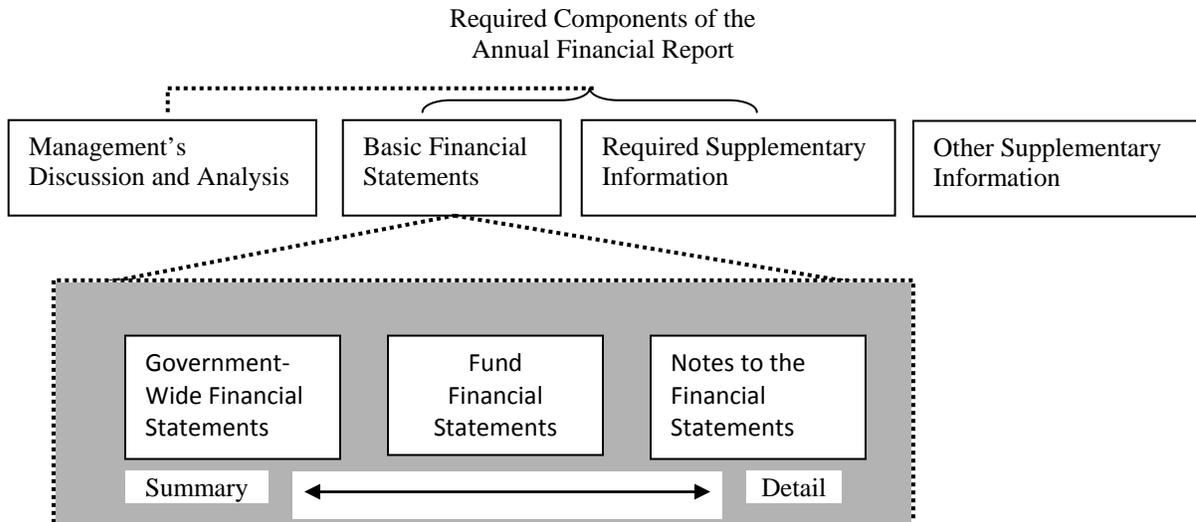
MANAGEMENT’S DISCUSSION AND ANALYSIS

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, 2013. 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 13 and the accompanying notes to the financial statements.

Financial Highlights

- The City’s total net position, on the government-wide basis, totaled \$307.0 million at June 30, 2013 of which \$52.3 million is unrestricted. This is a decrease of \$1.7 million from fiscal year 2012, a decrease of \$2.0 million of unrestricted in the government activities and an increase of \$0.3 million in the business-type activities.
- The governmental activities revenues increased by approximately \$3.0 million over the previous year.
- The business-type activities operating revenues decreased by \$2.3 million from the previous year due mainly to capital grants and contributions.
- The General Fund reported a change in fund balance of \$0.6 million for the year.
- At June 30, 2013, restricted, assigned and non-spendable balance for the General Fund was \$19.3 million, or 55% of General Fund expenditures for fiscal year 2013.
- At June 30, 2013, unassigned fund balance of the General Fund was \$5.3 million.
- The governmental activities general revenues of \$56.2 million were \$0.9 million less than expenditures before other financial sources and uses.
- The business-type activities net position was \$62.4 million as of June 30, 2013 which is a decrease of \$2.7 million from the previous year.
- A prior period adjustment of \$0.8 million is reported reflecting changes due to GASB 65 implementation.

OVERVIEW OF THE FINANCIAL STATEMENTS



Government-wide Financial Statements

The government-wide financial statements (see pages 13-15) 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 other general revenues support the majority of these activities.

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

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

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

Fund Financial Statements

Also presented in the basic financial statements are the traditional fund financial statements for 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 (3) 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, we provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on page 18 and 21, 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 for which fees are charged. The City has four enterprise funds: golf course, sanitation, water and wastewater funds.

The internal service funds reflect activities in which the City is the customer. The fleet maintenance and insurance funds are the City's two internal service funds. Their purpose is 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 35-62) 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 and in the supplementary information. Additionally, governments are required to disclose certain information about employee pension funds. The City has disclosed this information in Note 8 to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the year ended June 30, 2013.

Statement of Net Position

Net position may serve over time as a useful indicator of the City's financial position. The following table reflects the condensed statement of net position as of June 30, 2013. The City has chosen to account for its golf course, water, wastewater and sanitation operations in enterprise funds which are shown as Business Activities.

Statement of Net Position
(in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2013	2012	2013	2012	2013
Current and other assets	\$ 92.1	\$ 97.1	\$ 21.6	\$ 19.1	\$113.7	\$116.2
Capital assets	203.4	206.3	113.5	110.8	316.9	317.1
Total assets	<u>295.5</u>	<u>303.4</u>	<u>135.1</u>	<u>129.9</u>	<u>430.6</u>	<u>433.3</u>
Deferred Outflows	n/a	0.0	n/a	0.0	n/a	0.0
Other liabilities	5.8	7.1	1.7	1.5	7.5	8.6
Long-term liabilities	49.7	51.7	68.3	66.0	118.0	117.7
Total liabilities	<u>55.5</u>	<u>58.8</u>	<u>70.0</u>	<u>67.5</u>	<u>125.5</u>	<u>126.3</u>
Deferred Inflows	n/a	0.0	n/a	0.0	n/a	0.0
Net position:						
Net Investment in						
Capital Assets	154.1	157.4	49.4	47.6	203.5	205.0
Restricted	37.2	40.4	12.0	9.3	49.2	49.7
Unrestricted	48.7	46.8	3.7	5.5	52.4	52.3
Total net position	<u>\$240.0</u>	<u>\$244.6</u>	<u>\$ 65.1</u>	<u>\$ 62.4</u>	<u>\$305.1</u>	<u>\$307.0</u>

At year end June 30, 2013 the net position of the City totaled \$307.0 million, a decrease of \$1.7 million from June 30, 2012. Of this \$307.0 million, \$244.6 million was in governmental activities, a 1.9% increase and \$62.4 million was in the business-type activities, a 4.2% decrease.

Net Position consists of three components. The largest portion of net position (\$205.0 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 restricted portion of the City's net position (\$49.6 million or 16%) represents resources subject to external restrictions on how they may be spent. This component is primarily made up of accumulated development impact fees collected by the City. These funds are specifically reserved for capital improvements pertaining to growth as it relates to maintaining a consistent level of service to all citizens.

The third portion consists of unrestricted net position (\$52.3 million or 17%), which may be used to meet the City's ongoing obligation to citizens and creditors.

Changes in Net Position

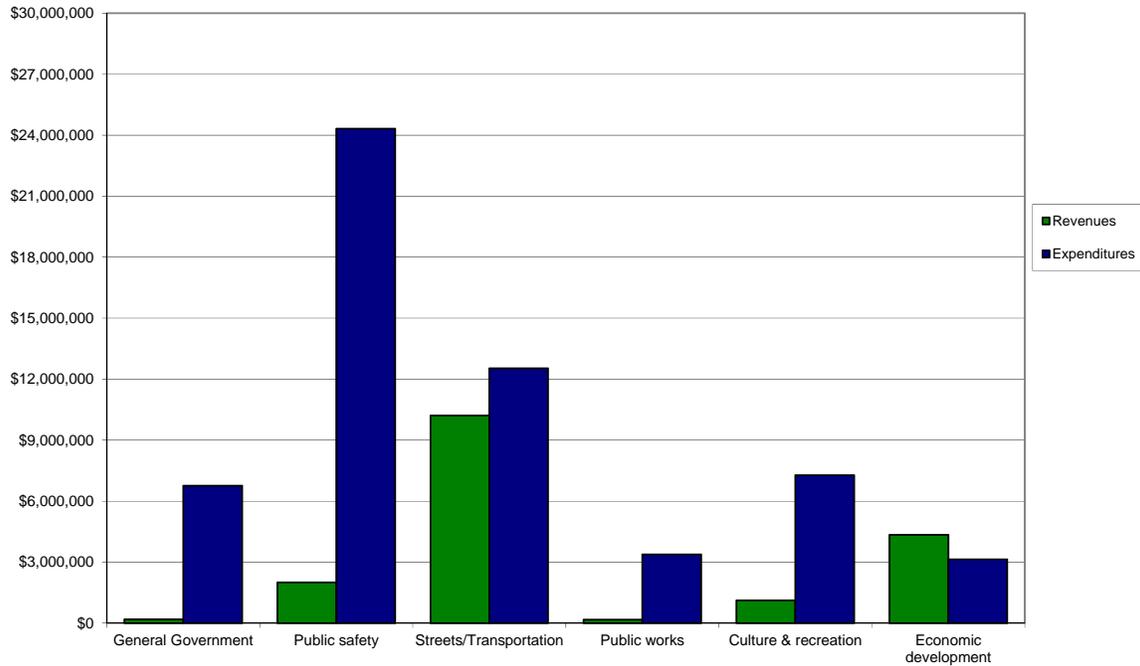
The City's total revenues for the year ended June 30, 2013 were \$77.8 million. The total cost of all programs and services was \$75.2 million. The following table presents a summary of the changes in net position for the year ended June 30, 2013.

Changes in Net Position (in millions)						
	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Revenues						
Program revenues						
Charges for services	\$ 4.2	\$ 6.8	\$14.4	\$13.9	\$ 18.6	\$20.7
Operating grants and	7.2	6.8	-	-	7.2	6.8
Capital grants and	0.7	10.2	2.3	0.5	3.1	10.7
General revenues						
Property taxes	6.4	6.9	-	-	6.4	6.9
Sales taxes	18.9	19.2	0.3	0.0	18.9	19.2
Franchise taxes	2.2	2.2	-	-	2.2	2.2
Shared revenues	10.0	11.1	-	-	10.0	11.1
Other	0.2	0.1	0.43	0.1	0.2	0.2
Total Revenues	49.9	63.3	16.8	14.6	66.7	77.8
Expenses						
General Government	6.9	6.8	-	-	6.9	6.8
Public Safety	22.6	24.3	-	-	22.6	24.3
Streets/Transportation	17.6	12.4	-	-	17.6	12.4
Public Works	2.5	3.2	-	-	2.5	3.2
Culture and Recreation	7.2	7.3	-	-	7.2	7.3
Economic Development	3.1	3.1	-	-	3.1	3.1
Other	2.6	2.4	-	-	2.6	2.4
Water	-	-	0.2	0.2	0.2	0.2
Golf Course	-	-	1.3	1.3	1.3	1.3
Sewer	-	-	9.8	9.2	9.8	9.2
Sanitation	-	-	5.1	5.0	5.1	5.0
Total Expenses	62.6	59.5	16.3	15.7	79.0	75.2
Excess before transfer	(12.7)	3.8	0.4	(1.1)	(12.3)	2.7
Transfers In (Out)	0.9	1.3	(0.9)	(1.3)	-	-
Increase (decrease) in Net	\$(12.6)	\$5.1	\$ 0.4	\$(2.4)	\$(12.3)	\$2.7

The following graph 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 81% of the total revenues of the City and 79% of the total expenses in fiscal year 2013. This compares to 79% of total revenues and 81% of expenses in fiscal year 2012.

**Governmental Programs Revenues and Expenses
Fiscal Year 2013**



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.

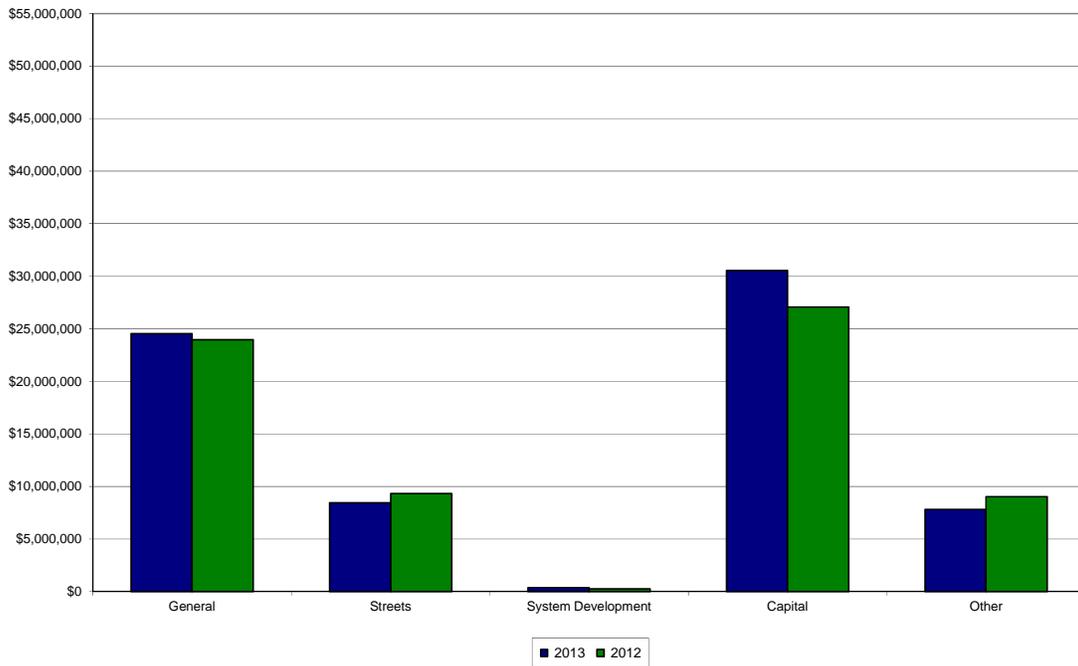
Governmental Funds

The focus of governmental fund financial statements (pages 16-24) is to provide information on near-term inflows, outflows and balances of spendable resources. All major governmental funds are discreetly presented in 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 63-70.

For fiscal year ended June 30, 2013, the governmental funds reflect a combined fund balance of \$89.9 million, an increase of \$3.9 million. A portion of the fund balance, \$43.0 million is restricted for specific expenses or is legally segregated for a specific future use. The remaining \$46.9 million is classified as assigned or unassigned. 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, community services, development services and general administrative services. The General Fund revenues total \$36.7 million, an increase of \$2.0 million, in fiscal year 2013. The primary increases are in licenses and permits, and state shared. The expenses, before other financing sources and uses, totaled \$35.0 million, an increase of \$1.0 million. Transfers to other funds were a net of (\$1.1) million resulting in an increase to fund balance of \$0.6 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 only. 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 \$4.8 million, a decrease of \$0.5 million from the prior fiscal year, while expenses totaled \$5.2 million, a decrease of \$0.7 million in the fiscal year ended June 30, 2013.

Another governmental fund of the City is the System Development Fee Fund which collected impact fees for public safety, parks and recreational facilities, library facilities, and general government. The fees in this fund are no longer collected due to a change in state law. The fund balance is planned to finance eligible growth related capital improvements over the next several years.

The Capital Development and Replacement Fund accounts for accumulated proceeds and capital expense of proceeds for the construction of capital projects and for replacement of equipment.

Other governmental funds include the Grants Fund which accounts for the various state and federal grants awarded to the City for specific purposes in public safety, parks and recreation, and library; the Construction Sales Tax Fund accounts for capital construction as authorized via ordinance 1397.03.07; all non-major governmental funds of the City are combined into the "Non-Major 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 enterprise fund is shown individually on the fund statement.

Net position of the enterprise funds were \$62.4 million, a decrease of \$2.7 million as of June 30, 2013. Overall there is an increase to unrestricted assets leaving a balance of \$5.5 million. Operating revenues in fiscal year 2013 were \$14.4 million, showing very little increase from the prior fiscal year, while operating expenses totaled \$15.7 million, an increase of \$1.4 million, resulting in \$1.2 million of net operating loss.

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 71. This statement compares the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis.

Amendments to the adopted budget may occur throughout the year in a legally permissible manner (see Note 1 (E) on page 39 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 \$162,502,190 during fiscal year 2013. Budget amendments between funds or departments or from budgeted contingencies into operational expense/expenditure accounts did occur. However, the adopted budget cannot be increased.

General Fund inflows (revenues and other sources) of \$36.7 million, on a budgetary basis, were slightly less than budgeted inflows of \$36.8 million, while actual outflows (expenditures and other uses) of \$35.0 million were 96% of original budgeted outflows, reflecting an efficiently allocated budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2013, the City had \$317.1 million invested in various capital assets, net of accumulated depreciation. Of the \$317.1 million \$206.3 million (65%) is invested in governmental activities and \$110.8 million (35%) is invested in business-type activities.

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

- ✓ Continued reconstruction of downtown streets for \$2.3 million.
- ✓ Completion of the Solar panel parking structure for \$2.1 million.
- ✓ Purchase and outfitting of a new ladder truck for \$1.2 million
- ✓ Completion of South Terminal Apron at the Casa Grande Municipal Airport for \$1.4 million.

The following table provides a breakdown of the capital asset balances net of accumulated depreciation at June 30, 2013. Additional information on the City's capital assets may be found in Note 7 on pages 48-49.

Capital Assets (In Millions)

	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
	Land & Construction in Progress	\$ 20.2	\$ 23.1	\$ 3.0	\$ 3.0	\$ 23.2
Building & improvements	176.3	175.8	101.0	98.5	277.3	274.3
Machines & equipment	6.9	7.4	9.5	9.3	16.4	16.7
Total	<u>\$203.4</u>	<u>\$206.3</u>	<u>\$113.5</u>	<u>\$110.8</u>	<u>\$316.9</u>	<u>\$317.1</u>

Long-Term Debt

The City's outstanding long-term debt, including bonds, notes, capital leases, and compensated absences, was \$117.8 million at June 30, 2013, with \$5.8 million due within one year. Of this total, \$54.3 million was in governmental activities and \$63.5 million was in business-type activities. Of the outstanding debt, \$29.7 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, 2013. Further details can be found in Notes 10 to 15 on pages 54-59.

	Outstanding Debt (In Millions)					
	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Compensated Absences	\$ 1.9	\$ 2.0	\$ 0.2	\$ 0.3	\$ 2.1	\$ 2.3
Capital Leases	4.8	7.8	-	-	4.8	7.8
Bonds Payable	45.7	44.5	16.6	13.2	62.3	57.7
Notes/loans payable	-	-	51.7	50.0	51.7	50.0
Total	\$52.4	\$54.3	\$68.5	\$63.5	\$120.9	\$117.8

ECONOMIC FACTORS

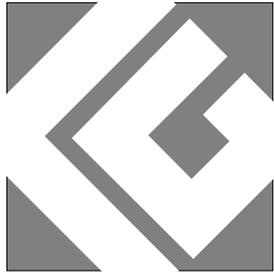
Casa Grande's population has grown steadily since 2000. The growth rate over the course of the past 10 years was 60%. The unemployment rate in Casa Grande (Pinal County) for June 2013 was approximately 9.1%, which is higher than both the state (8.0%) and the national averages (7.5%). While the local economy witnessed a solid year, it has been largely driven by commercial construction. The retail sales tax remained fairly 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. Within Casa Grande, the local economy is experiencing a small increase in sales tax collection as the economy changes focus from one of spending to one of saving and repaying debt. Casa Grande has been selected as the site for a global sourcing center, in addition to a Sam's Club and several new industrial and manufacturing companies which will open in FY2014.

Though total assessed values for Casa Grande have decreased in recent years, the property values have essentially doubled from 2004 to 2013. For tax year 2013, the total assessed value decreased by 11% with just under half of the decrease occurring in residential values. Residential values account for slightly more than one-third 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 dsandstrom@casagrandeaz.gov. Copies of this report and other financial information can also be found on the city's website www.casagrandeaz.gov.



