



City of Casa Grande, Arizona



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2014

City of Casa Grande, Arizona

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

For the Fiscal Year Ended June 30, 2014



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



City of
Casa Grande

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Introductory Section



City of
Casa Grande



City of Casa Grande, Arizona

January 15, 2015

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, 2014. 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, 2014 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, 2014, 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, 2014, 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 general ledger accounts, including those related to utility accounts receivable. Current controls were not adequate to prevent or detect material errors in the reconciliation of subsidiary ledgers to the general ledger. Immediate action has been taken to reconcile these ledgers monthly and long term organizational changes are being evaluated.

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 2013-2014 is \$191,234,966.

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 and project 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 several years to just over 110 squares miles. The Voters approved the 2020 General Plan on November 3rd, 2009. The City's population has doubled from 25,224 in 2000 to 50,938 in 2014. The City's growth is attributed to affordable housing, proximity to labor opportunities in the metropolitan areas, and the rural quality of life offered to the residents. The majority of this 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, two 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 51 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.

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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 \$14.0 million were issued in fiscal year 2014, although a decrease from FY2013, 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 five (5) new single family permits per month. Although total sales tax revenue is down 28% from our peak collections in FY2008, when adjusted for the construction portion of the sales tax the City's FY2014 collections are actually 2.5% 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 45% of General Fund revenues. The City's sales tax rate is currently at 1.8%, with an additional 0.2% pledged to 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 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 2014 to \$0.9999 from \$0.9489 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 2014 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

- o Finalized remodeling of the Communications Center
- o Dispatch response time continued to increase from 53 seconds from start to dispatch, to 60 seconds
- o Part 1 UCR crimes per 1,000 decreased by 11%
- o Cleared 43% of Part 1 UCR crimes
- o 265 animals adopted

Fire

- o Responded to 6,951 emergencies, of which 5,400 (78%) were emergency medical services and 232 (3%) were fire related
- o 80% of ALS responses were under 5 minutes.
- o 3.0 residential structure fires per 1,000 structures
- o Continued mentoring of the Casa Grande Fire Explorers Program.

(continued)

MAJOR INITIATIVES AND ACCOMPLISHMENTS (continued)

Public Works

- o Hosted the 56th Annual Cactus Fly-In at the municipal airport.
- o Treatment of an average of 5.0 million gallons per day of wastewater.
- o Collected 18.3 tons of residential trash.
- o Collected 62,295 tons of solid waste at the landfill site.
- o Recycled an average of 45.0 lbs per household per quarter in residential solid waste materials.

Community Services

- o Finalized complete remodel of main library
- o Golfers played 68,071 rounds of nine hole equivalents
- o 98% of program participants rated programs as satisfactory or better
- o Library visitors of 311,357 at the two libraries
- o Served a total of 29,505 meals and received a total of 6,204 volunteer hours
- o Maintained 10.77 acres of parkland per 1,000 population at a cost of \$1,108 per acre

Development Center

- o Issued 1,653 building permits
- o Performed an average of 17 inspections per inspector per day

OTHER MATTERS

Debt Administration. On June 30, 2014, the City had a number of debt issues outstanding. Total debt at June 30, 2014, was \$112.3 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

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, 2014 the City had \$28.1 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, 2014, the City has debt capacity remaining of \$57.2 million for general obligation bonds subject under the 20% and 6% constitutional limitations based on the FY 2014 secondary assessed valuation. The City has \$27.4 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.

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, 2013. This was the 23rd 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, 2013. 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 17th 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, 2013

Executive Director/CEO



City of
Casa Grande

City of Casa Grande, Arizona
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2014

CITY COUNCIL

Mayor

Robert M. Jackson

Mayor Pro-Tem

Mary Kortsen

Council Members

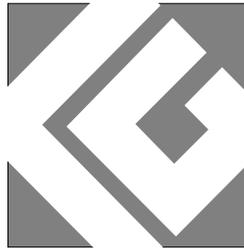
Matt Herman

Lisa Fitzgibbons

Karl Montoya

Dick Powell

Ralph Varela



City Manager

James Thompson

Deputy City Manager

Larry Rains

Finance Department Staff

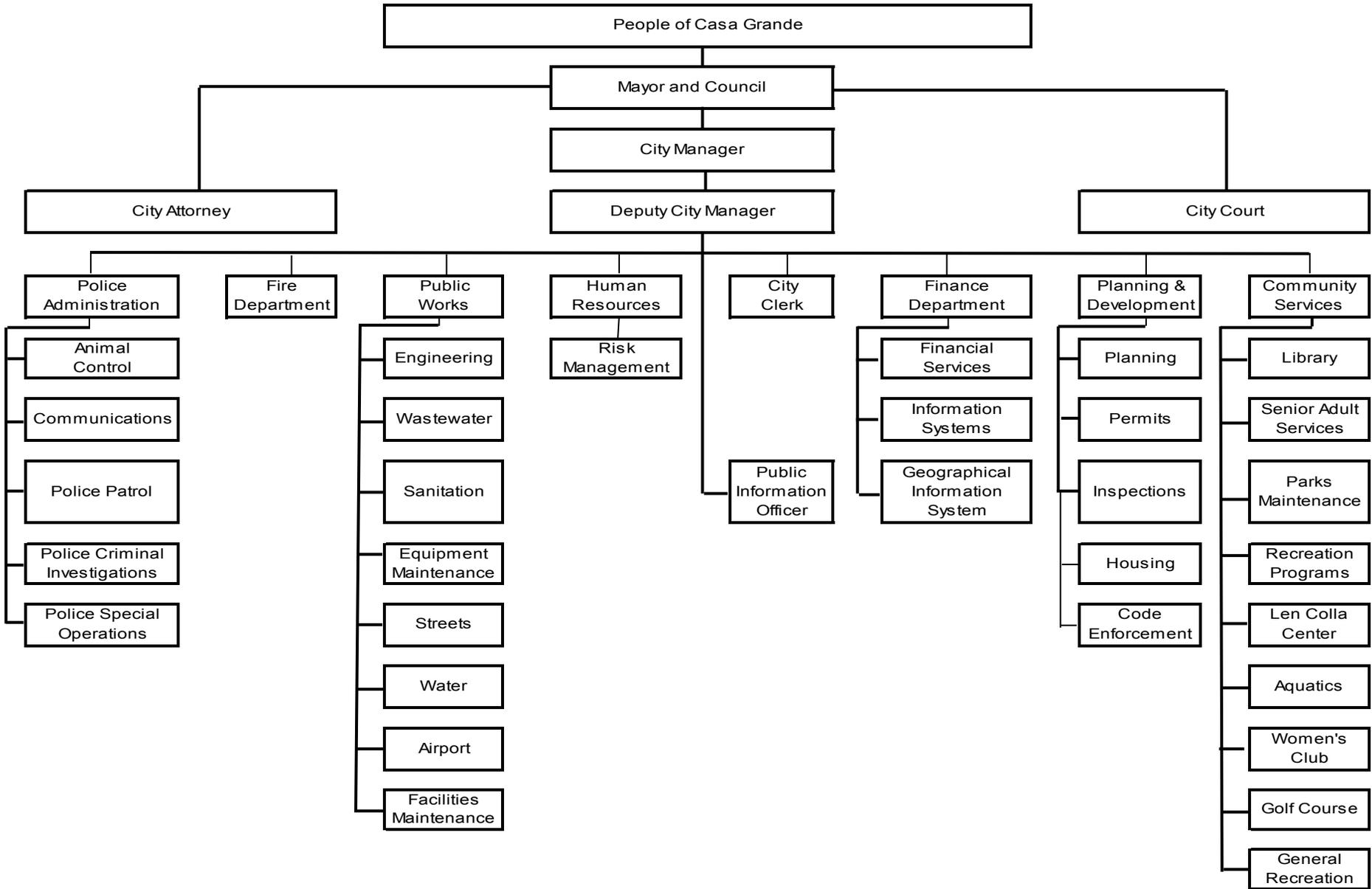
Doug Sandstrom, Finance Director

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, 2014, 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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2055 E. Warner Road
Suite 101
Tempe, AZ 85284-3487
(480) 839-4900
Fax (480) 839-1749

Scottsdale
7098 E. Cochise Road
Suite 100
Scottsdale, AZ 85253-4517
(480) 483-1170
Fax (480) 483-7126

Casa Grande
1115 E. Cottonwood Lane
Suite 100
Casa Grande, AZ 85122-2950
(520) 836-8201
Fax (520) 426-9432

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund, Highway Users Special Revenue Fund, and Grants & Subsidies 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.

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 7-15 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.



Financial Section

MANAGEMENT'S DISCUSSION & ANALYSIS



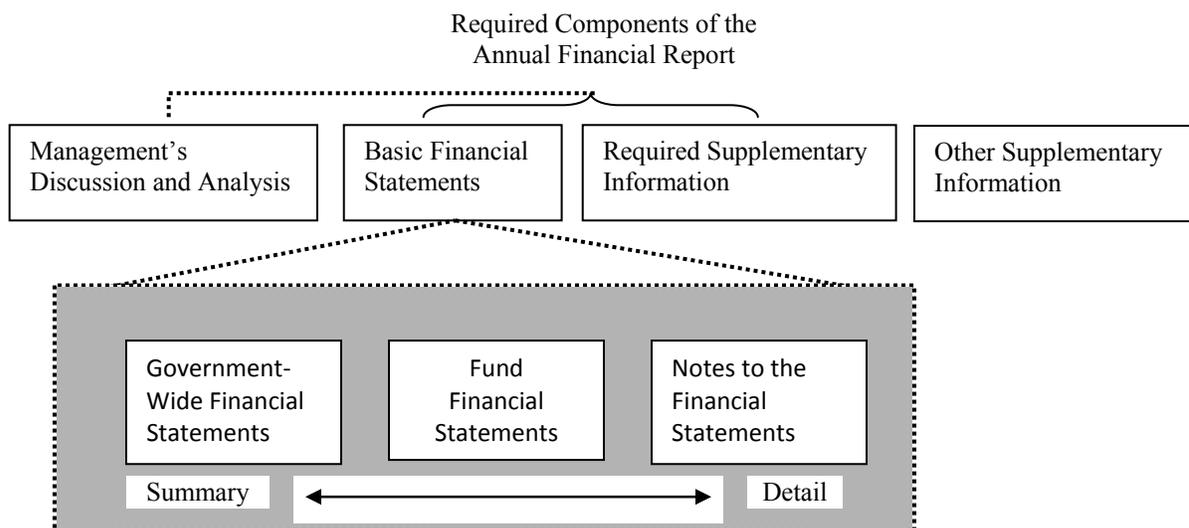
MANAGEMENT’S DISCUSSION AND ANALYSIS

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, 2014. 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 - xii of this report as well as the City’s financial statements beginning on page 19 and the accompanying notes to the financial statements.

Financial Highlights

- The City’s total net position, on the government-wide basis, totaled \$299.2 million at June 30, 2014 of which \$66.4 million is unrestricted. This is a decrease of \$9 million from fiscal year 2013, a decrease of \$8.2 million of unrestricted in the government activities and decrease of \$0.8 million in the business-type activities.
- The governmental activities revenues increased by approximately \$1.0 million over the previous year.
- The business-type activities operating revenues increased by \$1.8 million over the previous year due mainly to increased rates and collection efforts.
- The General Fund reported a change in fund balance of \$0.9 million for the year.
- At June 30, 2014, restricted, assigned and non-spendable balance for the General Fund was \$18.6 million, or 50% of General Fund expenses for fiscal year 2014.
- At June 30, 2014, unassigned fund balance of the General Fund was \$6.9 million.
- The governmental activities general revenues of \$53.7 million were \$4.3 million less than expenses before other financial sources and uses.
- The business-type activities net position was \$62.8 million as of June 30, 2014 which is a decrease of \$0.8 million from the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS



Government-wide Financial Statements

The government-wide financial statements (see pages 19-21) 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 27 and 30, 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 services, facilities maintenance and risk management funds are the City's three internal service funds. Their purpose is to provide vehicle maintenance and facilities 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 51-80) 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, 2014.

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, 2014. The City has chosen to account for its golf course, water, wastewater and sanitation operations in enterprise funds which are shown as Business Activities.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2014	2013	2014	2013	2014
Current and other assets	\$ 97.1	\$ 91.9	\$ 19.1	\$ 16.0	\$ 116.2	\$ 107.9
Capital assets	206.3	201.3	110.8	110.2	317.1	311.5
Total assets	303.4	293.2	129.9	126.2	433.3	419.4
Deferred Outflow of Resources	0.0	0.0	0.0	0.0	0.1	0.0
Other liabilities	4.5	3.5	1.5	1.6	6.0	5.1
Long-term liabilities	54.3	53.3	66.0	61.7	120.3	115.0
Total liabilities	58.8	56.8	67.5	63.3	126.3	120.1
Deferred Inflows of Resources	0.0	0.0	0.0	0.0	0.0	0.0
Net position:						
Invested Capital assets						
net of related debt	157.4	151.7	47.6	51.5	205.0	203.2
Restricted	40.5	23.4	9.3	6.2	49.8	29.6
Unrestricted	46.7	61.3	5.5	5.2	52.2	66.5
Total net position	\$ 244.6	\$ 236.4	\$ 62.4	\$ 62.9	\$ 307.0	\$ 299.3

At year end June 30, 2014 the net position of the City totaled \$299.3 million, a decrease of \$8.9 million from June 30, 2013. Of this \$299.3 million, \$236.4 million was in governmental activities, a 3.4% decrease and \$62.9 million was in the business-type activities, a 1.1% decrease from the prior fiscal year.

Net Position consists of three components. The largest portion of net position (\$203.2 million or 68%) 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 (\$29.6 million or 13%) represents resources subject to external restrictions on how they may be spent. This component is primarily made up of required fund balance reserves and accumulated development impact fees collected by the City. These funds are specifically reserved for capital improvements pertaining to growth as it relates to maintaining a consistent level of service to all citizens.

The third portion consists of unrestricted net position (\$66.5 million or 20%), which may be used to meet the City's ongoing obligation to citizens and creditors.

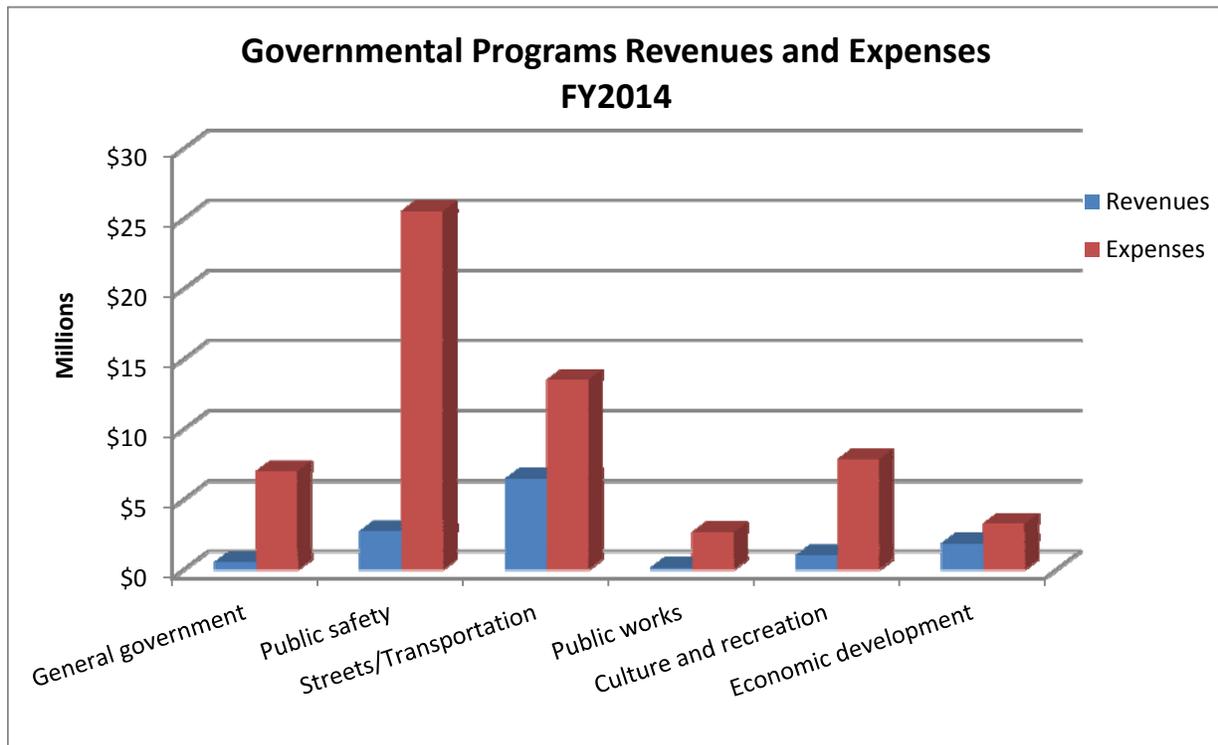
Changes in Net Position

The City's total revenues for the year ended June 30, 2014 were \$69.6 million. The total cost of all programs and services was \$78.7 million. The following table presents a summary of the changes in net position for the year ended June 30, 2014.

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Revenues						
Program revenues						
Charges for services	\$ 6.8	\$ 4.3	\$ 13.9	\$ 15.7	\$ 20.7	\$ 20.0
Operating grants and contributions	6.8	7.2	-	-	6.8	7.2
Capital grants and contributions	10.2	1.3	0.5	0.6	10.7	1.9
General revenues						
Property taxes	6.9	6.2	-	-	6.9	6.2
Sales taxes	19.2	19.7	-	-	19.2	19.7
Franchise taxes	2.2	2.2	-	-	2.2	2.2
Shared revenues	11.0	11.9	-	-	11.0	11.9
Other	0.5	0.4	0.1	0.1	0.6	0.5
Total revenues	63.6	53.2	14.5	16.4	78.1	69.6
Expenses						
General government	6.8	7.0	-	-	6.8	7.0
Public safety	24.3	25.5	-	-	24.3	25.5
Streets/Transportation	12.5	13.5	-	-	12.5	13.5
Public works	3.2	2.7	-	-	3.2	2.7
Culture and recreation	7.2	7.9	-	-	7.2	7.9
Economic development	3.1	3.3	-	-	3.1	3.3
Interest on long-term debt	2.4	2.3	-	-	2.4	2.3
Water	-	-	0.2	0.3	0.2	0.3
Golf course	-	-	1.3	1.2	1.3	1.2
Sewer	-	-	9.2	9.4	9.2	9.4
Sanitation	-	-	5.0	5.4	5.0	5.4
Total expenses	59.5	62.2	15.7	16.3	75.2	78.5
Excess before transfer	4.1	(9.0)	(1.2)	0.1	2.9	(8.9)
Transfers In (Out)	1.3	0.7	(1.3)	(0.7)	-	-
Increase (decrease) in Net Assets	\$ 5.4	\$ (8.3)	\$ (2.5)	\$ (0.6)	\$ 2.9	\$ (8.9)

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 76% of the total revenues of the City and 79% of the total expenses in fiscal year 2014. This compares to 81% of total revenues and 79% of expenses in fiscal year 2013.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

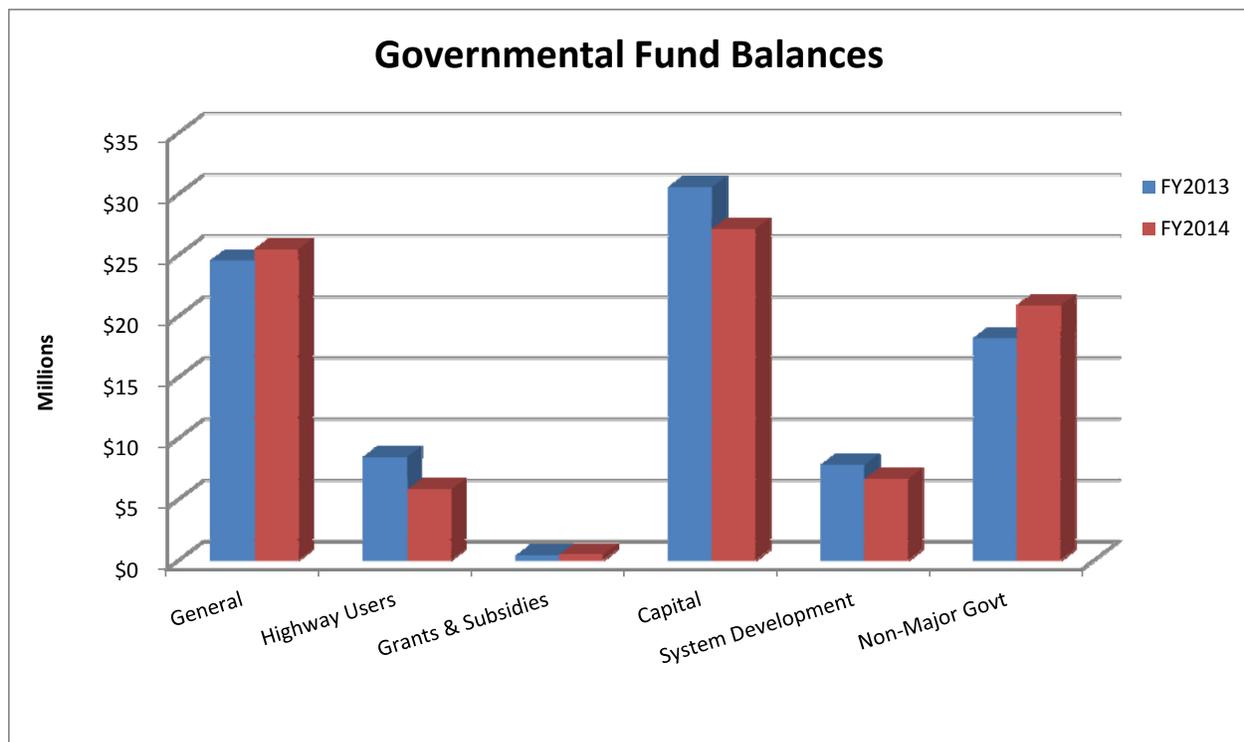
The City maintains fund accounting to demonstrate compliance with budgetary and legal requirements. The following is a brief discussion of financial highlights from the fund financial statements.