BASIC FINANCIAL STATEMENTS



City of
Casa Grande

City of Casa Grande, Arizona
Statement of Net Position
June 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 11,479,126	\$ 744,264	\$ 12,223,390
Investments	74,526,264	16,008,736	90,535,000
Receivables (net of allowance for uncollectibles)	5,913,849	2,281,966	8,195,815
Due from other governments	1,064,255	-	1,064,255
Internal balances	55,158	(55,158)	-
Inventories	273,314	52,120	325,434
Prepays	335,183	-	335,183
Restricted assets:			
Restricted investments	3,455,884	-	3,455,884
Capital assets:			
Land and construction in progress	23,118,539	2,983,724	26,102,263
Other capital assets (net of accumulated depreciation)	183,155,042	107,844,911	290,999,953
Total assets	303,376,614	129,860,563	433,237,177
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	8,839	45,269	54,108
Total Deferred Outflows of Resources	8,839	45,269	54,108
LIABILITIES			
Accounts payable and other current liabilities	3,224,089	692,502	3,916,591
Deposits held	-	10,601	10,601
Accrued wages and benefits	855,091	113,964	969,055
Accrued interest payable	375,496	661,837	1,037,333
Noncurrent liabilities:			
Due within one year:			
Current portion of compensated absences	912,793	113,115	1,025,908
Current portion of capital leases and notes	358,867	2,353,629	2,712,496
Current portion of excise tax revenue obligations	732,865	652,135	1,385,000
Current portion of bonds payable	650,454	54,546	705,000
Due in more than one year:			
Noncurrent portion of compensated absences	1,115,637	138,229	1,253,866
Noncurrent portion of capital leases and notes	7,472,753	47,671,092	55,143,845
Noncurrent portion of excise tax revenue obligations	16,919,967	11,375,462	28,295,429
Noncurrent portion of bonds payable	26,153,600	1,135,229	27,288,829
Less: Deferred amount on refunding	-	-	-
Closure and postclosure liability	-	2,551,350	2,551,350
Total liabilities	58,771,612	67,523,692	126,295,304
NET POSITION			
Net Investment in Capital Assets	157,440,959	47,631,810	205,072,769
Restricted for:			
Highways and streets	13,958,498	-	13,958,498
Grant purposes	375,927	-	375,927
Community development	11,508,052	-	11,508,052
Debt service	4,185,438	4,678,660	8,864,098
Capital projects	10,367,874	4,566,989	14,934,863
Unrestricted	46,777,093	5,504,681	52,281,774
Total net position	\$ 244,613,841	\$ 62,382,140	\$ 306,995,981

The accompanying notes are an integral part of the financial statements

City of Casa Grande, Arizona
Statement of Activities
June 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 6,766,944	\$ 342,086	\$ 178,455	\$ -
Public safety	24,280,544	1,182,158	794,104	948,405
Streets/Transportation	12,494,463	1,112,963	4,776,362	9,229,494
Public works	3,205,901	60,757	190,318	-
Culture and recreation	7,273,320	443,652	442,744	-
Economic development	3,117,655	3,678,048	441,722	-
Interest on long-term debt	2,367,185	-	-	-
Total governmental activities	59,506,012	6,819,664	6,823,705	10,177,899
Business-type activities:				
Water	226,382	173,935	-	-
Golf course	1,299,400	994,534	-	-
Wastewater	9,188,433	6,541,782	-	545,163
Sanitation	4,953,994	6,151,881	-	-
Total business-type activities	15,668,209	13,862,132	-	545,163
Total primary government	\$ 75,174,221	\$ 20,681,796	\$ 6,823,705	\$ 10,723,062

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 position
Net Position-beginning
Prior period adjustment
Net Position-beginning - restated
Net Position-ending

The accompanying notes are an integral part of the financial statements

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (6,246,403)	\$ -	\$ (6,246,403)
(21,355,877)	-	(21,355,877)
2,624,356	-	2,624,356
(2,954,826)	-	(2,954,826)
(6,386,924)	-	(6,386,924)
1,002,115	-	1,002,115
(2,367,185)	-	(2,367,185)
(35,684,744)	-	(35,684,744)
-	(52,447)	(52,447)
-	(304,866)	(304,866)
-	(2,101,488)	(2,101,488)
-	1,197,887	1,197,887
-	(1,260,914)	(1,260,914)
\$ (35,684,744)	\$ (1,260,914)	\$ (36,945,658)
6,877,452	-	6,877,452
19,242,309	25,737	19,268,046
2,248,227	-	2,248,227
3,975,626	-	3,975,626
4,961,423	-	4,961,423
2,129,894	-	2,129,894
3,586	40,519	44,105
49,172	60,209	109,381
1,337,500	(1,337,500)	-
40,825,189	(1,211,035)	39,614,154
5,140,445	(2,471,949)	2,668,496
240,037,092	65,111,633	305,148,725
(563,696)	(257,544)	(821,240)
239,473,396	64,854,089	304,327,485
\$ 244,613,841	\$ 62,382,140	\$ 306,995,981

City of Casa Grande, Arizona
Balance Sheet
Governmental Funds
June 30, 2013

	General	Highway Users	Grants & Subsidies	Capital Replacement/ Recreation/ Development
ASSETS				
Cash	\$ 109,711	\$ 4,633,193	\$ 307,344	\$ 450,354
Investments	20,399,174	3,838,159	-	28,071,864
Accounts receivable (less allowance for uncollectibles)	4,088,697	578,025	5,361	425,951
Due from other governments	26	-	239,590	-
Due from other funds	1,599,134	-	-	638,771
Inventories	6,264	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	2,556,640
Total assets	<u>\$ 26,203,006</u>	<u>\$ 9,049,377</u>	<u>\$ 552,295</u>	<u>\$ 32,143,580</u>
 LIABILITIES				
Accounts payable and other current liabilities	\$ 449,141	\$ 556,867	\$ 54,175	\$ 1,602,928
Accrued wages and benefits	758,789	39,265	27,428	-
Due to other funds	-	-	-	-
Compensated absences	4,404	59	16	-
Total liabilities	<u>1,212,334</u>	<u>596,191</u>	<u>81,619</u>	<u>1,602,928</u>
 DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue	451,116	-	94,749	-
Total Deferred Inflows of Resources	<u>451,116</u>	<u>-</u>	<u>94,749</u>	<u>-</u>
 FUND BALANCES				
Nonspendable	6,264	-	-	-
Restricted	4,701,221	8,453,186	375,927	2,556,640
Committed	-	-	-	2,523,457
Assigned	14,550,404	-	-	25,460,555
Unassigned	5,281,667	-	-	-
Total fund balances	<u>24,539,556</u>	<u>8,453,186</u>	<u>375,927</u>	<u>30,540,652</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 26,203,006</u>	 <u>\$ 9,049,377</u>	 <u>\$ 552,295</u>	 <u>\$ 32,143,580</u>

The accompanying notes are an integral part of the financial statements

System Development	Non-Major Governmental Funds	Total Governmental Funds
\$ 676,049	\$ 3,381,994	\$ 9,558,645
7,785,691	14,431,375	74,526,264
-	733,152	5,831,186
-	824,641	1,064,257
-	-	2,237,905
-	66,983	73,247
-	899,244	3,455,884
\$ 8,461,740	\$ 20,337,390	\$ 96,747,388

\$ 11,735	\$ 311,618	\$ 2,986,464
-	12,385	837,867
638,771	1,542,410	2,181,181
-	-	4,479
650,506	1,866,413	6,009,991

-	299,833	845,698
-	299,833	845,698

-	66,983	73,247
7,811,234	16,497,586	40,395,794
-	-	2,523,457
-	2,182,985	42,193,944
-	(576,410)	4,705,257
7,811,234	18,171,144	89,891,699

\$ 8,461,740	\$ 20,337,390	\$ 96,747,388
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City of Casa Grande, Arizona
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2013

Fund balance - total governmental funds balance sheet		\$89,891,699
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	\$333,193,613	
Less accumulated depreciation	(126,956,854)	
Internal service capital assets	360,090	
Less accumulated depreciation	<u>(323,268)</u>	206,273,581
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	(2,028,430)	
Capital leases	(7,831,620)	
Bonds payable	(44,355,939)	
Bond discount	(309,761)	
Deferred Loss	8,839	
Bond premium	<u>208,806</u>	(54,308,105)
Certain revenues earned but not received within 60 days of year -end are deferred for the governmental statements, but are recognized as revenue for government-wide statements.		
Grants	332,872	
Property Tax	259,813	
Sales Tax/Facility Use	<u>253,013</u>	845,698
Interest payable on long-term debt is not reported in the governmental funds.		(375,496)
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>2,286,464</u>
Net position of governmental activities - statement of net position		<u><u>\$244,613,841</u></u>

The accompanying notes are an integral part of the financial statements



City of
Casa Grande

City of Casa Grande, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
June 30, 2013

REVENUES	General	Highway Users	Grants & Subsidies	Capital Replacement/ Recreation/ Development
Taxes:				
Property taxes	\$ 3,624,008	\$ -	\$ -	\$ -
City sales tax	16,807,168	-	-	2,138,075
Franchise tax	2,248,227	-	-	-
Licenses and permits	1,263,721	-	-	-
Intergovernmental revenues	11,129,900	4,775,504	2,480,053	-
Charges for services	858,597	-	-	-
Fines	735,217	-	-	-
Investment earnings	(139,412)	20,261	569	67,785
Contributions and donations	1,073	-	53,130	-
Rental and sale of city property	133,843	-	-	-
Miscellaneous	39,320	4,821	-	266,165
Total revenues	36,701,662	4,800,586	2,533,752	2,472,025
EXPENDITURES				
Current:				
General government	6,097,709	-	-	-
Public safety	20,094,516	-	1,488,670	3,575
Streets/Transportation	-	2,717,802	-	-
Public works	2,009,791	-	-	30,900.00
Culture and recreation	5,209,067	-	614,716	-
Planning and economic development	1,510,589	-	32,479	-
Capital outlay	-	2,325,172	841,326	4,508,121
Debt Service:				
Principal	84,193	106,939	-	57,000
Interest and fiscal charges	-	42,657	-	114,828
Total expenditures	35,005,865	5,192,570	2,977,191	4,714,424
Excess (deficiency) of revenues over (under) expenditures	1,695,797	(391,984)	(443,439)	(2,242,399)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,678,076	20,000	645,964	2,887,071
Transfers out	(2,796,267)	(503,130)	(75,000)	(500,000)
Lease purchase proceeds	-	-	-	3,328,600
Total other financing sources and uses	(1,118,191)	(483,130)	570,964	5,715,671
Net change in fund balances	577,606	(875,114)	127,525	3,473,272
Fund balances - beginning of year	23,961,950	9,328,300	248,402	27,067,379
Fund balances - end of year	\$ 24,539,556	\$ 8,453,186	\$ 375,927	\$ 30,540,651

The accompanying notes are an integral part of the financial statements

System Development	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 3,237,595	\$ 6,861,603.00
-	297,066	19,242,309
-	-	2,248,227
-	-	1,263,721
-	2,428,973	20,814,430
167,878	2,997,652	4,024,127
-	-	735,217
21,147	33,236	3,586
-	477	54,680
-	403,212	537,055
-	112,871	423,177
189,025	9,511,082	56,208,132
5,330	1,370,875	7,473,914
-	503,200	22,089,961
-	-	2,717,802
-	-	2,040,691
181,174	36,080	6,041,037
-	881,384	2,424,452
39,307	2,501,745	10,215,671
-	1,470,090	1,718,222
-	2,186,413	2,343,898
225,811	8,949,787	57,065,648
(36,786)	561,295	(857,516)
-	2,012,044	7,243,155
(1,185,014)	(727,244)	(5,786,655)
-	-	3,328,600
(1,185,014)	1,284,800	4,785,100
(1,221,800)	1,846,095	3,927,584
9,033,035	16,325,049	85,964,115
\$ 7,811,235	\$ 18,171,144	\$ 89,891,699

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, 2013

Net change in fund balances - total governmental funds		\$3,927,584
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Expenditures for capital assets	\$10,215,670	
Contribution of Florence Blvd	\$7,200,000	
Less current year depreciation	<u>(14,530,278)</u>	
		2,885,392
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.</p>		
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund statements.</p>		
Property tax		15,849
<p>Bond discounts are expended in the governmental funds when paid, and are capitalized and amortized in the statement of net position. This is the amount of current year bond discount.</p>		
		(117,054)
<p>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.</p>		
Issuance of lease debt	(3,328,600)	
Bond payments	1,376,282	
Lease payments	<u>343,097</u>	
		(1,609,221)
<p>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.</p>		
Grants		18,536
<p>The internal service fund net revenue is reported with governmental activities.</p>		
		163,543
<p>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.</p>		
Compensated absences		(101,756)
Interest expense on long-term debt		<u>(42,428)</u>
Change in net position of governmental activities		<u>\$5,140,445</u>

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
June 30, 2013

REVENUES	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		
Taxes:				
Property taxes	\$ 3,493,000	\$ 3,493,000	\$ 3,624,008	\$ 131,008
City sales tax	17,313,000	17,313,000	16,807,168	(505,832)
Franchise tax	2,170,000	2,170,000	2,248,227	78,227
Licenses and permits	819,000	839,000	1,263,721	424,721
Intergovernmental revenues	11,211,790	11,211,790	11,129,900	(81,890)
Charges for services	689,860	689,860	858,597	168,737
Fines	870,220	870,220	735,217	(135,003)
Investment earnings	30,000	30,000	(139,412)	(169,412)
Contributions and donations	5,000	-	1,073	1,073
Rental and sale of city property	114,000	114,000	133,843	19,843
Miscellaneous	135,000	115,000	39,320	(75,680)
Total revenues	36,850,870	36,845,870	36,701,662	(144,208)
EXPENDITURES				
Current:				
General government				
Mayor and Council	2,193,500	1,999,070	1,163,898	835,172
City manager	815,380	864,900	849,501	15,399
Attorney	691,960	691,960	667,283	24,677
Clerk	397,160	397,160	318,172	78,988
Finance	979,430	979,430	981,184	(1,754)
Information Technology	1,611,350	1,611,350	1,496,157	115,193
Administrative Services	683,870	712,520	621,514	91,006
Public safety				
Police	12,067,350	12,032,840	12,392,565	(359,725)
Fire	6,743,330	6,743,280	6,800,833	(57,553)
Court	612,120	607,240	585,719	21,521
Animal Control	306,130	310,010	315,399	(5,389)
Public works	2,185,620	2,189,060	2,009,791	179,269
Culture and Recreation	5,395,810	5,432,560	5,209,067	223,493
Planning and Economic Development	1,597,730	1,595,930	1,510,589	85,341
Capital Outlay	174,000	113,570	-	113,570
Debt Service:				
Principal	82,840	84,200	84,193	7
Total expenditures	36,537,580	36,365,080	35,005,865	1,359,215
Excess (deficiency) of revenues over (under) expenditures	313,290	480,790	1,695,797	1,215,007
OTHER FINANCING SOURCES (USES)				
Transfers in	1,393,780	1,393,780	1,678,076	284,296
Transfers out	(1,965,670)	(1,985,670)	(2,796,267)	(810,597)
Total other financing sources and uses	(571,890)	(591,890)	(1,118,191)	(526,301)
Net change in fund balance	(258,600)	(111,100)	577,606	688,706
Fund balance - beginning of year	23,961,950	23,961,950	23,961,950	-
Fund balance - end of year	\$ 23,703,350	\$ 23,850,850	\$ 24,539,556	\$ 688,706

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
June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget-</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
State-shared gas tax	\$ 3,145,480	\$ 3,145,480	\$ 3,056,317	\$ (89,163)
County sales tax	1,700,000	1,700,000	1,719,187	19,187
Investment earnings	6,000	6,000	20,261	14,261
Miscellaneous	25,000	25,000	4,821	(20,179)
Total revenues	<u>4,876,480</u>	<u>4,876,480</u>	<u>4,800,586</u>	<u>(75,894)</u>
EXPENDITURES				
Streets/Transportation				
Personal services	1,292,380	1,229,920	1,219,658	10,262
Contractual services	507,710	473,830	477,206	(3,376)
Materials and supplies	1,025,020	1,056,260	1,020,938	35,322
Capital outlay	8,796,000	8,796,000	2,325,172	6,470,828
Debt service	84,500	149,600	149,596	4
Total Streets/Transportation	<u>11,705,610</u>	<u>11,705,610</u>	<u>5,192,570</u>	<u>6,513,040</u>
Total expenditures	<u>11,705,610</u>	<u>11,705,610</u>	<u>5,192,570</u>	<u>6,513,040</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,829,130)</u>	<u>(6,829,130)</u>	<u>(391,984)</u>	<u>6,437,146</u>
OTHER FINANCING USES				
Transfers in	-	-	20,000	20,000
Transfers out	(543,130)	(543,130)	(503,130)	40,000
Total other financing sources and uses	<u>(543,130)</u>	<u>(543,130)</u>	<u>(483,130)</u>	<u>60,000</u>
Net change in fund balance	<u>(7,372,260)</u>	<u>(7,372,260)</u>	<u>(875,114)</u>	<u>6,497,146</u>
Fund balance - beginning of year	<u>9,328,300</u>	<u>9,328,300</u>	<u>9,328,300</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,956,040</u>	<u>\$ 1,956,040</u>	<u>\$ 8,453,186</u>	<u>\$ 6,497,146</u>

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
June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget-</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 5,201,170	\$ 5,201,170	\$ 2,480,053	\$ (2,721,117)
Investment earnings	-	-	569	569
Contributions and donations	53,880	53,880	53,130	(750)
Total revenues	5,255,050	5,255,050	2,533,752	(2,721,298)
EXPENDITURES				
Public safety				
Personal services	1,500,000	2,380,510	1,182,977	1,197,533
Contractual services	-	16,260	16,259	1
Materials and supplies	50,000	336,660	289,434	47,226
Capital outlay	3,410,050	1,553,410	771,248	782,162
Total Public Safety	4,960,050	4,286,840	2,259,918	2,026,922
Culture and recreation				
Personal services	86,620	160,380	116,785	43,595
Contractual services	150,000	282,480	132,848	149,632
Materials and supplies	-	359,420	365,083	(5,663)
Capital outlay	-	70,070	70,078	(8)
Total Culture and Recreation	236,620	872,350	684,794	187,556
Community Development				
Contractual services	-	37,480	32,479	5,001
Total Community Development	-	37,480	32,479	5,001
Total expenditures	5,196,670	5,196,670	2,977,191	2,219,479
Excess (deficiency) of revenues over (under) expenditures	58,380	58,380	(443,439)	(501,819)
OTHER FINANCING SOURCES				
Transfers in	40,000	40,000	645,964	605,964
Transfers out	(60,000)	(60,000)	(75,000)	(15,000)
Total other financing sources and uses	(20,000)	(20,000)	570,964	590,964
Net change in fund balance	38,380	38,380	127,525	89,145
Fund balance - beginning of year	248,402	248,402	248,402	-
Fund balance - end of year	\$ 286,782	\$ 286,782	\$ 375,927	\$ 89,145

The accompanying notes are an integral part of the financial statements

City of Casa Grande, Arizona
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-type Activities-Enterprise Funds		
	Water	Wastewater	Wastewater Dev Fees
ASSETS			
Current assets:			
Cash	\$ 699,776	\$ 1,217	\$ 5,157
Investments	-	7,275,433	4,860,611
Receivables, net of uncollectibles	8,815	1,613,662	3,290
Prepaid Expense	-	-	-
Inventories	-	-	-
Total current assets	<u>708,591</u>	<u>8,890,312</u>	<u>4,869,058</u>
Noncurrent assets:			
Capital assets:			
Land	-	-	2,700,724
Buildings and improvements	1,249,047	117,055,630	-
Machinery and equipment	-	1,523,478	5,339,988
Less accumulated depreciation	<u>(549,367)</u>	<u>(23,122,770)</u>	<u>(258,078)</u>
Total capital assets, net	<u>699,680</u>	<u>95,456,338</u>	<u>7,782,634</u>
Total noncurrent assets	<u>699,680</u>	<u>95,456,338</u>	<u>7,782,634</u>
Total assets	<u>1,408,271</u>	<u>104,346,650</u>	<u>12,651,692</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	-	45,269	-
Total Deferred Outflows of Resources	<u>-</u>	<u>45,269</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Accounts payable	11,390	198,162	302,069
Deposits held	10,601	-	-
Accrued wages and benefits	3,295	25,933	-
Accrued interest payable	2,724	659,113	-
Due to other funds	-	-	-
Compensated absences	-	12,564	-
Capital leases	-	-	-
Notes/Loans payable	12,097	2,341,532	-
GO Bond/Excise tax revenue obligations	-	652,135	-
Total current liabilities	<u>40,107</u>	<u>3,889,440</u>	<u>302,069</u>
Noncurrent liabilities:			
Notes/Loans payable	81,830	47,589,262	-
General obligation bond	-	-	-
Excise tax revenue obligations	-	11,375,462	-
Compensated absences	-	15,357	-
Closure and postclosure liability	-	-	-
Total noncurrent liabilities	<u>81,830</u>	<u>58,980,081</u>	<u>-</u>
Total liabilities	<u>121,937</u>	<u>62,869,521</u>	<u>302,069</u>
NET POSITION			
Net Investment in Capital Assets	605,753	33,543,215	7,782,634
Restricted for:			
Debt service	-	4,678,660	-
Construction	-	-	4,566,989
Unrestricted	680,581	3,300,523	-
Total net position	<u>\$ 1,286,334</u>	<u>\$ 41,522,398</u>	<u>\$ 12,349,623</u>

The accompanying notes are an integral part of the financial statements

Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Funds
Sanitation	Golf Course	Total	
\$ 37,614	\$ 500	\$ 744,264	\$ 1,920,482
3,872,251	441	16,008,736	-
652,682	3,517	2,281,966	82,665
-	-	-	335,183
-	52,120	52,120	200,067
<u>4,562,547</u>	<u>56,578</u>	<u>19,087,086</u>	<u>2,538,397</u>
-	283,000	2,983,724	-
138,496	2,640,378	121,083,551	52,354
8,826,741	743,544	16,433,751	307,736
<u>(4,374,121)</u>	<u>(1,368,055)</u>	<u>(29,672,391)</u>	<u>(323,268)</u>
<u>4,591,116</u>	<u>2,298,867</u>	<u>110,828,635</u>	<u>36,822</u>
<u>4,591,116</u>	<u>2,298,867</u>	<u>110,828,635</u>	<u>36,822</u>
<u>9,153,663</u>	<u>2,355,445</u>	<u>129,915,721</u>	<u>2,575,219</u>
-	-	45,269	-
-	-	<u>45,269</u>	-
145,877	35,004	692,502	235,715
-	-	10,601	-
73,501	11,235	113,964	14,650
-	-	661,837	-
3,500	51,658	55,158	1,568
86,588	13,963	113,115	8,846
-	-	-	-
-	-	2,353,629	-
-	54,546	706,681	-
<u>309,466</u>	<u>166,406</u>	<u>4,707,488</u>	<u>260,779</u>
-	-	47,671,092	-
-	1,135,229	1,135,229	-
-	-	11,375,462	-
105,807	17,065	138,229	10,812
<u>2,551,350</u>	<u>-</u>	<u>2,551,350</u>	<u>-</u>
<u>2,657,157</u>	<u>1,152,294</u>	<u>62,871,362</u>	<u>10,812</u>
<u>2,966,623</u>	<u>1,318,700</u>	<u>67,578,850</u>	<u>271,591</u>
4,591,116	1,109,092	47,631,810	36,822
-	-	4,678,660	-
-	-	4,566,989	-
1,595,924	(72,347)	5,504,681	2,266,806
<u>\$ 6,187,040</u>	<u>\$ 1,036,745</u>	<u>\$ 62,382,140</u>	<u>\$ 2,303,628</u>

City of Casa Grande, Arizona
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
June 30, 2013

	Business-type Activities-Enterprise Funds		
	Water	Wastewater	Wastewater Dev Fees
Operating revenues:			
Service fees	\$ 173,935	\$ 6,535,153	\$ -
Connection fees	-	6,630	-
Department Insurance charges	-	-	-
Rental	-	-	-
Green fees	-	-	-
Miscellaneous	21,368	31,532	-
Total operating revenue	195,303	6,573,315	-
Operating expenses:			
Personal services	72,107	719,131	-
Contractual services	54,123	1,579,863	-
Materials and supplies	45,602	1,300,197	-
Depreciation	51,120	3,050,129	86,691
Closure and postclosure costs	-	-	-
Total operating expenses	222,952	6,649,320	86,691
Operating income (loss)	(27,649)	(76,005)	(86,691)
Nonoperating revenues (expense):			
Investment earnings	-	17,948	13,245
Interest expense	(3,429)	(2,452,422)	-
City sales tax	-	-	-
Total nonoperating revenues (expense)	(3,429)	(2,434,474)	13,245
Income (loss) before contributions and transfers	(31,078)	(2,510,479)	(73,446)
Development Impact Fees	-	-	545,163
Transfers in	-	5,745,146	-
Transfers out	(21,280)	(3,268,423)	(2,872,573)
Change in Fund Net Position	(52,358)	(33,756)	(2,400,856)
Total Fund Net Position-beginning of year	1,338,692	41,556,154	14,750,479
Total Fund Net Position-end of year	\$ 1,286,334	\$ 41,522,398	\$ 12,349,623

The accompanying notes are an integral part of the financial statements

Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Funds
Sanitation	Golf Course	Total	
\$ 6,151,881	\$ -	\$ 12,860,969	\$ 1,750,440
-	-	6,630	-
-	-	-	5,679,702
-	133,957	133,957	-
-	860,577	860,577	-
4,580	2,729	60,209	218,795
6,156,461	997,263	13,922,343	7,648,937
2,311,252	474,738	3,577,228	5,448,902
1,104,030	157,752	2,895,768	1,136,139
777,383	460,363	2,583,545	757,042
729,387	176,695	4,094,022	24,311
29,711	-	29,711	-
4,951,763	1,269,548	13,180,274	7,366,394
1,204,698	(272,285)	742,069	282,543
9,153	173	40,519	-
(2,231)	(29,857)	(2,487,939)	-
-	25,737	25,737	-
6,922	(3,947)	(2,421,683)	-
1,211,620	(276,232)	(1,679,614)	282,543
-	-	545,163	-
2,035	223,760	5,970,941	-
(1,031,645)	(114,520)	(7,308,441)	(119,000)
182,010	(166,992)	(2,471,952)	163,543
6,005,030	1,203,737	64,854,092	2,140,085
\$ 6,187,040	\$ 1,036,745	\$ 62,382,140	\$ 2,303,628

City of Casa Grande, Arizona
Statement of Cash Flows
Proprietary Funds
June 30, 2013

	Business-type Activities-Enterprise Funds		
	Water	Wastewater	Wastewater Dev Fees
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 196,360	\$ 6,378,983	\$ 541,873
Payments to suppliers	(90,189)	(3,396,455)	302,069
Payments to employees	(68,812)	(711,017)	-
Net cash provided (used) by operating activities	37,359	2,271,511	843,942
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
City sales tax	-	-	-
Transfers to other funds	(21,280)	(395,850)	(2,872,573)
Transfers from other funds	-	2,872,573	-
Net cash provided (used) by noncapital financing activities	(21,280)	2,476,723	(2,872,573)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(24,380)	(253,016)	(482,354)
Proceeds from capital debt	-	664,390	-
Contributions	-	-	-
Principal paid on capital debt	(11,696)	(2,892,884)	-
Interest paid on capital debt	(3,429)	(2,572,504)	-
Net cash provided (used) by capital and related financing activities	(39,505)	(5,054,014)	(482,354)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	-	17,948	13,245
Net cash provided by investing activities	-	17,948	13,245
Net increase (decrease) in cash	(23,426)	(287,832)	(2,497,740)
Cash and cash equivalents at beginning of year	723,202	7,564,482	7,363,508
Cash and cash equivalents at end of year	\$ 699,776	\$ 7,276,650	\$ 4,865,768
Cash	\$ 699,776	\$ 1,217	\$ 5,157
Investments	-	7,275,433	4,860,611
	\$ 699,776	\$ 7,276,650	\$ 4,865,768

The accompanying notes are an integral part of the financial statements

Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Funds
Sanitation	Golf Course	Total	
\$ 6,266,289	\$ 997,911	\$ 14,381,416	\$ 7,577,793
(2,235,715)	(565,203)	(5,985,493)	(2,302,997)
(2,268,423)	(481,878)	(3,530,130)	(5,445,150)
1,762,151	(49,170)	4,865,793	(170,354)
-	25,737	25,737	-
(1,031,645)	(114,520)	(4,435,868)	(119,000)
2,038	223,760	3,098,371	
(1,029,607)	134,977	(1,311,760)	(119,000)
(650,001)	(55,102)	(1,464,853)	-
-	-	664,390	-
-	-	-	-
(2,231)	(54,546)	(2,959,126)	-
	(31,267)	(2,609,431)	-
(652,232)	(140,915)	(6,369,020)	-
9,153	173	40,519	-
9,153	173	40,519	-
89,465	(54,935)	(2,774,468)	(289,354)
3,820,400	55,876	19,527,468	2,209,836
\$ 3,909,865	\$ 941	\$ 16,753,000	\$ 1,920,482
\$ 37,614	\$ 500	\$ 744,264	\$ 1,920,482
3,872,251	441	16,008,736	-
\$ 3,909,865	\$ 941	\$ 16,753,000	\$ 1,920,482

City of Casa Grande, Arizona
Statement of Cash Flows
Proprietary Funds
June 30, 2013

	Business-type Activities-Enterprise Funds		
	Water	Wastewater	Wastewater Dev Fees
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (27,649)	\$ (76,005)	\$ (86,691)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Closure and postclosure costs	-	-	-
Depreciation expense	51,120	3,050,129	86,691
(Increase) decrease in prepaid expense	-	-	-
(Increase) decrease in accounts receivable	157	(194,332)	(3,290)
(Increase) decrease in inventory	-	-	-
Increase (decrease) in accounts payable	9,536	(149,153)	302,069
Increase (decrease) in deposits held	900	-	-
Increase (decrease) in accrued wages	3,295	5,784	-
Increase (decrease) in due to other funds	-	(367,242)	-
Increase (decrease) in compensated absences	-	2,330	-
Total adjustments	<u>65,008</u>	<u>2,347,516</u>	<u>385,470</u>
Net cash provided (used) by operating activities	<u>\$ 37,359</u>	<u>\$ 2,271,511</u>	<u>\$ 298,779</u>

The accompanying notes are an integral part of the financial statements

Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Fund
Sanitation	Golf Course	Total	
<u>\$ 1,204,698</u>	<u>\$ (272,285)</u>	<u>\$ 742,068</u>	<u>\$ 282,543</u>
29,711	-	29,711	-
729,387	176,695	4,094,022	24,311
-	-	-	(335,183)
109,828	648	(86,989)	(71,144)
-	5,438	5,438	64,068
(357,802)	(4,184)	(199,534)	34,516
-	-	900	-
3,266	(942)	11,403	445
3,500	51,658	(312,084)	(173,217)
39,563	(6,198)	35,695	3,307
<u>557,453</u>	<u>223,115</u>	<u>3,578,562</u>	<u>(452,897)</u>
<u>\$ 1,762,151</u>	<u>\$ (49,170)</u>	<u>\$ 4,320,630</u>	<u>\$ (170,354)</u>

City of Casa Grande, Arizona
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Agency Funds	Part-Time Firemen's Pension
ASSETS		
Cash	\$ 17,725	\$ 2,158
Investments	1,687,445	-
Mutual Funds	-	465,834
Total assets	1,705,170	467,992
LIABILITIES		
Other liabilities	1,705,170	-
Total liabilities	1,705,170	-
NET POSITION		
Held in trust for pension benefits and other purposes	\$ -	\$ 467,992

The accompanying notes are an integral part of the financial statements

City of Casa Grande, Arizona
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Part-Time Firemen's Pension
ADDITIONS	
Contributions:	
Employer	\$ -
Plan members	-
Total contributions	-
Investment earnings:	
Misc Revenue	110
Change in the fair value of Mutual Funds	45,471
Total investment earnings	45,581
Less investment expense	(202)
Net investment earnings	45,379
Total additions	45,379
DEDUCTIONS	
Pension payments	56,198
Administrative expenses	1,604
Total deductions	57,802
Change in net position	(12,423)
Net position-beginning of year	480,415
Net position-end of year	\$ 467,992

The accompanying notes are an integral part of the financial statements

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1: **Summary of Significant Accounting Policies**

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

(A) **Reporting Entity**

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

Individual Component Units – Blended

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

No separate financial statements were prepared for the Districts.

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

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

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

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

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

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

Generally, the effect of interfund activity is removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements. The “doubling up” effect of internal service fund activity is removed from the government-wide statements with the expenses shown in the various functions and segments on the Statement of Activities.

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

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

GOVERNMENTAL FUNDS

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

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

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

Capital Project Funds - Capital Project Funds account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The Capital Replacement/Recreation/Development Fund is a major fund presented in the basic financial statements. This fund accounts for the replacement of fleet, recreation facilities construction and development of infrastructure. The System Development Fund collects fees to defray the costs of specific growth related development.

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

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

PROPRIETARY FUNDS

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

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

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

Wastewater Development Fees Fund - impact fees pay their proportionate share for development of the wastewater system.

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

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

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.

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. Each cost center is charged is proportional share of the cost for these services.

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.

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

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

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.

(D) **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. Revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

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

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

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

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

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

(D) **Measurement Focus and Basis of Accounting** (continued)

The portion of property tax levies available on June 30, 2013, are recorded as receivable, net of allowance for un-collectibles. The balance of the tax levy not collected within 60 days after year-end are reflected as deferred revenue.

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

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

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

(E) **Budgetary Data**

- (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.
- (3) After required public hearings are held, a budget for all governmental and proprietary funds (excluding internal service and pension funds) is legally enacted prior to the third Monday of July as required by Arizona Revised Statutes. The budget specifies expenditure amounts by activity with each Fund.
- (4) Transfer 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 was amended for the year ending June 30, 2013.
- (5) All funds are subject to the comprehensive appropriated budget.
- (6) Encumbrances used by the City during the budget year. 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, certain annual expenditure limitations must be adhered to.
- (9) Several supplemental appropriations were necessary during the year.
- (10) Expenditures may not exceed budgeted appropriations at the total budget level.

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

(F) 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.

(G) 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.

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.

(H) 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.

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

(I) **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.

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

(J) **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).

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

(J) Compensated Absences (continued)

City employees with less than ten years of service are granted non-vesting sick leave. Employees with ten or more years of service will be paid the unused accrued sick leave as follows:

10 – 15 years of service will receive 30% up to a maximum of 128 hours

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.

(K) Long-term Obligations

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

(L) 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 service is revenue to the fund providing the service and expenditure to the fund receiving the service. Other interfund transactions are classified as transfers. Transfers usually reflect ongoing operating subsidies between funds.

(M) Fund Equity

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

(N) Fund Balance Policies

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

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

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

(N) **Fund Balance Policies** (continued)

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

When both restricted and unrestricted resources are available for specific expenditures, restricted resources are considered spent before unrestricted resources. Within fund balance committed is spent first and then assigned resources are used. For fund balance details by classification, see note 22 on page 62.

(O) **Implementation of New GASB Statements**

In December 2010, the GASB issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. GASBS No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. The City adopted GASBS No. 62 in fiscal year 2013. The adoption of GASBS No. 62 does not have any impact on the City's financial statements.

In June 2011, the GASB issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. The City adopted GASBS No. 63 in fiscal year 2013. The adoption of GASBS No. 63 has impacted the presentation of the City's financial statements.

In March 2012, the GASB issued Statement No. 65, Items previously reported as assets and liabilities. GASBS No. 65 provided reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities, and other related disclosures. In addition, the reporting of such items should be limited to those instances identified by the Governmental Accounting Standards Board. Statement No. 65 also changes the determination of the major fund calculations and limits the use of the term deferred in financial statement presentation. Although the provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012, the City elected to early implement it in fiscal year 2013. The adoption of GASBS No. 65 has impacted the presentation of the City's financial statements.

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2: **Cash and Investments**

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

Cash	\$ 12,243,271
Investments	92,688,280
Restricted investments	3,455,884
Total cash and investments	<u>\$108,387,435</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 \$12,243,271 and the bank balance was \$14,041,231. Federal Depository Insurance covered the City's deposits at June 30, 2013, to the extent of \$250,000. Deposits of \$13,791,231 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.

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

	Governmental Activities	Business Activities	Fiduciary Fund	Total
Cash	\$11,479,124	\$ 744,264	\$ 19,883	\$ 12,243,271
Investments	74,526,264	16,008,736	2,153,279	92,688,279
Restricted investments	3,455,884	-	-	3,455,884
	\$89,461,272	\$16,753,000	\$2,173,162	\$108,387,434

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 fair value of the City's position is the same as the value of the pool shares. The State Board of Investment has oversight responsibilities of the investment pool pursuant to ARS 35-311. The pool's investments include securities with the full faith and credit of the United State Government with a final maturity less than 24 months 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, 2013 was \$1.2 billion in assets.

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 has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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. The following table shows the actual rating as of year-end by investment type.

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>	Ratings at year end
			<u>Unrated</u>
LGIP	State Investment Pool	\$91,977,445	\$91,977,445
Deutsche Bank	Solar Panels Escrow	2,556,640	2,556,640
American Funds	Money Market	11,440	11,440
Linsco/LPL Financial	Money Market/Mut Fnds	454,394	454,394
Western State Bank	Cert of Deposit	245,000	245,000
Wells Fargo	Money Market	899,244	899,244
		<u>\$96,144,163</u>	<u>\$96,144,163</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	\$91,977,445
Deutsche Bank	Solar Panels Escrow	2,556,640
Firefighter Pension:		
American Funds	Money Market	11,440
Linsco	Money Market/Mut Fnds	454,394
Western State Bank	Cert of Deposit	245,000
Wells Fargo	Money Market	899,244
		<u>\$96,144,163</u>

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

In November 2006, December 2008 and August 2010 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.

<u>Fund Type</u>	<u>Description of Designated Capital</u>	<u>Balance at June 30, 2013</u>
Capital - CFD	Infrastructure	<u>\$301,429</u>

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 3: **Cash with Fiscal Agent/Restricted Investments** (continued)

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, 2013
Capital - CFD	Sewer Line	\$597,815

In March 2013, the City entered into a lease agreement to finance solar panel parking structures to reduce energy consumption.

Fund Type	Description of Designated Capital	Balance at June 30, 2013
Capital	Solar Panels Escrow	\$2,556,640

NOTE 4: **Receivables**

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

	General	Highway Users	Grant Subsidies	Capital	Non-Major	Total
Receivables:						
Taxes	\$4,041,416	\$578,025	\$ -	\$425,951	\$ 43,669	\$5,089,061
Accounts	47,531	-	5,361	-	678,463	731,355
Interest	-	-	-	-	11,020	11,020
Gross Receivables	4,088,947	578,025	5,361	425,951	733,152	5,831,436
Less: allowance for uncollectible	(250)	-	-	-	-	(250)
Net total	\$4,088,697	\$578,025	\$5,361	\$425,951	\$733,152	\$5,831,186

The following table is a summary of the City's business-type activities receivables.

	Water	Wastewater	Sanitation	Golf Course	Total
Receivables:					
Accounts	\$8,815	\$3,302,164	\$1,813,317	\$3,517	\$5,127,813
Gross Receivables	8,815	3,302,164	1,813,317	3,517	5,127,813
Less: allowance for uncollectible	-	(1,685,212)	(1,160,635)	-	(2,845,847)
Net total	\$8,815	\$1,616,952	\$ 652,682	\$3,517	\$2,281,966

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

Uncollectible related to wastewater	\$10,254
Uncollectible related to sanitation	8,286
Total uncollectible for current fiscal year	\$18,540

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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, 2013, there were 59 of these loans outstanding, totaling \$495,180.

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 2012-2013 maximum primary levy limit was \$3,353,780. The primary tax levy was \$3,352,806. The City's secondary tax levy was \$2,264,194.

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, 2013, are \$37,348 and \$259,813 respectively.

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 7: **Capital Assets**

A summary of business-type activities property, plant and equipment at June 30, 2013 follows:

	<u>Balance June 30, 2012</u>	<u>Additions & Adjustments</u>	<u>Disposals & Adjustments</u>	<u>Balance June 30, 2013</u>
Capital assets not being depreciated:				
Land	\$ 2,983,724	\$ -	\$ -	\$ 2,983,724
Construction in progress	-	-	-	-
Capital assets being depreciated:				
Buildings & Improvements	120,846,198	709,670	-	121,555,868
Machinery & Equipment	15,206,252	755,183	-	15,961,435
Total Capital Assets	<u>139,036,174</u>	<u>1,464,853</u>	<u>-</u>	<u>140,501,027</u>
Less Accumulated Depreciation for:				
Buildings & Improvements	19,846,252	3,206,126	-	23,052,378
Machinery & Equipment	5,732,117	887,895	-	6,620,012
Total Accumulated Depreciation	<u>25,578,369</u>	<u>4,094,021</u>	<u>-</u>	<u>29,672,390</u>
Net Capital Assets	<u>\$113,457,805</u>	<u>\$(2,629,168)</u>	<u>\$ -</u>	<u>\$110,828,637</u>

A summary of changes in governmental activities capital assets follows:

	<u>Balance June 30, 2012</u>	<u>Adjustments & Additions</u>	<u>Adjustments & Disposals</u>	<u>Balance June 30, 2013</u>
Capital assets not being depreciated:				
Land	\$ 19,531,684	\$ -	\$ -	\$ 19,531,684
Construction in progress	619,212	3,586,855	619,212	3,586,855
Capital assets being depreciated:				
Buildings	66,280,043	717,135	30,148	66,967,030
Improvements	208,341,151	11,575,800	54,800	219,862,151
Heavy machinery & equipment	23,946,639	2,454,049	2,794,705	23,605,983
Total General Capital Assets	<u>318,718,729</u>	<u>18,333,839</u>	<u>3,498,865</u>	<u>333,553,703</u>
Less Accumulated Depreciation for:				
Buildings	11,986,866	2,152,474	(30,148)	14,109,192
Improvements	86,317,796	10,687,859	(54,800)	96,950,855
Heavy machinery & equipment	17,001,567	2,013,213	(2,794,705)	16,220,075
Total Accumulated Depreciation	<u>115,306,229</u>	<u>14,853,546</u>	<u>(2,879,653)</u>	<u>127,280,122</u>
Total General Capital Assets	<u>\$203,412,500</u>	<u>\$3,480,293</u>	<u>\$619,212</u>	<u>\$206,273,581</u>

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

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

Governmental Activities:

General Government	\$ 615,681
Public Safety	2,307,710
Streets/Transportation	8,688,176
Public Works	1,482,281
Culture and Recreation	1,489,050
Economic Development	246,337
Internal Service	<u>24,311</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$14,853,546</u></u>

Business-type Activities:

Water	\$ 51,119
Wastewater	3,136,820
Sanitation	729,387
Golf Course	<u>176,695</u>
Total Depreciation Expense - Business-type Activities	<u><u>\$4,094,021</u></u>

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, 2013

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, 2013, active ASRS members were each required by statute to contribute at the actuarially determined rate of 11.14% (10.90% retirement and 0.24% long-term disability) of the members' annual covered payroll and the City was required by statute to contribute at the actuarially determined rate of 11.14% (10.25% retirement, .56% health insurance premium, and .24% long-term disability) of the members' annual covered payroll. The City's contributions to ASRS for the years ended June 30, 2013, 2012 and 2011 were \$1,443,868, \$1,393,482 and \$1,310,650, respectively, which were equal to the required contributions for those years. Prior year's rates are 10.74% for 2012 and 9.85% for 2011. The City contribution for the current year is as follows:

June 30, 2013	Retirement & Health Insurance	Disability	Total
	\$1,412,916	\$30,952	\$1,443,868

(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, 2013 active PSPRS members were required by statute to contribute 9.55% of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 27.65% and 20.96% for covered payroll totaling \$5,077,868 and \$4,394,082 the plan for police and fire respectively. The City contributed the required amount.

Schedule of Funding progress - An analysis of funding progress for each of the agent plans as of the most recent actuarial valuations, June 30, 2011 reporting period determines the rates for fiscal year 2013. For this valuation, fiscal years prior to 2008 (which were prior to the implementation of GASB Statement Nos. 43 and 45), the pension and health insurance benefit amounts were aggregated. In fiscal year 2008, GASB Statement Nos. 43 and 45 measurements are made and reported, these benefits are disaggregated and reported separately. The Health Insurance Subsidy payments reported for valuation year 2011 were \$20,900 for the police plan and \$18,200 for the fire plan.

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 8: **Retirement and Pension Plans** (continued)
 (B) **Arizona Public Safety Personnel Retirement System**

Annual Pension Cost - The City's pension cost for the year ended June 30, 2013, the date of the most recent actuarial valuation, and related information follow.