Governmental Funds

The focus of governmental fund financial statements (pages 24-33) 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 82-91.

For fiscal year ended June 30, 2014, the governmental funds reflect a combined fund balance of \$86.4 million, a decrease of \$3.5 million. A portion of the fund balance, \$37.5 million is restricted for specific expenses or is legally segregated for a specific future use. The remaining \$48.9 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.



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 \$38.0 million, an increase of \$1.3 million, in fiscal year 2014. The primary increases are in local sales taxes and state shared revenues. The expenses, before other financing sources and uses, totaled \$37.1 million, an increase of \$2.1 million. Transfers to other funds were a net of \$17,667 resulting in an increase to fund balance of \$0.9 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 \$5.0 million, an increase of \$0.2 million from the prior fiscal year, while expenses totaled \$7.2 million, an increase of \$2.0 million in the fiscal year ended June 30, 2014. The increased expenditures were directly tied to the completion of major street projects.

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 generally no longer collected due to modifications to state law. Fees directly attributable to debt service continue to be collected and all remaining fund balances are planned to finance eligible growth related capital improvements over the next several years. Fund balance will decrease annually as no additional revenues are being collected within this fund.

The Capital Development and Replacement Fund accounts for accumulated proceeds and capital expense of proceeds for the construction of capital projects and 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 \$62.9 million, a decrease of \$0.7 million as of June 30, 2014. Overall there is a \$0.2 million decrease to unrestricted assets leaving a balance of \$5.2 million. Operating revenues in fiscal year 2014 were \$16.4 million, showing a \$1.9 million increase from the prior fiscal year, while operating expenses totaled \$16.3 million, an increase of \$0.6 million, resulting in a \$0.1 million net operating gain.

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 98. 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 55 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 \$150,137,210 during fiscal year 2014. 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 \$38.0 million, on a budgetary basis, were slightly more than budgeted inflows of \$37.9 million, while actual outflows (expenditures and other uses) of \$37.1 million were 97% of original budgeted outflows, reflecting an efficiently allocated budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2014, the City had \$311.5 million invested in various capital assets, net of accumulated depreciation. Of the \$311.5 million \$201.3 million (64%) is invested in governmental activities and \$110.2 million (36%) is invested in business-type activities.

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

- ✓ Completion of major street improvements for \$4.4 million.
- ✓ Completion of additional Solar panel parking structure for \$1.2 million.
- ✓ Completion of the Main Library expansion \$1.6 million
- ✓ Completion of the Public Safety Communications Center expansion for \$1.4 million.

The following table provides a breakdown of the capital asset balances net of accumulated depreciation at June 30, 2014. Additional information on the City's capital assets may be found in Note 7 on pages 64-66.

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2014	2013	2014	2013	2014
Land & Construction in Progress	\$ 23.1	\$ 19.7	\$ 3.0	\$ 3.0	\$ 26.1	\$ 22.7
Construction in Progress						
Building & improvements	175.8	174.3	98.5	97.2	274.3	271.5
Machines & equipment	7.4	7.3	9.3	10.0	16.7	17.3
Total	\$ 206.3	\$ 201.3	\$ 110.8	\$ 110.2	\$ 317.1	\$ 311.5

Long-Term Debt

Long term debt was restated in the current fiscal year to match actual outstanding principal balances. Bond funds associated with WIFA borrowing have not yet been completely drawn down and long term debt was overstated by \$1.3 million. The City's outstanding long-term debt, including bonds, notes, capital leases, and compensated absences, was \$112.2 million at June 30, 2014, with \$6.1 million due within one year. Of this total, \$53.2 million was in governmental activities and \$59.0 million was in business-type activities. Of the outstanding debt, \$28.1 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, 2014. Further details can be found in Notes 10 to 15 on pages 72-77.

	Outstanding Debt (In Millions)					
	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Compensated Absences	\$ 2.0	\$ 2.6	\$ 0.3	\$ 0.3	\$ 2.3	\$ 2.9
Leases/Notes Payable	7.8	7.5	50.0	46.4	57.9	53.9
Bonds Payable	44.5	43.1	13.2	12.3	57.7	55.4
Notes/loans payable	0.0	0.0	0.0	0.0	0.0	0.0
Total	\$ 54.3	\$ 53.2	\$ 63.5	\$ 59.0	\$ 117.8	\$ 112.2

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 2014 was approximately 8.4%, which is higher than both the state (7.5%) and the national averages (6.1%). 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 which will open within the next two years, in addition to a Sam's Club and several new industrial and manufacturing companies which opened in FY2014.

Though total assessed values for Casa Grande have decreased in recent years, property values have essentially doubled from 2004 to 2013. For tax year 2014, the primary assessed value decreased by 7.5% and is anticipated to stabilize for tax year 2015. Residential values account for slightly more than one-third of the total assessed valuation.

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.



Financial Section

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements



CITY OF CASA GRANDE, ARIZONA
STATEMENT OF NET POSITION
June 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 3,355,308	\$ 663,194	\$ 4,018,502
Investments	81,261,159	12,289,980	93,551,139
Receivables (net of allowance for uncollectibles)	5,509,215	3,031,351	8,540,566
Due from other governments	404,962	-	404,962
Internal balances	140,273	(140,273)	-
Inventories	305,945	53,322	359,267
Restricted assets:			
Restricted investments	941,621	-	941,621
Capital assets:			
Land and construction in progress	19,689,804	2,983,724	22,673,528
Other capital assets (net of accumulated depreciation)	181,628,953	107,214,122	288,843,075
Total assets	<u>293,237,240</u>	<u>126,095,420</u>	<u>419,332,660</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	2,946	15,090	18,036
LIABILITIES			
Accounts payable and other current liabilities	1,634,644	793,424	2,428,068
Deposits held	12,975	11,846	24,821
Accrued wages and benefits	1,643,338	165,088	1,808,426
Accrued interest payable	396,979	661,837	1,058,816
Noncurrent liabilities:			
Due within one year:			
Current portion of compensated absences	885,021	136,524	1,021,545
Current portion of capital leases and notes	484,087	2,448,386	2,932,473
Current portion of excise tax revenue obligations	765,718	684,282	1,450,000
Current portion of bonds payable	655,454	54,546	710,000
Due in more than one year:			
Noncurrent portion of compensated absences	1,744,598	166,863	1,911,461
Noncurrent portion of capital leases and notes	6,986,748	43,953,001	50,939,749
Noncurrent portion of excise tax revenue obligations	16,154,252	10,502,853	26,657,105
Noncurrent portion of bonds payable	25,500,864	1,079,224	26,580,088
Closure and postclosure liability	-	2,640,156	2,640,156
Total liabilities	<u>56,864,678</u>	<u>63,298,030</u>	<u>120,162,708</u>
NET POSITION			
Net investment in capital assets	151,713,255	51,371,884	203,085,139
Restricted for:			
Highways and streets	5,806,306	-	5,806,306
Grant purposes	468,440	-	468,440
Community development	5,163,565	-	5,163,565
Debt service	5,233,682	4,678,660	9,912,342
Capital projects	6,641,582	1,508,479	8,150,061
Unrestricted	61,348,678	5,253,457	66,602,135
Total net position	<u>\$ 236,375,508</u>	<u>\$ 62,812,480</u>	<u>\$299,187,988</u>

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 7,010,252	\$ 304,629	\$ 98,699	\$ 121,708
Public safety	25,534,564	1,345,626	869,749	533,595
Streets/Transportation	13,511,907	960,368	4,965,034	553,771
Public works	2,666,121	33,133	100,044	-
Culture and recreation	7,859,818	502,803	404,869	124,623
Economic development	3,269,820	1,136,914	725,322	-
Interest on long-term debt	2,333,855	-	-	-
Total governmental activities	<u>62,186,337</u>	<u>4,283,473</u>	<u>7,163,717</u>	<u>1,333,697</u>
Business-type activities:				
Water	286,210	181,120	-	-
Golf course	1,212,036	1,076,014	-	-
Wastewater	9,559,101	8,027,267	-	587,959
Sanitation	5,410,150	6,385,562	-	-
Total business-type activities	<u>16,467,497</u>	<u>15,669,963</u>	<u>-</u>	<u>587,959</u>
Total primary government	<u>\$ 78,653,834</u>	<u>\$ 19,953,436</u>	<u>\$ 7,163,717</u>	<u>\$ 1,921,656</u>

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

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (6,485,216)	\$ -	\$ (6,485,216)
(22,785,594)	-	(22,785,594)
(7,032,734)	-	(7,032,734)
(2,532,944)	-	(2,532,944)
(6,827,523)	-	(6,827,523)
(1,407,584)	-	(1,407,584)
(2,333,855)	-	(2,333,855)
<u>(49,405,450)</u>	<u>-</u>	<u>(49,405,450)</u>
-	(105,090)	(105,090)
-	(136,022)	(136,022)
-	(943,875)	(943,875)
-	975,412	975,412
<u>-</u>	<u>(209,575)</u>	<u>(209,575)</u>
<u>\$ (49,405,450)</u>	<u>\$ (209,575)</u>	<u>\$ (49,615,025)</u>
6,197,813	-	6,197,813
19,650,998	29,098	19,680,096
2,248,466	-	2,248,466
4,227,755	-	4,227,755
5,413,854	-	5,413,854
2,259,469	-	2,259,469
330,546	8,917	339,463
112,756	57,654	170,410
725,460	(725,460)	-
<u>41,167,117</u>	<u>(629,791)</u>	<u>40,537,326</u>
<u>(8,238,333)</u>	<u>(839,366)</u>	<u>(9,077,699)</u>
244,613,841	62,382,140	306,995,981
-	1,269,706	1,269,706
<u>244,613,841</u>	<u>63,651,846</u>	<u>308,265,687</u>
<u>\$ 236,375,508</u>	<u>\$ 62,812,480</u>	<u>\$ 299,187,988</u>



Financial Section

BASIC FINANCIAL STATEMENTS

Governmental Fund Financial Statements

CITY OF CASA GRANDE, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

ASSETS	General	Highway Users	Grants & Subsidies
Cash	\$ 67,566	\$ 707	\$ 604
Investments	22,252,415	5,682,448	328,156
Accounts receivable (less allowance for uncollectibles)	3,890,664	588,136	-
Due from other governments	774	-	274,907
Due from other funds	1,387,336	-	-
Inventories	6,281	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Total assets	<u>\$ 27,605,036</u>	<u>\$ 6,271,291</u>	<u>\$ 603,667</u>
LIABILITIES			
Accounts payable and other current liabilities	\$ 678,209	\$ 407,285	\$ 26,780
Accrued wages and benefits	1,228,400	57,589	39,950
Due to other funds	-	-	-
Compensated absences	8,030	111	77
Total liabilities	<u>1,914,639</u>	<u>464,985</u>	<u>66,807</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	244,088	-	68,420
FUND BALANCES:			
Nonspendable	6,281	-	-
Restricted	5,163,565	5,806,306	468,440
Assigned	13,384,358	-	-
Unassigned	6,892,105	-	-
Total fund balances	<u>25,446,309</u>	<u>5,806,306</u>	<u>468,440</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 27,605,036</u>	<u>\$ 6,271,291</u>	<u>\$ 603,667</u>

System Development	Capital Replacement/ Recreation/ Development	Non-Major Governmental Funds	Total Governmental Funds
\$ 571	\$ 197,550	\$ 886,201	\$ 1,153,199
7,233,405	26,121,492	19,606,383	81,224,299
-	415,415	579,035	5,473,250
-	-	129,281	404,962
-	586,281	-	1,973,617
-	-	93,031	99,312
-	-	941,621	941,621
<u>\$ 7,233,976</u>	<u>\$ 27,320,738</u>	<u>\$ 22,235,552</u>	<u>\$ 91,270,260</u>
\$ 6,113	\$ 196,018	\$ 216,473	\$ 1,530,878
-	-	13,874	1,339,813
586,281	-	1,084,927	1,671,208
-	-	-	8,218
<u>592,394</u>	<u>196,018</u>	<u>1,315,274</u>	<u>4,550,117</u>
-	-	48,703	361,211
-	-	93,031	99,312
6,641,582	-	19,311,170	37,391,063
-	27,124,720	2,044,220	42,553,298
-	-	(576,846)	6,315,259
<u>6,641,582</u>	<u>27,124,720</u>	<u>20,871,575</u>	<u>86,358,932</u>
<u>\$ 7,233,976</u>	<u>\$ 27,320,738</u>	<u>\$ 22,235,552</u>	<u>\$ 91,270,260</u>



CITY OF CASA GRANDE, ARIZONA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2014

Fund balance - total governmental funds balance sheet		\$86,358,932
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	\$ 342,832,905	
Less accumulated depreciation	(141,531,022)	
Internal service capital assets	466,622	
Less accumulated depreciation	(449,748)	
	<u> </u>	201,318,757
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	(2,586,273)	
Capital leases	(7,470,835)	
Bonds payable	(42,978,051)	
Bond discount	(287,367)	
Deferred Loss	2,946	
Bond premium	189,130	
	<u> </u>	(53,130,450)
Delayed revenue is shown on the governmental funds, but is not on the statement of net position.		
Grants	117,123	
Property Tax	244,088	
	<u> </u>	361,211
Interest payable on long-term debt is not reported in the governmental funds.		
		(396,979)
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>1,864,037</u>
Net position of governmental activities - statement of net position		<u><u>\$236,375,508</u></u>

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

REVENUES	General	Highway Users	Grants & Subsidies
Taxes:			
Property taxes	\$ 3,281,709	\$ -	\$ -
City sales tax	17,237,234	-	-
Franchise tax	2,441,242	-	-
Licenses and permits	1,055,340	-	-
Intergovernmental revenues	12,001,952	4,965,034	1,250,114
Charges for services	773,970	-	-
Fines	707,660	-	-
Investment earnings	297,741	4,287	115
Contributions and donations	785	-	513,490
Rental and sale of city property	127,050	-	-
Miscellaneous	95,583	7,361	-
Total revenues	<u>38,020,266</u>	<u>4,976,682</u>	<u>1,763,719</u>
 EXPENDITURES			
Current:			
General government	6,621,023	-	-
Public safety	21,576,010	-	984,398
Streets/Transportation	-	2,645,606	-
Public works	1,346,502	-	-
Culture and recreation	5,587,412	-	557,155
Planning and economic development	1,814,914	-	33,187
Capital outlay	149,985	4,422,136	185,964
Debt Service:			
Principal	-	57,865	-
Interest and fiscal charges	-	40,375	-
Total expenditures	<u>37,095,846</u>	<u>7,165,982</u>	<u>1,760,704</u>
Excess (deficiency) of revenues over (under) expenditures	<u>924,420</u>	<u>(2,189,300)</u>	<u>3,015</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	2,328,862	-	89,498
Transfers out	(2,346,529)	(457,580)	-
Lease purchase proceeds	-	-	-
Total other financing sources and uses	<u>(17,667)</u>	<u>(457,580)</u>	<u>89,498</u>
Net change in fund balances	906,753	(2,646,880)	92,513
Fund balances - beginning of year	24,539,556	8,453,186	375,927
Fund balances - end of year	<u>\$ 25,446,309</u>	<u>\$ 5,806,306</u>	<u>\$ 468,440</u>

System Development	Capital Replacement/ Recreation/ Development	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,739,053	\$ 6,020,762
-	2,370,345	234,722	19,842,301
-	-	-	2,441,242
-	-	-	1,055,340
-	-	949,437	19,166,537
105,900	-	1,734,363	2,614,233
-	-	-	707,660
4,270	25,402	7,913	339,728
-	-	-	514,275
-	-	409,551	536,601
-	278,952	72,142	454,038
<u>110,170</u>	<u>2,674,699</u>	<u>6,147,181</u>	<u>53,692,717</u>
-	-	1,180,480	7,801,503
-	-	113,056	22,673,464
-	-	-	2,645,606
-	3,600	-	1,350,102
251,229	-	18,194	6,413,990
-	-	678,451	2,526,552
74,081	4,256,737	1,562,993	10,651,896
-	127,123	1,343,356	1,528,344
-	232,898	2,175,175	2,448,448
<u>325,310</u>	<u>4,620,358</u>	<u>7,071,705</u>	<u>58,039,905</u>
<u>(215,140)</u>	<u>(1,945,659)</u>	<u>(924,524)</u>	<u>(4,347,188)</u>
-	2,204,220	4,195,610	8,818,190
(954,513)	(3,674,492)	(570,655)	(8,003,769)
-	-	-	-
<u>(954,513)</u>	<u>(1,470,272)</u>	<u>3,624,955</u>	<u>814,421</u>
(1,169,653)	(3,415,931)	2,700,431	(3,532,767)
7,811,235	30,540,651	18,171,144	89,891,699
<u>\$ 6,641,582</u>	<u>\$ 27,124,720</u>	<u>\$ 20,871,575</u>	<u>\$ 86,358,932</u>

CITY OF CASA GRANDE, ARIZONA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2014

Net change in fund balances - total governmental funds			(\$3,532,767)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.			
Expenditures for capital assets		\$10,651,899	
Less current year depreciation		<u>(15,586,775)</u>	(4,934,876)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund statements.			
Deferred property tax			(15,725)
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.			
			(33,672)
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.			
Bond payments		1,383,319	
Lease payments		<u>360,785</u>	1,744,104
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.			
Unavailable Revenue			(468,762)
The internal service fund net revenue is reported with governmental activities			
			(417,309)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Compensated absences			(557,843)
Interest expense on long-term debt			<u>(21,483)</u>
Change in net position of governmental activities			<u><u>(\$8,238,333)</u></u>

CITY OF CASA GRANDE, ARIZONA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended June 30, 2014

REVENUES	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		
Taxes:				
Property taxes	\$ 3,229,750	\$ 3,229,750	\$ 3,281,709	\$ 51,959
City sales tax	17,420,250	17,420,250	17,237,234	(183,016)
Franchise tax	2,380,000	2,380,000	2,441,242	61,242
Licenses and permits	862,000	862,000	1,055,340	193,340
Intergovernmental revenues	11,830,200	11,830,200	12,001,952	171,752
Charges for services	1,071,630	1,071,630	773,970	(297,660)
Fines	819,650	819,650	707,660	(111,990)
Investment earnings	50,000	50,000	297,741	247,741
Contributions and donations	5,500	-	785	785
Rental and sale of city property	113,000	113,000	127,050	14,050
Miscellaneous	131,240	131,240	95,583	(35,657)
Total revenues	<u>37,913,220</u>	<u>37,907,720</u>	<u>38,020,266</u>	<u>112,546</u>
EXPENDITURES				
Current:				
General government				
Mayor and Council	2,099,510	1,276,510	1,175,481	101,029
City manager	879,000	904,000	929,325	(25,325)
Attorney	731,580	731,580	698,648	32,932
Clerk	404,030	404,030	315,526	88,504
Finance	1,033,050	1,033,050	1,029,901	3,149
Information Technology	1,722,440	1,732,440	1,764,367	(31,927)
Administrative Services	807,530	807,530	707,775	99,755
Public safety				
Police	12,721,870	12,796,870	12,787,147	9,723
Fire	6,959,950	7,709,950	7,764,887	(54,937)
Court	675,840	675,840	670,732	5,108
Animal Control	335,900	355,900	353,244	2,656
Public works	1,305,370	1,313,870	1,346,502	(32,632)
Culture and Recreation	5,833,240	5,646,240	5,587,412	58,828
Planning and Economic Development	1,737,990	1,737,990	1,814,914	(76,924)
Capital Outlay	1,142,000	1,142,000	149,985	992,015
Debt Service:				
Principal	71,920	73,420	-	73,420
Total expenditures	<u>38,461,220</u>	<u>38,341,220</u>	<u>37,095,846</u>	<u>1,245,374</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(548,000)</u>	<u>(433,500)</u>	<u>924,420</u>	<u>1,357,920</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,611,500	1,611,500	2,328,862	717,362
Transfers out	(2,338,510)	(2,353,510)	(2,346,529)	6,981
Total other financing sources and uses	<u>(727,010)</u>	<u>(742,010)</u>	<u>(17,667)</u>	<u>724,343</u>
Net change in fund balance	(1,275,010)	(1,175,510)	906,753	2,082,263
Fund balance - beginning of year	24,539,556	24,539,556	24,539,556	-
Fund balance - end of year	<u>\$ 23,264,546</u>	<u>\$ 23,364,046</u>	<u>\$ 25,446,309</u>	<u>\$ 2,082,263</u>