Contribution Rates:	PSPRS-Police	PSPRS-Fire
City – retirement	26.51%	20.14%
City – health insurance premium	1.14%	0.82%
Plan members	7.65%	7.65%
Annual pension cost		
Retirement	\$1,422,932	\$937,506
Health insurance premium	\$ 61,190	\$ 38,171
Pension contributions made		
Retirement	\$1,422,932	\$937,506
Health insurance premium	\$ 61,190	\$ 38,171
Actuarial valuation date	June 30, 2011	June 30, 2011
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	8.25%	8.25%
Projected salary increases	5.0% - 8.0%	5.0% - 8.0%
Includes inflation at cost-of-living adjustment	5.00%	5.00%
Amortization method	Level Percent Closed	Level Percent Closed
Remaining amortization period	25 years underfunded 20 years overfunded	25 years underfunded 20 years overfunded
Asset valuation method	7-year smoothed market	7-year smoothed market
Post retirement benefit increases	Based on Income	Based on Income

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

Plan	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PSPRS – Police – Pension			
June 30, 2013	\$1,422,932	100.00%	-
June 30, 2012	1,219,694	100.00%	-
June 30, 2011	1,120,037	100.00%	-
PSPRS – Police – Health Insurance			
June 30, 2013	\$ 61,190	100.00%	-
June 30, 2012	61,361	100.00%	-
June 30, 2011	57,684	100.00%	-
PSPRS – Fire - Pension	\$ 937,506	100.00%	-
June 30, 2013	769,175	100.00%	-
June 30, 2012	726,254	100.00%	-
June 30, 2011			
PSPRS – Fire – Health Insurance			
June 30, 2013	\$ 38,171	100.00%	-
June 30, 2012	37,873	100.00%	-
June 30, 2011	35,502	100.00%	-

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

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

Required Supplementary Information (unaudited)

PSPRS – Police Pension Plan:

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]
6/30/11	16,386,157	30,320,506	13,934,349	54.0%	5,077,868	274.4%
6/30/10	15,562,591	27,269,561	11,706,970	57.1%	5,079,289	230.5%
6/30/09	14,941,827	25,601,105	10,659,278	58.4%	5,045,343	211.3%

PSPRS – Police Health Insurance Plan:

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]
6/30/11	0	666,368	666,368	0%	5,077,868	13.12%
6/30/10	0	525,879	525,879	0%	5,079,289	10.35%
6/30/09	0	518,058	518,058	0%	5,045,343	10.27%

PSPRS – Fire Pension Plan:

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]
6/30/11	10,640,220	17,765,323	7,125,103	59.9%	4,394,082	162.2%
6/30/10	9,807,667	15,651,942	5,844,275	62.7%	4,250,258	137.5%
6/30/09	9,084,607	14,493,872	5,409,265	62.7%	4,130,364	131.0%

PSPRS – Fire Health Insurance Plan:

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]
6/30/11	0	424,902	424,902	0%	4,394,082	9.67%
6/30/10	0	335,710	335,710	0%	4,250,252	7.9%
6/30/09	0	312,242	312,242	0%	4,130,364	7.56%

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

(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.

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, 2013, there were 14 eligible employees participating in the plan. The plan is administered by The Innes Associates.

As of June 30, 2013, the plan’s assets consisted of the following:

Cash	\$ 2,158
Money Market Funds	11,440
Mutual Funds	<u>454,394</u>
Total Assets	<u><u>\$467,992</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 2013 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. Liability for claims and judgments for June 30, 2013 is \$0 and for June 30, 2012 is \$0.

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 10: Capital Leases

Leases at June 30, 2013, 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. \$1,755,118

Lease with option to purchase Airport T-hangers. Quarterly installments of \$20,972 including interest of 5.081%, due through August 20, 2013. 17,902

Lease to finance Energy Improvements. The lease qualifies as an Energy Conservation Bond where tax credits are available annually to reduce interest. Payments are due semi-annually at an interest rate of 4.25%, due through July 1, 2027. 2,730,000

Lease to finance Solar Panels. Payments are due semi-annually at an interest rate of 3.59%, due through April 2031. 3,328,600

Total Governmental Activities Capital Lease Obligation \$7,831,620

The future minimum lease payments by year are:

Fiscal Year Ending June 30,	Government Activities	Business-type Activities	Total
2014	\$675,714	\$ -	\$675,714
2015	782,915	-	782,915
2016	787,835	-	787,835
2017	797,054	-	797,054
2018	807,005	-	807,005
2019-2023	3,226,830	-	3,226,830
2024-2028	2,640,160	-	2,640,160
2029-2031	696,255	-	696,255
<hr/>			
Total minimum lease payments	10,413,768	-	10,413,768
Less: amount representing interest	<u>(2,582,148)</u>	<u>-</u>	<u>(2,582,148)</u>
Present value of future minimum lease payments	7,831,620	-	7,831,620
Less: current portion	<u>(358,867)</u>	<u>-</u>	<u>(358,867)</u>
Noncurrent portion	<u><u>\$7,472,753</u></u>	<u><u>\$ -</u></u>	<u><u>\$7,472,753</u></u>

Leased Capital Assets

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

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Balance</u>
Building and Improvements:			
Governmental Activities Assets	<u>\$10,738,487</u>	<u>\$(1,611,197)</u>	<u>\$9,127,290</u>
Total Building and Improvement	<u><u>\$10,738,487</u></u>	<u><u>\$(1,611,197)</u></u>	<u><u>\$9,127,290</u></u>

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 11: Bond Debt

A summary of long-term bond debt transactions for the year ended June 30, 2013, follows:

	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013
<u>Governmental Activities</u>				
General obligation bonds	\$27,575,463	\$ -	\$670,454	\$26,905,009
<u>Business-type Activities</u>				
General obligation bonds	\$ 1,224,537	\$ -	\$ 54,546	\$ 1,169,991

Summarization of the long-term bond debt payable at June 30, 2013, follows:

Bond Description	Original Issue Amount	Amount of Installment	Interest Rate	Date of Final Payment
General obligation	\$34,740,000	\$10,000 – 2,170,000	3.50% - 5.80%	07/15/35

Total Bonds Outstanding

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

Year Ending June30,	<u>Governmental Activities</u>		<u>Business Activities</u>		Total	
	General Obligation Bonds		General Obligation Bonds			
	Bonds	Interest	Bonds	Interest	Bonds	Interest
2014	\$ 650,454	\$ 1,263,651	\$ 54,546	\$ 47,399	\$ 705,000	\$ 1,311,050
2015	655,454	1,237,009	54,546	45,422	710,000	1,282,431
2016	765,454	1,209,432	54,546	43,377	820,000	1,252,809
2017	786,818	1,175,446	58,182	40,899	845,000	1,216,345
2018	881,817	1,136,620	78,183	37,490	960,000	1,174,110
2019-2023	5,341,358	5,037,537	513,642	128,427	5,855,000	5,165,964
2024-2028	7,263,654	3,641,833	356,346	22,735	7,620,000	3,664,568
2029-2033	8,210,000	1,885,042	-	-	8,210,000	1,885,042
2034-2035	2,350,000	164,500	-	-	2,350,000	164,500
	<u>\$26,905,009</u>	<u>\$16,751,070</u>	<u>\$1,169,991</u>	<u>\$365,749</u>	<u>\$28,075,000</u>	<u>\$17,116,819</u>

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.

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

In April 2005 the Mission Royale Community Facilities District issued \$1,335,000 of General Obligation bonds to finance the construction of a sewer line. These bonds will be repaid by the property owners within Mission Royale CFD. The bonds are obligations of the district only. The City has no obligation for the debt other than administration of the collection of property taxes and payment of the debt service on behalf of Mission Royale. Principal payments on the bond began in July, 2009.

Villago Community Facilities District issued General Obligation bonds to finance construction of \$455,000 in November 2006, \$750,000 in December, 2008 and \$2,200,000 in August, 2010. 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**

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. These bonds were advance refunded for maturities in 2017 to 2022. The present value savings was \$868,776.

In August, 2009 the City issued \$18,800,000 in excise tax revenue obligations consisting of: \$7,175,000 in tax exempt obligations 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 constructed 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.

In 2012 the City issued Refunding obligations maturing in 2022. These bonds were issued to advance refund the 2003 issue. The interest rates range from 2% to 5%. The net refunding savings was \$868,776. Debt service payments were reduced by \$949,608.

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

The 2003, 2009, and 2012 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, 2013:

Year Ending June 30,	Governmental <u>Activities</u>		Business-type <u>Activities</u>		<u>Total</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	732,865	947,910	652,135	455,625	1,385,000	1,403,535
2015	765,718	914,548	684,282	429,537	1,450,000	1,344,085
2016	802,755	877,577	707,245	402,163	1,510,000	1,279,740
2017	878,087	834,740	1,106,913	373,870	1,985,000	1,208,610
2018	950,356	789,098	1,414,644	351,732	2,365,000	1,140,830
2019-2023	5,468,054	3,044,940	6,071,946	695,151	11,540,000	3,740,091
2024-2028	6,545,000	1,364,950	-	-	6,545,000	1,364,950
2029	1,510,000	73,612	-	-	1,510,000	73,612
	<u>\$17,652,835</u>	<u>\$8,847,375</u>	<u>\$10,637,165</u>	<u>\$2,708,078</u>	<u>\$28,290,000</u>	<u>\$11,555,453</u>

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 which was completed in 2011. The original loan was authorized for a total of \$62,555,540; however the final balance disbursed to the City of Casa Grande at June 30, 2013 is \$59,224,517. The following schedule shows estimated payments based on the amount due of \$49,930,794.

Year Ending June 30,	Principal	Interest
2014	2,341,532	2,011,712
2015	2,435,873	1,917,371
2016	2,534,014	1,819,230
2017	2,636,109	1,717,135
2018	2,742,318	1,610,926
2019-23	15,460,676	6,305,544
2024-28	18,836,517	2,929,703
2029	2,943,755	118,603
Total	<u>\$49,930,794</u>	<u>\$18,430,224</u>

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

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

Governmental Activities:	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Amounts Due Within One Year
Compensated absences	\$ 1,926,677	\$ 998,460	\$(896,707)	\$ 2,028,430	\$ 912,793
G.O. Bonds payable	27,575,463	-	(670,454)	26,905,009	650,454
Excise tax revenue obligations	18,358,662	-	(705,827)	17,652,835	732,865
Capital leases	4,846,117	3,328,600	(343,097)	7,831,620	358,867
Bond premium	234,378	-	(25,572)	208,806	-
Bond discount	(332,150)	-	22,389	(309,761)	-
Total Governmental Activities	<u>\$52,609,147</u>	<u>\$4,327,060</u>	<u>\$(2,619,268)</u>	<u>\$54,316,939</u>	<u>\$2,654,979</u>

Business-type Activities:	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Compensated absences	\$ 215,648	\$101,960	\$ (66,264)	\$ 251,344	\$ 113,115
Bond payable	1,224,537	-	(54,546)	1,169,991	54,546
Capital leases	-	-	-	-	-
Excise tax revenue obligations	11,266,338	-	(629,173)	10,637,165	652,135
Notes payable (1)	105,622	-	(11,695)	93,927	12,097
Loan payable – see note 13	51,554,128	-	(1,623,334)	49,930,794	2,341,532
Bond premium	1,537,877	-	(151,673)	1,386,204	-
Postclosure Liability	2,521,639	29,711	-	2,551,350	-
Total Business-type Activities	<u>\$68,425,789</u>	<u>\$131,671</u>	<u>\$(2,536,685)</u>	<u>\$66,020,775</u>	<u>\$3,173,425</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, 2013

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 \$28,672,272.

Year Ending June 30,	Governmental <u>Activities</u>		Business-type <u>Activities</u>		Total Principal
	Principal	Interest	Principal	Interest	
2014	\$ 1,383,319	\$ 2,211,561	\$ 706,681	\$ 503,024	\$ 2,090,000
2015	1,421,172	2,151,557	738,828	474,959	2,160,000
2016	1,568,209	2,087,009	761,791	445,540	2,330,000
2017	1,664,905	2,010,186	1,165,095	414,769	2,830,000
2018	1,832,173	1,925,718	1,492,827	389,222	3,325,000
2019-2023	10,809,412	8,082,477	6,585,588	823,578	17,395,000
2024-2028	13,808,654	5,006,783	356,346	22,735	14,165,000
2029-2033	9,720,000	1,958,654	-	-	9,720,000
2034-2035	2,350,000	164,500	-	-	2,350,000
	\$44,557,844	\$25,598,445	\$11,807,156	\$3,073,827	\$56,365,000

NOTE 16: Landfill Closure and Post closure 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 post closure care costs. The City of Casa Grande owns and operates one landfill. Closure and post closure 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, 2013 the City has reported a \$2,551,350 landfill closure and postclosure care liability that represents the total current cost based on 46.0 percent of estimated capacity of the landfill.

The remaining cost of \$2,149,256 will be recognized in the future periods as the remaining capacity is filled. The City expects the remaining capacity to extend for 17 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 2013 valuation of the total closure and postclosure costs were estimated to be \$4,700,606.

NOTE 17: Construction Commitments

The City has two significant construction commitments as of June 30, 2013:

The Main Library expansion and the Communication center expansion projects are outstanding. The contracts for both were awarded to Okland Construction Co for the aggregate amount of \$2,882,350. The amounts paid through June 30, 2013 for the Main Library expansion is \$175,001 and for the Communication Center expansion is \$183,892, with an amount still outstanding of \$2,523,457.

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 18: **Summary of Inter fund Transactions**

Inter fund transactions as of June 30, 2013, were as follows:
Inter fund Receivable/Payable:

Fund	Receivable Amount	Payable Amount
General	\$1,599,135	
Construction Sales Tax	638,771	
Airport		558,725
Wildland Fire		2,946
System Development		638,771
Performance Institute		534,553
Housing		99,469
Recreation Debt Service		3,060
Airport Construction		341,656
Golf Course		51,658
Sanitation		3,500
Internal Service		1,568
Post CFD		2,000
Total	<u>\$2,237,906</u>	<u>\$2,237,906</u>

The inter fund balances at June 30, 2013 are short-term loans to cover temporary cash deficits in various funds.

Transfers:

Fund	Transfers Out	Transfers In
Governmental Funds:		
General	2,796,267	1,678,076
Highway Users	503,130	20,000
System Development	1,185,014	-
Capital Replacement		2,887,071
GO Debt	103,760	-
Grants		645,964
Other Non-major Governmental	623,484	2,012,044
Total Governmental Funds	<u>5,786,655</u>	<u>7,243,155</u>
Enterprise Funds:		
Water	21,280	-
Golf Course	114,520	223,760
Wastewater	6,140,996	5,745,146
Sanitation	1,031,645	2,035
Total Enterprise Funds	<u>7,308,441</u>	<u>5,970,941</u>
Internal Service Fund	119,000	-
Grand Totals	<u>\$13,214,096</u>	<u>\$13,214,096</u>

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

(continued)

CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 19: Deficit in Fund Balance

Three funds had deficits in fund balance. The HOME/HUD fund has a deficit of \$39,875 because \$39,875 is due from other governments was not received within 60 days of year end and is shown in deferred revenue. The Municipal Airport operating fund deficit increased by \$144,440 to a total of \$506,370. This increase continues to reflect reduced air traffic and rentals continued to be less than anticipated. The Municipal Airport is supported through fuel sales and hanger rentals. Also, the lease expense for T-hangers will be paid off in FY2014. 2009 Excise Recreation fund has a deficit balance of \$3,060. This negative balance is due to a loan from the general fund to cover unanticipated arbitrage reporting expenses.

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 uncommitted tax collected during that quarter. The first payment to WP Casa Grande Retail was made in September, 2008. As of June 30, 2013 \$4,776,157 (including \$2,696,255 in interest) has been paid.

Note 21: Restatement

The City adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, in the current year. Accordingly, Cost of Issuance was eliminated and the beginning net position of the governmental type activities in the Statement of Activities were restated by \$563,696 and the business type activities by \$257,544 due to implementation of this accounting standard.

(continued)

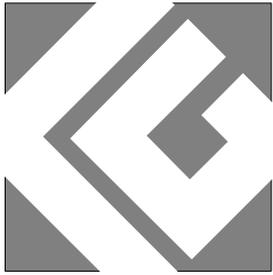
CITY OF CASA GRANDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 22: **Fund Balance Details by Classification**

Fund Balances	General Fund	Major Funds	Non-Major Funds	Total Government Funds
Nonspendable:				
Inventories	\$ 6,264	\$ -	\$ 66,983	\$ 73,247
Restricted:				
Highway Users	-	8,453,186	-	8,453,186
System Development	-	7,811,234	-	7,811,234
Community Services			2,822,118	2,822,118
Transportation			5,479,737	5,479,737
Capital Replacement/Dev.		2,556,640	25,574	2,582,214
Grants	-	375,927	-	375,927
Debt Service	-	-	2,774,151	2,774,151
Court Enhancement	-	-	201,731	201,731
Housing Funds	-	-	559,408	559,408
Public Safety	-	-	3,223,580	3,223,580
CFD Debt	-	-	1,411,287	1,411,287
Downtown Revitalization	304,777	-	-	304,777
Aesthetic Revitalization	4,146,444	-	-	4,146,444
Economic Redevelopment	250,000	-	-	250,000
Committed:				
Capital Project	-	2,523,457	-	2,523,457
Assigned:				
General fund	14,550,404	-	-	14,550,404
Capital Replacement/Dev.	-	25,460,555	-	25,460,555
Wildland Fire/Public Safety	-	-	14,810	14,810
Parks Development	-	-	913,899	913,899
Promotion & Tourism	-	-	59,516	59,516
Community Arts	-	-	16,308	16,308
Development	-	-	1,178,452	1,178,452
Unassigned:	5,281,667	-	(576,410)	4,705,257
	<u>\$24,539,556</u>	<u>\$47,180,999</u>	<u>\$18,171,144</u>	<u>\$89,891,699</u>



City of
Casa Grande



COMBINING STATEMENTS

City of Casa Grande, Arizona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2013

	Special Revenue					
	Municipal Airport	Parks Develop.	Community Arts	Redevelop- ment	Promotion & Tourism	Court Enhancement
ASSETS						
Cash	\$ 50	\$ 1,484	\$ 5,258	\$ 130	\$ 21,859	\$ 63,176
Investments	-	912,239	11,051	1,223,744	456,739	133,860
Receivables (less allowance for uncollectibles)	17,241	241	-	-	187,340	-
Due from other governments	-	-	-	-	-	4,695
Due from other funds	-	-	-	-	-	-
Inventory	66,983	-	-	-	-	-
Restricted assets: cash and cash equivalents	-	-	-	-	-	-
Total assets	\$ 84,274	\$ 913,964	\$ 16,308	\$ 1,223,874	\$ 665,938	\$ 201,731
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and other current liabilities	\$ 28,763	\$ 65	\$ -	\$ 45,422	\$ 10,159	\$ -
Accrued wages and benefits	3,153	-	-	-	-	-
Due to other funds	558,725	-	-	-	534,553	-
Due to other funds	-	-	-	-	-	-
Total liabilities	590,641	65	-	45,422	544,712	-
DEFERRED INFLOWS OF RESOURCES						
Deferred Revenue	-	-	-	-	61,710	-
Total Deferred Inflows of Resources	-	-	-	-	61,710	-
Fund balances:						
Nonspendable	66,983	-	-	-	-	-
Restricted	-	-	-	-	-	201,731
Committed	-	-	-	-	-	-
Assigned	-	913,899	16,308	1,178,452	59,516	-
Unassigned	(573,350)	-	-	-	-	-
Total fund balances	(506,367)	913,899	16,308	1,178,452	59,516	201,731
Total liabilities and fund balance	\$ 84,274	\$ 913,964	\$ 16,308	\$ 1,223,874	\$ 665,938	\$ 201,731

Housing Programs	Special Revenue				Debt Service	
	CDBG	Self-help Technical Asst	Home/HUD	Wildland Fire/ Public Safety	General Obligation	2009 Excise Recreation
\$ 11,943	\$ 15,413	\$ -	\$ -	\$ 6,052	\$ 2,630,819	\$ -
118,199	-	-	-	14,305	127,749	-
1,321	509,755	-	-	-	15,583	-
800	28,014	18,907	89,572	4,128	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 132,263	\$ 553,182	\$ 18,907	\$ 89,572	\$ 24,485	\$ 2,774,151	\$ -
\$ 31	\$ 64,568	\$ 3	\$ -	\$ 504	\$ -	\$ -
-	2,077	-	2,463	4,692	-	-
-	-	12,362	87,109	2,946	-	3,060
-	-	-	-	-	-	-
31	66,645	12,365	89,572	8,142	-	3,060
-	26,028	-	39,875	1,533	-	-
-	26,028	-	39,875	1,533	-	-
-	-	-	-	-	-	-
132,232	460,509	6,542	(39,875)	-	2,774,151	-
-	-	-	-	-	-	-
-	-	-	-	14,810	-	-
-	-	-	-	-	-	(3,060)
132,232	460,509	6,542	(39,875)	14,810	2,774,151	(3,060)
\$ 132,263	\$ 553,182	\$ 18,907	\$ 89,572	\$ 24,485	\$ 2,774,151	\$ -

(continued)

City of Casa Grande, Arizona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2013

	Capital Projects				Airport Improvement	Total Nonmajor Governmental Funds
	Community Services	Transportation	Public Safety	Community Facilities District		
ASSETS						
Cash	\$ 1,156	\$ 106,434	\$ -	\$ 512,372	\$ 5,849	\$ 3,381,994
Investments	2,820,962	5,373,303	3,239,226	-	-	14,431,375
Receivables (less allowance for uncollectibles)	-	-	-	1,671	-	733,152
Due from other governments	-	-	-	-	678,525	824,641
Due from other funds	-	-	-	-	-	-
Inventory	-	-	-	-	-	66,983
Restricted assets: cash and cash equivalents	-	-	-	899,244	-	899,244
Total assets	\$ 2,822,118	\$ 5,479,737	\$ 3,239,226	\$ 1,413,287	\$ 684,374	\$ 20,337,390
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and other current liabilities	\$ -	\$ -	15,646	\$ -	\$ 146,457	\$ 311,618
Accrued wages and benefits	-	-	-	-	-	12,385
Due to other funds	-	-	-	2,000	341,656	1,542,410
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	15,646	2,000	488,113	1,866,413
DEFERRED INFLOWS OF RESOURCES						
Deferred Revenue	-	-	-	-	170,687	299,833
Total Deferred Inflows of Resources	-	-	-	-	170,687	299,833
Fund balances:						
Nonspendable	-	-	-	-	-	66,983
Restricted	2,822,118	5,479,737	3,223,580	1,411,287	25,574	16,497,586
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	2,182,985
Unassigned	-	-	-	-	-	(576,410)
Total fund balances	2,822,118	5,479,737	3,223,580	1,411,287	25,574	18,171,144
Total liabilities and fund balance	\$ 2,822,118	\$ 5,479,737	\$ 3,239,226	\$ 1,413,287	\$ 684,374	\$ 20,337,390



City of
Casa Grande

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, 2013

	Special Revenue					
	Municipal Airport	Parks Develop.	Community Arts	Redevelop- ment	Promotion & Tourism	Court Enhancement
REVENUES						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	297,066	-
Intergovernmental revenues	-	-	-	-	-	11,633
Charges for services	906,724	-	-	-	-	60,520
Investment earnings	-	2,214	27	3,208	957	710
Contributions and Donations	-	-	-	-	477	-
Rental and sale of city property	202,605	33,120	-	-	167,486	-
Miscellaneous	613	1	13,540	-	2,246	-
Total revenues	1,109,942	35,335	13,567	3,208	468,232	72,863
EXPENDITURES						
Current:						
General government	1,052,073	-	-	-	318,802	-
Public safety	-	-	-	-	-	28,336
Culture and recreation	-	21,393	14,151	-	-	-
Economic development	-	-	-	270,128	-	-
Capital outlay	94,298	10,641	-	-	-	-
Debt Service:						
Principal	80,552	-	-	-	-	-
Interest and fiscal charges	3,334	-	-	-	-	-
Total expenditures	1,230,257	32,034	14,151	270,128	318,802	28,336
Excess (deficiency) of revenues over (under) expenditures	(120,315)	3,301	(584)	(266,920)	149,430	44,527
OTHER FINANCING SOURCES (USES)						
Transfers in	9,375	-	5,000	-	-	326,619
Transfers out	(33,500)	-	-	-	(143,760)	(446,224)
Total other financing sources and uses	(24,125)	-	5,000	-	(143,760)	(119,605)
Net change in fund balances	(144,440)	3,301	4,416	(266,920)	5,670	(75,078)
Fund balances - beginning of year	(361,927)	910,598	11,892	1,445,372	53,846	276,809
Fund balances - end of year	\$ (506,367)	\$ 913,899	\$ 16,308	\$ 1,178,452	\$ 59,516	\$ 201,731

Special Revenue					Debt Service	
Housing Programs	CDBG	Self Help Tech Asst	Home/HUD	Wildland Fire/ Public Safety	General Obligation	2009 Excise Recreation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,471,145	\$ -
-	-	-	-	-	-	-
31,550	213,858	174,513	49,697	88,915	-	-
6,747	-	-	-	-	-	-
227	-	-	-	35	308	-
-	-	-	-	-	-	-
3,444	65,852	-	-	26,437	-	-
41,968	279,710	174,513	49,697	115,387	2,471,453	-
-	-	-	-	-	-	-
-	-	-	-	84,155	-	-
-	-	-	-	-	-	-
2,634	324,789	174,294	89,572	-	6,447	-
-	-	-	-	-	-	-
-	-	-	-	-	639,538	650,000
-	-	-	-	-	995,405	938,060
2,634	324,789	174,294	89,572	84,155	1,641,390	1,588,060
39,334	(45,079)	219	(39,875)	31,232	830,063	(1,588,060)
-	-	-	-	-	-	1,585,000
-	-	-	-	-	(103,760)	-
-	-	-	-	-	(103,760)	1,585,000
39,334	(45,079)	219	(39,875)	31,232	726,303	(3,060)
92,898	505,588	6,323	-	(16,422)	2,047,848	-
\$ 132,232	\$ 460,509	\$ 6,542	\$ (39,875)	\$ 14,810	\$ 2,774,151	\$ (3,060)

(continued)

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, 2013

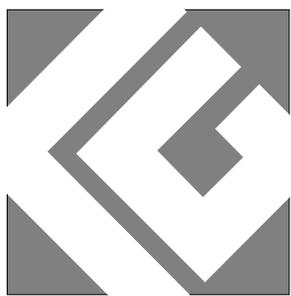
	Capital Projects				Airport Improvement	Total Nonmajor Governmental Funds
	Community Services	Transportation	Public Safety	Community Facility District		
REVENUES						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ 766,450	\$ -	\$ 3,237,595
Sales Tax	-	-	-	-	-	297,066
Intergovernmental revenues	-	-	-	-	1,858,807	2,428,973
Charges for services	170,962	1,532,835	319,864	-	-	2,997,652
Investment earnings	6,713	10,325	7,989	523	-	33,236
Contributions and Donations	-	-	-	-	-	477
Rental and sale of city property	-	-	-	-	-	403,211
Miscellaneous	-	-	-	739	-	112,872
Total revenues	177,675	1,543,160	327,853	767,712	1,858,807	9,511,082
EXPENDITURES						
Current:						
General government	-	-	-	-	-	1,370,875
Public safety	-	-	390,709	-	-	503,200
Culture and recreation	536	-	-	-	-	36,080
Economic development	-	-	-	12,704	816	881,384
Capital outlay	-	-	282,915	-	2,113,891	2,501,745
Debt Service:						
Principal	-	-	-	100,000	-	1,470,090
Interest and fiscal charges	-	-	-	249,614	-	2,186,413
Total expenditures	536	-	673,624	362,318	2,114,707	8,949,787
Excess (deficiency) of revenues over (under) expenditures	177,139	1,543,160	(345,771)	405,394	(255,900)	561,295
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	86,050	2,012,044
Transfers out	-	-	-	-	-	(727,244)
Total other financing sources and uses	-	-	-	-	86,050	1,284,800
Net change in fund balances	177,139	1,543,160	(345,771)	405,394	(169,850)	1,846,095
Fund balances - beginning of year	2,644,979	3,936,577	3,569,351	1,005,893	195,424	16,325,049
Fund balances - end of year	\$ 2,822,118	\$ 5,479,737	\$ 3,223,580	\$ 1,411,287	\$ 25,574	\$ 18,171,144

City of Casa Grande, Arizona
Combining Statement of Fiduciary Net Position
All Agency Funds
June 30, 2013

	Performance Bond Fund	Flexible Spending Plan Fund	Total
ASSETS			
Cash	\$ -	\$ 17,725	\$ 17,725
Investments, at fair value	1,687,445	-	1,687,445
Total assets	1,687,445	17,725	1,705,170
LIABILITIES			
Other liabilities	1,687,445	17,725	1,705,170
Total liabilities	1,687,445	17,725	1,705,170
NET POSITION			
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, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
Performance Bond Fund				
Assets:				
Cash	\$ -	\$ 252,432	\$ (252,432)	\$ -
Investments	1,631,654	125,714	(69,923)	1,687,445
Total Assets	<u>1,631,654</u>	<u>378,146</u>	<u>(322,355)</u>	<u>1,687,445</u>
Liabilities:				
Other Liabilities	1,629,203	55,615	-	1,684,818
Accounts Payable	2,451	129,058	(128,882)	2,627
	<u>1,631,654</u>	<u>184,673</u>	<u>(128,882)</u>	<u>1,687,445</u>
Flexible Spending Plan Fund				
Assets:				
Cash	20,880	181,072	(184,227)	17,725
Total Assets	<u>20,880</u>	<u>181,072</u>	<u>(184,227)</u>	<u>17,725</u>
Liabilities:				
Other Liabilities	11,075	20,000	(20,000)	11,075
Accounts Payable	9,805	-	(3,155)	6,650
	<u>20,880</u>	<u>20,000</u>	<u>-</u>	<u>17,725</u>
Totals - All Agency Funds				
Assets:				
Cash	20,880	433,504	(436,659)	17,725
Investments	1,631,654	125,714	(69,923)	1,687,445
Total Assets	<u>1,652,534</u>	<u>559,218</u>	<u>(506,582)</u>	<u>1,705,170</u>
Liabilities:				
Other Liabilities	1,640,278	75,615	(20,000)	1,695,893
Accounts Payable	12,256	129,058	(132,037)	9,277
Total Liabilities	<u>\$ 1,652,534</u>	<u>\$ 204,673</u>	<u>\$ (152,037)</u>	<u>\$ 1,705,170</u>



OTHER SUPPLEMENTARY INFORMATION

City of Casa Grande, Arizona
General Fund
Schedule of Expenditures - Legal Level Budget Compliance
For the Year Ended June 30, 2013

EXPENDITURES	Budgeted Amounts		Actual Amounts	Budget Variance
	Original	Final		
General Government				
Mayor and Council				
Personal services	\$ 154,160	\$ 157,480	\$ 147,094	\$ 10,386
Other expenditures	2,039,340	1,841,590	1,016,804	824,786
City Manager				
Personal services	721,980	771,500	760,261	11,239
Other expenditures	93,400	93,400	89,240	4,160
Attorney				
Personal services	661,020	661,020	637,809	23,211
Other expenditures	30,940	30,940	29,474	1,466
Clerk				
Personal services	297,130	280,380	243,907	36,473
Other expenditures	100,030	116,780	74,265	42,515
Finance				
Personal services	815,820	801,500	803,314	(1,814)
Other expenditures	163,610	177,930	177,871	59
Information Technology				
Personal services	732,790	731,680	671,374	60,306
Other expenditures	878,560	879,670	824,783	54,887
Administrative Services				
Personal services	549,670	557,970	526,519	31,451
Other expenditures	134,200	154,550	94,995	59,555
Public Safety				
Police				
Personal services	10,322,080	10,127,060	10,464,144	(337,084)
Other expenditures	1,745,270	1,905,780	1,928,421	(22,641)
Fire				
Personal services	5,751,720	5,705,610	5,810,531	(104,921)
Other expenditures	991,610	1,037,670	990,297	47,373
Court				
Personal services	446,720	448,640	455,579	(6,939)
Other expenditures	165,400	158,600	130,140	28,460
Animal Control				
Personal services	231,370	231,370	236,983	(5,613)
Other expenditures	74,760	78,640	78,416	224
Public Works				
Personal services	1,162,960	1,162,960	1,119,618	43,342
Other expenditures	1,022,660	1,026,100	890,178	135,922
Culture and Recreation				
Personal services	3,285,800	3,281,950	3,136,802	145,148
Other expenditures	2,110,010	2,150,610	2,072,265	78,345
Planning and Economic Development				
Personal services	1,490,880	1,479,290	1,399,208	80,082
Other expenditures	106,850	116,640	111,381	5,259
Capital Outlay	174,000	113,570	0	113,570
Debt service	82,840	84,200	84,193	7
Total expenditures	\$ 36,537,580	\$ 36,365,080	\$ 35,005,866	\$ 1,359,214

City of Casa Grande, Arizona
System Development Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget-</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ (678,000)	\$ (678,000)	\$ 167,878	\$ 845,878
Investment earnings	(9,850)	(9,850)	21,147	30,997
Total revenues	(687,850)	(687,850)	189,025	876,875
EXPENDITURES				
General government	-	-	5,330	(5,330)
Culture and recreation	230,000	230,000	181,174	48,826
Capital outlay	(647,800)	(1,745,040)	39,307	(1,784,347)
Total expenditures	(417,800)	(1,515,040)	225,811	(1,740,851)
Excess (deficiency) of revenues over (under) expenditures	(270,050)	827,190	(36,786)	(863,976)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(1,185,010)	(1,185,014)	(4)
Total other financing sources and uses	-	(1,185,010)	(1,185,014)	(4)
Net change in fund balance	(270,050)	(357,820)	(1,221,800)	(863,980)
Fund balance - beginning of year	9,033,035	9,033,035	9,033,035	-
Fund balance - end of year	\$ 8,762,985	\$ 8,675,215	\$ 7,811,235	\$ (863,980)

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Charge for service	1,722,000	1,722,000	906,724	(815,276)
Rental and sale of city property	226,000	225,000	202,605	(22,395)
Miscellaneous	2,000	2,000	613	(1,387)
Total revenues	1,950,000	1,949,000	1,109,942	(839,058)
EXPENDITURES				
Current:				
General government:				
Personal services	166,960	166,960	105,792	(61,168)
Contractual services	77,090	78,260	78,071	(189)
Materials and supplies	1,514,660	1,480,190	868,210	(611,980)
Capital outlay	1,211,000	1,244,300	94,298	(1,150,002)
Debt service	91,780	91,780	83,886	(7,894)
Total expenditures	3,061,490	3,061,490	1,230,257	1,831,233
Excess (deficiency) of revenues over (under) expenditures	(1,111,490)	(1,112,490)	(120,315)	992,175
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	10,000	9,375	(625)
Transfers out	(33,500)	(33,500)	(33,500)	-
Proceeds from obligations	1,150,000	1,150,000	-	(1,150,000)
Total other financing sources and uses	1,126,500	1,126,500	(24,125)	(1,150,625)
Net change in fund balance	15,010	14,010	(144,440)	(158,450)
Fund balance - beginning of year	(361,927)	(361,927)	(361,927)	-
Fund balance - end of year	\$ (346,917)	\$ (347,917)	\$ (506,367)	\$ (158,450)

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 500	\$ 500	\$ 2,214	\$ 1,714
Rental and sale of City property	36,000	36,000	33,120	(2,880)
Miscellaneous	25,000	25,000	1	(24,999)
Total revenues	<u>61,500</u>	<u>61,500</u>	<u>35,335</u>	<u>(26,165)</u>
EXPENDITURES				
Contractual services				
Contractual services	-	330	327	3
Materials and supplies	-	21,070	21,066	4
Capital outlay	100,000	78,600	10,641	67,959
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>32,034</u>	<u>67,966</u>
Excess (deficiency) of revenues over (under) expenditures	(38,500)	(38,500)	3,301	41,801
Fund balance - beginning of year	<u>910,598</u>	<u>910,598</u>	<u>910,598</u>	-
Fund balance - end of year	<u>\$ 872,098</u>	<u>\$ 872,098</u>	<u>\$ 913,899</u>	<u>\$ 41,801</u>

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Contributions and Donations	\$ 15,000	\$ 15,000	\$ 13,540	\$ (1,460)
Investment earnings	-	-	27	27
Total revenues	15,000	15,000	13,567	(1,433)
EXPENDITURES				
Current:				
Contractual services	7,700	14,140	14,143	(3)
Materials and supplies	-	15,440	8	15,432
Capital outlay	15,000	7,260	-	7,260
Total expenditures	22,700	36,840	14,151	22,689
Excess (deficiency) of revenues over (under) expenditures	(7,700)	(21,840)	(584)	21,256
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	5,000	-
Total other financing sources and uses	5,000	5,000	5,000	-
Net change in fund balance	(2,700)	(16,840)	4,416	21,256
Fund balance - beginning of year	11,892	11,892	11,892	-
Fund balance - end of year	\$ 9,192	\$ (4,948)	\$ 16,308	\$ 21,256

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 3,208	\$ 3,208
Total revenues	<u>-</u>	<u>-</u>	<u>3,208</u>	<u>3,208</u>
EXPENDITURES				
Current:				
Economic development:				
Contractual services	245,000	245,000	270,128	(25,128)
Capital outlay	-	-	-	-
Total expenditures	<u>245,000</u>	<u>245,000</u>	<u>270,128</u>	<u>(25,128)</u>
Excess (deficiency) of revenues over (under) expenditures	(245,000)	(245,000)	(266,920)	(21,920)
Fund balance - beginning of year	<u>1,445,372</u>	<u>1,445,372</u>	<u>1,445,372</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,200,372</u>	<u>\$ 1,200,372</u>	<u>\$ 1,178,452</u>	<u>\$ (21,920)</u>

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local taxes	\$ 190,000	\$ 190,000	\$ 297,066	\$ 107,066
Miscellaneous	-	-	2,246	2,246
Facility Use	-	-	167,486	167,486
Contributions	-	-	477	477
Investment earnings	100	100	957	857
Total revenues	<u>190,100</u>	<u>190,100</u>	<u>468,232</u>	<u>278,132</u>
EXPENDITURES				
Contractual services	100,000	100,000	111,786	(11,786)
Materials & supplies	-	-	207,016	(207,016)
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>318,802</u>	<u>(218,802)</u>
Excess (deficiency) of revenues over (under) expenditures	90,100	90,100	149,430	59,330
OTHER FINANCING USES				
Transfers out	(143,760)	(143,760)	(143,760)	-
Total other financing uses	<u>(143,760)</u>	<u>(143,760)</u>	<u>(143,760)</u>	<u>-</u>
Net change in fund balance	<u>(53,660)</u>	<u>90,100</u>	<u>5,670</u>	<u>(84,430)</u>
Fund balance - beginning of year	<u>53,846</u>	<u>53,846</u>	<u>53,846</u>	<u>-</u>
Fund balance - end of year	<u>\$ 186</u>	<u>\$ 143,946</u>	<u>\$ 59,516</u>	<u>\$ (84,430)</u>

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 11,633	\$ (3,367)
Charges for services	41,000	41,000	60,520	19,520
Change in fair value of investments		-	-	-
Investment earnings	130	130	710	580
Total revenues	<u>56,130</u>	<u>56,130</u>	<u>72,863</u>	<u>16,733</u>
EXPENDITURES				
Current:				
Public safety:				
Personal services				
Contractual services	24,000	22,170	18,436	3,734
Materials and supplies	-	9,900	9,900	-
Capital outlay	-	30,240	-	30,240
Total expenditures	<u>24,000</u>	<u>62,310</u>	<u>28,336</u>	<u>33,974</u>
Excess (deficiency) of revenues over (under) expenditures	32,130	(6,180)	44,527	50,707
OTHER FINANCING USES				
Transfers in	-	-	326,619	326,619
Transfers out	-	(211,260)	(446,224)	(234,964)
Total other financing uses	<u>-</u>	<u>(211,260)</u>	<u>(119,605)</u>	<u>91,655</u>
Net change in fund balance	32,130	(217,440)	(75,078)	142,362
Fund balance - beginning of year	276,809	276,809	276,809	-
Fund balance - end of year	<u>\$ 308,939</u>	<u>\$ 59,369</u>	<u>\$ 201,731</u>	<u>\$ 142,362</u>

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for service	\$ 500	\$ 500	\$ 6,747	\$ 6,247
Intergovernmental	-	-	31,550	31,550
Investment earnings	-	-	227	227
Loan fees	(2,000)	(2,000)	3,444	5,444
Total revenues	<u>(1,500)</u>	<u>500</u>	<u>41,968</u>	<u>43,468</u>
EXPENDITURES				
Current:				
Economic development:				
Personal services	500	50	52	(2)
Contractual services	-	2,530	2,556	(26)
Materials and supplies	-	30	26	4
Total expenditures	<u>500</u>	<u>2,610</u>	<u>2,634</u>	<u>(24)</u>
Excess (deficiency) of revenues over (under) expenditures	(2,000)	(2,110)	39,334	43,444
Fund balance - beginning of year	<u>92,898</u>	<u>92,898</u>	<u>92,898</u>	<u>-</u>
Fund balance - end of year	<u>\$ 90,898</u>	<u>\$ 90,788</u>	<u>\$ 132,232</u>	<u>\$ 43,444</u>

City of Casa Grande, Arizona
Community Development Block Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 185,900	\$ 185,900	\$ 213,858	\$ 27,958
Program income	-	-	65,852	65,852
Total revenues	<u>185,900</u>	<u>185,900</u>	<u>279,710</u>	<u>93,810</u>
EXPENDITURES				
Community development				
Personal services	203,080	36,140	38,334	(2,194)
Contractual services	21,950	317,780	283,344	34,436
Materials and supplies	-	3,010	3,111	(101)
Total expenditures	<u>225,030</u>	<u>356,930</u>	<u>324,789</u>	<u>32,141</u>
Excess (deficiency) of revenues over (under) expenditures	(39,130)	(171,030)	(45,079)	125,951
Fund balance - beginning of year	<u>505,588</u>	<u>505,588</u>	<u>505,588</u>	-
Fund balance - end of year	<u>\$ 466,458</u>	<u>\$ 334,558</u>	<u>\$ 460,509</u>	<u>\$ 125,951</u>

City of Casa Grande, Arizona
Self-Help Technical Assistance Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 174,513	\$ 174,513
Total revenues	<u>-</u>	<u>-</u>	<u>174,513</u>	<u>174,513</u>
EXPENDITURES				
Community development				
Personal services	-	168,200	168,204	(4)
Contractual services	-	220	214	6
Materials and supplies	-	5,980	5,876	104
Total expenditures	<u>-</u>	<u>174,400</u>	<u>174,294</u>	<u>106</u>
 Excess (deficiency) of revenues over (under) expenditures	 -	 (174,400)	 219	 174,619
 Fund balance - beginning of year	 6,323	 6,323	 6,323	 -
Fund balance - end of year	<u>\$ 6,323</u>	<u>\$ (168,077)</u>	<u>\$ 6,542</u>	<u>\$ 174,619</u>

City of Casa Grande, Arizona
Home/HUD Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 330,000	\$ 330,000	\$ 49,697	\$ (280,303)
Total revenues	330,000	330,000	49,697	(280,303)
EXPENDITURES				
Community development				
Personal services	-	9,480	12,172	(2,692)
Contractual services	330,000	77,400	77,400	-
Materials and supplies	-	-	-	-
Total expenditures	330,000	86,880	89,572	(2,692)
Excess (deficiency) of revenues over (under) expenditures	-	243,120	(39,875)	(282,995)
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ 243,120	\$ (39,875)	\$ (282,995)

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 150,000	\$ 150,000	\$ 88,915	\$ (61,085)
Investment earnings	-	-	35	35
Contributions	18,000	18,000	26,437	8,437
Total revenues	168,000	168,000	115,387	(52,613)
EXPENDITURES				
Current:				
Wildland firefighting	150,000	150,000	66,534	83,466
Public safety activities	18,000	18,780	17,621	1,159
Total expenditures	168,000	168,780	84,155	84,625
Excess (deficiency) of revenues over (under) expenditures	-	(780)	31,232	32,012
Fund balance - beginning of year	(16,422)	(16,422)	(16,422)	-
Fund balance - end of year	\$ (16,422)	\$ (17,202)	\$ 14,810	\$ 32,012