CITY OF CASA GRANDE, ARIZONA
HIGHWAY USER SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		
REVENUES				
Taxes:				
State-shared gas tax	\$ 3,157,400	\$ 3,157,400	\$ 3,141,098	\$ (16,302)
County sales tax	1,700,000	1,700,000	1,823,936	123,936
Investment earnings	6,000	6,000	4,287	(1,713)
Miscellaneous	11,000	11,000	7,361	(3,639)
Total revenues	<u>4,874,400</u>	<u>4,874,400</u>	<u>4,976,682</u>	<u>102,282</u>
EXPENDITURES				
Streets/Transportation				
Personal services	1,323,760	1,323,760	1,273,540	50,220
Contractual services	409,560	409,560	416,716	(7,156)
Materials and supplies	1,014,220	986,260	955,350	30,910
Capital outlay	5,000,000	5,000,000	4,422,136	577,864
Debt service	126,860	98,420	98,240	180
Total Streets/Transportation	<u>7,874,400</u>	<u>7,818,000</u>	<u>7,165,982</u>	<u>652,018</u>
Total expenditures	<u>7,874,400</u>	<u>7,818,000</u>	<u>7,165,982</u>	<u>652,018</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,000,000)</u>	<u>(2,943,600)</u>	<u>(2,189,300)</u>	<u>754,300</u>
OTHER FINANCING USES				
Transfers out	(457,580)	(457,580)	(457,580)	-
Net change in fund balance	(3,457,580)	(3,401,180)	(2,646,880)	754,300
Fund balance - beginning of year	8,453,186	8,453,186	8,453,186	-
Fund balance - end of year	<u>\$ 4,995,606</u>	<u>\$ 5,052,006</u>	<u>\$ 5,806,306</u>	<u>\$ 754,300</u>

CITY OF CASA GRANDE, ARIZONA
GRANTS AND SUBSIDIES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 4,658,620	\$ 4,777,420	\$ 1,250,114	\$ (3,527,306)
Investment earnings	-	-	115	115
Contributions and donations	28,700	28,700	513,490	484,790
Total revenues	<u>4,687,320</u>	<u>4,806,120</u>	<u>1,763,719</u>	<u>(3,042,401)</u>
EXPENDITURES				
Public safety				
Personal services	448,010	566,810	790,731	(223,921)
Contractual services	-	-	10,174	(10,174)
Materials and supplies	-	-	183,493	(183,493)
Capital outlay	4,995,000	4,712,400	180,170	4,532,230
Total Public Safety	<u>5,443,010</u>	<u>5,279,210</u>	<u>1,164,568</u>	<u>4,114,642</u>
Culture and recreation				
Personal services	153,640	153,640	117,358	36,282
Contractual services	10,570	10,570	167,250	(156,680)
Materials and supplies	120,100	120,100	272,547	(152,447)
Capital outlay	-	95,400	5,794	89,606
Total Culture and Recreation	<u>284,310</u>	<u>379,710</u>	<u>562,949</u>	<u>(183,239)</u>
Community Development				
Contractual services	-	-	33,187	(33,187)
Total Community Development	<u>-</u>	<u>-</u>	<u>33,187</u>	<u>(33,187)</u>
Total expenditures	<u>5,727,320</u>	<u>5,658,920</u>	<u>1,760,704</u>	<u>3,898,216</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,040,000)</u>	<u>(852,800)</u>	<u>3,015</u>	<u>855,815</u>
OTHER FINANCING SOURCES				
Transfers in	40,000	40,000	89,498	49,498
Net change in fund balance	<u>(1,000,000)</u>	<u>(812,800)</u>	<u>92,513</u>	<u>905,313</u>
Fund balance - beginning of year	375,927	375,927	375,927	-
Fund balance - end of year	<u>\$ (624,073)</u>	<u>\$ (436,873)</u>	<u>\$ 468,440</u>	<u>\$ 905,313</u>



Financial Section

BASIC FINANCIAL STATEMENTS

Proprietary Fund Financial Statements

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

	Business-type Activities-Enterprise Funds		
	Water	Wastewater	Wastewater Dev Fees
ASSETS			
Current assets:			
Cash	\$ 628,997	\$ 557	\$ 5,157
Investments	-	6,960,246	1,503,322
Receivables, net of uncollectibles	7,392	2,029,902	-
Inventories	-	-	-
Total current assets	<u>636,389</u>	<u>8,990,705</u>	<u>1,508,479</u>
Noncurrent assets:			
Capital assets:			
Land	-	-	2,700,724
Buildings and improvements	1,249,047	119,255,341	-
Machinery and equipment	-	1,570,517	5,339,988
Less accumulated depreciation	<u>(613,801)</u>	<u>(26,452,443)</u>	<u>(344,768)</u>
Total capital assets, net	<u>635,246</u>	<u>94,373,415</u>	<u>7,695,944</u>
Total noncurrent assets	<u>635,246</u>	<u>94,373,415</u>	<u>7,695,944</u>
Total assets	<u>1,271,635</u>	<u>103,364,120</u>	<u>9,204,423</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	-	15,090	-
LIABILITIES			
Current liabilities:			
Accounts payable	7,493	356,449	-
Deposits held	11,846	-	-
Accrued wages and benefits	1,822	38,673	-
Accrued interest payable	2,724	659,113	-
Due to other funds	-	140,273	-
Compensated absences	-	21,187	-
Notes/Loans payable	12,513	2,435,873	-
GO Bond/Excise tax revenue obligations	-	684,282	-
Total current liabilities	<u>36,398</u>	<u>4,335,850</u>	<u>-</u>
Noncurrent liabilities:			
Compensated absences	-	25,895	-
Notes/Loans payable	69,318	43,883,683	-
General obligation bond	-	-	-
Excise tax revenue obligations	-	10,502,853	-
Closure and postclosure liability	-	-	-
Total noncurrent liabilities	<u>69,318</u>	<u>54,412,431</u>	<u>-</u>
Total liabilities	<u>105,716</u>	<u>58,748,281</u>	<u>-</u>
NET POSITION			
Net Investment in Capital Assets	553,415	36,881,814	7,695,944
Restricted for:			
Debt service	-	4,678,660	-
Construction	-	-	1,508,479
Unrestricted	<u>612,504</u>	<u>3,070,455</u>	<u>-</u>
Total net position	<u>\$ 1,165,919</u>	<u>\$ 44,630,929</u>	<u>\$ 9,204,423</u>

Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Funds
Sanitation	Golf Course	Total	
\$ 27,112	\$ 1,371	\$ 663,194	\$ 2,202,109
3,748,970	77,442	12,289,980	36,860
989,560	4,497	3,031,351	35,964
-	53,322	53,322	206,633
<u>4,765,642</u>	<u>136,632</u>	<u>16,037,847</u>	<u>2,481,566</u>
-	283,000	2,983,724	-
138,496	2,640,378	123,283,262	52,354
9,618,226	717,521	17,246,252	414,268
<u>(4,412,201)</u>	<u>(1,492,179)</u>	<u>(33,315,392)</u>	<u>(449,748)</u>
<u>5,344,521</u>	<u>2,148,720</u>	<u>110,197,846</u>	<u>16,874</u>
<u>5,344,521</u>	<u>2,148,720</u>	<u>110,197,846</u>	<u>16,874</u>
<u>10,110,163</u>	<u>2,285,352</u>	<u>126,235,693</u>	<u>2,498,440</u>
-	-	15,090	-
389,684	39,798	793,424	134,748
-	-	11,846	-
103,676	20,917	165,088	297,300
-	-	661,837	-
-	-	140,273	142,138
97,168	18,170	136,524	43,346
-	-	2,448,386	-
-	54,546	738,828	-
<u>590,528</u>	<u>133,431</u>	<u>5,096,206</u>	<u>617,532</u>
118,760	22,207	166,863	-
-	-	43,953,001	-
-	1,079,224	1,079,224	-
-	-	10,502,853	-
<u>2,640,156</u>	<u>-</u>	<u>2,640,156</u>	<u>-</u>
<u>2,758,916</u>	<u>1,101,431</u>	<u>58,342,097</u>	<u>-</u>
<u>3,349,444</u>	<u>1,234,862</u>	<u>63,438,303</u>	<u>617,532</u>
5,225,761	1,014,950	51,371,884	16,874
-	-	4,678,660	-
-	-	1,508,479	-
<u>1,534,958</u>	<u>35,540</u>	<u>5,253,457</u>	<u>1,864,034</u>
<u>\$ 6,760,719</u>	<u>\$ 1,050,490</u>	<u>\$ 62,812,480</u>	<u>\$ 1,880,908</u>

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2014

	Business-type Activities-Enterprise Funds		
	Water	Wastewater	Wastewater Dev Fees
Operating revenues:			
Service fees	\$ 181,120	\$ 8,043,846	\$ -
Department Insurance charges	-	-	-
Rental	-	-	-
Green fees	-	-	-
Miscellaneous	195	45,860	-
Total operating revenue	<u>181,315</u>	<u>8,089,706</u>	<u>-</u>
Operating expenses:			
Personal services	71,163	881,171	-
Contractual services	91,273	1,548,267	-
Materials and supplies	56,320	1,389,592	-
Depreciation	64,433	3,344,193	86,690
Closure and postclosure costs	-	-	-
Other expenses	-	-	-
Total operating expenses	<u>283,189</u>	<u>7,163,223</u>	<u>86,690</u>
Operating income (loss)	<u>(101,874)</u>	<u>926,483</u>	<u>(86,690)</u>
Nonoperating revenues (expense):			
Investment earnings	-	4,750	1,869
Interest expense	(3,021)	(2,309,188)	-
City sales tax	-	-	-
Total nonoperating revenues (expense)	<u>(3,021)</u>	<u>(2,304,438)</u>	<u>1,869</u>
Income (loss) before contributions and transfers	<u>(104,895)</u>	<u>(1,377,955)</u>	<u>(84,821)</u>
Developer fees	-	-	569,621
Transfers in	-	7,068,770	-
Transfers out	(15,520)	(3,851,990)	(3,630,000)
Change in Net Position	<u>(120,415)</u>	<u>1,838,825</u>	<u>(3,145,200)</u>
Total Net Position-beginning of year	1,286,334	41,522,398	12,349,623
Prior period adjustment	-	1,269,706	-
Total net assets-beginning of year-restated	<u>1,286,334</u>	<u>42,792,104</u>	<u>12,349,623</u>
Total Net Position-end of year	<u>\$ 1,165,919</u>	<u>\$ 44,630,929</u>	<u>\$ 9,204,423</u>

Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Funds
Sanitation	Golf Course	Total	
\$ 6,385,551	\$ -	\$ 14,610,517	\$ 1,676,424
-	-	-	1,507,401
-	144,415	144,415	-
-	931,599	931,599	-
10,760	2,609	59,424	118,990
<u>6,396,311</u>	<u>1,078,623</u>	<u>15,745,956</u>	<u>3,302,815</u>
2,410,337	392,253	3,754,924	734,289
1,260,492	212,095	3,112,127	1,780,098
739,767	378,761	2,564,440	804,738
910,748	182,032	4,588,096	19,948
88,806	-	88,806	-
-	-	-	215,760
<u>5,410,150</u>	<u>1,165,141</u>	<u>14,108,393</u>	<u>3,554,833</u>
<u>986,161</u>	<u>(86,518)</u>	<u>1,637,563</u>	<u>(252,018)</u>
2,298	-	8,917	-
-	(46,895)	(2,359,104)	(81,741)
-	29,098	29,098	-
<u>2,298</u>	<u>(17,797)</u>	<u>(2,321,089)</u>	<u>(81,741)</u>
988,459	(104,315)	(683,526)	(333,759)
-	-	569,621	-
254,191	222,000	7,544,961	84,489
(668,971)	(103,940)	(8,270,421)	(173,450)
<u>573,679</u>	<u>13,745</u>	<u>(839,366)</u>	<u>(422,720)</u>
6,187,040	1,036,745	62,382,140	2,303,628
-	-	1,269,706	-
-	1,036,745	57,464,806	2,303,628
<u>\$ 6,760,719</u>	<u>\$ 1,050,490</u>	<u>\$ 62,812,480</u>	<u>\$ 1,880,908</u>

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2014

	Business-type Activities-Enterprise Funds		
	Water	Wastewater	Wastewater Dev Fees
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 183,983	\$ 7,673,466	\$ 3,290
Payments to suppliers	(151,489)	(2,639,300)	(302,069)
Payments to employees	(72,636)	(849,270)	-
Net cash provided (used) by operating activities	<u>(40,142)</u>	<u>4,184,896</u>	<u>(298,779)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
City sales tax	-	-	-
Transfers to other funds	(15,520)	(3,851,990)	(3,630,000)
Transfers from other funds	-	7,068,770	-
Net cash provided (used) by noncapital financing activities	<u>(15,520)</u>	<u>3,216,780</u>	<u>(3,630,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	-	(2,261,270)	-
Contributions	-	-	569,621
Principal paid on capital debt	(12,096)	(3,181,994)	-
Interest paid on capital debt	(3,021)	(2,279,009)	-
Net cash provided (used) by capital and related financing activities	<u>(15,117)</u>	<u>(7,722,273)</u>	<u>569,621</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	-	4,750	1,869
Net increase (decrease) in cash	(70,779)	(315,847)	(3,357,289)
Cash and cash equivalents at beginning of year	<u>699,776</u>	<u>7,276,650</u>	<u>4,865,768</u>
Cash and cash equivalents at end of year	<u>\$ 628,997</u>	<u>\$ 6,960,803</u>	<u>\$ 1,508,479</u>
Cash	\$ 628,997	\$ 557	\$ 5,157
Investments	-	6,960,246	1,503,322
	<u>\$ 628,997</u>	<u>\$ 6,960,803</u>	<u>\$ 1,508,479</u>

<u>Business-type Activities-Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
<u>Sanitation</u>	<u>Golf Course</u>	<u>Total</u>	
\$ 6,059,433	\$ 1,077,643	\$ 14,997,815	\$ 3,349,516
(1,759,952)	(638,922)	(5,491,732)	(2,432,376)
<u>(2,356,629)</u>	<u>(373,222)</u>	<u>(3,651,757)</u>	<u>(427,951)</u>
<u>1,942,852</u>	<u>65,499</u>	<u>5,854,326</u>	<u>489,189</u>
-	29,098	29,098	-
(668,971)	(103,940)	(8,270,421)	(173,450)
<u>254,191</u>	<u>222,000</u>	<u>7,544,961</u>	<u>84,489</u>
<u>(414,780)</u>	<u>147,158</u>	<u>(696,362)</u>	<u>(88,961)</u>
(1,664,153)	(31,885)	(3,957,308)	-
-	-	569,621	-
-	(56,005)	(3,250,095)	-
<u>-</u>	<u>(46,895)</u>	<u>(2,328,925)</u>	<u>(81,741)</u>
<u>(1,664,153)</u>	<u>(134,785)</u>	<u>(8,966,707)</u>	<u>(81,741)</u>
<u>2,298</u>	<u>-</u>	<u>8,917</u>	<u>-</u>
(133,783)	77,872	(3,799,826)	318,487
<u>3,909,865</u>	<u>941</u>	<u>16,753,000</u>	<u>1,920,482</u>
<u>\$ 3,776,082</u>	<u>\$ 78,813</u>	<u>\$ 12,953,174</u>	<u>\$ 2,238,969</u>
\$ 27,112	\$ 1,371	\$ 663,194	\$ 2,202,109
3,748,970	77,442	12,289,980	36,860
<u>\$ 3,776,082</u>	<u>\$ 78,813</u>	<u>\$ 12,953,174</u>	<u>\$ 2,238,969</u>

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
For the Year Ended June 30, 2014

	<u>Business-type Activities-Enterprise Funds</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Wastewater Dev Fees</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>\$ (101,874)</u>	<u>\$ 926,483</u>	<u>\$ (86,690)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Closure and postclosure costs	-	-	-
Depreciation expense	64,434	3,344,193	86,690
(Increase) decrease in prepaid expense	-	-	-
(Increase) decrease in accounts receivable	1,423	(416,240)	3,290
(Increase) decrease in inventory	-	-	-
Increase (decrease) in accounts payable	(3,897)	158,286	(302,069)
Increase (decrease) in deposits held	1,245	-	-
Increase (decrease) in accrued wages	(1,473)	12,740	-
Increase (decrease) in due to other funds	-	140,273	-
Increase (decrease) in compensated absences	-	19,161	-
Total adjustments	<u>61,732</u>	<u>3,258,413</u>	<u>(212,089)</u>
Net cash provided (used) by operating activities	<u>\$ (40,142)</u>	<u>\$ 4,184,896</u>	<u>\$ (298,779)</u>

<u>Business-type Activities-Enterprise Funds</u>			<u>Governmental</u>
<u>Sanitation</u>	<u>Golf Course</u>	<u>Total</u>	<u>Activities -</u>
			<u>Internal</u>
			<u>Service Fund</u>
<u>\$ 986,161</u>	<u>\$ (86,518)</u>	<u>\$ 1,637,562</u>	<u>\$ (252,018)</u>
88,806	-	88,806	-
910,748	182,032	4,588,097	19,948
-	-	-	335,183
(336,878)	(980)	(749,385)	46,701
-	(1,202)	(1,202)	(6,566)
243,807	4,794	100,921	(100,967)
-	-	1,245	-
30,175	9,682	51,124	282,650
(3,500)	(51,658)	85,115	140,570
<u>23,533</u>	<u>9,349</u>	<u>52,043</u>	<u>23,688</u>
<u>956,691</u>	<u>152,017</u>	<u>4,216,764</u>	<u>741,207</u>
<u>\$ 1,942,852</u>	<u>\$ 65,499</u>	<u>\$ 5,854,326</u>	<u>\$ 489,189</u>



Financial Section

BASIC FINANCIAL STATEMENTS

Fiduciary Fund Financial Statements

CITY OF CASA GRANDE, ARIZONA
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 June 30, 2014

	<u>Agency Funds</u>	<u>Part-Time Firemen's Pension</u>
ASSETS		
Cash	\$ 115,961	\$ 2,186
Investments	<u>1,752,205</u>	<u>451,174</u>
Total assets	<u>1,868,166</u>	<u>453,360</u>
LIABILITIES		
Other liabilities	<u>1,868,166</u>	<u>-</u>
Total liabilities	<u>1,868,166</u>	<u>-</u>
NET POSITION		
Held in trust for pension benefits and other purposes	<u>\$ -</u>	<u>\$ 453,360</u>

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2014

	<u>Part-Time Firemen's Pension</u>
ADDITIONS	
Contributions:	
Employer	\$ -
Plan members	-
Total contributions	<u>-</u>
Investment earnings:	
Misc Revenue	<u>8,490</u>
Total additions	<u>8,490</u>
DEDUCTIONS	
Pension payments	21,260
Administrative expenses	<u>1,862</u>
Total deductions	<u>23,122</u>
Change in net position	(14,632)
Net position-beginning of year	<u>467,992</u>
Net position-end of year	<u>\$ 453,360</u>



Notes to the Financial Statements



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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Fund Accounting (Continued)

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.

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 three internal services funds: Fleet Maintenance is used to account for the maintenance and operations of City owned vehicles, Facilities Maintenance is used to account for the maintenance and operations of City owned buildings, and Risk Management is used for insurance activities. Each cost center is charged their proportional share of the cost for these services.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Fund Accounting (Continued)

FIDUCIARY FUNDS

Fiduciary funds account for assets held by the City in a trustee or agency capacity on behalf of others and therefore are not available to support City programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary Funds are not included in the government-wide financial statements since they are not assets of the City available to support City programs.

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

The portion of property tax levies available on June 30, 2014, are recorded as receivable, net of allowance for un-collectibles. The balance of the tax levy not collected within 60 days after year-end are reflected as deferred revenue.

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

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

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

E. Budgetary Data

- In the spring of each year, the City Manager submits to City Council an estimate of the expenditures necessary to conduct the affairs of the City for the fiscal year commencing July 1st.
- The Council holds open work sessions relating to budget preparation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Data (Continued)

- After required public hearings are held, a budget for all governmental and proprietary funds (excluding internal service and pension funds) is legally enacted prior to the third Monday of July as required by Arizona Revised Statutes. The budget specifies expenditure amounts by activity with each Fund.
- Transfer of budgeted amounts within a department may be authorized by the Director of each department, unless the transfer involves personnel services. This type of budgetary transfer requires City Manager approval. In the adoption of the budget the City Council delegates authority to transfer budget amounts between funds and departments to the City Manager. The original budget was amended for the year ending June 30, 2014.
- All funds are subject to the comprehensive appropriated budget.
- Encumbrances used by the City during the budget year. All appropriations lapse at fiscal year-end unless re-appropriated as a carry-over. Invoices for goods and services received on or before June 30 must be paid within 60 days of the fiscal year-end.
- The budget for the City is adopted on a basis consistent with generally accepted accounting principles.
- Under State statutes, certain annual expenditure limitations must be adhered to.
- Several supplemental appropriations were necessary during the year.
- Expenditures may not exceed budgeted appropriations at the total budget level.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments (Continued)

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. Inventory

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

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

Buildings	40 years
Sewer system	20 to 50 years
Street system.....	20 to 30 years
Building and facility improvements	20 years
Streetlights and traffic control devices	20 years
Other Improvements and landscaping	15 years
Vehicles	3 to 15 years
Equipment.....	5 to 10 years
Furniture and fixtures.....	5 to 10 years
Computers/software.....	3 years

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).