City of Casa Grande, Arizona
General Obligation Bond Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property tax	\$ 2,264,000	\$ 2,264,000	\$ 2,471,145	\$ 207,145
Investment earnings	-	-	308	308
Total revenues	<u>2,264,000</u>	<u>2,264,000</u>	<u>2,471,453</u>	<u>207,453</u>
EXPENDITURES				
Current:				
Contractual services	-	-	6,447	(6,447)
Debt Service				
Principal retirement	571,000	571,000	639,538	(68,538)
Interest	1,046,010	1,046,010	995,405	50,605
Total expenditures	<u>1,617,010</u>	<u>1,617,010</u>	<u>1,641,390</u>	<u>(24,380)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>646,990</u>	<u>646,990</u>	<u>830,063</u>	<u>183,073</u>
OTHER FINANCING USES				
Transfers Out	(103,760)	(103,760)	(103,760)	-
Total other financing uses	<u>(103,760)</u>	<u>(103,760)</u>	<u>(103,760)</u>	<u>-</u>
Net change in fund balance	543,230	543,230	726,303	183,073
Fund balance - beginning of year	<u>2,047,848</u>	<u>2,047,848</u>	<u>2,047,848</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,591,078</u>	<u>\$ 2,591,078</u>	<u>\$ 2,774,151</u>	<u>\$ 183,073</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Current:				
Contractual services	-	4,200	4,200	-
Debt Service:				
Principal retirement	650,000	650,000	650,000	-
Interest	933,860	933,860	933,860	-
Total expenditures	<u>1,583,860</u>	<u>1,588,060</u>	<u>1,588,060</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,583,860)</u>	<u>(1,588,060)</u>	<u>(1,588,060)</u>	<u>-</u>
OTHER FINANCING SOURCES				
Transfers in	1,585,000	1,585,000	1,585,000	-
Total other financing uses	<u>1,585,000</u>	<u>1,585,000</u>	<u>1,585,000</u>	<u>-</u>
Net change in fund balance	<u>1,140</u>	<u>(3,060)</u>	<u>(3,060)</u>	<u>-</u>
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u><u>\$ 1,140</u></u>	<u><u>\$ (3,060)</u></u>	<u><u>\$ (3,060)</u></u>	<u><u>\$ -</u></u>

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 10,200	\$ 10,200	\$ 67,785	\$ 57,585
Miscellaneous revenue	-	-	266,165	266,165
Construction sales tax	3,200,000	4,370,000	2,138,075	(2,231,925)
Total revenues	<u>3,210,200</u>	<u>4,380,200</u>	<u>2,472,025</u>	<u>(1,908,175)</u>
EXPENDITURES				
Contractual services	-	34,470	34,475	(5)
Lease Purchase Principal & Interest	235,240	204,340	171,828	32,512
Capital outlay	37,002,000	34,776,060	4,508,121	30,267,939
Total expenditures	<u>37,237,240</u>	<u>35,014,870</u>	<u>4,714,424</u>	<u>30,300,446</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,027,040)</u>	<u>(30,634,670)</u>	<u>(2,242,399)</u>	<u>28,392,271</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,615,800	1,615,800	2,887,071	1,271,271
Transfers out	(1,260,000)	(1,260,000)	(500,000)	760,000
Proceeds from obligations	36,000,000	36,000,000	3,328,600	(32,671,400)
Total other financing sources and uses	<u>36,355,800</u>	<u>36,355,800</u>	<u>5,715,671</u>	<u>(30,640,129)</u>
Net change in fund balance	<u>2,328,760</u>	<u>5,721,130</u>	<u>3,473,272</u>	<u>(2,247,858)</u>
Fund balance - beginning of year	<u>27,067,379</u>	<u>27,067,379</u>	<u>27,067,379</u>	<u>-</u>
Fund balance - end of year	<u>\$ 29,396,139</u>	<u>\$ 32,788,509</u>	<u>\$ 30,540,651</u>	<u>\$ (2,247,858)</u>

City of Casa Grande, Arizona
Community Services Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 170,962	\$ 170,962
Investment earnings	4,550	4,550	6,713	2,163
Total revenues	4,550	4,550	177,675	173,125
EXPENDITURES				
Culture and recreation	-	-	536	(536)
Capital Outlay	2,000,000	-	-	-
Total expenditures	2,000,000	-	536	(536)
Excess (deficiency) of revenues over (under) expenditures	(1,995,450)	4,550	177,139	172,589
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balance	(1,995,450)	4,550	177,139	172,589
Fund balance - beginning of year	2,644,979	2,644,979	2,644,979	-
Fund balance - end of year	\$ 649,529	\$ 2,649,529	\$ 2,822,118	\$ 172,589

City of Casa Grande, Arizona
Transportation Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 1,532,835	\$ 1,532,835
Investment earnings	6,650	6,650	10,325	3,675
Total revenues	<u>6,650</u>	<u>6,650</u>	<u>1,543,160</u>	<u>1,536,510</u>
EXPENDITURES				
Road Network and Interchanges	-	-	-	-
Capital Outlay	-	312,230	-	312,230
Total expenditures	<u>-</u>	<u>312,230</u>	<u>-</u>	<u>312,230</u>
Excess (deficiency) of revenues over (under) expenditures	6,650	(305,580)	1,543,160	1,848,740
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>6,650</u>	<u>(305,580)</u>	<u>1,543,160</u>	<u>1,848,740</u>
Fund balance - beginning of year	<u>3,936,577</u>	<u>3,936,577</u>	<u>3,936,577</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,943,227</u>	<u>\$ 3,630,997</u>	<u>\$ 5,479,737</u>	<u>\$ 1,848,740</u>

City of Casa Grande, Arizona
Public Safety Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 319,864	\$ 319,864
Investment earnings	6,650	6,650	7,989	1,339
Total revenues	<u>6,650</u>	<u>6,650</u>	<u>327,853</u>	<u>321,203</u>
EXPENDITURES				
Public Safety	-	-	390,709	-
Capital Outlay	-	-	282,915	282,915
Total expenditures	<u>-</u>	<u>-</u>	<u>673,624</u>	<u>282,915</u>
Excess (deficiency) of revenues over (under) expenditures	6,650	6,650	(345,771)	38,288
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>6,650</u>	<u>6,650</u>	<u>(345,771)</u>	<u>38,288</u>
Fund balance - beginning of year	<u>3,569,351</u>	<u>3,569,351</u>	<u>3,569,351</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,576,001</u>	<u>\$ 3,576,001</u>	<u>\$ 3,223,580</u>	<u>\$ 38,288</u>

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Tax	\$ 461,000	\$ 461,000	\$ 766,450	\$ 305,450
Developer Contribution	-	-	739	739
Investment Earnings	-	-	523	523
Total revenues	<u>461,000</u>	<u>461,000</u>	<u>767,712</u>	<u>306,712</u>
EXPENDITURES				
Contractual services	15,000	16,640	12,704	3,936
Capital outlay	10,000,000	9,998,360	-	9,998,360
Debt Service	332,480	266,450	349,614	(83,164)
Total expenditures	<u>10,347,480</u>	<u>10,281,450</u>	<u>362,318</u>	<u>9,919,132</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,886,480)</u>	<u>(9,820,450)</u>	<u>405,394</u>	<u>10,225,844</u>
OTHER FINANCING SOURCES (USES)				
Bond issuance	10,000,000	10,000,000	-	(10,000,000)
Total other financing sources and uses	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>	<u>(10,000,000)</u>
Net change in fund balance	<u>113,520</u>	<u>179,550</u>	<u>405,394</u>	<u>225,844</u>
Fund balance - beginning of year	<u>1,005,893</u>	<u>1,005,893</u>	<u>1,005,893</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,119,413</u>	<u>\$ 1,185,443</u>	<u>\$ 1,411,287</u>	<u>\$ 225,844</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 8,592,000	\$ 8,592,000	\$ 1,858,807	\$ (6,733,193)
Total revenues	8,592,000	8,592,000	1,858,807	(6,733,193)
EXPENDITURES				
Contractual services	-	-	816	(816)
Capital outlay	8,592,000	8,579,950	2,113,891	6,466,059
Total expenditures	8,592,000	8,579,950	2,114,707	6,465,243
Excess (deficiency) of revenues over (under) expenditures	-	12,050	(255,900)	(267,950)
OTHER FINANCING SOURCES				
Transfers in	-	-	86,050	86,050
Total other financing sources	-	-	86,050	86,050
Net change in fund balance	-	12,050	(169,850)	(181,900)
Fund balance - beginning of year	195,424	195,424	195,424	-
Fund balance - end of year	\$ (3,432,876)	\$ (3,424,726)	\$ 25,574	\$ (181,900)

City of Casa Grande, Arizona
Copper Mountain Ranch Water Enterprise Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES:				
Service fees	\$ 211,000	\$ 211,000	\$ 173,935	\$ (37,065)
Miscellaneous	-	-	21,368	21,368
Total operating revenues	211,000	211,000	195,303	(15,697)
OPERATING EXPENSES:				
Personal services	78,600	78,600	72,107	6,493
Contractual	130,100	110,100	54,123	55,977
Materials and supplies	67,300	65,690	45,602	20,088
Capital outlay	100,500	100,500	24,380	76,120
Depreciation	-	-	-	-
Total operating expenses	376,500	354,890	196,212	158,678
Operating Income	(165,500)	(143,890)	(909)	142,981
NONOPERATING REVENUE (EXPENSES):				
Interest expense	(13,920)	(3,430)	(3,429)	1
Total nonoperating revenue (expense)	(13,920)	(3,430)	(3,429)	1
Income (loss) before transfers	(179,420)	(147,320)	(4,338)	142,982
Transfers out	(21,280)	(21,280)	(21,280)	-
Net change in Fund Balance	(200,700)	(168,600)	(25,618)	142,982
Fund Balance - beginning of year	1,338,692	1,338,692	1,338,692	-
Fund Balance - end of year	\$ 1,137,992	\$ 1,170,092	\$ 1,313,074	\$ 142,982

City of Casa Grande, Arizona
Wastewater Enterprise Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES:				
Service fees	\$ 6,542,000	\$ 6,542,000	\$ 6,535,153	\$ (6,847)
Connection fees	5,000	5,000	6,630	1,630
Miscellaneous	120,000	120,000	31,532	(88,468)
Total operating revenues	<u>6,667,000</u>	<u>6,667,000</u>	<u>6,573,315</u>	<u>(93,685)</u>
OPERATING EXPENSES:				
Personal services	791,800	742,470	719,131	23,339
Contractual	2,123,510	2,212,620	1,579,863	632,757
Materials and supplies	1,335,950	1,298,660	1,300,197	(1,537)
Capital outlay	2,440,000	1,687,840	253,016	1,434,824
Depreciation	-	-	-	-
Total operating expenses	<u>6,691,260</u>	<u>5,941,590</u>	<u>3,852,207</u>	<u>2,089,383</u>
Operating Income	<u>(24,260)</u>	<u>725,410</u>	<u>2,721,108</u>	<u>1,995,698</u>
NONOPERATING REVENUE (EXPENSES):				
Interest income	(7,100)	(7,100)	17,948	25,048
Interest expense	(4,842,560)	(5,592,230)	(2,452,422)	3,139,808
Total nonoperating revenue (expense)	<u>(4,849,660)</u>	<u>(5,599,330)</u>	<u>(2,434,474)</u>	<u>3,164,856</u>
Income (loss) before contributions and transfers	<u>(4,873,920)</u>	<u>(4,873,920)</u>	<u>286,634</u>	<u>5,160,554</u>
Capital contributions	-	-	-	-
Bond issuance	2,600,000	2,600,000	-	(2,600,000)
Transfers in	2,258,350	2,258,350	5,745,146	3,486,796
Transfers out	(2,629,200)	(3,268,420)	(3,268,423)	(3)
Excess (deficiency) of revenues	<u>(2,644,770)</u>	<u>(3,283,990)</u>	<u>2,763,357</u>	<u>6,047,347</u>
Net change in Fund Balance	<u>(2,644,770)</u>	<u>(3,283,990)</u>	<u>2,763,357</u>	<u>6,047,347</u>
Fund Balance - beginning of year	<u>41,556,154</u>	<u>41,556,154</u>	<u>41,556,154</u>	<u>-</u>
Fund Balance - end of year	<u>\$ 38,911,384</u>	<u>\$ 38,272,164</u>	<u>\$ 44,319,511</u>	<u>\$ 6,047,347</u>

City of Casa Grande, Arizona
Wastewater Development Fees Enterprise Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES:				
Fees	\$ -	\$ -	\$ -	\$ -
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES:				
Capital outlay	3,814,000	3,174,780	482,354	(2,692,426)
Depreciation	-	-	-	-
Total operating expenses	<u>3,814,000</u>	<u>3,174,780</u>	<u>482,354</u>	<u>(2,692,426)</u>
Operating Income	<u>(3,814,000)</u>	<u>(3,174,780)</u>	<u>(482,354)</u>	<u>2,692,426</u>
NONOPERATING REVENUE :				
Development Impact Fees	150,050	150,050	545,163	395,113
Interest income	(4,000)	(4,000)	13,245	17,245
Total nonoperating revenue	<u>146,050</u>	<u>146,050</u>	<u>558,408</u>	<u>412,358</u>
Income (loss) before transfers	<u>(3,667,950)</u>	<u>(3,028,730)</u>	<u>76,054</u>	<u>3,104,784</u>
Transfers out	(2,233,350)	(2,872,570)	(2,872,573)	(3)
Net change in Fund Balance	<u>(3,667,950)</u>	<u>(5,901,300)</u>	<u>(2,796,519)</u>	<u>3,104,781</u>
Fund Balance - beginning of year	<u>14,750,479</u>	<u>14,750,479</u>	<u>14,750,479</u>	<u>-</u>
Fund Balance - end of year	<u>\$ 11,082,529</u>	<u>\$ 8,849,179</u>	<u>\$ 11,953,960</u>	<u>\$ 3,104,781</u>

City of Casa Grande, Arizona
Sanitation/Development Enterprise Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES:				
Service fees	\$ 6,137,000	\$ 6,137,000	\$ 6,006,202	\$ (130,798)
Recycling revenue	250,000	250,000	145,679	(104,321)
Impact fees	-	-	-	-
Miscellaneous	5,020,000	5,020,000	4,580	(5,015,420)
Total operating revenues	11,407,000	11,407,000	6,156,461	(5,250,539)
OPERATING EXPENSES:				
Personal services	2,524,340	2,558,060	2,311,252	246,808
Contractual	1,366,700	1,322,080	1,104,030	218,050
Materials and supplies	829,900	838,570	777,383	61,187
Capital outlay	6,663,450	6,663,450	650,001	6,013,449
Depreciation	-	-	-	-
Closure and postclosure costs	150,000	150,000	29,711	120,289
Total operating expenses	11,534,390	11,532,160	4,872,377	6,659,783
Operating Income	(127,390)	(125,160)	1,284,084	1,409,244
NONOPERATING REVENUE (EXPENSES):				
Interest income	(1,000)	(1,000)	9,153	10,153
Interest expense	(2,240)	(2,240)	(2,231)	9
Total nonoperating revenue (expense)	(3,240)	(3,240)	6,922	10,162
Income before transfers	(130,630)	(128,400)	1,291,006	1,419,406
Transfers in	735,000	735,000	2,035	(732,965)
Transfers out	(1,029,610)	(1,029,610)	(1,031,645)	(2,035)
Net change in Fund Balance	(1,160,240)	(1,158,010)	261,396	1,419,406
Fund Balance - beginning of year	6,005,030	6,005,030	6,005,030	-
Fund Balance - end of year	\$ 4,844,790	\$ 4,847,020	\$ 6,266,426	\$ 1,419,406

City of Casa Grande, Arizona
Golf Course Enterprise Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES:				
Rental	\$ 157,804	\$ 157,804	\$ 133,957	\$ (23,847)
Green fees	1,147,526	1,147,526	860,577	(286,949)
Miscellaneous	3,000	3,000	2,729	(271)
Total operating revenues	<u>1,308,330</u>	<u>1,308,330</u>	<u>997,263</u>	<u>(311,067)</u>
OPERATING EXPENSES:				
Personal services	507,790	507,790	474,738	33,052
Contractual	213,050	207,990	157,752	50,238
Materials and supplies	521,100	526,160	460,363	65,797
Capital outlay	219,400	219,400	55,102	164,298
Depreciation	-	-	-	-
Total operating expenses	<u>1,461,340</u>	<u>1,461,340</u>	<u>1,147,955</u>	<u>313,385</u>
Operating Income	<u>(153,010)</u>	<u>(153,010)</u>	<u>(150,692)</u>	<u>2,318</u>
NONOPERATING REVENUE (EXPENSE):				
Interest income	-	-	173	173
Interest expense	(54,000)	-	(29,857)	(29,857)
City sales tax	(19,000)	(19,000)	25,737	44,737
Total nonoperating revenue	<u>(73,000)</u>	<u>(122,760)</u>	<u>(3,947)</u>	<u>118,813</u>
Income (loss) before transfers	<u>(226,010)</u>	<u>(275,770)</u>	<u>(154,639)</u>	<u>121,131</u>
Transfers in	223,760	223,760	223,760	-
Transfers out	(114,520)	(114,520)	(114,520)	-
Net change in Fund Balance	<u>(116,770)</u>	<u>(166,530)</u>	<u>(45,399)</u>	<u>121,131</u>
Fund Balance - beginning of year	<u>1,203,737</u>	<u>1,203,737</u>	<u>1,203,737</u>	<u>-</u>
Fund Balance - end of year	<u>\$ 1,086,967</u>	<u>\$ 1,037,207</u>	<u>\$ 1,158,338</u>	<u>\$ 121,131</u>

City of Casa Grande, Arizona
Capital Assets Used in the Operation of Governmental Funds
Schedule By Source
June 30, 2013

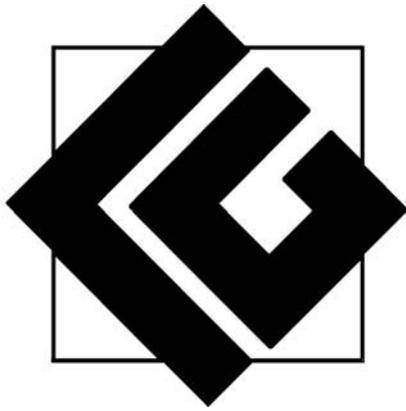
Governmental funds capital assets:		
Land and construction in progress	\$	23,118,540
Buildings		66,862,322
Improvements other than buildings		220,222,240
Machinery and equipment		<u>22,990,511</u>
Total governmental funds capital assets	\$	<u><u>333,193,613</u></u>
Investments in governmental funds capital assets by source:		
General obligation bonds	\$	5,311,672
Grants		4,500,214
General Fund revenues		12,132,639
Special Revenue Fund revenues		118,012,947
Capital Project Funds		84,955,506
Gifts and donations		<u>108,280,635</u>
Total investments in governmental funds capital assets	\$	<u><u>333,193,613</u></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 position.

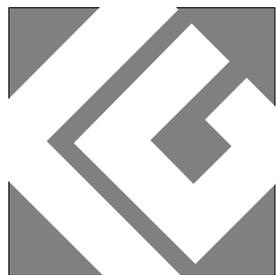
City of Casa Grande, Arizona
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
For the Year Ended June 30, 2013

Function and Activity	General Capital Assets June 30, 2012	Additions	Adjustments/ Disposals	General Capital Assets June 30, 2013
General government	\$ 17,164,243	\$ 88,133	\$ (54,800)	\$ 17,197,576
Public safety	41,970,395	2,631,401	(986,554)	43,615,242
Streets/Transportation	194,870,850	11,971,485	-	206,842,335
Public works	4,383,774	2,715,501	-	7,099,275
Culture and recreation	41,552,329	316,464	(1,838,299)	40,030,494
Economic development	18,408,691	-	-	18,408,691
Total	\$ 318,350,282	\$ 17,722,984	\$ (2,879,653)	\$ 333,193,613

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 position.



City of
Casa Grande



STATISTICAL SECTION



City of
Casa Grande

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.	110
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.	113
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.	122
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.	125

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 Position by Component
Last Nine Fiscal Years
(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>June 30 2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities					
Net investment in Capital Assets	\$ 28,136,615	\$ 74,265,031	\$ 121,397,151	\$ 144,539,605	\$ 166,666,266
Restricted	25,705,254	39,505,454	61,600,770	77,352,432	63,759,736
Unrestricted	10,880,929	17,574,060	24,880,238	29,930,330	29,204,011
Total governmental activities net assets	<u>\$ 64,722,798</u>	<u>\$ 131,344,545</u>	<u>\$ 207,878,159</u>	<u>\$ 251,822,367</u>	<u>\$ 259,630,013</u>
Business-type activities					
Net investment in Capital Assets	\$ 19,179,454	\$ 27,728,464	\$ 29,545,366	\$ 33,189,049	\$ 42,819,605
Restricted	7,202,857	11,541,534	15,292,233	19,276,562	16,814,023
Unrestricted	4,985,723	8,492,036	9,374,364	7,191,725	1,188,222
Total business-type activities net assets	<u>\$ 31,368,034</u>	<u>\$ 47,762,034</u>	<u>\$ 54,211,963</u>	<u>\$ 59,657,336</u>	<u>\$ 60,821,850</u>
Primary government					
Net investment in Capital Assets	\$ 47,316,069	\$ 101,993,495	\$ 150,942,517	\$ 177,728,654	\$ 209,485,871
Restricted	32,908,111	51,046,988	76,893,003	96,628,994	80,573,759
Unrestricted	15,866,652	26,066,096	34,254,602	37,122,055	30,392,233
Total primary government net assets	<u>\$ 96,090,832</u>	<u>\$ 179,106,579</u>	<u>\$ 262,090,122</u>	<u>\$ 311,479,703</u>	<u>\$ 320,451,863</u>

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 169,037,582	\$ 163,072,110	\$ 161,430,232	\$ 157,440,959
66,259,746	68,817,721	37,158,304	40,395,789
24,786,399	20,795,291	48,679,263	46,777,093
<u>\$ 260,083,727</u>	<u>\$ 252,685,122</u>	<u>\$ 247,267,799</u>	<u>\$ 244,613,841</u>
\$ 46,698,154	\$ 47,003,748	\$ 49,361,435	\$ 47,631,810
11,962,381	10,324,306	11,742,168	9,245,649
5,103,985	7,429,067	3,708,031	5,504,681
<u>\$ 63,764,520</u>	<u>\$ 64,757,120</u>	<u>\$ 64,811,634</u>	<u>\$ 62,382,140</u>
\$ 215,735,736	\$ 210,847,017	\$ 210,791,667	\$ 205,072,769
78,222,127	78,350,244	48,900,472	49,641,438
29,890,384	28,244,981	52,387,294	52,281,774
<u>\$ 323,848,247</u>	<u>\$ 317,442,242</u>	<u>\$ 312,079,433</u>	<u>\$ 306,995,981</u>

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

	June 30				
	2005	2006	2007	2008	2009
Governmental Activities:					
Expenses					
General government	\$ 4,100,221	\$ 4,463,957	\$ 5,196,569	\$ 6,958,153	\$ 7,824,380
Public safety	11,789,718	13,504,033	14,765,435	17,799,896	20,384,692
Streets/Transportation	3,437,830	5,486,251	9,650,354	10,614,899	12,198,334
Public works	778,974	1,868,890	2,144,675	1,652,940	2,336,854
Culture and recreation	4,147,490	4,978,247	5,247,404	5,853,610	7,696,876
Economic development	2,716,784	4,468,076	5,564,781	5,932,564	4,367,403
Interest on long-term debt	477,956	500,879	610,630	641,914	972,791
Total expenses	27,448,973	35,270,333	43,179,848	49,453,976	55,781,330
Program Revenues					
Charges for services:					
General government	109,340	119,514	133,192	144,550	131,394
Public safety	904,202	984,555	1,091,960	1,214,170	1,410,573
Streets/Transportation	505,948	832,940	996,571	1,345,035	1,297,796
Public works	2,273,085	84,424	33,994	100,784	23,399
Culture and recreation	285,592	340,272	328,163	378,268	378,961
Development fees	4,667,542	11,353,338	13,115,223	8,272,278	1,332,296
Building permits	2,017,707	3,468,682	2,580,633	1,692,576	635,045
Development and engineering	1,876,291	3,357,825	2,456,074	694,885	96,008
Other economic development	795,721	1,282,294	863,185	627,986	379,636
Operating grants and contributions	5,834,031	7,866,501	9,066,924	9,303,041	8,859,174
Capital grants and contributions	6,372,598	43,675,183	14,852,514	22,402,954	7,360,861
Total program revenues	25,642,057	73,365,528	45,518,433	46,176,527	21,905,143
Total Governmental Activities Net Program Expense	\$ (1,806,916)	\$ 38,095,195	\$ 2,338,585	\$ (3,277,449)	\$ (33,876,187)
General Revenues and Other Changes in Net Position					
Property taxes	2,333,638	2,401,386	2,475,296	3,105,864	6,264,879
Sales taxes	12,094,301	14,973,622	22,708,648	28,082,890	23,313,628
Franchise taxes	954,853	1,236,366	1,511,751	1,687,014	1,910,594
Shared revenues:					
State sales taxes	2,336,759	2,721,554	3,086,185	2,984,122	2,583,416
Urban revenue sharing	2,345,507	2,728,207	3,760,034	4,592,697	4,793,336
Auto-in-lieu	1,221,188	1,585,116	2,032,801	2,199,266	2,126,092
Investment earnings	466,925	1,508,717	3,222,176	3,202,760	815,213
Gain on sales of assets	414,900	660,798	1,846,201	452,693	-
Miscellaneous	145,585	361,586	274,310	388,409	440,101
Transfers	99,000	349,200	449,800	525,942	(563,426)
Total general revenues and other changes in net position	22,412,656	28,526,552	41,367,202	47,221,657	41,683,833
Total Governmental Activities Change in Net Position	\$ 20,605,740	\$ 66,621,747	\$ 43,705,787	\$ 43,944,208	\$ 7,807,646

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 6,961,775	\$ 6,875,962	\$ 6,943,378	\$ 6,766,944
20,366,672	20,265,216	22,629,105	24,280,544
12,007,921	12,554,956	13,442,435	12,494,463
2,335,926	2,067,097	2,542,009	3,205,901
6,828,387	7,103,723	7,247,394	7,273,320
4,700,480	3,731,265	3,186,873	3,117,655
2,145,146	2,436,221	2,670,881	2,367,185
<u>55,346,307</u>	<u>55,034,440</u>	<u>58,662,075</u>	<u>59,506,012</u>
153,150	215,969	173,396	342,086
1,135,284	1,028,639	1,370,883	1,182,158
1,144,798	1,213,808	1,369,817	1,112,963
9,736	12,018	26,595	60,757
469,536	771,516	601,627	443,652
1,414,107	1,023,436	161,576	2,198,089
494,055	342,553	290,999	988,908
55,896	65,715	40,880	74,375
842,301	376,785	429,012	416,676
7,469,173	6,266,856	7,420,053	6,823,705
4,841,012	315,613	3,507,353	10,177,899
<u>18,029,048</u>	<u>11,632,908</u>	<u>15,392,191</u>	<u>23,821,268</u>
<u>\$ (37,317,259)</u>	<u>\$ (43,401,532)</u>	<u>\$ (43,269,884)</u>	<u>\$ (35,684,744)</u>
7,422,710	6,570,203	6,439,021	6,877,452
19,776,002	18,973,408	18,901,163	19,242,309
1,947,031	2,196,398	2,201,312	2,248,227
2,382,825	2,590,692	3,795,352	3,975,626
4,106,244	2,897,028	4,099,428	4,961,423
2,034,181	1,992,071	2,137,645	2,129,894
107,521	108,552	67,705	3,586
-	-	-	-
625,779	81,130	121,530	49,172
(631,320)	593,445	94,464	1,337,500
<u>37,770,973</u>	<u>36,002,927</u>	<u>37,857,620</u>	<u>40,825,189</u>
<u>\$ 453,714</u>	<u>\$ (7,398,605)</u>	<u>\$ (5,412,264)</u>	<u>\$ 5,140,445</u>

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

	June 30				
	2005	2006	2007	2008	2009
Business-type Activities:					
Expenses					
Water	\$ 158,397	\$ 98,048	\$ 115,599	\$ 117,638	\$ 153,147
Golf course	844,434	928,321	1,107,942	967,750	1,266,986
Wastewater	2,487,685	3,138,128	5,413,331	4,522,025	4,610,789
Sanitation	3,148,693	3,538,650	3,902,782	4,041,517	5,465,908
Total expenses	6,639,209	7,703,147	10,539,654	9,648,930	11,496,830
Revenues					
Charges for services:					
Water	186,225	197,834	193,909	190,125	196,410
Golf course	584,429	781,464	784,983	797,501	962,206
Wastewater	7,618,055	7,533,801	6,001,607	5,972,329	5,119,786
Sanitation	3,804,163	4,571,127	4,963,964	4,990,169	4,555,927
Sales taxes	2,150,452	2,676,631	2,124,036	14,203	20,612
Investment earnings	183,584	635,533	1,167,957	919,273	202,016
Miscellaneous	47,086	58,502	73,411	155,834	323,560
Capital grants and contributions	1,561,589	7,991,457	2,129,515	2,580,813	717,407
Total revenues	16,135,583	24,446,349	17,439,382	15,620,247	12,097,924
Total Business-type Activities Net Program Expense	\$ 9,496,374	\$ 16,743,202	\$ 6,899,728	\$ 5,971,317	\$ 601,094
Other Changes in Net Position					
Transfers	(99,000)	(349,200)	(449,800)	(525,942)	563,426
Total Business-type Activities Change in Net Position	\$ 9,397,374	\$ 16,394,002	\$ 6,449,928	\$ 5,445,375	\$ 1,164,520
Total Primary Government Change in Net Position	\$ 30,003,114	\$ 83,015,749	\$ 50,155,715	\$ 49,389,583	\$ 8,972,166

2010	2011	2012	2013
\$ 159,718	\$ 150,493	\$ 190,786	\$ 226,382
1,243,440	1,203,084	1,303,013	1,299,400
5,528,871	5,561,882	9,786,826	9,188,433
<u>4,653,383</u>	<u>5,028,014</u>	<u>5,060,239</u>	<u>4,953,994</u>
<u>11,585,412</u>	<u>11,943,473</u>	<u>16,340,864</u>	<u>15,668,209</u>
162,094	167,772	185,176	173,935
1,066,642	1,119,396	1,066,136	994,534
6,049,625	6,304,052	6,871,045	6,541,782
5,151,563	5,858,238	6,264,192	6,151,881
26,657	28,802	29,539	25,737
8,383	45,969	15,397	40,519
10,473	5,289	21,139	60,209
<u>895,826</u>	<u>-</u>	<u>2,337,217</u>	<u>-</u>
<u>13,371,263</u>	<u>13,529,518</u>	<u>16,789,841</u>	<u>13,988,597</u>
<u>\$ 1,785,851</u>	<u>\$ 1,586,045</u>	<u>\$ 448,977</u>	<u>\$ (1,679,612)</u>
631,320	(593,445)	(94,464)	(1,337,500)
<u>\$ 2,417,171</u>	<u>\$ 992,600</u>	<u>\$ 354,513</u>	<u>\$ (3,017,112)</u>
<u>\$ 2,870,885</u>	<u>\$ (6,406,005)</u>	<u>\$ (5,057,751)</u>	<u>\$ 2,123,333</u>

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

	2004	2005	2006	2007
General Fund				
Reserved	\$ 801,965	\$ 1,115,310	\$ 1,476,273	\$ 1,959,234
Unreserved	6,343,317	11,150,642	17,796,454	25,521,015
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 7,145,282</u>	<u>\$ 12,265,952</u>	<u>\$ 19,272,727</u>	<u>\$ 27,480,249</u>
All Other Governmental Funds				
Reserved	\$ 2,368,606	\$ 6,252,078	\$ 4,250,108	\$ 4,413,184
Unreserved, reported in:				
Special revenue funds	9,013,364	15,594,386	28,612,756	43,633,806
Capital projects funds	1,066,167	2,479,265	5,365,147	10,701,962
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 12,448,137</u>	<u>\$ 24,325,729</u>	<u>\$ 38,228,011</u>	<u>\$ 58,748,952</u>

*FY2011: Implementation of GASB-54 Fund Balance Classification

Fiscal Year					
2008	2009	2010	2011*	2012	2013
\$ 2,548,121	\$ 3,153,554	\$ 3,815,142	\$ -	\$ -	\$ -
30,572,472	30,402,947	25,262,863	-	-	-
-	-	-	7,411	6,023	6,264
-	-	-	33,225	4,202,039	4,701,221
-	-	-	23,342,866	-	-
-	-	-	-	19,251,625	14,550,404
-	-	-	1,247,242	502,264	5,281,667
<u>\$ 33,120,593</u>	<u>\$ 33,556,501</u>	<u>\$ 29,078,005</u>	<u>\$ 24,630,744</u>	<u>\$ 23,961,951</u>	<u>\$ 24,539,556</u>
\$ 32,896,933	\$ 25,327,803	\$ 39,966,314	\$ -	\$ -	\$ -
49,835,900	39,794,807	40,446,857	-	-	-
77,406	8,084	151,896	-	-	-
-	-	-	57,949	60,783	66,983
-	-	-	13,250,249	33,542,117	35,694,573
-	-	-	1,083,515	15,628,386	2,523,457
-	-	-	50,374,649	13,156,163	27,643,540
-	-	-	(378,345)	(385,290)	(576,410)
<u>\$ 82,810,239</u>	<u>\$ 65,130,694</u>	<u>\$ 80,565,067</u>	<u>\$ 64,388,017</u>	<u>\$ 62,002,159</u>	<u>\$ 65,352,143</u>

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

	2004	2005	2006	2007	2008
Revenues					
Taxes	\$ 13,294,993	\$ 15,388,557	\$ 18,585,602	\$ 26,706,698	\$ 32,840,670
Licenses and permits	1,385,080	2,156,170	3,632,214	2,756,899	1,881,951
Intergovernmental revenues	10,902,234	11,911,931	15,208,404	18,007,273	20,798,409
Charges for services	3,221,772	9,853,065	16,390,930	16,678,803	10,171,890
Fines	677,048	739,283	734,495	826,533	815,081
Special assessments	137,644	217,895	354,840	28,907	29,691
Investment earnings	124,545	466,925	1,508,717	3,222,176	3,202,760
Rental and sale of city property	738,198	701,633	1,071,511	1,459,760	1,546,935
Other revenues	473,864	720,093	1,198,605	720,635	608,700
Total revenues	<u>30,955,378</u>	<u>42,155,552</u>	<u>58,685,318</u>	<u>70,407,684</u>	<u>71,896,087</u>
Expenditures					
General government	4,451,216	4,300,175	5,230,006	5,921,449	8,076,361
Public safety	10,309,036	11,344,629	12,957,767	14,155,865	16,983,507
Streets/Transportation	1,672,165	1,908,050	2,168,597	2,846,301	2,323,097
Public works	730,486	734,391	1,650,860	2,063,253	1,684,699
Culture and recreation	3,450,403	3,654,964	4,446,967	4,828,294	5,463,871
Planning and economic development	1,952,308	2,242,438	3,914,867	4,821,056	4,965,772
Capital outlay	1,939,318	4,526,914	6,149,634	8,251,421	11,030,175
Debt service					
Principal	960,801	799,546	1,206,388	882,247	1,226,548
Interest	471,539	477,428	484,775	707,501	607,351
Total expenditures	<u>25,937,272</u>	<u>29,988,535</u>	<u>38,209,861</u>	<u>44,477,387</u>	<u>52,361,381</u>
Other Financing Sources (Uses)					
Transfers in	2,919,819	2,686,632	5,808,434	6,844,898	8,101,980
Transfers out	(1,578,736)	(2,530,831)	(5,374,834)	(6,311,098)	(7,483,839)
Capital leases	1,056,839	3,500,000	-	-	-
Bond issuance	-	1,335,000	-	455,000	9,000,000
Bond issuance costs	-	(159,557)	-	-	(30,201)
Sale of land	-	-	-	1,809,371	578,989
Total other financing sources (uses)	<u>2,397,922</u>	<u>4,831,244</u>	<u>433,600</u>	<u>2,798,171</u>	<u>10,166,929</u>
Net change in fund balances	<u>\$ 7,416,028</u>	<u>\$ 16,998,260</u>	<u>\$ 20,909,057</u>	<u>\$ 28,728,468</u>	<u>\$ 29,701,636</u>
Debt service as a percentage of noncapital expenditures	5.97%	5.02%	5.27%	4.39%	4.44%

Fiscal Year				
2009	2010	2011	2012	2013
\$ 31,334,264	\$ 29,088,943	\$ 27,556,571	\$ 27,524,503	\$ 28,352,139
808,414	656,902	546,628	494,921	1,263,721
17,188,146	16,769,422	14,151,581	17,627,429	20,814,430
2,188,466	2,058,720	1,661,339	2,856,201	4,024,127
1,092,331	978,765	807,884	756,454	735,217
21,092	8,883	-	-	-
815,213	107,521	108,549	67,707	3,586
1,645,235	2,106,527	1,489,826	502,054	537,055
536,204	514,473	349,597	1,599,077	477,857
<u>55,629,365</u>	<u>52,290,156</u>	<u>46,671,975</u>	<u>51,428,346</u>	<u>56,208,132</u>
8,996,033	8,055,272	8,026,262	7,932,235	7,473,914
18,594,022	18,957,126	19,691,260	20,516,232	22,089,961
2,991,139	2,521,337	2,770,032	3,287,682	2,717,802
1,716,458	2,192,317	1,959,265	1,913,991	2,040,691
5,222,719	5,792,331	5,847,772	5,939,441	6,041,037
3,425,837	3,550,938	2,652,964	2,467,005	2,424,452
27,511,902	31,846,819	24,677,470	8,999,838	10,215,671
5,313,821	2,484,637	1,899,760	3,669,732	1,718,222
955,207	2,125,295	2,594,138	2,733,203	2,343,898
<u>74,727,138</u>	<u>77,526,072</u>	<u>70,118,923</u>	<u>57,459,359</u>	<u>57,065,648</u>
5,630,797	12,829,121	11,790,392	17,492,942	7,243,155
(5,922,924)	(13,965,253)	(11,101,760)	(17,303,578)	(5,786,655)
-	-	-	-	3,328,600
750,000	37,800,000	2,200,000	2,787,000	-
(103,736)	(472,067)	(66,000)	-	-
1,500,000	-	-	-	-
<u>1,854,137</u>	<u>36,191,801</u>	<u>2,822,632</u>	<u>2,976,364</u>	<u>4,785,100</u>
<u>\$ (17,243,635)</u>	<u>\$ 10,955,886</u>	<u>\$ (20,624,316)</u>	<u>\$ (3,054,649)</u>	<u>\$ 3,927,584</u>
13.28%	10.09%	9.89%	13.21%	8.67%

Schedule 6
City of Casa Grande
Sales Tax Revenue by Industry
Fiscal Years 2008 - 2013

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

Source: Arizona State Department of Revenue

Note:

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

Fiscal Year 2011		Fiscal Year 2012		Fiscal Year 2013	
Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total
\$ 2,545,580	13.36%	\$ 1,802,508	9.41%	\$ 2,151,068	11.04%
575,026	3.02%	461,262	2.41%	427,104	2.19%
2,009,759	10.55%	2,217,902	11.57%	2,220,570	11.39%
246,612	1.29%	287,453	1.50%	276,385	1.42%
9,430,292	49.51%	9,836,562	51.33%	9,549,885	49.00%
1,227,699	6.45%	1,285,661	6.71%	1,348,805	6.92%
1,793,481	9.42%	1,897,474	9.90%	1,941,221	9.96%
449,581	2.36%	483,410	2.52%	564,426	2.90%
432,552	2.27%	500,029	2.61%	603,372	3.10%
336,162	1.76%	391,070	2.04%	405,733	2.08%
<u>\$ 19,046,744</u>	<u>100.00%</u>	<u>\$ 19,163,329</u>	<u>100.00%</u>	<u>\$ 19,488,568</u>	<u>100.00%</u>

Schedule 7
City of Casa Grande
Direct and Overlapping Sales Tax Rates
As of June 30, 2013

Type of Tax	Rates		
	City	State and Pinal County	Combined
Privilege tax, except retail, utilities and telecommunication	1.8%	6.7%	8.5%
Retail (excluding food sales)	2.0% (b)	6.7%	8.7%
Retail - privilege tax for single item over \$5000	1.5%	6.7%	8.2%
Hotel/Motel	3.8%	6.7%	10.5%
Restaurant/Bar	1.8%	6.7%	8.5%
Utilities/Telecommunications	2.0%	6.7%	8.7%
Construction	4.0% (a)	6.7%	10.7%
Jet Fuel	1.8%	6.7%	8.5%
Real Property Rental	1.8%	6.7%	8.5%
All Other Services Not Specified	1.8%	6.7%	8.5%

(a) Includes a 2.2% tax on construction contracting activities the use of which is restricted to paying costs related to acquisition of capital assets and improvements included in the City's Capital Improvement Plan.

(b) Includes the two-tenths (0.2) of one percent (1%) Economic Development and Recreation Excise Tax. The sale of a single item over \$5,000 is taxed at 2.0% for the first \$5,000, then the rate drops to 1.5% for the taxable amount exceeding \$5,000.