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Activity

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

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.

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.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balance Policies (Continued)

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 21.

NOTE 2 CASH AND INVESTMENTS

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 \$4,136,649 and the bank balance was \$4,287,801. Federal Depository Insurance covered the City's deposits at June 30, 2014, to the extent of \$522,193. Deposits of \$3,765,608 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 and cash equivalents	\$ 3,355,308	\$ 663,194	\$ 118,147	\$ 4,136,649
Investments	81,261,159	12,289,980	2,203,379	95,754,518
Restricted investments	941,621	-	-	941,621
	<u>\$ 85,558,088</u>	<u>\$ 12,953,174</u>	<u>\$ 2,321,526</u>	<u>\$ 100,832,788</u>

Investments

The City's policy is to invest unrestricted cash in the Local Government Investment Pool (LGIP), an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. The LGIP is not registered with the Securities Exchange Commission under the 1940 Investment Advisors Act. The 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, 2014 was \$1.1 billion in assets.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 2 CASH AND INVESTMENTS (Continued)

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.

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.

Governmental funds

Investment Type	Total	Unrated
LGIP	\$ 81,015,056	\$ 81,015,056
Money market	941,621	941,621
U.S. Treasury Notes	246,103	246,103
	\$ 82,202,780	\$ 82,202,780

Proprietary funds

Investment Type	Total	Unrated
LGIP	\$ 12,289,980	\$ 12,289,980
	\$ 12,289,980	\$ 12,289,980

Fiduciary funds

Investment Type	Total	Unrated
LGIP	\$ 1,752,205	\$ 1,752,205
Money market	451,174	451,174
	\$ 2,203,379	\$ 2,203,379
Total	\$ 96,696,139	\$ 96,696,139

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 2 CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

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

Investment Type	Total	Concentration
LGIP	\$ 95,057,241	98.31%
Money Market Funds	1,392,795	1.44%
U.S. Treasury Notes	246,103	0.25%
Total	\$ 96,696,139	

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.

Fund Type	Description of Designated Capital	Balance at 30-Jun-14
Capital - CFD	Infrastructure	\$ 305,052

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 30-Jun-14
Capital - CFD	Sewer Line	\$ 636,569

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 4 RECEIVABLES

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

Receivables:	General Fund	Highway User	Grants & Subsidies	Capital		Non-Major Governmental Funds	Total Governmental Funds
				Replacement/ Recreation/ Development	System Development		
Taxes	\$ 3,737,490	\$ 588,136	\$ -	\$ 324,993	\$ -	\$ 54,283	\$ 4,704,902
Interest	-	-	-	-	-	12,552	12,552
Accounts	153,424	-	-	90,422	-	512,200	756,046
	<u>3,890,914</u>	<u>588,136</u>	<u>-</u>	<u>415,415</u>	<u>-</u>	<u>579,035</u>	<u>5,473,500</u>
Less:							
Allowance	(250)	-	-	-	-	-	(250)
Total receivables	<u>\$ 3,890,664</u>	<u>\$ 588,136</u>	<u>\$ -</u>	<u>\$ 415,415</u>	<u>\$ -</u>	<u>\$ 579,035</u>	<u>\$ 5,473,250</u>

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

Receivables:	Water Fund	Wastewater Fund	Wastewater		Golf Course Fund	Total
			Development Fund	Sanitation Fund		
Accounts	\$ 7,392	\$ 3,759,457	\$ -	\$ 2,181,096	\$ 4,497	\$ 5,952,442
Less:						
Allowance	-	(1,729,555)	-	(1,191,536)	-	(2,921,091)
Net receivables	<u>\$ 7,392</u>	<u>\$ 2,029,902</u>	<u>\$ -</u>	<u>\$ 989,560</u>	<u>\$ 4,497</u>	<u>\$ 3,031,351</u>

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

Uncollectibles related to wastewater	\$ 44,343
Uncollectibles related to sanitation	<u>30,901</u>
Total uncollectibles for the current year	<u>\$ 75,244</u>

NOTE 5 DIRECT LOANS

The City issues loans to provide housing for low-income families, which are funded by Community Development Block Grants from the U.S. Department of Housing and Urban Development through the Arizona Department of Commerce. These loans are paid back on a monthly basis and have varying terms and maturity dates. At June 30, 2014 these loans outstanding totaled \$462,464.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

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 2013-2014 maximum primary levy limit was \$3,459,965. The primary tax levy was \$3,229,750. The City's secondary tax levy was \$1,775,000.

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, 2014, are \$38,226 and \$244,088 respectively.

NOTE 7 CAPITAL ASSETS

A summary of capital assets activity for the fiscal year ended June 30, 2014 follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 19,531,684	\$ -	\$ -	\$ 19,531,684
Construction in progress	3,586,855	158,120	(3,586,855)	158,120
Total capital assets not being depreciated	23,118,539	158,120	(3,586,855)	19,689,804
Capital assets, being depreciated:				
Buildings	66,967,030	3,258,168	-	70,225,198
Improvements	219,862,151	8,873,715	-	228,735,866
Heavy machinery & equipment	23,605,983	1,928,802	(1,012,607)	24,522,178
Total capital assets being depreciated	310,435,164	14,060,685	(1,012,607)	323,483,242
Less accumulated depreciation for:				
Buildings	(14,109,192)	(2,531,523)	-	(16,640,715)
Improvements	(96,950,855)	(11,087,778)	-	(108,038,633)
Heavy machinery & equipment	(16,220,075)	(1,967,473)	1,012,607	(17,174,941)
Total accumulated depreciation	(127,280,122)	(15,586,774)	1,012,607	(141,854,289)
Total capital assets, being depreciated, net	183,155,042	(1,526,089)	-	181,628,953
Governmental activities capital assets, net	\$ 206,273,581	\$ (1,367,969)	\$ (3,586,855)	\$ 201,318,757

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 7 CAPITAL ASSETS (Continued)

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,983,724	\$ -	\$ -	\$ 2,983,724
Total capital assets not being depreciated	<u>2,983,724</u>	<u>-</u>	<u>-</u>	<u>2,983,724</u>
Capital assets, being depreciated:				
Buildings and improvements	121,555,868	2,199,711	-	123,755,579
Machinery and equipment	15,961,435	1,757,594	(945,097)	16,773,932
Total capital assets being depreciated	<u>137,517,303</u>	<u>3,957,305</u>	<u>(945,097)</u>	<u>140,529,511</u>
Less accumulated depreciation for:				
Buildings and improvements	(23,052,378)	(3,510,298)	-	(26,562,676)
Machinery and equipment	(6,620,012)	(1,077,798)	945,097	(6,752,713)
Total accumulated depreciation	<u>(29,672,390)</u>	<u>(4,588,096)</u>	<u>945,097</u>	<u>(33,315,389)</u>
Total capital assets, being depreciated, net	<u>107,844,913</u>	<u>(630,791)</u>	<u>-</u>	<u>107,214,122</u>
Business-Type activities capital assets, net	<u>\$ 110,828,637</u>	<u>\$ (630,791)</u>	<u>\$ -</u>	<u>\$ 110,197,846</u>

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

Governmental activities:	
General government	\$ 473,072
Public safety	2,582,381
Streets/Transportation	9,900,419
Public Works	737,902
Culture and recreation	1,622,442
Economic Development	250,610
Internal Service	19,948
Total depreciation expense	<u>\$ 15,586,774</u>
Business-type activities:	
Water	\$ 64,433
Wastewater	3,430,883
Sanitation	910,748
Golf Course	182,032
Total depreciation and amortization expense	<u>\$ 4,588,096</u>

NOTE 8 RETIREMENT 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.

NOTE 8 RETIREMENT PLANS (Continued)

Plan Description

Arizona State Retirement Plan - The *Arizona State Retirement System (ASRS)* administers a cost-sharing multiple-employer defined benefits 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 ARS 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 Arizona State Retirement System, 3300 N. Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2200 or (800) 621-3778.

Arizona Public Safety Personnel Retirement System - 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 ARS Title 38, Chapter 5, Article 4. The City contributes to one PSPRS plan for police and one for firefighters. 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, 3010 E. Camelback Rd., Suite 200, Phoenix, AZ 85016-4416 or by calling (602) 255-5575.

Funding Policy

Cost-sharing plan – The Arizona State Legislature establishes and may amend active plan members' and the City's contribution rates. For the year ended June 30, 2014, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.54% (11.30% retirement and 0.24% long-term disability) of the member's annual covered payroll and the City was required by statute to contribute at the actuarially determined rate of 11.54% (10.70% retirement, 0.60% for health insurance premium, and 0.24% long-term disability) of the members' annual covered payroll. The City's contributions to ASRS for the years ended June 30, 2014, 2013, and 2012 were \$1,496,418, \$1,443,868, and \$1,393,482, respectively. The City contribution for the current and two preceding years, all of which were equal to the required contributions, were as follows:

Years ended June 30,	Retirement	Health Insurance	Long-term Disability	Total
2014	\$ 1,387,494	\$ 77,803	\$ 31,121	\$ 1,496,418
2013	1,328,514	84,247	31,107	1,443,868
2012	1,280,602	81,741	31,139	1,393,482

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 8 RETIREMENT PLANS (Continued)

Funding Policy (Continued)

Agent plans – The Arizona State Legislature establishes and may amend active plan members' and the City's contribution rates. For the year ended June 30, 2014, active PSPRS members were required by statute to contribute 10.35% of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 31.10% (30.08% retirement and 1.02% health insurance premium) of the covered payroll to the Plan for the Police and 22.15% (21.34% retirement and 0.81% health insurance premium) of the covered payroll to the Plan for the Firefighters.

Annual Pension Cost

The City's pension cost for the agent plan for the year ended June 30, 2014, and related information follows:

Contribution Rates:	PSPRS – Police	PSPRS - Fire
City – retirement	30.08%	21.34%
City – health insurance premium	1.02%	0.81%
Plan members	7.65%	7.65%
Annual pension cost		
Retirement	\$ 1,664,257	\$ 920,873
Health insurance premium	\$ 56,434	\$ 34,953
Pension contributions made		
Retirement	\$ 1,664,257	\$ 920,873
Health insurance premium	\$ 56,434	\$ 34,953
Actuarial valuation date	June 30, 2012	June 30, 2012
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Actuarial assumptions:		
Investment rate of return	8.0%	8.0%
Projected salary increases	5.0% - 9.0%	5.0% - 8.0%
Includes inflation at cost-of-living adjustment	None	None
Amortization method	Level Percent Closed	Level Percent Closed
Remaining amortization period	24 years underfunded 20 years overfunded	24 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

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 8 RETIREMENT PLANS (Continued)

Annual Pension Cost (Continued)

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

Plan	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PSPRS - Police - Pension			
June 30, 2014	\$ 1,664,257	100.0%	-
June 30, 2013	1,422,932	100.0%	-
June 30, 2012	1,219,694	100.0%	-
PSPRS - Police - Health Insurance			
June 30, 2014	56,434	100.0%	-
June 30, 2013	61,190	100.0%	-
June 30, 2012	61,361	100.0%	-
PSPRS - Fire - Pension			
June 30, 2014	920,873	100.0%	-
June 30, 2013	937,506	100.0%	-
June 30, 2012	769,175	100.0%	-
PSPRS - Fire - Health Insurance			
June 30, 2014	34,953	100.0%	-
June 30, 2013	38,171	100.0%	-
June 30, 2012	37,873	100.0%	-

Schedule of Funding Progress - An analysis of funding progress for each of the agent plans as most recent actuarial valuations; June 30, 2012 reporting period determines the rates for fiscal year 2014. 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.

Actuarial Accrued Liability

PSPRS – Casa Grande Police Pension Plan:

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ([b-a]/c)
June 30, 2012	\$ 16,848,670	\$ 34,240,024	\$ 17,391,354	49.2%	\$ 5,196,630	334.7%
2011	16,383,157	30,320,506	13,937,349	54.0%	5,077,868	274.4%
2010	15,562,591	27,269,561	11,706,970	57.1%	5,079,289	230.5%

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 8 RETIREMENT PLANS (Continued)

Actuarial Accrued Liability (Continued)

PSPRS – Casa Grande Police Health Insurance Plan:

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ([b-a]/c)
June 30, 2012	\$ -	\$ 668,875	\$ 668,875	0.0%	\$ 5,196,630	12.87%
2011	-	666,368	666,368	0.0%	5,077,868	13.12%
2010	-	525,879	525,879	0.0%	5,079,289	10.35%

PSPRS – Casa Grande Fire Pension Plan:

Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ([b-a]/c)
June 30, 2012	\$ 11,686,671	\$ 19,503,044	\$ 7,816,373	59.9%	\$ 4,559,461	171.4%
2011	10,640,220	17,765,323	7,125,103	59.9%	4,394,082	162.2%
2010	9,807,667	15,651,942	5,844,275	62.7%	4,250,258	137.5%

PSPRS – Casa Grande Fire Health Insurance Plan:

Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ([b-a]/c)
June 30, 2012	\$ -	\$ 460,054	\$ 460,054	0.0%	\$ 4,559,461	10.09%
2011	-	424,902	424,902	0.0%	4,394,082	9.67%
2010	-	335,710	335,710	0.0%	4,250,258	7.90%

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 8 RETIREMENT PLANS (Continued)

Annual Required Contribution

PSPRS – Casa Grande Police Health Insurance Plan:

Valuation Date	Fiscal Year Ended	Normal Cost (a)	Actuarial Accrued Liability (b)	Total (a+b)	Dollar Amount
June 30, 2012	30-Jun 2014	0.34%	0.68%	1.02%	\$ 58,439
2011	2013	0.43%	0.71%	1.14%	63,821
2010	2012	0.62%	0.52%	1.14%	64,448

PSPRS – Casa Grande Fire Health Insurance Plan:

Valuation Date	Fiscal Year Ended	Normal Cost (a)	Actuarial Accrued Liability (b)	Total (a+b)	Dollar Amount
June 30, 2012	30-Jun 2014	0.27%	0.54%	0.81%	\$ 40,717
2011	2013	0.30%	0.52%	0.82%	39,725
2010	2012	0.44%	0.40%	0.84%	39,737

The Health Insurance Subsidy payments reported for valuation year 2012 were \$22,206 and \$16,625 for the Police plan and the Fire plan, respectively.

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 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, benefit 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 (50) or fifteen years of credited service. This plan was fully vested as of June 30, 2014. As of June 30, 2014, there were 12 eligible employees participating in the plan. The plan is administered by TD Ameritrade.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 8 RETIREMENT PLANS (Continued)

Casa Grande Part-Time Firemen's Pension Plan (Continued)

As of June 30, 2014, the plan's assets consisted of the following:

Plan Assets	
Cash	\$ 2,186
Money Market Funds	10,300
Mutual Funds	440,874
Total Assets	<u>\$ 453,360</u>

NOTE 9 RISK MANAGEMENT

The City operates with traditional commercial insurance programs against major losses in property, plant, equipment and liability. Administrative responsibility for the safety program, education and loss prevention resides with the Human Resources Department. Insurance is procured on a competitive quotation basis, using the services of an independent broker as a consultant. The City processes all claims and evaluates their validity to determine if insurance reporting and investigation are warranted or if the claim can be resolved administratively. Claims settled administratively are paid from the funds where the claims occurred. During fiscal year 2014 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, 2014 is \$820 and for June 30, 2013 is \$0.

NOTE 10 CAPITAL LEASES

Leases at June 30, 2014, 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.	\$1,539,358
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.	2,607,000
Lease to finance Solar Panels. Payments are due semi-annually at an interest rate of 3.59%, due through April 2031.	<u>3,324,477</u>
Total Governmental Activities Capital Lease Obligation	<u>\$7,470,835</u>

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 10 CAPITAL LEASES (Continued)

The future minimum lease payments by year are:

Fiscal Year Ending June 30,	Government Activities	Business-type Activities	Total
2015	\$785,766	\$ -	\$785,766
2016	787,687	-	787,687
2017	796,905	-	796,905
2018	806,856	-	806,856
2019	811,049	-	811,049
2020-2024	2,960,425	-	2,960,425
2025-2029	2,316,373	-	2,316,373
2030-2031	470,395	-	470,395
Total minimum lease payments	9,735,456	-	9,735,456
Less: amount representing interest	(2,264,621)	-	(2,264,621)
Present value of future minimum lease payments	7,470,835	-	7,470,835
Less: current portion	(484,087)	-	(484,087)
Noncurrent portion	<u>\$ 6,986,748</u>	<u>\$ -</u>	<u>\$ 6,986,748</u>

Leased Capital Assets

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

	Cost	Accumulated Depreciation	Net Balance
Building and Improvements:			
Governmental Activities Assets	\$ 11,958,599	\$ (1,892,535)	\$ 10,066,064
Total Building and Improvement	<u>\$ 11,958,599</u>	<u>\$ (1,892,535)</u>	<u>\$ 10,066,064</u>

NOTE 11 BOND DEBT

General Obligation Bonds

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

NOTE 11 BOND DEBT (Continued)

General Obligation Bonds (Continued)

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

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

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.

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.

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.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 11 BOND DEBT (Continued)

General Obligation Bonds (Continued)

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

Fiscal year ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 655,454	\$ 1,241,612	\$ 54,546	\$ 46,445
2016	765,454	1,214,035	54,546	44,399
2017	786,818	1,181,993	58,182	42,354
2018	881,817	1,145,416	78,183	39,445
2019	927,726	1,103,927	87,274	35,536
2020-2024	5,718,176	4,846,573	541,824	118,087
2025-2029	7,514,110	3,338,568	240,890	15,307
2030-2034	8,560,000	1,479,300	-	-
2035-2038	445,000	40,500	-	-
Total	\$ 26,254,555	\$ 15,591,921	\$ 1,115,445	\$ 341,573

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.

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.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 12 EXCISE TAX REVENUE OBLIGATIONS (Continued)

The following table summarizes the City's future revenue obligation debt service requirements as of June 30, 2014:

Fiscal year ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 765,718	\$ 914,548	\$ 684,282	\$ 429,537
2016	802,755	877,577	707,245	402,163
2017	878,087	834,740	1,106,913	373,870
2018	950,356	789,098	1,414,644	351,732
2019	1,001,868	735,393	1,488,132	281,000
2020-2024	5,646,186	2,710,132	4,583,813	414,151
2025-2029	6,875,000	1,037,988	-	-
Total	<u>\$ 16,919,970</u>	<u>\$ 7,899,475</u>	<u>\$ 9,985,029</u>	<u>\$ 2,252,453</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, 2014 is \$59,224,517. The following schedule shows estimated payments based on the amount due of \$46,319,556.

Fiscal Year Ending June 30,	Principal	Interest
2015	\$ 2,435,873	\$ 1,917,371
2016	2,534,014	1,819,230
2017	2,636,109	1,717,134
2018	2,742,318	1,610,925
2019	2,852,806	1,500,437
2020-2024	16,083,587	5,682,888
2025-2029	17,034,849	2,162,065
	<u>\$ 46,319,556</u>	<u>\$ 16,410,050</u>

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

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 14 CHANGES IN LONG-TERM OBLIGATIONS

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 2,028,430	\$ 601,189	\$ -	\$ 2,629,619	\$ 885,021
G.O Bonds	26,905,009	-	(650,454)	26,254,555	655,454
Excise tax revenue obligations	17,652,835	-	(732,865)	16,919,970	765,718
Capital leases	7,831,620	-	(360,785)	7,470,835	484,087
Bonds premiums	208,806	-	(19,676)	189,130	-
Bonds discounts	(309,761)	-	22,394	(287,367)	-
Governmental activities long-term liabilities	<u>\$ 54,316,939</u>	<u>\$ 601,189</u>	<u>\$ (1,741,386)</u>	<u>\$ 53,176,742</u>	<u>\$ 2,790,280</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Compensated absences	\$ 251,344	\$ 52,043	\$ -	\$ 303,387	\$ 136,524
Bonds payable	1,169,991	-	(54,545)	1,115,446	54,546
Excise tax revenue obligations	10,637,165	-	(652,135)	9,985,030	684,282
Notes payable (1)	93,927	-	(12,096)	81,831	12,513
Loan payable	48,661,088	-	(2,341,532)	46,319,556	2,435,872
Bond premiums	1,386,204	-	(165,775)	1,220,429	-
Postclosure liability	2,551,350	88,806	-	2,640,156	-
Business-type activities long-term liabilities	<u>\$ 64,751,069</u>	<u>\$ 140,849</u>	<u>\$ (3,226,083)</u>	<u>\$ 61,665,835</u>	<u>\$ 3,323,737</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 paid from various funds in the same proportion that those funds pay payroll costs. During the year ended June 30, 2014, the City primarily paid for compensated absences from the General Fund.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 15 LONG-TERM DEBT

The following summarizes the annual debt service requirements to maturity for all bonds, loans, and notes are as follows:

Fiscal year ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 1,905,259	\$ 2,454,839	\$ 3,174,701	\$ 2,393,353
2016	2,078,726	2,368,781	3,295,805	2,265,792
2017	2,207,312	2,271,231	3,801,204	2,133,358
2018	2,408,678	2,164,865	4,235,145	2,002,102
2019	2,535,781	2,044,180	4,428,212	1,816,973
2020-2024	13,617,859	8,263,632	21,209,224	6,215,126
2025-2029	16,436,429	4,645,610	17,275,739	2,177,372
2030-2034	9,010,316	1,502,378	-	-
2035-2038	445,000	40,500	-	-
Total	<u>\$ 50,645,360</u>	<u>\$ 25,756,016</u>	<u>\$ 57,420,030</u>	<u>\$ 19,004,076</u>

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, 2014 the City has reported a \$2,640,156 landfill closure and postclosure care liability that represents the total current cost based on 55.0 percent of estimated capacity of the landfill.

The remaining cost of \$2,130,489 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 2014 valuation of the total closure and postclosure costs were estimated to be \$4,770,645.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 17 CONSTRUCTION COMMITMENTS

The City has active construction projects as of June 30, 2014. At year end the City's significant commitments included sewer improvements and road construction. At year end the City's commitments with contractors are as follows:

Project	Spent-to-date	Remaining commitment
Gila Bend Hwy Sewer	\$ 2,037,880	\$ 433,769
Traffic signals	48,437	75,985
I-10/Kortsens Rd Traffic Interchange	104,032	479,560
Sewer Modeling & Master Planning	145,300	4,700

NOTE 18 SUMMARY OF INTERFUND TRANSACTIONS

Interfund transactions as of June 30, 2014, were as follows:

Interfund Receivable/Payable:

Fund	Receivable Amount	Payable Amount
General Fun	\$ 1,387,336	\$ -
System Development	-	586,281
Capital Replacement	586,281	-
Non-Major Funds	-	1,104,925
Wastewater	-	140,273
Internal Service Fund	-	142,138
Total	\$ 1,973,617	\$ 1,973,617

The inter fund balances at June 30, 2014 are short-term loans to cover temporary cash deficits in various funds.

Transfers:

Fund	Transfers Out	Transfers In
General Fund	2,346,529	2,328,862
Highway Users Fund	457,580	-
System Development	954,513	-
Grant & Subsidies	-	89,498
Capital Replacement	3,674,492	2,204,220
Non-Major Governmental Funds	570,655	4,195,610
Water Fund	15,520	
Wastewater Fund	3,851,990	7,068,770
Wastewater Development Fees	3,630,000	
Sanitation Fund	668,971	254,191.00
Golf Course	103,940	222,000
Internal Service Funds	173,450	84,489
Total	\$ 16,447,640	\$ 16,447,640

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

NOTE 19 DEFICIT IN FUND BALANCE

Three funds had deficits in fund balance. The HOME/HUD fund deficit decreased from \$38,875 in the prior year to the current year balance of \$557. It is expected that this deficit balance continue to decrease as intergovernmental revenues increase. The Municipal Airport operating fund deficit decreased by \$44,056 to a total of \$462,311. The Municipal Airport is supported through fuel sales and hanger rentals which continue to be lower than expected. The decrease in the deficit was attributed to the decrease in lease expense for T-hangers which was paid off in FY2014 . The Promotion & Tourism Funds experienced a deficit fund balance of \$121,132. Future revenues are expected to cover this deficit.

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, 2014 \$5,472,134 (including \$3,062,159 in interest) has been paid.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 21 FUND BALANCE DETAILS BY CLASSIFICATION

	General	Major Governmental Funds	Non-Major Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable:				
Inventories	\$ 6,281	\$ -	\$ 93,031	\$ 99,312
Restricted for:				
Highway User Revenue Fund	-	5,806,306	-	5,806,306
Grants	-	468,440	6,542	474,982
Systems Development	-	6,641,582	-	6,641,582
Community Services	-	-	2,953,278	2,953,278
Transportation	-	-	5,979,545	5,979,545
Debt Services	-	-	3,786,650	3,786,650
Court Enhancement	-	-	209,623	209,623
Housing	-	-	624,896	624,896
Public Safety	-	-	4,303,604	4,303,604
CFD Debt	-	-	1,447,032	1,447,032
Downtown Revitalization	333,849	-	-	333,849
Aesthetic Revitalization	4,579,716	-	-	4,579,716
Economic Redevelopment	250,000	-	-	250,000
Committed to:				
Assigned to:				
General Fund Reserves	13,384,358	-	-	13,384,358
Parks Development	-	-	916,867	916,867
Capital Replacement	-	27,124,720	-	27,124,720
Redevelopment	-	-	1,113,017	1,113,017
Community Arts	-	-	14,336	14,336
Unassigned	6,892,105	-	(576,846)	6,315,259
Total fund balances	<u>\$ 25,446,309</u>	<u>\$ 40,041,048</u>	<u>\$ 20,871,575</u>	<u>\$ 86,358,932</u>

NOTE 22 PRIOR PERIOD ADJUSTMENT

The beginning net position of the Wastewater Enterprise Fund has been restated on the financial statements to record a prior period adjustment to correct long-term debt recorded in prior years. Long-term debt was overstated and net position was understated by \$1,269,706.

Supplementary Information

Non-Major Governmental Funds

CITY OF CASA GRANDE, ARIZONA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2014

	Special Revenue		
	Municipal Airport	Parks Develop.	Community Arts
ASSETS			
Cash	\$ 50	\$ 82	\$ 279
Investments	-	924,747	14,057
Receivables (less allowance for uncollectibles)	16,906	1,830	-
Due from other governments	8,948	-	-
Inventory	93,031	-	-
Restricted assets: cash and cash equivalents	-	-	-
Total assets	\$ 118,935	\$ 926,659	\$ 14,336
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and other current liabilities	\$ 71,674	\$ 9,792	\$ -
Accrued wages and benefits	6,096	-	-
Due to other funds	503,476	-	-
Total liabilities	581,246	9,792	-
DEFERRED INFLOWS OF RESOURCES			
Deferred/Delayed revenue	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund balances:			
Nonspendable	93,031	-	-
Restricted	-	-	-
Assigned	-	916,867	14,336
Unassigned	(555,342)	-	-
Total fund balances	(462,311)	916,867	14,336
Total liabilities, deferred inflows of resources, and fund balance	\$ 118,935	\$ 926,659	\$ 14,336

Special Revenue

Redevelop- ment	Promotion & Tourism	Court Enhancement
\$ 1,803	\$ -	\$ 67,231
1,124,389	332,078	139,941
-	58,931	-
-	-	3,783
-	-	-
-	-	-
<u>\$ 1,126,192</u>	<u>\$ 391,009</u>	<u>\$ 210,955</u>
\$ 13,175	\$ 5,843	\$ 1,332
-	-	-
-	506,298	-
<u>13,175</u>	<u>512,141</u>	<u>1,332</u>
-	-	-
-	-	-
-	-	209,623
1,113,017	-	-
-	(121,132)	-
<u>1,113,017</u>	<u>(121,132)</u>	<u>209,623</u>
<u>\$ 1,126,192</u>	<u>\$ 391,009</u>	<u>\$ 210,955</u>

CITY OF CASA GRANDE, ARIZONA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 June 30, 2014

	Special Revenue		
	Housing Programs	CDBG	Self-help Technical Asst
ASSETS			
Cash	\$ 55,869	\$ -	\$ 6,542
Investments	139,265	-	-
Receivables (less allowance for uncollectibles)	321	475,016	-
Due from other governments	-	13,394	-
Inventory	-	-	-
Restricted assets: cash and cash equivalents	-	-	-
Total assets	\$ 195,455	\$ 488,410	\$ 6,542
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and other current liabilities	\$ 11,600	\$ 5,120	\$ -
Accrued wages and benefits	-	3,644	-
Due to other funds	-	24,654	-
Total liabilities	11,600	33,418	-
DEFERRED INFLOWS OF RESOURCES			
Deferred/Delayed revenue	-	13,394	-
Total Deferred Inflows of Resources	-	13,394	-
Fund balances:			
Nonspendable	-	-	-
Restricted	183,855	441,598	6,542
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	183,855	441,598	6,542
Total liabilities, deferred inflows of resources, and fund balance	\$ 195,455	\$ 488,410	\$ 6,542

Special Revenue		Debt Service	
Home/HUD	Wildland Fire/ Public Safety	General Obligation	2009 Recreation
\$ -	\$ 83,738	\$ 2,435	\$ -
-	13,313	3,760,187	-
-	-	24,028	-
63,220	4,986	-	-
-	-	-	-
-	-	-	-
<u>\$ 63,220</u>	<u>\$ 102,037</u>	<u>\$ 3,786,650</u>	<u>\$ -</u>
13,092	\$ 102	\$ -	\$ -
2,186	1,948	-	-
48,499	-	-	-
<u>63,777</u>	<u>2,050</u>	<u>-</u>	<u>-</u>
-	359	-	-
-	359	-	-
-	-	-	-
(557)	-	3,786,650	-
-	-	-	-
-	99,628	-	-
<u>(557)</u>	<u>99,628</u>	<u>3,786,650</u>	<u>-</u>
<u>\$ 63,220</u>	<u>\$ 102,037</u>	<u>\$ 3,786,650</u>	<u>\$ -</u>

CITY OF CASA GRANDE, ARIZONA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 June 30, 2014

	<u>Capital Projects</u>	
	<u>Community Services</u>	<u>Transportation</u>
ASSETS		
Cash	\$ 1,156	\$ 295
Investments	2,952,122	5,832,461
Receivables (less allowance for uncollectibles)	-	-
Due from other governments	-	-
Inventory	-	-
Restricted assets: cash and cash equivalents	-	-
Total assets	<u>\$ 2,953,278</u>	<u>\$ 5,832,756</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and other current liabilities	\$ -	\$ 14,524
Accrued wages and benefits	-	-
Due to other funds	-	-
Total liabilities	<u>-</u>	<u>14,524</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred/Delayed revenue	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>
 Fund balances:		
Nonspendable	-	-
Restricted	2,953,278	5,818,232
Assigned	-	-
Unassigned	-	-
Total fund balances	<u>2,953,278</u>	<u>5,818,232</u>
 Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,953,278</u>	<u>\$ 5,832,756</u>

Public Safety	Capital Projects		Total Nonmajor Governmental Funds
	Community Facilities	Airport Improvemen	
\$ -	\$ 505,408	\$ 161,313	\$ 886,201
4,373,823	-	-	19,606,383
-	2,003	-	579,035
-	-	34,950	129,281
-	-	-	93,031
-	941,621	-	941,621
<u>\$ 4,373,823</u>	<u>\$ 1,449,032</u>	<u>\$ 196,263</u>	<u>\$ 22,235,552</u>
70,219	\$ -	\$ -	\$ 216,473
-	-	-	13,874
-	2,000	-	1,084,927
<u>70,219</u>	<u>2,000</u>	<u>-</u>	<u>1,315,274</u>
-	-	34,950	48,703
-	-	34,950	48,703
-	-	-	93,031
4,303,604	1,447,032	161,313	19,311,170
-	-	-	2,044,220
-	-	-	(576,846)
<u>4,303,604</u>	<u>1,447,032</u>	<u>161,313</u>	<u>20,871,575</u>
<u>\$ 4,373,823</u>	<u>\$ 1,449,032</u>	<u>\$ 196,263</u>	<u>\$ 22,235,552</u>

CITY OF CASA GRANDE, ARIZONA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2014

REVENUES	Special Revenue				
	Municipal Airport	Parks Develop.	Community Arts	Redevelop- ment	Promotion & Tourism
Taxes:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	234,722
Intergovernmental revenues	-	-	-	-	-
Charges for services	742,940	-	-	-	-
Investment earnings	-	509	6	645	251
Rental and sale of city property	210,321	21,012	-	-	178,218
Miscellaneous	11,514	-	7,287	-	697
Total revenues	<u>964,775</u>	<u>21,521</u>	<u>7,293</u>	<u>645</u>	<u>413,888</u>
EXPENDITURES					
Current:					
General government	865,944	-	-	-	314,536
Public safety	-	-	-	-	-
Culture and recreation	-	429	14,265	-	-
Economic development	-	-	-	66,080	-
Capital outlay	-	18,124	-	-	-
Debt Service:					
Principal	17,902	-	-	-	-
Interest and fiscal charges	218	-	-	-	-
Total expenditures	<u>884,064</u>	<u>18,553</u>	<u>14,265</u>	<u>66,080</u>	<u>314,536</u>
Excess (deficiency) of revenues over (under) expenditures	<u>80,711</u>	<u>2,968</u>	<u>(6,972)</u>	<u>(65,435)</u>	<u>99,352</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	9,375	-	5,000	-	-
Transfers out	(46,030)	-	-	-	(280,000)
Total other financing sources and uses	<u>(36,655)</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>(280,000)</u>
Net change in fund balances	44,056	2,968	(1,972)	(65,435)	(180,648)
Fund balances - beginning of year	(506,367)	913,899	16,308	1,178,452	59,516
Fund balances - end of year	<u>\$ (462,311)</u>	<u>\$ 916,867</u>	<u>\$ 14,336</u>	<u>\$ 1,113,017</u>	<u>\$ (121,132)</u>

Court Enhancement	Housing Programs	Special Revenue				Debt Service	
		CDBG	Self Help Tech Asst	Home/HUD	Wildland Fire/ Public Safety	General Obligation	2009 Excise Recreation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,260,916	\$ -
-	-	-	-	-	-	-	-
8,452	83,750	196,330	-	358,149	130,463	-	-
87,328	7,798	-	-	-	-	-	-
82	66	-	-	-	9	70	-
-	-	-	-	-	-	-	-
-	3,420	19,342	-	-	29,432	-	-
<u>95,862</u>	<u>95,034</u>	<u>215,672</u>	<u>-</u>	<u>358,149</u>	<u>159,904</u>	<u>2,260,986</u>	<u>-</u>
-	-	-	-	-	-	-	-
37,970	-	-	-	-	75,086	-	-
-	-	-	-	-	-	-	3,500
-	43,411	234,583	-	318,831	-	4,500	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	545,454	675,000
-	-	-	-	-	-	1,023,901	907,535
<u>37,970</u>	<u>43,411</u>	<u>234,583</u>	<u>-</u>	<u>318,831</u>	<u>75,086</u>	<u>1,573,855</u>	<u>1,586,035</u>
<u>57,892</u>	<u>51,623</u>	<u>(18,911)</u>	<u>-</u>	<u>39,318</u>	<u>84,818</u>	<u>687,131</u>	<u>(1,586,035)</u>
0	-	-	-	-	-	427,368	1,589,095.00
(50,000)	-	-	-	-	-	(102,000)	-
<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,368</u>	<u>1,589,095</u>
7,892	51,623	(18,911)	-	39,318	84,818	1,012,499	3,060
201,731	132,232	460,509	6,542	(39,875)	14,810	2,774,151	(3,060)
<u>\$ 209,623</u>	<u>\$ 183,855</u>	<u>\$ 441,598</u>	<u>\$ 6,542</u>	<u>\$ (557)</u>	<u>\$ 99,628</u>	<u>\$ 3,786,650</u>	<u>\$ -</u>

CITY OF CASA GRANDE, ARIZONA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 For the Year Ended June 30, 2014

	Capital Projects		
	Community Services	Transportation	Public Safety
REVENUES			
Taxes:			
Property taxes	\$ -	\$ -	\$ -
Sales Tax	-	-	-
Intergovernmental revenues	-	-	-
Charges for services	129,539	484,365	282,393
Investment earnings	1,621	3,162	1,467
Rental and sale of city property	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>131,160</u>	<u>487,527</u>	<u>283,860</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Culture and recreation	-	-	-
Economic development	-	-	-
Capital outlay	-	149,032	1,357,573
Debt Service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>-</u>	<u>149,032</u>	<u>1,357,573</u>
Excess (deficiency) of revenues over (under) expenditures	<u>131,160</u>	<u>338,495</u>	<u>(1,073,713)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	2,163,062
Transfers out	-	-	(9,325)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>2,153,737</u>
Net change in fund balances	131,160	338,495	1,080,024
Fund balances - beginning of year	2,822,118	5,479,737	3,223,580
Fund balances - end of year	<u>\$ 2,953,278</u>	<u>\$ 5,818,232</u>	<u>\$ 4,303,604</u>

Capital Projects		Total
Community Facilities	Airport Improvement	Nonmajor Governmental Funds
\$ 478,137	\$ -	\$ 2,739,053
-	-	234,722
-	172,293	949,437
-	-	1,734,363
25	-	7,913
-	-	409,551
450	-	72,142
<u>478,612</u>	<u>172,293</u>	<u>6,147,181</u>
-	-	1,180,480
-	-	113,056
-	-	18,194
11,046	-	678,451
-	38,264	1,562,993
105,000	-	1,343,356
243,521	-	2,175,175
<u>359,567</u>	<u>38,264</u>	<u>7,071,705</u>
<u>119,045</u>	<u>134,029</u>	<u>(924,524)</u>
-	1,710	4,195,610
(83,300)	-	(570,655)
<u>(83,300)</u>	<u>1,710</u>	<u>3,624,955</u>
35,745	135,739	2,700,431
1,411,287	25,574	18,171,144
<u>\$ 1,447,032</u>	<u>\$ 161,313</u>	<u>\$ 20,871,575</u>



Supplementary Information

Fiduciary Funds

CITY OF CASA GRANDE, ARIZONA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL AGENCY FUNDS
 June 30, 2014

	Performance Bond Fund	Flexible Spending Plan Fund	Sun Corridor MPO Fund	Total
ASSETS				
Cash	\$ -	\$ 41,685	\$ 74,276	\$ 115,961
Investments, at fair value	<u>1,752,205</u>	<u>-</u>	<u>-</u>	<u>1,752,205</u>
Total assets	<u>1,752,205</u>	<u>41,685</u>	<u>74,276</u>	<u>1,868,166</u>
LIABILITIES				
Other liabilities	<u>1,752,205</u>	<u>41,685</u>	<u>74,276</u>	<u>1,868,166</u>
Total liabilities	<u>1,752,205</u>	<u>41,685</u>	<u>74,276</u>	<u>1,868,166</u>
NET ASSETS				
Held in trust for other purposes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CASA GRANDE, ARIZONA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 June 30, 2014

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
Performance Bond Fund				
Assets:				
Cash	\$ -	\$ 262,152	\$ (262,152)	\$ -
Investments	1,687,445	263,597	(198,837)	1,752,205
Total Assets	1,687,445	525,749	(460,989)	1,752,205
Liabilities:				
Other Liabilities	1,684,818	64,584	-	1,749,402
Accounts Payable	2,627	198,837	(198,661)	2,803
	1,687,445	263,421	(198,661)	1,752,205
Flexible Spending Plan Fund				
Assets:				
Cash	17,725	178,241	(154,281)	41,685
Total Assets	17,725	178,241	(154,281)	41,685
Liabilities:				
Other Liabilities	11,075	30,610	-	41,685
Accounts Payable	6,650	-	(6,650)	-
	17,725	30,610	-	41,685
Sun Corridor MPO				
Assets:				
Cash	-	137,303	(63,027)	74,276
Total Assets	-	137,303	(63,027)	74,276
Liabilities:				
Other Liabilities	-	67,750	-	67,750
Accounts Payable	-	6,526	-	6,526
	-	74,276	-	74,276
Totals - All Agency Funds				
Assets:				
Cash	-	137,303	(63,027)	115,961
Investments	1,687,445	263,597	(198,837)	1,752,205
Total Assets	1,687,445	400,900	(261,864)	1,868,166
Liabilities:				
Other Liabilities	1,695,893	162,944	-	1,858,837
Accounts Payable	9,277	205,363	(205,311)	9,329
Total Liabilities	\$ 1,705,170	\$ 368,307	\$ (205,311)	\$ 1,868,166



Other Supplementary Information

CITY OF CASA GRANDE, ARIZONA
GENERAL FUND
SCHEDULE OF EXPENDITURES - LEGAL LEVEL BUDGET COMPLIANCE
Year Ended June 30, 2014

EXPENDITURES	Budgeted Amounts		Actual Amounts	Budget Variance
	Original	Final		
General Government				
Mayor and Council				
Personal services	\$ 153,650	\$ 153,650	\$ 154,573	\$ (923)
Other expenditures	1,945,860	1,122,860	1,020,908	101,952
City Manager				
Personal services	753,450	753,450	762,380	(8,930)
Other expenditures	125,550	150,550	166,945	(16,395)
Attorney				
Personal services	677,610	677,610	658,754	18,856
Other expenditures	53,970	53,970	39,894	14,076
Clerk				
Personal services	298,740	298,740	249,290	49,450
Other expenditures	105,290	105,290	66,236	39,054
Finance				
Personal services	845,880	845,880	838,843	7,037
Other expenditures	187,170	187,170	191,058	(3,888)
Information Technology				
Personal services	816,960	816,960	779,360	37,600
Other expenditures	905,480	915,480	985,007	(69,527)
Administrative Services				
Personal services	557,310	557,310	557,029	281
Other expenditures	250,220	250,220	150,746	99,474
Public Safety				
Police				
Personal services	10,701,630	10,806,630	10,918,430	(111,800)
Other expenditures	2,020,240	1,990,240	1,868,717	121,523
Fire				
Personal services	5,964,210	6,714,210	6,765,136	(50,926)
Other expenditures	995,740	995,740	999,751	(4,011)
Court				
Personal services	509,740	509,740	517,910	(8,170)
Other expenditures	166,100	166,100	152,822	13,278
Animal Control				
Personal services	256,300	256,300	258,963	(2,663)
Other expenditures	79,600	99,600	94,281	5,319
Public Works				
Personal services	1,184,120	1,192,120	1,234,519	(42,399)
Other expenditures	121,250	121,750	111,983	9,767
Culture and Recreation				
Personal services	3,503,620	3,316,620	3,257,773	58,847
Other expenditures	2,329,620	2,329,620	2,329,639	(19)
Planning and Economic Development				
Personal services	1,571,390	1,571,390	1,620,649	(49,259)
Other expenditures	166,600	166,600	194,265	(27,665)
Capital Outlay	1,142,000	1,142,000	149,985	992,015
Debt service	71,920	73,420	-	73,420
Total expenditures	<u>\$ 38,461,220</u>	<u>\$ 38,341,220</u>	<u>\$ 37,095,846</u>	<u>\$ 1,245,374</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 13,200	\$ 13,200	\$ 25,402	\$ 12,202
Miscellaneous revenue	-	-	278,952	278,952
Construction sales tax	2,514,000	3,684,000	2,370,345	(1,313,655)
Total revenues	<u>2,527,200</u>	<u>3,697,200</u>	<u>2,674,699</u>	<u>(1,022,501)</u>
EXPENDITURES				
Contractual services	-	4,000	3,600	400
Lease Purchase Principal & Interest	360,490	127,170	360,021	(232,851)
Capital outlay	35,567,170	35,563,290	4,256,737	31,306,553
Total expenditures	<u>35,927,660</u>	<u>35,694,460</u>	<u>4,620,358</u>	<u>31,074,102</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(33,400,460)</u>	<u>(31,997,260)</u>	<u>(1,945,659)</u>	<u>30,051,601</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,313,670	2,313,670	2,204,220	(109,450)
Transfers out	(2,220,000)	(2,220,000)	(3,674,492)	(1,454,492)
Proceeds from obligations	36,000,000	36,000,000	-	(36,000,000)
Total other financing sources and uses	<u>36,093,670</u>	<u>36,093,670</u>	<u>(1,470,272)</u>	<u>(37,563,942)</u>
Net change in fund balance	2,693,210	4,096,410	(3,415,931)	(7,512,341)
Fund balance - beginning of year	30,540,651	30,540,651	30,540,651	-
Fund balance - end of year	<u>\$ 33,233,861</u>	<u>\$ 34,637,061</u>	<u>\$ 27,124,720</u>	<u>\$ (7,512,341)</u>

CITY OF CASA GRANDE, ARIZONA
SYSTEM DEVELOPMENT FUND
SCHEULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		
REVENUES				
Charges for services	(\$678,000)	(\$678,000)	\$105,900	\$783,900
Investment earnings	(11,850)	(11,850)	4,270	16,120
Total revenues	<u>(689,850)</u>	<u>(689,850)</u>	<u>110,170</u>	<u>800,020</u>
EXPENDITURES				
Culture and recreation	1,840,000	1,840,000	251,229	1,588,771
Capital outlay	(1,063,800)	(976,030)	74,081	(1,050,111)
Total expenditures	<u>776,200</u>	<u>863,970</u>	<u>325,310</u>	<u>538,660</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,466,050)</u>	<u>(1,553,820)</u>	<u>(215,140)</u>	<u>1,338,680</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(954,513)	(954,513)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(954,513)</u>	<u>(954,513)</u>
Net change in fund balance	(1,466,050)	(1,553,820)	(1,169,653)	384,167
Fund balance - beginning of year	7,811,235	7,811,235	7,811,235	-
Fund balance - end of year	<u>\$ 6,345,185</u>	<u>\$ 6,257,415</u>	<u>\$ 6,641,582</u>	<u>\$ 384,167</u>

CITY OF CASA GRANDE, ARIZONA
MUNICIPAL AIRPORT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Charge for service	1,295,000	1,295,000	742,940	(552,060)
Rental and sale of city property	235,600	235,000	210,321	(24,679)
Miscellaneous	10,000	10,000	11,514	1,514
Total revenues	<u>1,540,600</u>	<u>1,540,000</u>	<u>964,775</u>	<u>(575,225)</u>
EXPENDITURES				
Current:				
General government:				
Personal services	182,960	182,960	124,130	(58,830)
Contractual services	143,440	143,440	76,465	(66,975)
Materials and supplies	1,098,630	1,098,630	665,349	(433,281)
Capital outlay	1,211,000	1,211,000	-	(1,211,000)
Debt service	18,120	18,120	18,120	-
Total expenditures	<u>2,654,150</u>	<u>2,654,150</u>	<u>884,064</u>	<u>1,770,086</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,113,550)</u>	<u>(1,114,150)</u>	<u>80,711</u>	<u>1,194,861</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	10,000	9,375	(625)
Transfers out	(46,030)	(46,030)	(46,030)	-
Proceeds from obligations	1,150,000	1,150,000	-	(1,150,000)
Total other financing sources and uses	<u>1,113,970</u>	<u>1,113,970</u>	<u>(36,655)</u>	<u>(1,150,625)</u>
Net change in fund balance	420	(180)	44,056	44,236
Fund balance - beginning of year	(506,367)	(506,367)	(506,367)	-
Fund balance - end of year	<u>\$ (505,947)</u>	<u>\$ (506,547)</u>	<u>\$ (462,311)</u>	<u>\$ 44,236</u>

CITY OF CASA GRANDE, ARIZONA
 PARKS DEVELOPMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET TO ACTUAL
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 500	\$ 500	\$ 509	\$ 9
Rental and sale of City property	36,000	36,000	21,012	(14,988)
Miscellaneous	-	-	0	-
Total revenues	<u>36,500</u>	<u>36,500</u>	<u>21,521</u>	<u>(14,979)</u>
EXPENDITURES				
Current:				
Culture and recreation:				
Contractual services	-	-	429	(429)
Capital outlay	80,000	80,000	18,124	61,876
Total expenditures	<u>80,000</u>	<u>80,000</u>	<u>18,553</u>	<u>61,447</u>
Excess (deficiency) of revenues over (under) expenditures	(43,500)	(43,500)	2,968	46,468
Fund balance - beginning of year	913,899	913,899	913,899	-
Fund balance - end of year	<u>\$ 870,399</u>	<u>\$ 870,399</u>	<u>\$ 916,867</u>	<u>\$ 46,468</u>

CITY OF CASA GRANDE, ARIZONA
COMMUNITY ARTS RESERVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 15,000	\$ 15,000	\$ 7,287	\$ (7,713)
Investment earnings	-	-	6	6
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>7,293</u>	<u>(7,707)</u>
EXPENDITURES				
Current:				
Culture and recreation:				
Contractual services	7,700	6,400	14,251	(7,851)
Materials and supplies	-	17,700	14	17,686
Capital outlay	15,000	5,000	-	5,000
Total expenditures	<u>22,700</u>	<u>29,100</u>	<u>14,265</u>	<u>14,835</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,700)</u>	<u>(14,100)</u>	<u>(6,972)</u>	<u>7,128</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	5,000	-
Total other financing sources and uses	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balance	(2,700)	(9,100)	(1,972)	7,128
Fund balance - beginning of year	16,308	16,308	16,308	-
Fund balance - end of year	<u>\$ 13,608</u>	<u>\$ 7,208</u>	<u>\$ 14,336</u>	<u>\$ 7,128</u>

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 645	\$ 645
Total revenues	-	-	645	645
EXPENDITURES				
Current:				
Economic development:				
Contractual services	250,000	70,000	66,080	3,920
Total expenditures	250,000	70,000	66,080	3,920
Excess (deficiency) of revenues over (under) expenditures	(250,000)	(70,000)	(65,435)	4,565
Fund balance - beginning of year	1,178,452	1,178,452	1,178,452	-
Fund balance - end of year	\$ 928,452	\$ 1,108,452	\$ 1,113,017	\$ 4,565

CITY OF CASA GRANDE, ARIZONA
 PROMOTION AND TOURISM SPECIAL REVENUE FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Local taxes	\$ 253,000	\$ 253,000	\$ 234,722	\$ (18,278)
Miscellaneous	-	-	697	697
Facility Use	-	-	178,218	178,218
Investment earnings	200	200	251	51
Total revenues	<u>253,200</u>	<u>253,200</u>	<u>413,888</u>	<u>160,688</u>
EXPENDITURES				
Current:				
General government:				
Contractual services	100,000	100,000	119,266	(19,266)
Materials & supplies	-	-	195,270	(195,270)
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>314,536</u>	<u>(214,536)</u>
Excess (deficiency) of revenues over (under) expenditures	153,200	153,200	99,352	(53,848)
OTHER FINANCING USES				
Transfers out	(280,000)	(280,000)	(280,000)	-
Net change in fund balance	(126,800)	153,200	(180,648)	(333,848)
Fund balance - beginning of year	59,516	59,516	59,516	-
Fund balance - end of year	<u>\$ (67,284)</u>	<u>\$ 212,716</u>	<u>\$ (121,132)</u>	<u>\$ (333,848)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 7,000	\$ 7,000	\$ 8,452	\$ 1,452
Charges for services	43,000	43,000	87,328	44,328
Investment earnings	-	-	82	82
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>95,862</u>	<u>45,862</u>
EXPENDITURES				
Current:				
Public safety:				
Personal services	-	-	5,427	(5,427)
Contractual services	24,000	18,900	19,355	(455)
Materials and supplies	500	13,300	13,188	112
Capital outlay	-	500	-	500
Total expenditures	<u>24,500</u>	<u>32,700</u>	<u>37,970</u>	<u>(5,270)</u>
Excess (deficiency) of revenues over (under) expenditures	25,500	17,300	57,892	40,592
OTHER FINANCING USES				
Transfers in	-	-	-	-
Transfers out	-	-	(50,000)	(50,000)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>
Net change in fund balance	25,500	17,300	7,892	(9,408)
Fund balance - beginning of year	201,731	201,731	201,731	-
Fund balance - end of year	<u>\$ 227,231</u>	<u>\$ 219,031</u>	<u>\$ 209,623</u>	<u>\$ (9,408)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for service	\$ -	\$ -	\$ 7,798	\$ 7,798
Intergovernmental	-	-	83,750	83,750
Investment earnings	-	-	66	66
Loan fees	2,000	2,000	3,420	1,420
Total revenues	<u>2,000</u>	<u>-</u>	<u>95,034</u>	<u>93,034</u>
EXPENDITURES				
Current:				
Economic development:				
Personal services	-	200	6,170	(5,970)
Contractual services	-	32,000	36,818	(4,818)
Materials and supplies	-	200	423	(223)
Total expenditures	<u>-</u>	<u>32,400</u>	<u>43,411</u>	<u>(11,011)</u>
Excess (deficiency) of revenues over (under) expenditures	2,000	(32,400)	51,623	82,023
Fund balance - beginning of year	132,232	132,232	132,232	-
Fund balance - end of year	<u>\$ 134,232</u>	<u>\$ 99,832</u>	<u>\$ 183,855</u>	<u>\$ 82,023</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$500,000	\$500,000	\$196,330	(\$303,670)
Program income	-	-	19,342	19,342
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>215,672</u>	<u>(284,328)</u>
EXPENDITURES				
Community development				
Personal services	-	-	70,597	(70,597)
Contractual services	495,000	495,000	159,775	335,225
Materials and supplies	-	960	4,211	(3,251)
Total expenditures	<u>495,000</u>	<u>495,960</u>	<u>234,583</u>	<u>261,377</u>
Excess (deficiency) of revenues over (under) expenditures	5,000	4,040	(18,911)	(22,951)
Fund balance - beginning of year	<u>460,509</u>	<u>460,509</u>	<u>460,509</u>	-
Fund balance - end of year	<u>\$ 465,509</u>	<u>\$ 464,549</u>	<u>\$441,598</u>	<u>(\$22,951)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$131,790	\$131,790	-	(\$131,790)
Total revenues	131,790	131,790	-	(131,790)
EXPENDITURES				
Community development				
Personal services	131,790	131,790	-	131,790
Contractual services	-	-	-	-
Materials and supplies	-	-	-	-
Total expenditures	131,790	131,790	-	131,790
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance - beginning of year	6,542	6,542	6,542	-
Fund balance - end of year	\$ 6,542	\$ 6,542	\$ 6,542	\$ -

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	-	-	358,149	358,149
Total revenues	-	-	358,149	358,149
EXPENDITURES				
Community development				
Personal services	-	-	56,839	(56,839)
Contractual services	-	-	261,246	(261,246)
Materials and supplies	-	-	746	(746)
Total expenditures	-	-	318,831	(318,831)
Excess (deficiency) of revenues over (under) expenditures	-	-	39,318	39,318
Fund balance - beginning of year	(39,875)	(39,875)	(39,875)	-
Fund balance - end of year	(39,875)	(39,875)	(557)	39,318

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenue	\$236,620	\$236,620	\$130,463	(\$106,157)
Investment earnings	-	-	9	9
Contributions	19,000	19,000	29,432	10,432
Total revenues	<u>255,620</u>	<u>255,620</u>	<u>159,904</u>	<u>(95,716)</u>
EXPENDITURES				
Current:				
Wildland firefighting	236,620	236,620	50,159	186,461
Public safety activities	19,000	25,100	24,927	173
Total expenditures	<u>255,620</u>	<u>261,720</u>	<u>75,086</u>	<u>186,634</u>
Excess (deficiency) of revenues over (under) expenditures	-	(6,100)	84,818	90,918
Fund balance - beginning of year	14,810	14,810	14,810	-
Fund balance - end of year	<u>\$ 14,810</u>	<u>\$ 8,710</u>	<u>\$ 99,628</u>	<u>\$ 90,918</u>

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property tax	\$ 1,775,000	1,775,000	\$ 2,260,916	\$ 485,916
Investment earnings	-	-	70	70
Total revenues	<u>1,775,000</u>	<u>1,775,000</u>	<u>2,260,986</u>	<u>485,986</u>
EXPENDITURES				
Current:				
Contractual services	-	-	4,500	(4,500)
Debt Service				
Principal retirement	600,000	600,000	545,454	54,546
Interest	1,072,260	1,072,260	1,023,901	48,359
Total expenditures	<u>1,672,260</u>	<u>1,672,260</u>	<u>1,573,855</u>	<u>98,405</u>
Excess (deficiency) of revenues over (under) expenditures	<u>102,740</u>	<u>102,740</u>	<u>687,131</u>	<u>584,391</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	427,368	427,368
Transfers Out	(102,000)	(102,000)	(102,000)	-
Total other financing uses	<u>(102,000)</u>	<u>(102,000)</u>	<u>325,368</u>	<u>427,368</u>
Net change in fund balance	740	740	1,012,499	584,391
Fund balance - beginning of year	2,774,151	2,774,151	2,774,151	-
Fund balance - end of year	<u>\$ 2,774,891</u>	<u>\$ 2,774,891</u>	<u>\$ 3,786,650</u>	<u>\$ 584,391</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Contractual services	4,000	4,000	3,500	500
Debt Service:				
Principal retirement	675,000	675,000	675,000	-
Interest	907,540	907,540	907,535	5
Total expenditures	1,586,540	1,586,540	1,586,035	505
Excess (deficiency) of revenues over (under) expenditures	(1,586,540)	(1,586,540)	(1,586,035)	505
OTHER FINANCING SOURCES				
Transfers in	1,587,110	1,587,110	1,589,095	1,985
Total other financing uses	1,587,110	1,587,110	1,589,095	1,985
Net change in fund balance	570	570	3,060	2,490
Fund balance - beginning of year	(3,060)	(3,060)	(3,060)	-
Fund balance - end of year	\$ (2,490)	\$ (2,490)	\$ -	\$ 2,490

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 129,539	\$ 129,539
Investment earnings	4,550	4,550	1,621	(2,929)
Total revenues	<u>4,550</u>	<u>4,550</u>	<u>131,160</u>	<u>126,610</u>
EXPENDITURES				
Culture and recreation	-	-	-	-
Capital Outlay	2,500,000	-	-	-
Total expenditures	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(2,495,450)	4,550	131,160	126,610
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	(2,495,450)	4,550	131,160	126,610
Fund balance - beginning of year	2,822,118	2,822,118	2,822,118	-
Fund balance - end of year	<u>\$ 326,668</u>	<u>\$ 2,826,668</u>	<u>\$ 2,953,278</u>	<u>\$ 126,610</u>

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 484,365	\$ 484,365
Investment earnings	6,650	6,650	3,162	(3,488)
Total revenues	<u>6,650</u>	<u>6,650</u>	<u>487,527</u>	<u>480,877</u>
EXPENDITURES				
Capital Outlay	-	312,230	149,032	163,198
Total expenditures	<u>-</u>	<u>312,230</u>	<u>149,032</u>	<u>163,198</u>
Net change in fund balance	6,650	(305,580)	338,495	644,075
Fund balance - beginning of year	5,479,737	5,479,737	5,479,737	-
Fund balance - end of year	<u>\$ 5,486,387</u>	<u>\$ 5,174,157</u>	<u>\$ 5,818,232</u>	<u>\$ 644,075</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 282,393	\$ 282,393
Investment earnings	6,650	6,650	1,467	(5,183)
Total revenues	<u>6,650</u>	<u>6,650</u>	<u>283,860</u>	<u>277,210</u>
EXPENDITURES				
Capital Outlay	-	-	1,357,573	1,357,573
Total expenditures	<u>-</u>	<u>-</u>	<u>1,357,573</u>	<u>1,357,573</u>
Excess (deficiency) of revenues over (under) expenditures	6,650	6,650	(1,073,713)	(1,080,363)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,163,062	2,163,062
Transfers out	-	-	(9,325)	(9,325)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>2,153,737</u>	<u>2,153,737</u>
Net change in fund balance	6,650	6,650	1,080,024	1,073,374
Fund balance - beginning of year	3,223,580	3,223,580	3,223,580	-
Fund balance - end of year	<u>\$ 3,230,230</u>	<u>\$ 3,230,230</u>	<u>\$ 4,303,604</u>	<u>\$ 1,073,374</u>

CITY OF CASA GRANDE, ARIZONA
COMMUNITY FACILITIES DISTRICTS - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property Tax	\$ 579,800	\$ 579,800	\$ 478,137	\$ (101,663)
Developer Contribution	-	-	450	450
Investment Earnings	-	-	25	25
Total revenues	<u>579,800</u>	<u>579,800</u>	<u>478,612</u>	<u>(101,188)</u>
EXPENDITURES				
Contractual services	16,000	-	11,046	(11,046)
Capital outlay	10,000,000	9,914,200	-	9,914,200
Debt Service	<u>347,920</u>	<u>284,170</u>	<u>348,521</u>	<u>(64,351)</u>
Total expenditures	<u>10,363,920</u>	<u>10,198,370</u>	<u>359,567</u>	<u>9,838,803</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,784,120)</u>	<u>(9,618,570)</u>	<u>119,045</u>	<u>9,737,615</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Transfers out		(45,400)	(83,300)	(37,900)
Bond issuance	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>	<u>(10,000,000)</u>
Total other financing sources and uses	<u>10,000,000</u>	<u>9,954,600</u>	<u>(83,300)</u>	<u>(10,037,900)</u>
Net change in fund balance	<u>215,880</u>	<u>336,030</u>	<u>35,745</u>	<u>(300,285)</u>
Fund balance - beginning of year	<u>1,411,287</u>	<u>1,411,287</u>	<u>1,411,287</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,627,167</u>	<u>\$ 1,747,317</u>	<u>\$ 1,447,032</u>	<u>\$ (300,285)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	<u>\$ 8,500,000</u>	<u>\$ 8,500,000</u>	<u>\$ 172,293</u>	<u>\$ (8,327,707)</u>
Total revenues	<u>8,500,000</u>	<u>8,500,000</u>	<u>172,293</u>	<u>(8,327,707)</u>
EXPENDITURES				
Contractual services	-	-	-	-
Capital outlay	<u>9,000,000</u>	<u>9,000,000</u>	<u>38,264</u>	<u>8,961,736</u>
Total expenditures	<u>9,000,000</u>	<u>9,000,000</u>	<u>38,264</u>	<u>8,961,736</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(500,000)</u>	<u>(500,000)</u>	<u>134,029</u>	<u>634,029</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	1,710	1,710
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,710</u>	<u>1,710</u>
Net change in fund balance	<u>(500,000)</u>	<u>(500,000)</u>	<u>135,739</u>	<u>635,739</u>
Fund balance - beginning of year	25,574	25,574	25,574	-
Fund balance - end of year	<u><u>\$ (4,102,726)</u></u>	<u><u>\$ (4,106,626)</u></u>	<u><u>\$ 161,313</u></u>	<u><u>\$ 635,739</u></u>

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Service fees	\$ 185,800	\$ 185,800	\$ 181,120	\$ (4,680)
Miscellaneous	-	-	195	195
Total operating revenues	<u>185,800</u>	<u>185,800</u>	<u>181,315</u>	<u>(4,485)</u>
OPERATING EXPENSES:				
Personal services	19,540	71,740	71,163	577
Contractual	121,090	101,600	91,273	10,327
Materials and supplies	64,000	66,000	56,320	9,680
Capital outlay	100,500	34,600	24,380	10,220
Depreciation	-	-	-	-
Total operating expenses	<u>305,130</u>	<u>273,940</u>	<u>243,136</u>	<u>30,804</u>
Operating Income	<u>(119,330)</u>	<u>(88,140)</u>	<u>(61,821)</u>	<u>26,319</u>
NONOPERATING REVENUE (EXPENSES):				
Interest expense	(14,110)	(3,090)	(3,021)	69
Total nonoperating revenue (expense)	<u>(14,110)</u>	<u>(3,090)</u>	<u>(3,021)</u>	<u>69</u>
Income (loss) before transfers	(133,440)	(91,230)	(64,842)	26,388
Transfers out	<u>(15,520)</u>	<u>(15,520)</u>	<u>(15,520)</u>	<u>-</u>
Net change in Fund Balance	(148,960)	(106,750)	(80,362)	26,388
Fund Balance - beginning of year	1,286,334	1,286,334	1,286,334	-
Fund Balance - end of year	<u>\$ 1,137,374</u>	<u>\$ 1,179,584</u>	<u>\$ 1,205,972</u>	<u>\$ 26,388</u>

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Service fees	\$ 7,216,000	\$ 7,216,000	\$ 8,047,043	\$ 831,043
Connection fees	5,000	5,000	(3,198)	(8,198)
Miscellaneous	6,000	6,000	45,860	39,860
Total operating revenues	<u>7,227,000</u>	<u>7,227,000</u>	<u>8,089,705</u>	<u>862,705</u>
OPERATING EXPENSES:				
Personal services	872,510	872,510	881,171	(8,661)
Contractual	2,655,190	2,384,390	1,548,267	836,123
Materials and supplies	1,728,530	2,003,530	1,389,592	613,938
Capital outlay	1,298,000	147,300	253,016	(105,716)
Depreciation	-	-	-	-
Total operating expenses	<u>6,554,230</u>	<u>5,407,730</u>	<u>4,072,046</u>	<u>1,335,684</u>
Operating Income	<u>672,770</u>	<u>1,819,270</u>	<u>4,017,659</u>	<u>2,198,389</u>
NONOPERATING REVENUE (EXPENSES):				
Interest income	(5,100)	(5,100)	4,750	9,850
Interest expense	(4,314,720)	(5,461,220)	(2,309,188)	3,152,032
Total nonoperating revenue (expense)	<u>(4,319,820)</u>	<u>(5,466,320)</u>	<u>(2,304,438)</u>	<u>3,161,882</u>
Income (loss) before contributions and transfers	<u>(3,647,050)</u>	<u>(3,647,050)</u>	<u>1,713,221</u>	<u>5,360,271</u>
Transfers in	1,500,000	1,500,000	4,938,770	3,438,770
Transfers out	<u>(3,884,350)</u>	<u>(3,884,350)</u>	<u>(3,851,990)</u>	<u>32,360</u>
Excess (deficiency) of revenues				
Net change in Fund Balance	<u>(6,031,400)</u>	<u>(6,031,400)</u>	<u>2,800,001</u>	<u>8,831,401</u>
Fund Balance - beginning of year	<u>41,522,397</u>	<u>41,522,397</u>	<u>41,522,397</u>	<u>-</u>
Prior period adjustment	-	-	1,269,706	1,269,706
Net Assets - beginning of year - restated	<u>41,522,397</u>	<u>41,522,397</u>	<u>42,792,103</u>	<u>1,269,706</u>
Fund Balance - end of year	<u>\$ 35,490,997</u>	<u>\$ 35,490,997</u>	<u>\$ 45,592,104</u>	<u>\$ 10,101,107</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Fees	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-
OPERATING EXPENSES:				
Depreciation	193,000	193,000	86,690	106,310
Total operating expenses	193,000	193,000	86,690	106,310
Operating Income	(193,000)	(193,000)	(86,690)	106,310
NONOPERATING REVENUE :				
Interest income	(4,000)	(4,000)	1,869	5,869
Total nonoperating revenue	(4,000)	(4,000)	1,869	5,869
Income (loss) before transfers	(197,000)	(197,000)	(84,821)	112,179
Impact fees	193,000	193,000	569,621	376,621
Transfers out	(1,500,000)	(1,500,000)	(3,630,000)	(2,130,000)
Net change in Fund Balance	(1,504,000)	(1,504,000)	(3,145,200)	(1,641,200)
Fund Balance - beginning of year	12,349,623	12,349,623	12,349,623	-
Fund Balance - end of year	\$ 10,845,623	\$ 10,845,623	\$ 9,204,423	\$ (1,641,200)

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Service fees	\$ 6,500,000	\$ 6,500,000	\$ 6,230,286	\$ (269,714)
Recycling revenue	116,000	116,000	155,266	39,266
Miscellaneous	3,000	3,000	10,750	7,750
Total operating revenues	<u>6,619,000</u>	<u>6,619,000</u>	<u>6,396,302</u>	<u>(222,698)</u>
OPERATING EXPENSES:				
Personal services	2,528,240	2,528,240	2,410,337	117,903
Contractual	1,314,940	1,314,940	1,260,492	54,448
Materials and supplies	930,570	930,570	739,767	190,803
Capital outlay	2,456,750	2,456,750	650,001	1,806,749
Depreciation	-	-	-	-
Closure and postclosure costs	150,000	150,000	88,806	61,194
Total operating expenses	<u>7,380,500</u>	<u>7,380,500</u>	<u>5,149,403</u>	<u>2,231,097</u>
Operating Income	<u>(761,500)</u>	<u>(761,500)</u>	<u>1,246,899</u>	<u>2,008,399</u>
NONOPERATING REVENUE (EXPENSES):				
Interest income	(2,000)	(2,000)	2,298	4,298
Interest expense	(2,240)	(2,240)	-	2,240
Total nonoperating revenue (expense)	<u>(4,240)</u>	<u>(4,240)</u>	<u>2,298</u>	<u>6,538</u>
Income before transfers	(765,740)	(765,740)	1,249,197	2,014,937
Transfers in	860,000	860,000	-	(860,000)
Transfers out	<u>(1,238,770)</u>	<u>(1,238,770)</u>	<u>(668,971)</u>	<u>569,799</u>
Net change in Fund Balance	(2,004,510)	(2,004,510)	580,226	2,584,736
Fund Balance - beginning of year	<u>6,187,043</u>	<u>6,187,043</u>	<u>6,187,043</u>	<u>-</u>
Fund Balance - end of year	<u>\$ 4,182,533</u>	<u>\$ 4,182,533</u>	<u>\$ 6,767,269</u>	<u>\$ 2,584,736</u>

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Rental	\$ 143,520	\$ 143,520	\$ 144,415	\$ 895
Green fees	1,084,010	1,084,010	931,599	(152,411)
Miscellaneous	3,000	3,000	2,609	(391)
Total operating revenues	<u>1,230,530</u>	<u>1,230,530</u>	<u>1,078,623</u>	<u>(151,907)</u>
OPERATING EXPENSES:				
Personal services	516,840	484,940	392,253	92,687
Contractual	205,350	205,350	212,095	(6,745)
Materials and supplies	437,800	436,800	378,761	58,039
Capital outlay	130,000	161,900	55,102	106,798
Depreciation	-	-	-	-
Total operating expenses	<u>1,289,990</u>	<u>1,288,990</u>	<u>1,038,211</u>	<u>250,779</u>
Operating Income	<u>(59,460)</u>	<u>(58,460)</u>	<u>40,412</u>	<u>98,872</u>
NONOPERATING REVENUE (EXPENSE):				
Interest expense	(102,000)	-	(46,895)	(46,895)
City sales tax	(19,000)	(19,000)	29,098	48,098
Total nonoperating revenue	<u>(121,000)</u>	<u>(122,000)</u>	<u>(17,797)</u>	<u>104,203</u>
Income (loss) before transfers	(180,460)	(180,460)	22,615	203,075
Transfers in	222,000	222,000	222,000	-
Transfers out	<u>(103,940)</u>	<u>(103,940)</u>	<u>(103,940)</u>	<u>-</u>
Net change in Fund Balance	(62,400)	(62,400)	140,675	203,075
Fund Balance - beginning of year	1,036,745	1,036,745	1,036,745	-
Fund Balance - end of year	<u>\$ 974,345</u>	<u>\$ 974,345</u>	<u>\$ 1,177,420</u>	<u>\$ 203,075</u>

CITY OF CASA GRANDE, ARIZONA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY SOURCE
 June 30, 2014

Governmental funds capital assets:	
Land and construction in progress	\$ 19,689,804
Buildings	70,120,490
Improvements other than buildings	228,808,168
Machinery and equipment	<u>24,214,443</u>
 Total governmental funds capital assets	 <u><u>\$ 342,832,905</u></u>
 Investments in governmental funds capital assets by source:	
General obligation bonds	\$ 6,531,784
Grants	4,724,444
General Fund revenues	12,282,625
Special Revenue Fund revenues	122,527,289
Capital Project Funds	88,469,448
Gifts and donations	<u>108,297,315</u>
 Total investments in governmental funds capital assets	 <u><u>\$ 342,832,905</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, 2014

Function and Activity	General Capital Assets June 30, 2013	Additions	Adjustments/ Disposals	General Capital Assets June 30, 2014
General government	\$ 17,197,576	\$ 1,811,829	\$ -	\$ 19,009,405
Public safety	43,631,922	1,645,614	(971,338)	44,306,198
Streets/Transportation	206,842,335	5,156,273	-	211,998,608
Public works	7,099,275	2,038,183	(19,404)	9,118,054
Culture and recreation	40,030,494	-	(38,545)	39,991,949
Economic development	18,408,691	-	-	18,408,691
Total	<u>\$ 333,210,293</u>	<u>\$ 10,651,899</u>	<u>\$ (1,029,287)</u>	<u>\$ 342,832,905</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.



Statistical Section



Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	130
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.	140
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.	144
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.	153
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.	156

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

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

	June 30				
	2005	2006	2007	2008	2009
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>	<u>2014</u>
\$ 169,037,582	\$ 163,072,110	\$ 161,430,232	\$ 157,440,959	\$ 151,713,255
66,259,746	68,817,721	37,158,304	40,395,789	23,313,575
24,786,399	20,795,291	48,679,263	46,777,093	61,348,678
<u>\$ 260,083,727</u>	<u>\$ 252,685,122</u>	<u>\$ 247,267,799</u>	<u>\$ 244,613,841</u>	<u>\$ 236,375,508</u>
\$ 46,698,154	\$ 47,003,748	\$ 49,361,435	\$ 47,631,810	\$ 50,220,938
11,962,381	10,324,306	11,742,168	9,245,649	6,187,139
5,103,985	7,429,067	3,708,031	5,504,681	5,332,500
<u>\$ 63,764,520</u>	<u>\$ 64,757,120</u>	<u>\$ 64,811,634</u>	<u>\$ 62,382,140</u>	<u>\$ 61,740,577</u>
\$ 215,735,736	\$ 210,847,017	\$ 210,791,667	\$ 205,072,769	\$ 201,934,193
78,222,127	78,350,244	48,900,472	49,641,438	29,500,714
29,890,384	28,244,981	52,387,294	52,281,774	66,681,178
<u>\$ 323,848,247</u>	<u>\$ 317,442,242</u>	<u>\$ 312,079,433</u>	<u>\$ 306,995,981</u>	<u>\$ 298,116,085</u>

Schedule 2
City of Casa Grande
Changes in Net Position
Last Ten 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>	<u>2014</u>
\$ 6,961,775	\$ 6,875,962	\$ 6,943,378	\$ 6,766,944	\$ 7,010,252
20,366,672	20,265,216	22,629,105	24,280,544	25,534,564
12,007,921	12,554,956	13,442,435	12,494,463	13,511,907
2,335,926	2,067,097	2,542,009	3,205,901	2,666,121
6,828,387	7,103,723	7,247,394	7,273,320	7,859,818
4,700,480	3,731,265	3,186,873	3,117,655	3,269,820
2,145,146	2,436,221	2,670,881	2,367,185	2,333,855
<u>55,346,307</u>	<u>55,034,440</u>	<u>58,662,075</u>	<u>59,506,012</u>	<u>62,186,337</u>
153,150	215,969	173,396	342,086	304,629
1,135,284	1,028,639	1,370,883	1,182,158	1,345,626
1,144,798	1,213,808	1,369,817	1,112,963	960,368
9,736	12,018	26,595	60,757	33,133
469,536	771,516	601,627	443,652	502,803
1,414,107	1,023,436	161,576	2,198,089	110,170
494,055	342,553	290,999	988,908	846,542
55,896	65,715	40,880	74,375	16,393
842,301	376,785	429,012	416,676	163,809
7,469,173	6,266,856	7,420,053	6,823,705	7,163,717
4,841,012	315,613	3,507,353	10,177,899	1,333,697
<u>18,029,048</u>	<u>11,632,908</u>	<u>15,392,191</u>	<u>23,821,268</u>	<u>12,780,887</u>
<u>\$ (37,317,259)</u>	<u>\$ (43,401,532)</u>	<u>\$ (43,269,884)</u>	<u>\$ (35,684,744)</u>	<u>\$ (49,405,450)</u>
7,422,710	6,570,203	6,439,021	6,877,452	6,197,813
19,776,002	18,973,408	18,901,163	19,242,309	19,650,998
1,947,031	2,196,398	2,201,312	2,248,227	2,248,466
2,382,825	2,590,692	3,795,352	3,975,626	4,227,755
4,106,244	2,897,028	4,099,428	4,961,423	5,413,854
2,034,181	1,992,071	2,137,645	2,129,894	2,259,469
107,521	108,552	67,705	3,586	330,546
-	-	-	-	-
625,779	81,130	121,530	49,172	112,756
<u>(631,320)</u>	<u>593,445</u>	<u>94,464</u>	<u>1,337,500</u>	<u>725,460</u>
<u>37,770,973</u>	<u>36,002,927</u>	<u>37,857,620</u>	<u>40,825,189</u>	<u>41,167,117</u>
<u>\$ 453,714</u>	<u>\$ (7,398,605)</u>	<u>\$ (5,412,264)</u>	<u>\$ 5,140,445</u>	<u>\$ (8,238,333)</u>

Schedule 3
City of Casa Grande
Changes in Net Position
Last Ten 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	<u>6,639,209</u>	<u>7,703,147</u>	<u>10,539,654</u>	<u>9,648,930</u>	<u>11,496,830</u>
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	<u>16,135,583</u>	<u>24,446,349</u>	<u>17,439,382</u>	<u>15,620,247</u>	<u>12,097,924</u>
Total Business-type Activities Net Program Expense	<u>\$ 9,496,374</u>	<u>\$ 16,743,202</u>	<u>\$ 6,899,728</u>	<u>\$ 5,971,317</u>	<u>\$ 601,094</u>
Other Changes in Net Position					
Transfers	(99,000)	(349,200)	(449,800)	(525,942)	563,426
Total Business-type Activities Change in Net Position	<u>\$ 9,397,374</u>	<u>\$ 16,394,002</u>	<u>\$ 6,449,928</u>	<u>\$ 5,445,375</u>	<u>\$ 1,164,520</u>
Total Primary Government Change in Net Position	<u>\$ 30,003,114</u>	<u>\$ 83,015,749</u>	<u>\$ 50,155,715</u>	<u>\$ 49,389,583</u>	<u>\$ 8,972,166</u>

	2010	2011	2012	2013	2014
\$	159,718	\$ 150,493	\$ 190,786	\$ 226,382	\$ 286,210
	1,243,440	1,203,084	1,303,013	1,299,400	1,212,036
	5,528,871	5,561,882	9,786,826	9,188,433	9,361,298
	4,653,383	5,028,014	5,060,239	4,953,994	5,410,150
	<u>11,585,412</u>	<u>11,943,473</u>	<u>16,340,864</u>	<u>15,668,209</u>	<u>16,269,694</u>
	162,094	167,772	185,176	173,935	181,120
	1,066,642	1,119,396	1,066,136	994,534	1,076,014
	6,049,625	6,304,052	6,871,045	6,541,782	8,027,267
	5,151,563	5,858,238	6,264,192	6,151,881	6,385,562
	26,657	28,802	29,539	25,737	29,098
	8,383	45,969	15,397	40,519	8,917
	10,473	5,289	21,139	60,209	57,654
	895,826	-	2,337,217	545,163	587,959
	<u>13,371,263</u>	<u>13,529,518</u>	<u>16,789,841</u>	<u>14,533,760</u>	<u>16,353,591</u>
\$	<u>1,785,851</u>	<u>\$ 1,586,045</u>	<u>\$ 448,977</u>	<u>\$ (1,134,449)</u>	<u>\$ 83,897</u>
	631,320	(593,445)	(94,464)	(1,337,500)	(725,460)
\$	<u>2,417,171</u>	<u>\$ 992,600</u>	<u>\$ 354,513</u>	<u>\$ (2,471,949)</u>	<u>\$ (641,563)</u>
\$	<u>2,870,885</u>	<u>\$ (6,406,005)</u>	<u>\$ (5,057,751)</u>	<u>\$ 2,668,496</u>	<u>\$ (8,879,896)</u>

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

	2005	2006	2007	2008	2009
General Fund					
Reserved	\$ 1,115,310	\$ 1,476,273	\$ 1,959,234	\$ 2,548,121	\$ 3,153,554
Unreserved	11,150,642	17,796,454	25,521,015	30,572,472	30,402,947
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>\$ 12,265,952</u>	<u>\$ 19,272,727</u>	<u>\$ 27,480,249</u>	<u>\$ 33,120,593</u>	<u>\$ 33,556,501</u>
All Other Governmental Funds					
Reserved	\$ 6,252,078	\$ 4,250,108	\$ 4,413,184	\$ 32,896,933	\$ 25,327,803
Unreserved, reported in:					
Special revenue funds	15,594,386	28,612,756	43,633,806	49,835,900	39,794,807
Capital projects funds	2,479,265	5,365,147	10,701,962	77,406	8,084
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 24,325,729</u>	<u>\$ 38,228,011</u>	<u>\$ 58,748,952</u>	<u>\$ 82,810,239</u>	<u>\$ 65,130,694</u>

*FY2011: Implementation of GASB-54 Fund Balance Classification

Fiscal Year				
2010	2011*	2012	2013	2014
\$ 3,815,142	\$ -	\$ -	\$ -	\$ -
25,262,863	-	-	-	-
-	7,411	6,023	6,264	6,281
-	33,225	4,202,039	4,701,221	5,163,565
-	23,342,866	-	-	-
-	-	19,251,625	14,550,404	13,384,358
-	1,247,242	502,264	5,281,667	6,892,105
<u>\$ 29,078,005</u>	<u>\$ 24,630,744</u>	<u>\$ 23,961,951</u>	<u>\$ 24,539,556</u>	<u>\$ 25,446,309</u>
\$ 39,966,314	\$ -	\$ -	\$ -	\$ -
40,446,857	-	-	-	-
151,896	-	-	-	-
-	57,949	60,783	66,983	93,031
-	13,250,249	33,542,117	35,694,573	32,227,498
-	1,083,515	15,628,386	2,523,457	-
-	50,374,649	13,156,163	27,643,540	29,168,940
-	(378,345)	(385,290)	(576,410)	(576,846)
<u>\$ 80,565,067</u>	<u>\$ 64,388,017</u>	<u>\$ 62,002,159</u>	<u>\$ 65,352,143</u>	<u>\$ 60,912,623</u>

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

	2005	2006	2007	2008	2009
Revenues					
Taxes	\$ 15,388,557	\$ 18,585,602	\$ 26,706,698	\$ 32,840,670	\$ 31,334,264
Licenses and permits	2,156,170	3,632,214	2,756,899	1,881,951	808,414
Intergovernmental revenues	11,911,931	15,208,404	18,007,273	20,798,409	17,188,146
Charges for services	9,853,065	16,390,930	16,678,803	10,171,890	2,188,466
Fines	739,283	734,495	826,533	815,081	1,092,331
Special assessments	217,895	354,840	28,907	29,691	21,092
Investment earnings	466,925	1,508,717	3,222,176	3,202,760	815,213
Rental and sale of city property	701,633	1,071,511	1,459,760	1,546,935	1,645,235
Other revenues	720,093	1,198,605	720,635	608,700	536,204
Total revenues	42,155,552	58,685,318	70,407,684	71,896,087	55,629,365
Expenditures					
General government	4,300,175	5,230,006	5,921,449	8,076,361	8,996,033
Public safety	11,344,629	12,957,767	14,155,865	16,983,507	18,594,022
Streets/Transportation	1,908,050	2,168,597	2,846,301	2,323,097	2,991,139
Public works	734,391	1,650,860	2,063,253	1,684,699	1,716,458
Culture and recreation	3,654,964	4,446,967	4,828,294	5,463,871	5,222,719
Planning and economic development	2,242,438	3,914,867	4,821,056	4,965,772	3,425,837
Capital outlay	4,526,914	6,149,634	8,251,421	11,030,175	27,511,902
Debt service					
Principal	799,546	1,206,388	882,247	1,226,548	5,313,821
Interest	477,428	484,775	707,501	607,351	955,207
Total expenditures	29,988,535	38,209,861	44,477,387	52,361,381	74,727,138
Other Financing Sources (Uses)					
Transfers in	2,686,632	5,808,434	6,844,898	8,101,980	5,630,797
Transfers out	(2,530,831)	(5,374,834)	(6,311,098)	(7,483,839)	(5,922,924)
Capital leases	3,500,000	-	-	-	-
Bond issuance	1,335,000	-	455,000	9,000,000	750,000
Bond issuance costs	(159,557)	-	-	(30,201)	(103,736)
Sale of land	-	-	1,809,371	578,989	1,500,000
Total other financing sources (uses)	4,831,244	433,600	2,798,171	10,166,929	1,854,137
Net change in fund balances	\$ 16,998,260	\$ 20,909,057	\$ 28,728,468	\$ 29,701,636	\$ (17,243,635)
 Debt service as a percentage of noncapital expenditures	 5.02%	 5.27%	 4.39%	 4.44%	 13.28%

Fiscal Year				
2010	2011	2012	2013	2014
\$ 29,088,943	\$ 27,556,571	\$ 27,524,503	\$ 28,352,139	\$ 28,304,305
656,902	546,628	494,921	1,263,721	1,055,340
16,769,422	14,151,581	17,627,429	20,814,430	19,166,537
2,058,720	1,661,339	2,856,201	4,024,127	2,614,233
978,765	807,884	756,454	735,217	707,660
8,883	-	-	-	-
107,521	108,549	67,707	3,586	339,728
2,106,527	1,489,826	502,054	537,055	536,601
514,473	349,597	1,599,077	477,857	968,313
<u>52,290,156</u>	<u>46,671,975</u>	<u>51,428,346</u>	<u>56,208,132</u>	<u>53,692,717</u>
8,055,272	8,026,262	7,932,235	7,473,914	7,801,503
18,957,126	19,691,260	20,516,232	22,089,961	22,673,464
2,521,337	2,770,032	3,287,682	2,717,802	2,645,606
2,192,317	1,959,265	1,913,991	2,040,691	1,350,102
5,792,331	5,847,772	5,939,441	6,041,037	6,413,990
3,550,938	2,652,964	2,467,005	2,424,452	2,526,552
31,846,819	24,677,470	8,999,838	10,215,671	10,651,896
2,484,637	1,899,760	3,669,732	1,718,222	1,528,344
2,125,295	2,594,138	2,733,203	2,343,898	2,448,448
<u>77,526,072</u>	<u>70,118,923</u>	<u>57,459,359</u>	<u>57,065,648</u>	<u>58,039,905</u>
12,829,121	11,790,392	17,492,942	7,243,155	8,818,190
(13,965,253)	(11,101,760)	(17,303,578)	(5,786,655)	(8,003,769)
-	-	2,787,000	3,328,600	-
37,800,000	2,200,000	-	-	-
(472,067)	(66,000)	-	-	-
-	-	-	-	-
<u>36,191,801</u>	<u>2,822,632</u>	<u>2,976,364</u>	<u>4,785,100</u>	<u>814,421</u>
<u>\$ 10,955,886</u>	<u>\$ (20,624,316)</u>	<u>\$ (3,054,649)</u>	<u>\$ 3,927,584</u>	<u>\$ (3,532,767)</u>
10.09%	9.89%	13.21%	8.67%	8.39%

Schedule 6
City of Casa Grande
Sales Tax Revenue by Industry
Fiscal Years 2009 - 2014

	Fiscal Year 2009		Fiscal Year 2010		Fiscal Year 2011	
	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total
Construction	\$ 6,722,392	28.81%	\$ 3,558,323	17.82%	\$ 2,545,580	13.36%
Manufacture	597,311	2.56%	594,982	2.98%	575,026	3.02%
Transportation/Communication/ Utilities	1,761,603	7.55%	2,053,502	10.29%	2,009,759	10.55%
Wholesale Trade	277,315	1.19%	238,731	1.20%	246,612	1.29%
Retail Trade	9,585,867	41.08%	9,361,417	46.89%	9,430,292	49.51%
Restaurants/Bars	1,221,532	5.23%	1,228,270	6.15%	1,227,699	6.45%
Insurance/Real Estate	1,869,128	8.01%	1,751,628	8.77%	1,793,481	9.42%
Hotels/Lodging	462,489	1.98%	390,430	1.96%	449,581	2.36%
Services	560,571	2.40%	433,326	2.17%	432,552	2.27%
All Other	276,032	1.18%	355,036	1.78%	336,162	1.76%
Total	\$ 23,334,240	100.00%	\$ 19,965,645	100.00%	\$ 19,046,744	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 2012		Fiscal Year 2013		Fiscal Year 2014	
Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total
\$ 1,802,508	9.41%	\$ 2,151,068	11.04%	\$ 2,590,980	12.90%
461,262	2.41%	427,104	2.19%	423,393	2.11%
2,217,902	11.57%	2,220,570	11.39%	2,279,738	11.35%
287,453	1.50%	276,385	1.42%	390,045	1.94%
9,836,562	51.33%	9,549,885	49.00%	9,453,064	47.06%
1,285,661	6.71%	1,348,805	6.92%	1,411,036	7.02%
1,897,474	9.90%	1,941,221	9.96%	1,955,194	9.73%
483,410	2.52%	564,426	2.90%	445,971	2.22%
500,029	2.61%	603,372	3.10%	577,454	2.87%
391,070	2.04%	405,733	2.08%	561,765	2.80%
<u>\$ 19,163,329</u>	<u>100.00%</u>	<u>\$ 19,488,568</u>	<u>100.00%</u>	<u>\$ 20,088,640</u>	<u>100.00%</u>

Schedule 7
City of Casa Grande
Direct and Overlapping Sales Tax Rates
As of June 30, 2014

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%	\$.366/gal	NA
Real Property Rental			
Commercial	1.8%	0.5%	2.3%
Residential	1.8%	0.0%	1.8%
All Other Services Not Specified	1.8%	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



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
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	26,903,389	17,554,432	-	7,831,620	1,189,726	12,002,655
2014	26,252,044	16,824,237	-	7,470,835	1,133,770	11,187,135

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>
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%	2,412.82
-	50,024,722	115,506,544	8.59%	2,296.54
-	47,671,092	110,539,113	8.22%	2,170.07

Schedule 9
City of Casa Grande
Ratio of General Bonded Debt Outstanding
Last Nine 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
2006	1,335,000	8,183,338	16.31%	NA	
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%	173	
2010	2,430,000 (1)	249,681,000	0.97%	807	
2010	26,234,999 (2)	3,680,064,800	0.71%	515	
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%	493	545,000
2012	4,235,000 (1)	313,880,004	1.35%	1,366	100,000
2012	24,565,000 (2)	3,145,296,113	0.78%	482	625,000
2013	4,135,000 (1)	269,324,094	1.54%	820	105,000
2013	23,940,000 (2)	2,788,057,728	0.86%	470	600,000
2014	4,030,000 (1)	279,975,183	1.44%	799	110,000
2014	23,340,000 (2)	2,833,543,388	0.82%	458	595,000

(a) Source: Pinal County Assessor's records

(b) Estimated population of Mission Royale CFD 6/30/14 3,417
 Estimated population of Villago CFD 6/30/14 1,625
 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 50,938

(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, 2014

<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	\$ 7,800,000	82.26%	\$ 6,417,120
Union High School District #82	27,045,000	65.40%	17,688,665
Central Arizona Community College	88,680,000	16.54%	14,671,186
Mission Royale CFD	1,135,000	100.00%	1,135,000
Villago CFD	2,895,000	100.00%	<u>2,895,000</u>
Subtotal, overlapping debt			\$ 42,806,971
City direct debt	46,517,123	100.00%	<u>46,517,123</u>
Total direct and overlapping debt			<u><u>\$ 89,324,094</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, 2014

Net Secondary Assessed Valuation as of June 30, 2014 (a)	\$ <u>325,217,937</u>
Debt limit (6% of assessed value)	19,513,076
Debt applicable to limit:	
General obligation bonds	<u>0</u>
Legal 6% debt margin	<u>\$ 19,513,076</u>
Debt limit (20% of assessed value)	65,043,587
Debt applicable to limit:	
General obligation bonds	27,370,000
Legal 20% debt margin	<u>\$ 37,673,587</u>

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

(a) Source: Pinal County Assessor's records

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 Eight Fiscal Years

Fiscal Year	Special Assessment Bonds					Excise Tax Revenue Obligations		
	Transaction Privilege (Sales) Tax (a)(b)	State Shared	State Shared	Franchise Tax	Licenses & Permits/Fines & Forfeitures	Debt Service		Coverage
		Sales Tax	Income Tax			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	2,248,227	1,951,976	1,570,000	1,457,260	10.46
2014	19,143,334	4,227,755	5,413,854	2,248,466	1,727,402	1,385,000	1,403,535	11.75

(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 eight 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
2014	945,306

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		
2005	\$1,844,115	\$1,843,113	1,002	99.9%	(\$5,388)
2006	1,943,065	1,941,729	1,336	99.9%	(\$1,818)
2007	2,324,339	2,321,785	2,555	99.9%	(38,322)
2008	5,293,078	5,286,963	6,115	99.9%	(109,585)
2009	5,969,191	5,938,792	30,399	99.5%	(19,966)
2010	5,760,833	5,745,748	15,085	99.7%	(20,266)
2011	5,455,768	5,432,627	23,140	99.6%	(24,377)
2012	5,592,066	5,564,595	27,471	99.5%	(46,578)
2013	5,357,693	5,257,807	99,886	98.1%	(16,732)
2014	5,369,128	2,514,902	2,854,226	46.8%	(9,079)

(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
2014	\$0.9999	\$0.6308	\$1.6307

Source: *City of Casa Grande*

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

Taxpayers (a)(b)	Type of Business/Property	Estimated 2013-14 Net Secondary Assessed Valuation	As Percent of City's 2013-14 Net Secondary Assessed Valuation
Arizona Public Service Co.	Electric Utility	\$11,928,844	3.67%
Wp Casa Grande Retail LLC	Retailer	10,113,728	3.11%
Wal-Mart Stores East LP	Retailer	8,224,465	2.53%
Daisy Brand LLC	Dairy Product Manufacturing	5,040,933	1.55%
Abbott Manufacturing Inc.	Gas Utility	5,029,705	1.55%
Southwest Gas Corp.	Pharmaceutical Manufacturing	3,483,062	1.07%
CG Hanna LLC	Real Estate Management	3,767,786	1.16%
Hexel Corp.	Manufacturing	3,255,127	1.00%
Arizona Water Co.	Water Utility	2,819,962	0.87%
Courtney Mann LLC	Vitamin Distributor	2,334,540	0.72%
Daisy Brand LP	Dairy Product Manufacturing	2,462,642	0.76%
Wal-Mart Stores Inc.	Retailer	2,382,379	0.73%
Lowe's HIW Inc.	Home Improvement & Construction	1,916,710	0.59%
HSL Desert Sands Properties LLC	Real Estate Management	2,116,873	0.65%
Target Corporation Property Dev.	Retailer	1,972,857	0.61%
TOTAL		\$66,849,613	20.56%

(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
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%
2014	50,938	21,409	1,090,531,642	11,720	8.40%

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	2014		2001 (a)	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Casa Grande Elementary School District	1,076	5.55%	625	4.52%
Casa Grande Regional Medical Center	900	4.64%	788	5.70%
Hexcel Corporation	550	2.84%	562	4.07%
Wal-Mart Distribution Center	574	2.96%	-	0.00%
Wal-Mart Supermarket	340	1.75%	-	0.00%
Frito-Lay Inc.	450	2.32%	302	2.19%
Abbott Laboratories/Ross Products	435	2.24%	397	2.87%
City of Casa Grande	444	2.29%	251	1.82%
National Vitamin Company	270	1.39%	-	0.00%
Franklin Foods	175	0.90%	-	0.00%
Sam's Club	144	0.74%	-	0.00%
All Others	14,034	72.37%	10,891	78.83%
	19,392	100.00%	13,816	100.00%

Sources:

City of Casa Grande
Access Arizona
AZ Department of Commerce

(a) Employment data from 2004 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	
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
2014	46.7	142.1	62.3	76.4	21.0	100.6	449.1

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Registered voters	15,919	13,239	13,946	19,331	20,805	20,805	20,805	20,805	20,417	20,417
Votes cast last primary election	1,428	1,428	2,364	2,364	2,400	2,400	4,182	4,182	3,886	3,886
Fire										
Medical support calls	3,427	3,766	3,778	4,286	4,689	4,289	4,849	4,941	5,155	5,400
Total alarms	4,557	5,137	5,194	5,642	5,050	5,703	6,397	6,515	6,685	6,951
Inspections/investigations	487	390	986	1,512	1,505	883	1,051	1,458	910	687
Public education contacts	11,764	8,884	10,164	19,801	25,064	15,812	12,622	18,743	26,225	15,556
Police										
Calls for service	38,869	39,365	42,412	41,126	40,893	38,629	38,660	34,213	31,308	22,079
Officer initiated	69,412	69,936	72,028	71,626	76,263	72,807	85,032	78,125	88,023	74,271
Patrolled miles	702,062	706,375	802,935	864,421	939,398	983,100	1,005,416	974,867	991,778	696,743
Traffic accidents	1,046	1,213	1,121	1,104	991	974	942	938	874	843
Traffic citations	7,068	6,127	6,136	6,943	7,025	6,107	5,171	6,008	7,836	7,912
Arrests (adult and juvenile)	4,614	4,055	3,840	4,015	3,981	4,738	3,737	4,052	4,098	4,760
Culture and recreation - library (a) (b) (c)										
Items in collections	86,364	73,984	74,311	75,863	79,920	113,480	114,257	117,108	454,700	645,813
Total circulation transactions	170,875	187,063	225,043	229,446	270,473	329,790	368,693	361,334	376,405	359,585
Total circulation items	51,915	49,718	73,079	75,840	78,727	98,937	70,820	69,376	129,695	124,944
Economic development										
Building permits - commercial	273	339	143	195	114	90	95	63	94	63
Building permits - residential	2,565	3,501	1,454	777	329	369	291	259	264	215
Self-help homes completed	6	20	25	25	25	12	12	11	0	0
Self-help homes started	26	27	25	26	25	12	12	14	0	0
Housing rehabilitations	9	12	12	12	12	12	12	11	21	17
Code enforcement cases	1,059	1,704	984	1,150	1,331	1,317	2,104	1,203	1,206	1,349
Planning cases	154	334	193	85	95	90	121	110	133	152

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

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Fire stations	3	3	3	3	3	3	4	4	4	4
Parks and recreation										
Park areas	24	24	25	26	26	27	27	27	27	27
Parkland acreage	1,370	1,370	1,371	1,387	1,396	1,566	1,611	1,611	1,611	1,611
Community centers	4	4	4	5	5	5	5	5	5	5
Golf courses	1	1	1	1	1	1	1	1	1	1
Playgrounds	22	24	24	25	26	26	26	26	26	26
Other maintenance areas	85	87	88	93	93	95	97	97	99	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**	2,011	2,217	3,130	3,302	3,500	3,363	5,340	5,340	3,948	3,988
Miles of streets (centerline)**	354	375	375	389	410	410	410	414	409	403
Miles of sewer**	160	300	375	450	455	455	455	455	284	290
Number of lift stations	10	9	9	9	10	10	10	10	10	10
Number of signalized intersections*	27	31	31	35	38	39	41	41	41	42

* Includes ADOT signalized intersections

**Enhanced GIS information utilized beginning in FY2013

Sources: Various City departments



Single Audit Section



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

Honorable Mayor and Council
City of Casa Grande
Casa Grande, AZ

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 and each major fund of City of Casa Grande, Arizona as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise City of Casa Grande, Arizona's basic financial statements, and have issued our report thereon dated January 15, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Casa Grande, Arizona'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 City of Casa Grande, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Casa Grande, Arizona'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 certain deficiencies in internal control that we consider to be material weaknesses.

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 as 2014-001 to be a material weakness.

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(520) 836-8201
Fax (520) 426-9432

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Casa Grande, Arizona's financial statements are free of 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
January 15, 2015



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

Honorable Mayor and Council
City of Casa Grande
Casa Grande, AZ

Report on Compliance for Each Major Federal Program

We have audited City of Casa Grande, Arizona's 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 City of Casa Grande, Arizona's major federal programs for the year ended June 30, 2014. City of Casa Grande, Arizona'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 City of Casa Grande, Arizona'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 City of Casa Grande, Arizona'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 City of Casa Grande, Arizona's compliance.

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Opinion on Each Major Federal Program

In our opinion, City of Casa Grande, Arizona, 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, 2014.

Report on Internal Control Over Compliance

Management of City of Casa Grande, Arizona, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Casa Grande, Arizona's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *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 City of Casa Grande, Arizona's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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
January 15, 2015

**CITY OF CASA GRANDE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Grant Number	Federal CFDA Number	Expenditures
U.S. Department of Housing and Urban Development:			
Passed through Arizona Department of Housing:			
Community Development Block Grant - 2014	106-14	14.228	\$ 19,829
Community Development Block Grant - 2012	132.12	14.228	163,867
		Total 14.228	<u>183,696</u>
Home Investment Partnership - 2013	304-13	14.239	324,130 *
Total Department of Housing and Urban Development			<u>507,826</u>
U.S. Department of Health & Human Services			
Passed through Pinal-Gila Council for Senior Citizens:			
Special Programs for the Aging	5-237	93.044	13,222
Special Programs for the Aging	5-237	93.045	57,927
Nutritional Services Incentive Program	5-237	93.053	20,418
Total Aging Cluster			<u>91,567</u>
Social Services Block Grant	5-237	93.667	14,313
Total Department of Health & Human Services			<u>105,880</u>
US Dept of Interior National Park Service:			
Passed thru State Historic Preservation Office			
Historic Perservation	AZ-12-011	15.904	1,060
Total Department of Interior National Park Service			<u>1,060</u>
U.S. Department of Justice:			
Justice Assistance Grant Program	2010-DJBS-3344	16.738	23,369
Justice Assistance Grant Program	2012-DXBX-0808	16.738	10,997
Justice Assistance Grant Program	2013-DJBX-0747	16.738	17,058
Total Justice Assistance Grant Cluster			<u>51,424</u>
U.S. Department of Justice:			
Bulletproof Vest Grant	2006BUBX	16.607	4,192
ARRA -Community Oriented Policing Services (COPS)	2010RKWX003	16.710	328,397 *
Total Department of Justice			<u>384,013</u>
U.S. Department of Transportation:			
FAA Airport Grant	3-04-0007-16-2012	20.106	34,845
Passed thru Arizona Dept. of Transportation			
Highway Safety Improvement Program	CSG-0(202)T	20.205	18,925
Passed thru Governor's Office of Highway Safety			
DUI Enforcement	2013--410-005	20.600	88
DUI Enforcement	2014-410-020	20.600	16,575
LIDAR/Holsters	2014-PT-049	20.600	15,013
Buckle UP Campaign	2013-OP-015	20.600	7,500
		Total 20.600	<u>39,176</u>

DUI OT	2013-164-016	20.608	12,959
DUI Equip	2013-164-017	20.608	<u>1,881</u>
		Total 20.608	<u>14,840</u>
Total Department of Transportation			<u>107,786</u>
Executive Office of the President			
High Intensity Drug Trafficking Areas Program	D08-12-2004	95.001	<u>12,651</u>
Total Executive Office of the President			12,651
U.S. Department of Homeland Security			
Passed through Arizona Division of Emergency Management:			
Arizona Dept of Homeland Security	12-AZDOHS-HSGP-999301-01	97.067	64,280 *
Passed through Arizona Department of Homeland Security:			
Operation Stonegarden Grant Program	999316-01	97.067	27,086 *
Operation Stonegarden Grant Program	999316-02	97.067	125,000 *
Operation Stonegarden Grant Program	999316-03	97.067	25,000 *
Operation Stonegarden Grant Program	888308-03	97.067	20,000 *
Operation Stonegarden Grant Program	130316-01	97.067	<u>85,433 *</u>
Total Department of Homeland Security			<u>346,799</u>
Total Federal Financial Assistance and Expenditures of Federal Awards			<u>\$ 1,466,015</u>

*Denotes major program

CITY OF CASA GRANDE, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2014

NOTE 1 BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Casa Grande (the "City") 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.

NOTE 2 CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the Catalog of Federal Domestic Assistance.

CITY OF CASA GRANDE, ARIZONA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2014

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 identified 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
14.239	Department of Housing – Home Investment Partnership Program
16.710	Department of Justice ARRA – Community Oriented Policing Services
97.067	Department of Homeland Security – Homeland Security Grant Program

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

Auditee qualified as low-risk auditee? X yes no

CITY OF CASA GRANDE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014

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

FINDING: 2014-001

CRITERIA

Subsidiary ledgers should be reconciled to the general ledger at regular intervals (monthly).

CONDITION/CONTEXT

[] *Compliance finding* [] *Significant deficiency* [X] *Material weakness*

The subsidiary ledgers for utility accounts receivable were not adequately reconciled to the general ledger throughout the year and at year end.

EFFECT

The interim and year end financial statements could have contained material errors as they were not properly supported with subsidiary ledgers.

CAUSE

Controls were not adequate to prevent or detect potential material errors.

RECOMMENDATION

It is recommended that management implement procedures to adequately reconcile all general ledger accounts, including those relating to utility accounts receivable.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION

Management concurs with this recommendation and will implement policies and procedures to prevent this from occurring again.

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS
None noted.

SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
None noted.