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



City of
Casa Grande

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

Fiscal Year	Governmental Activities				Business-type Activities	
	General Obligation Bonds	Excise Tax Revenue Obligations	Special Assessment Bonds	Capital Leases	General Obligation Bonds	Excise Tax/GO Bond Revenue Obligations
2004	-	8,138,000	685,000	1,236,062	-	15,926,820
2005	1,335,000	7,688,583	585,000	4,485,933	-	15,426,237
2006	1,335,000	7,217,943	480,000	4,029,980	-	14,911,877
2007	1,790,000	6,721,488	370,000	3,754,188	-	14,388,332
2008	10,775,000	6,199,218	255,000	3,180,356	2,000,000	13,855,602
2009	9,739,549	3,130,318	130,000	2,909,161	1,605,451	13,304,502
2010	27,282,278	21,249,788	-	2,598,870	1,382,721	12,735,032
2011	28,395,915	20,603,035	-	2,331,681	1,269,083	12,125,001
2012	27,575,463	18,358,670	-	4,846,117	1,224,537	11,266,335
2013	27,370,000	17,653,768	-	7,831,620	1,169,991	10,636,233

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

<u>Capital Leases</u>	<u>Notes Payable</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (a)</u>	<u>Per Capita (a)</u>
404,534	178,170	26,568,586	4.32%	848.43
593,795	177,300	30,291,848	4.22%	884.18
408,291	168,069	28,551,160	3.59%	783.30
295,899	158,520	27,478,427	3.12%	708.48
179,122	148,643	36,592,941	3.61%	886.78
57,790	4,352,312	35,229,083	3.16%	780.86
6,793	38,501,765	103,757,247	8.55%	2,255.94
-	51,738,811	116,463,526	8.66%	2,397.80
-	56,896,857	120,167,979	8.93%	2,474.07
-	50,024,722	114,686,334	8.53%	2,361.21

Schedule 9
City of Casa Grande
Ratio of General Bonded Debt Outstanding
Last Eight Fiscal Years

Fiscal Year	General Obligation Bonds		Estimated Actual Value of Property (a)	Percentage of Estimated Actual Value of Property	General Bonded Debt Per Capita (b)	Restricted for Principal Payment
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%	176	
2010	2,430,000	(1)	249,681,000	0.97%	807	
2010	26,234,999	(2)	3,680,064,800	0.71%	522	
2011	4,555,000	(1)	235,284,000	1.94%	1,469	320,000
2011	25,109,998	(2)	3,209,485,830	0.78%	499	545,000
2012	4,235,000	(1)	313,880,004	1.35%	1,366	100,000
2012	23,340,463	(2)	3,145,296,113	0.74%	464	625,000
2013	4,030,000	(1)	269,324,094	1.50%	883	105,000
2013	23,340,000	(2)	2,788,057,728	0.84%	464	600,000

(a) Source: Pinal County Assessor's records

(b) Estimated population of Mission Royale CFD 6/30/13 2,888
 Estimated population of Villago CFD 6/30/13 1,674
 Source: City of Casa Grande Development Center

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

Population of Casa Grande 50,296

(1) General obligation bonds were issued by the Mission Royale Community Facilities District in 2005 and the Villago Community Facilities District in 2006, 2008 and 2010. 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, 2013

<u>Governmental Unit</u>	<u>Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Elementary School District #4	\$ 10,965,000	80.26%	\$ 8,801,349
Union High School District #82	28,720,000	62.48%	17,945,491
Central Arizona Community College	91,340,000	16.68%	15,239,026
Mission Royale CFD	1,180,000	100.00%	1,180,000
Villago CFD	2,955,000	100.00%	<u>2,955,000</u>
Subtotal, overlapping debt			\$ 46,120,866
City direct debt	30,601,629	100.00%	<u>30,601,629</u>
Total direct and overlapping debt			<u><u>\$ 76,722,495</u></u>

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

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

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

Schedule 11
City of Casa Grande
Legal Debt Margin Information
June 30, 2013

Net Secondary Assessed Valuation as of June 30, 2013 (a)	\$ 326,689,159
Debt limit (6% of assessed value)	19,601,350
Debt applicable to limit:	
General obligation bonds	0
Legal 6% debt margin	\$ 19,601,350
Debt limit (20% of assessed value)	65,337,832
Debt applicable to limit:	
General obligation bonds	28,075,000
Legal 20% debt margin	\$ 37,262,832

Arizona's Constitution states that a municipality cannot issue general obligation bonds in excess of 6% of the assessed valuation for general municipal purposes. Additional general obligation bonds for up to 20% of assessed valuation can be issued for specific purposes such as supplying water and sewer services and recreational and playground facilities.

(a) Source: Pinal County Assessor's records

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

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

Fiscal Year	Special Assessment Bonds					Excise Tax Revenue Obligations		
	Transaction Privilege (Sales) Tax (a)(b)	State Shared Sales Tax	State Shared Income Tax	Franchise Tax	Licenses & Permits/Fines & Forfeitures	Debt Service		Coverage
						Principal	Interest	
2007	\$23,954,813	\$3,086,185	\$3,760,034	\$1,511,751	\$3,583,432	\$1,050,000	\$957,807	17.88
2008	27,140,828	2,984,122	4,592,697	1,687,014	2,697,032	1,105,000	901,980	19.48
2009	22,375,653	2,583,416	4,793,336	1,910,594	1,900,745	1,165,000	594,321	19.08
2010	18,566,490	2,382,825	4,106,244	1,947,031	1,635,667	950,001	1,054,202	14.29
2011	17,599,226	2,590,692	2,897,028	2,034,471	1,354,512	985,000	1,022,252	13.19
2012	18,179,713	3,795,352	4,099,428	2,330,056	1,109,259	1,515,000	1,644,925	9.34
2013	18,533,580	3,975,626	4,961,423	2,405,674	1,951,976	1,570,000	1,457,260	10.51

(a) The sale of a single item over \$5,000 is taxed at 2.0% for the first \$5,000, then the rate drops to 1.5% for the taxable amount exceeding \$5,000.

(b) Does not include the two-tenths of one percent (0.2%) Economic Development and Recreation Excise Tax which is pledged to the repayment of the 2009 Obligations and obligations issued on a parity therewith only (the "2009 Parity Obligations"). In connection with allocating the Excise Taxes among payments due with respect to the 2009 Parity Obligations and all Parity Obligations, the Economic Development and Recreation Excise Taxes will be applied first to the payments due with respect to the 2009 Parity Obligations and the Excise Taxes will then be allocated proportionately to the remaining payments due with respect to all Parity Obligations. The revenues from the Economic Development and Recreation Excise Tax for the last six fiscal years have been:

<u>Fiscal Year</u>	<u>Amount</u>
2007	\$877,870
2008	956,265
2009	958,587
2010	936,142
2011	946,029
2012	983,656
2013	954,988

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

Fiscal Year	Tax Levy	Collected to June 30 End of Tax Fiscal Year (a)		Percent of Tax Levy	Adjustments
		Collections	Taxes Receivable		
2006	\$1,943,077	\$1,941,725	\$1,351	99.9%	(\$1,806)
2007	2,324,353	2,321,741	2,612	99.9%	(38,308)
2008	5,293,122	5,286,603	6,519	99.9%	(109,541)
2009	5,969,317	5,938,525	30,793	99.5%	(19,840)
2010	5,774,873	5,755,354	19,519	99.7%	(6,226)
2011	5,467,279	5,438,096	29,183	99.5%	(12,865)
2012	5,604,882	5,414,500	190,381	96.6%	(33,762)
2013	5,617,000	5,546,710	70,290	98.7%	-

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

Source: Pinal County Treasurer's Office

Schedule 14
City of Casa Grande
Tax Rate Data

Fiscal Year	City's Primary Tax Rate Per \$100 Assessed	City's Secondary Tax Rate Per \$100 Assessed	City's Total Tax Rate Per \$100 Assessed
2005	\$0.9999	\$0.0000	\$0.9999
2006	0.9999	0.0000	0.9999
2007	0.9102	0.0000	0.9102
2008	0.8774	0.0000	0.8774
2009	0.7468	0.6308	1.3776
2010	0.7135	0.6308	1.3443
2011	0.8110	0.6308	1.4418
2012	0.8988	0.6308	1.5296
2013	\$0.9489	\$0.6308	1.5797

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Foundation

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

Taxpayers (a)(b)	Type of Business/Property	Estimated 2012-13 Net Secondary Assessed Valuation	As Percent of City's 2012-13 Net Secondary Assessed Valuation
Arizona Public Service Co.	Electric Utility	\$11,944,055	3.66%
Wp Casa Grande Retail LLC	Retailer	10,708,206	3.28%
Wal-Mart Stores East LP	Retailer	6,986,689	2.14%
Daisy Brand LLC	Dairy Product Manufacturing	4,832,319	1.48%
Abbott Manufacturing Inc.	Gas Utility	4,023,899	1.23%
Southwest Gas Corp.	Pharmaceutical Manufacturing	3,506,031	1.07%
CG Hanna LLC	Real Estate Management	2,942,354	0.90%
Hexel Corp.	Manufacturing	2,809,400	0.86%
Arizona Water Co.	Water Utility	2,739,645	0.84%
Courtney Mann LLC	Vitamin Distributor	2,531,351	0.77%
Daisy Brand LP	Dairy Product Manufacturing	2,527,381	0.77%
Wal-Mart Stores Inc.	Retailer	2,470,353	0.76%
Lowe's HIW Inc.	Home Improvement & Construction	2,151,404	0.66%
HSL Desert Sands Properties LLC	Real Estate Management	2,129,927	0.65%
Target Corporation Property Dev.	Retailer	2,024,773	0.62%
TOTAL		\$64,327,787	19.69%

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

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

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

Source: Pinal County Assessor's Office

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

Fiscal Year	Population	County Per Capita Personal Income	Total Personal Income	School Enrollment	Unemployment Rate
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%
2011	48,571	27,690	1,344,930,990	10,700	11.50%
2012	49,804	21,716	1,081,543,664	11,512	11.20%
2013	50,296	21,419	1,077,290,024	10,852	9.10%

Sources: Arizona Department of Commerce
U.S. Bureau of Labor Statistics
Casa Grande Elementary and Casa Grande Union High School Districts.
U.S. Census Bureau

Schedule 17
City of Casa Grande
Principal Employers,
Current Year and Ten Years Ago

Employer	2013		2001 (a)	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Casa Grande Elementary School District	1,030	5.29%	625	4.52%
Casa Grande Regional Medical Center	860	4.42%	788	5.70%
Hexcel Corporation	550	2.83%	562	4.07%
Wal-Mart Distribution Center	500	2.57%	-	0.00%
Wal-Mart Supermarket	450	2.31%	-	0.00%
Frito-Lay Inc.	450	2.31%	302	2.19%
Abbott Laboratories/Ross Products	435	2.24%	397	2.87%
City of Casa Grande	419	2.15%	251	1.82%
National Vitamin Company	180	0.93%	-	0.00%
Franklin Foods	175	0.90%	-	0.00%
All Others	14,408	74.05%	10,891	78.83%
	19,457	100.00%	13,816	100.00%

Sources:

City of Casa Grande
Central Arizona Regional Economic Development Foundation
AZ Department of Commerce

(a) Employment data from 2003 is not available - the information presented is from 2001

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

Fiscal Year	Function/Program						Total
	General Government	Police, City Attorney and Court	Fire	Culture and Recreation	Planning and Development	Public Works	
2004	23.0	97.5	37.0	44.0	17.0	80.0	298.5
2005	24.0	103.5	38.0	44.0	19.0	79.0	307.5
2006	26.0	107.5	41.0	44.0	22.0	84.3	324.8
2007	30.0	123.1	54.8	48.0	26.5	96.3	378.6
2008	39.3	139.0	60.5	61.3	34.5	104.5	439.0
2009	39.5	137.2	62.1	61.8	34.0	104.5	439.1
2010	37.3	128.8	63.3	68.3	31.0	100.5	429.0
2011	37.3	125.8	62.3	67.3	31.0	97.8	421.3
2012	38.8	126.4	62.3	66.6	24.5	99.4	417.9
2013	38.3	135.3	62.3	51.0	21.5	102.0	410.3

Source: City Budget

Note: Information is based on authorized positions.

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Registered voters	13,685	15,919	13,239	13,946	19,331	20,805	20,805	20,805	20,805	20,417
Votes cast last primary election	1,242	1,428	1,428	2,364	2,364	2,400	2,400	4,182	4,182	3,886
Fire										
Medical support calls	3,085	3,427	3,766	3,778	4,286	4,689	4,289	4,849	4,941	5,155
Total alarms	4,136	4,557	5,137	5,194	5,642	5,050	5,703	6,397	6,515	6,685
Inspections/investigations	524	487	390	986	1,512	1,505	883	1,051	1,458	910
Public education contacts	7,344	11,764	8,884	10,164	19,801	25,064	15,812	12,622	18,743	26,225
Police										
Calls for service	37,674	38,869	39,365	42,412	41,126	40,893	38,629	38,660	34,213	31,308
Officer initiated	69,588	69,412	69,936	72,028	71,626	76,263	72,807	85,032	78,125	88,023
Patrolled miles	716,138	702,062	706,375	802,935	864,421	939,398	983,100	1,005,416	974,867	991,778
Traffic accidents	928	1,046	1,213	1,121	1,104	991	974	942	938	874
Traffic citations	8,607	7,068	6,127	6,136	6,943	7,025	6,107	5,171	6,008	7,836
Arrests (adult and juvenile)	4,387	4,614	4,055	3,840	4,015	3,981	4,738	3,737	4,052	4,098
Culture and recreation - library (a)										
Items in collections	90,826	86,364	73,984	74,311	75,863	79,920	113,480	114,257	117,108	454,700
Total circulation transactions	52,240	51,915	49,718	73,079	75,840	78,727	98,937	70,820	69,376	n/a
Total circulation items	172,391	170,875	187,063	225,043	229,446	270,473	329,790	368,693	361,334	376,405
Economic development										
Building permits - commercial	262	273	339	143	195	114	90	95	63	94
Building permits - residential	1,983	2,565	3,501	1,454	777	329	369	291	259	264
Self-help homes completed	22	6	20	25	25	25	12	12	11	0
Self-help homes started	13	26	27	25	26	25	12	12	14	0
Housing rehabilitations	12	9	12	12	12	12	12	12	11	21
Code enforcement cases	660	1,059	1,704	984	1,150	1,331	1,317	2,104	1,203	1,206
Planning cases	161	154	334	193	85	95	90	121	110	133

Sources: Various City departments

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

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

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Fire stations	3	3	3	3	3	3	3	4	4	4
Parks and recreation										
Park areas	24	24	24	25	26	26	27	27	27	27
Parkland acreage	1,790	1,370	1,370	1,371	1,387	1,396	1,566	1,611	1,611	1,611
Community centers	4	4	4	4	5	5	5	5	5	5
Golf courses	1	1	1	1	1	1	1	1	1	1
Playgrounds	22	22	24	24	25	26	26	26	26	26
Other maintenance areas	85	85	87	88	93	93	95	97	97	99
Airport										
T-hangers	52	52	52	52	52	52	52	52	52	52
T-shades	18	18	18	18	18	18	18	18	18	18
Public works										
Total number of streetlights**	1,893	2,011	2,217	3,130	3,302	3,500	3,363	5,340	5,340	3,948
Miles of streets (centerline)**	321	354	375	375	389	410	410	410	414	409
Miles of sewer**	145	160	300	375	450	455	455	455	455	284
Number of lift stations	10	10	9	9	9	10	10	10	10	10
Number of signalized intersections*	27	27	31	31	35	38	39	41	41	41

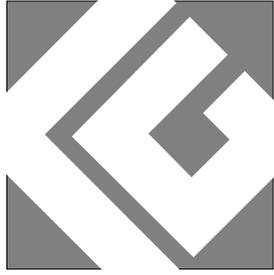
* Includes ADOT signalized intersections

**Enhanced GIS information utilized beginning in FY2013

Sources: Various City departments



City of
Casa Grande



SINGLE AUDIT REPORTS



City of
Casa Grande



HENRY & HORNE, LLP
Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of City of Casa Grande (the City), Arizona, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 21, 2014.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. [2013-1]

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

Purpose of this Report

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



Casa Grande, Arizona
February 21, 2014



HENRY & HORNE, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited the City of Casa Grande's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2013. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

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Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Casa Grande, Arizona
February 21, 2014

City of Casa Grande, Arizona
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

	<u>Grant Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture:			
Self Help Housing Technical Assistance	12	10.420	174,294
Total Department of Agriculture			<u>174,294</u>
U.S. Department of Housing and Urban Development:			
Passed through Arizona Department of Housing:			
Community Development Block Grant - 2011	111-11	14.228	20,949
Community Development Block Grant - 2012	101-12	14.228	167,498
Community Development Block Grant - 2012	132.12	14.228	51,438
Total Community Development Block Grant			<u>239,885</u>
Passed through Arizona Department of Housing:			
HOME - 2010	304-13	14.239	43,716
Total Department of Housing and Urban Development			<u>283,601</u>
U.S. Department of Interior National Park Service			
Passed thru State Library Administrative Agencies:			
Historic Perservation	AZ-12-011	15.904	900
Total Interior National Park Service			<u>900</u>
U.S. Department of Justice:			
JAG Grant	2012-DXBX-0808	16.738	9,895
JAG Grant	2010-DJBS-3344	16.738	2,172
JAG Grant	2010-DJBX-0517	16.738	18,241
Total Justice Assistance Grant Cluster			<u>30,308</u>
Other U.S. Department of Justice:			
Bulletproof Vest Grant	2006BUBX	16.607	6,795
ARRA- Community Oriented Policing Services (COPS)	2010RKWX003	16.710	314,619
Total Department of Justice			<u>351,722</u>
U.S. Department of Transportation:			
FAA Airport Grant	3-04-0007-12-2008	20.106	775 *
FAA Airport Grant	3-04-0007-14-2011	20.106	409,015 *
FAA Airport Grant	3-04-0007-15-2012	20.106	110,105 *
FAA Airport Grant	3-04-0007-16-2012	20.106	1,422,752 *
Total Airport Improvement Program			<u>1,942,647</u>
Passed thru Governor's Office of Highway Safety			
DUI Enforcement	2012-AL-005	20.600	4,953
TraCS Software	2012-TR-001	20.600	99
Crash Investigation Equip	2013-AI-003	20.600	7,477
Accident Investigation Equip Training	2013-AI-004	20.600	1,390
DUI Enforcement	2013-410-005	20.600	24,912
Buckle UP Campaign	2013-OP-015	20.600	7,500
			<u>46,330</u>
DUI OT	2013-164-016	20.608	2,000
Total State and Community Highway Safety			<u>48,330</u>
Total Department of Transportation			<u>1,990,977</u>

(continued)

City of Casa Grande, Arizona
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

	Grant Number	Federal CFDA Number	Expenditures
Institute of Museum & Library Services			
Passed thru State Library Administrative Agencies:			
eReaders	212J2168	45.310	1,543
Testing Preparation	212J2205	45.310	4,976
Total Institute of Museum & Library Services			6,519
U.S. Department of Health & Human Services			
Passed through Pinal-Gila Council for Senior Citizens:			
Special Programs for the Aging	5-237	93.044	15,930
Special Programs for the Aging	5-237	93.045	69,823
Nutritional Services Incentive Program	5-237	93.053	19,112
Total Aging Cluster			104,865
Passed through Pinal-Gila Council for Senior Citizens:			
Social Services Block Grant	5-237	93.667	10,649
Total Department of Health & Human Services			115,514
Executive Office of the President			
Passed through Tucson Police Department			
U.S. Marshall's Service	D08-12-2004	95.001	4,969
U.S. Department of Homeland Security			
Federal Emergency Management Agency	EMW-2010-FH-00356	97.044	99,902 *
FEMA/AFG Fire Regional Training Program	EMW-2011-F0211	97.044	348,575 *
Total FEMA			448,477
Passed through Arizona Department of Homeland Security:			
Emergency Operation Center	2010-EO-MX-0015	97.052	389,480 *
Homeland Security Grant Program			
Passed through Arizona Division of Emergency Management:			
Arizona Dept of Homeland Security	999301-01	97.067	41,145
Passed through Arizona Department of Homeland Security:			
Operation Stonegarden Grant Program	555312-04	97.067	19,947
Operation Stonegarden Grant Program	777315-03	97.067	29,746
Operation Stonegarden Grant Program	888308-01	97.067	38,290
Operation Stonegarden Grant Program	888308-02	97.067	5,000
Operation Stonegarden Grant Program	999316-01	97.067	51,314
Total Homeland Security Grant Program			185,442
Total Department of Homeland Security			1,023,399
Total Federal Financial Assistance and Expenditures of Federal Awards			\$ 3,951,895

*Denotes major program

See accompanying note

City of Casa Grande
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

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
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2013

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? yes X none reported

Type of auditors' report issued on compliance for each major program listed below Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? yes X no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
20.106	FAA Airport Grant
97.044	Federal Emergency Management Agency
97.052	Emergency Operation Center

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes X no

CITY OF CASA GRANDE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013

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

FINDING: 2013-1

CRITERIA

As part of the monthly and annual closing process, all cash accounts should be reconciled to ensure all transactions in the general ledger are valid and are included, or will be included in the bank balance.

CONDITION/CONTEXT

One cash account was not properly reconciled as of June 30, 2013. While further investigating, this account was not fully reconciled throughout the year.

EFFECT

An immaterial unreconciled variance exists in the general checking account reconciliation for the city.

CAUSE

Controls were not adequate to reconcile the account properly.

RECOMMENDATION

It is recommended that management implement procedures be put in place to prevent these variances from occurring again.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION

We are in complete agreement with this finding and recommendation. The City's monthly reconciliation of the general bank account had become a lower priority within the department due to various factors and as such was not being balanced on a regular basis in full. Various elements of the reconciliation were being completed including balancing and reconciling daily cash, monthly reconciliations of payroll accounts, reconciliations of online payments, lockbox payments and other areas where cash is coming into the city. What was not happening was a full reconciliation to the bank statement on a monthly basis.

We have begun to take corrective steps to ensure that in the future there are no unreconciled balances by the end of April, 2014 and thereafter. Preliminary steps include:

- Temporary reassignment of several duties from the accountant to allow for concentration on reconciling the bank account and establishing a workflow that is more manageable. Part of this process is reevaluating the duties and responsibilities of several accounting clerks to spread the workload without compromising internal controls or segregation of duties as well as improving various reconciliation processes.

- Immediate updating of cash handling procedures to improve current processes and streamline timelines.
- Segregation of our payroll account from our general checking to isolate approximately \$35.0 million of transactions separately that will be balanced with every payroll and reconciled each month with the bank statement.
- Creation of a new cash transfer accounts used to balance cash between funds. The City has 81 funds and the number of cash allocation transfers that have no impact on the bank statement has led to a level of complexity that can be mitigated. This account will be balanced separately and run a zero balance.

In order to ensure that this increased level of focus remains weekly progress meetings have been established to include the Finance Director, Supervising Accountant and Accountant. These meetings will consist of progress updates, problem solving and process development/mapping.

Due to the relative complexity of the City's accounting structure and financial systems the above steps are expected to achieve a fully reconciled system in a relatively short period of time. The end of year unreconciled variance is unacceptable, however I do believe it is indicative of system failures, staff changes and a relatively complex accounting system as opposed to other possibilities. The systems we are developing and putting into place will correct this issue in an appropriate and timely manner.

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None noted

SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted