



City of Casa Grande, Arizona

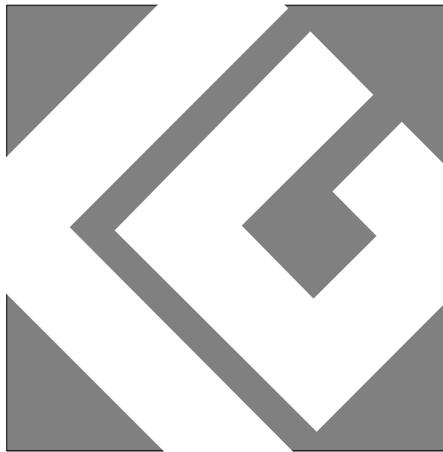


Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2015

City of Casa Grande, Arizona

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

For the Fiscal Year Ended June 30, 2015



Prepared by the Finance Department
Doug Sandstrom, Finance Director
Celina Morris, Accounting Manager
Julie Scherer, Senior Accountant
Gay Barnhart, Administrative Assistant



City of
Casa Grande

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTORY SECTION	
Letter of Transmittal	i
GFOA Certificate of Achievement	vii
City of Casa Grande Officials	ix
Organizational Chart	x
II. FINANCIAL SECTION	
Independent Auditors' Report	1
A. Management's Discussion & Analysis	7
B. Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	21
Statement of Activities	22
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	24
Reconciliation of the Balance Sheet to the Statement of Net Position	27
Statement of Revenues, Expenditures and Changes in Fund Balances	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Budgetary Comparison Statements – General Fund	30
Budgetary Comparison Statements – Highway Users Fund	33
Proprietary Fund Financial Statements	
Statement of Net Position	34
Statement of Revenues, Expenses and Changes in Fund Net Position	36
Statement of Cash Flows	38
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	42
Statement of Changes in Fiduciary Net Position	43
Notes to Financial Statements	
1. Summary of Significant Accounting Policies	47
2. Cash and Investments	57
3. Cash with Fiscal Agent/Restricted Investments	61
4. Receivables	62

B. Basic Financial Statements (Continued)

Notes to Financial Statements (Continued)	<u>Page</u>
5. Direct Loans	62
6. Property Taxes	63
7. Capital Assets	64
8. Pensions and Other Postemployment Benefits	65
9. Risk Management	81
10. Capital Leases	82
11. Bond Debt	83
12. Excise Tax Revenue Obligations	84
13. WIFA Financing	86
14. Changes in Long-Term Obligations	87
15. Long-Term Debt	88
16. Landfill Closure and Post Closure Care Costs	88
17. Construction Commitments	89
18. Summary of Interfund Transactions	89
19. Deficit in Fund Balance	90
20. Sales Tax Incentive Agreement	90
21. Fund Balance Details by Classification	91
22. Restatement of Net Position	92

C. Required Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Liability Cost-Sharing Pension Plan	95
Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios Agent Pension Plan	96
Schedule of the City Pension Contributions	100
Notes to the Pension Plan Schedules	101
Schedule of Agent OPEB Plans' Funding Progress	102
Notes to the Schedule of Agent OPEB Plans' Funding Progress	103

D. Other Supplementary Information

Combining Fund Financial Statements - Non-Major Governmental Funds

Combining Balance Sheet	106
Combining Statements of Revenues, Expenditures and Changes in Fund Balances	110

Budgetary Comparison Schedules - Other Major Governmental Funds

Schedule of Expenditures – General Fund - Legal Level Budget Compliance	117
Capital Replacement/Recreation/Development Fund	118

Budgetary Comparison Schedules - Non-Major Governmental Funds

Municipal Airport Special Revenue Fund	121
Parks Development Special Revenue Fund	122
Community Arts Reserve Special Revenue Fund	123
Redevelopment/Downtown Revitalization Special Revenue Fund	124
Promotion and Tourism Special Revenue Fund	125
Court Enhancement/Probationary Special Revenue Fund	126
Housing Application and Development Fees Special Revenue Fund	127
Community Development Block Grant Special Revenue Fund	128

D. Other Supplementary Information (Continued)

Budgetary Comparison Schedules - Non-Major Governmental Funds (Continued)	<u>Page</u>
Home/Hud Special Revenue Fund	129
Grants and Subsidies Special Revenue Fund	130
Wildland Firefighting/Public Safety Special Revenue Fund	131
General Obligation/Bond Debt Service Fund	132
Recreation Debt Service Fund	133
Community Services Capital Projects Fund	134
Transportation Capital Projects Fund	135
Public Safety Capital Projects Fund	136
Community Facilities Districts – Capital Projects	137
Airport Improvement Capital Projects Fund	138
System Development Fund	139
 Schedule of Operations – Budget and Actual – Proprietary Funds	
Enterprise Funds	
Copper Mountain Ranch	143
Wastewater	144
Wastewater Development Fees	145
Sanitation	146
Golf Course	147
 Fiduciary Funds	
Combining Statement of Fiduciary Net Assets	151
Combining Statement Changes in Assets and Liabilities – All Agency Funds	152

III. STATISTICAL SECTION	<u>Table</u>	<u>Page</u>
Net Position by Component	1	156
Changes in Net Position – Governmental Activities	2	158
Changes in Net Position – Business type Activities	3	160
Fund Balances of Governmental Funds	4	162
Changes in Fund Balances of Governmental Funds	5	164
Sales Tax Revenue by Industry	6	166
Direct and Overlapping Sales Tax Rates	7	169
Ratios of Outstanding Debt by Type	8	170
Ratio of General Bonded Debt Outstanding	9	172
Direct and Overlapping Governmental Activities Debt	10	173
Legal Debt Margin Information	11	174
Pledged –Revenue Coverage	12	175
Real & Personal Property Tax Levies and Collections	13	176
Tax Rate Data	14	177
Estimated Net Secondary Assessed Valuation of Major Taxpayers	15	178
Demographic and Economic Statistics	16	179
Principal Employers	17	180
Authorized City Government Employee Positions by Function/Program	18	181
Operating Indicators by Function/Program	19	182
Capital Asset Statistics by Function/Program	20	183

IV. COMPLIANCE SECTION

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 <i>Government Auditing Standards</i>	187
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	189
Schedule of Expenditures of Federal Awards	191
Notes to Schedule of Expenditures of Federal Awards	193
Schedule of Findings and Questioned Costs	194

INTRODUCTORY SECTION



City of
Casa Grande



City of Casa Grande, Arizona

December 24, 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, 2015. 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 States 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, 2015 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that a reasonable basis exists for rendering an unqualified opinion that the financial statements of the City of Casa Grande, Arizona for the fiscal year ended June 30, 2015, are fairly presented, in all material respects, in conformity with GAAP.

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

The results of the City’s Single Audit for the fiscal year ended June 30, 2015, 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.

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 2014-2015 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 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 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 51,478 in 2015. 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 has invested considerably in its historic downtown area over the past several years creating a vibrant community asset.

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 47 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 attract and retain diverse types of businesses, attract new revenue, and expand/maintain the community revenues essential to sustaining Casa Grande and improving the overall quality-of-life.

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 has seen a slow residential housing construction market. Non-residential building permits with a value of \$45.3 million were issued in fiscal year 2015, with an increase from FY2014, 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.

Casa Grande's economy is reflective of the State and the nation as whole, the City is experiencing slow sustained economic growth in nearly all areas with the exception of residential construction. Although total sales tax revenue is down 23% from our peak collections in FY2008, when adjusted for the construction portion of the sales tax the City's

FY2015 collections are actually 10.0% higher than FY2008 collections and reflect five (5) consecutive years of reoccurring growth.

Transaction Privilege Tax (Sales Tax). The City of Casa Grande, like all Arizona cities, places a heavy reliance on City sales tax. Overall, local sales tax revenues comprise 43.8% 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 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 continues improving. 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 for FY 2015 remained constant at \$0.9999 per \$100 of assessed valuation. Keeping the primary tax rate below \$1.00 is a goal of the City Council which was maintained even in years that the City was experiencing 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 is considering the issuance of an additional \$16.0 million of currently authorized General Obligation debt for the construction of a recreation center in FY2016. If issued this debt would result in an increase to the secondary levy the following year.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

During FY2015 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

- Part 1 UCR crimes per 1,000 decreased by 11%
- Cleared 43% of Part 1 UCR crimes
- 265 animals adopted

Fire

- Responded to 6,952 emergencies, of which 5,400 (78%) were emergency medical services and 232 (3%) were fire related
- 80% of ALS responses were under 5 minutes
- 3.0 residential structure fires per 1,000 structures
- Continued mentoring of the Casa Grande Fire Explorers Program

Public Works

- Hosted the 57th Annual Cactus Fly-In at the municipal airport
- Treatment of an average of 5.0 million gallons per day of wastewater
- Collected 18.3 tons of residential trash
- Collected 62,295 tons of solid waste at the landfill site
- Recycled an average of 45.0 lbs per household per quarter in residential solid waste materials

Community Services

- Resurfaced patio around the pool and replaced older fencing
- Golfers played 68,071 rounds of nine hole equivalents
- 98% of program participants rated programs as satisfactory or better
- Library visitors of 311,357 at the two libraries
- Served a total of 29,505 meals and received a total of 6,204 volunteer hours
- 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, 2015, the City had a number of debt issues outstanding. Total debt at June 30, 2015, was \$168.9 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 Service	IBCA
Excise Tax Series 2009	nr	AA-
Excise Tax 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, 2015 the City had \$26.3 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, 2015, the City has debt capacity remaining of \$60.8 million for general obligation bonds subject under the 20% and 6% constitutional limitations based on the FY 2015 secondary assessed valuation. The City has \$26.8 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, 2014. The City has received this prestigious award every year since 1989.

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, 2014. 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. The City of Casa Grande has received the Distinguished Budget Presentation Award every year since 1996. We expect to continue to participate and meet the program requirements.

The preparation of the City's Comprehensive Annual Financial Report was only made possible by the dedication and hard work of every member of the Finance Department, and the firm of Henry 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 continued 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, 2014

Executive Director/CEO



City of
Casa Grande

City of Casa Grande, Arizona
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2015

CITY COUNCIL

Mayor

Robert M. Jackson

Mayor Pro-Tem

Karl Montoya

Council Members

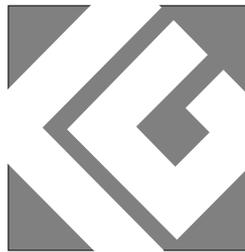
Lisa Fitzgibbons

Matt Herman

Mary Kortsen

Dick Powell

Ralph Varela



City Manager

James Thompson

Deputy City Manager

Larry Rains

Finance Department Staff

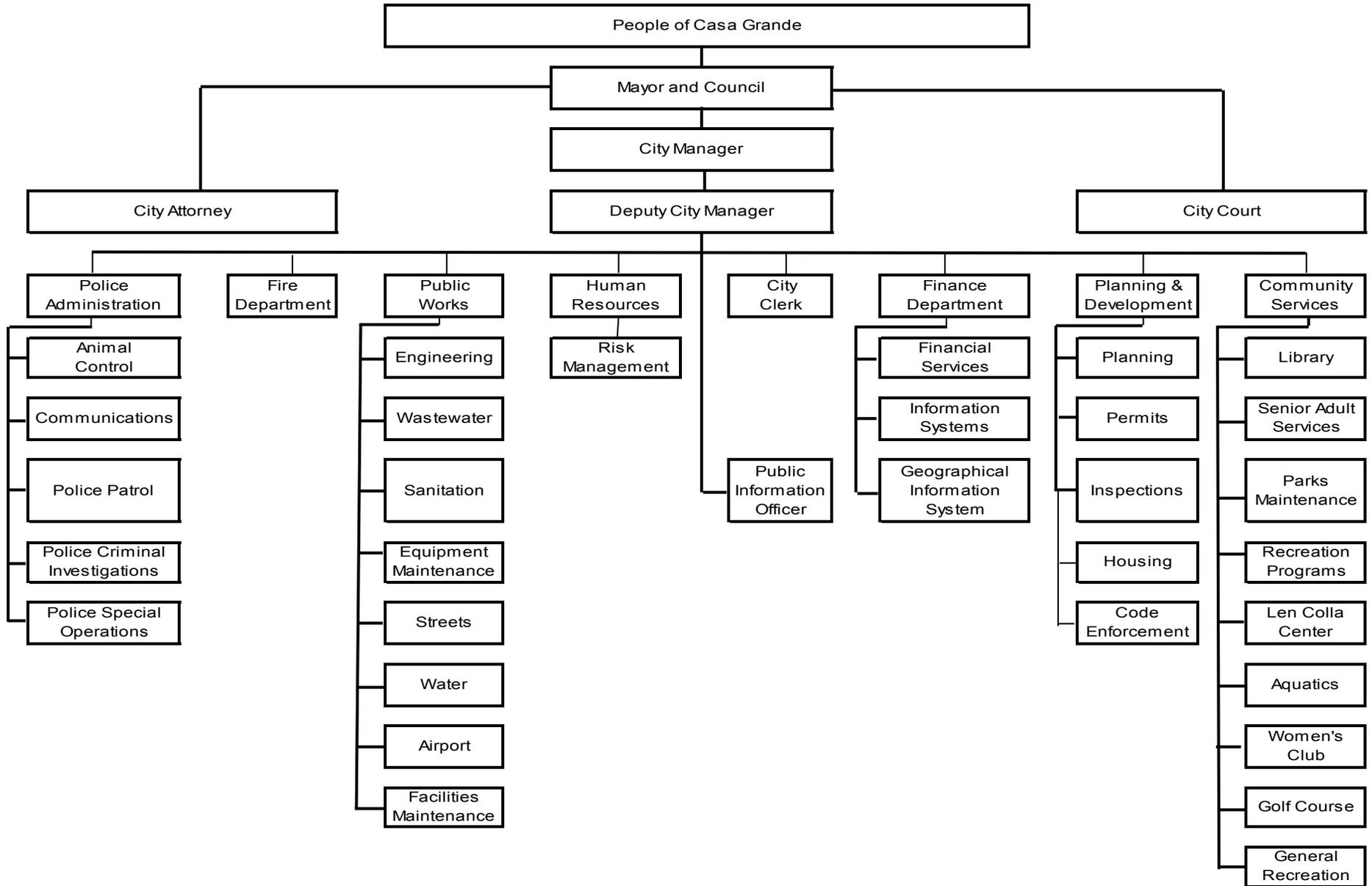
Doug Sandstrom, Finance Director

Celina Morris, Accounting Manager

Julie Scherer, Senior 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, 2015, 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.

Tempe
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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Highway Users Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date that could have a material impact on the financial statements. GASB Statements No. 68 and No. 71 have impacted the presentation of the financial statements by establishing standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits. As discussed in Note 22 to the financial statements, the adoption of GASB Statements 68 and 71 resulted in the restatement of beginning net position for governmental activities, business-type activities and the related enterprise funds net position. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report date December 24, 2015 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Casa Grande, Arizona's, internal control over financial reporting and compliance.

Henry + Horne LLP

Casa Grande, Arizona
December 24, 2015

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS



City of
Casa Grande

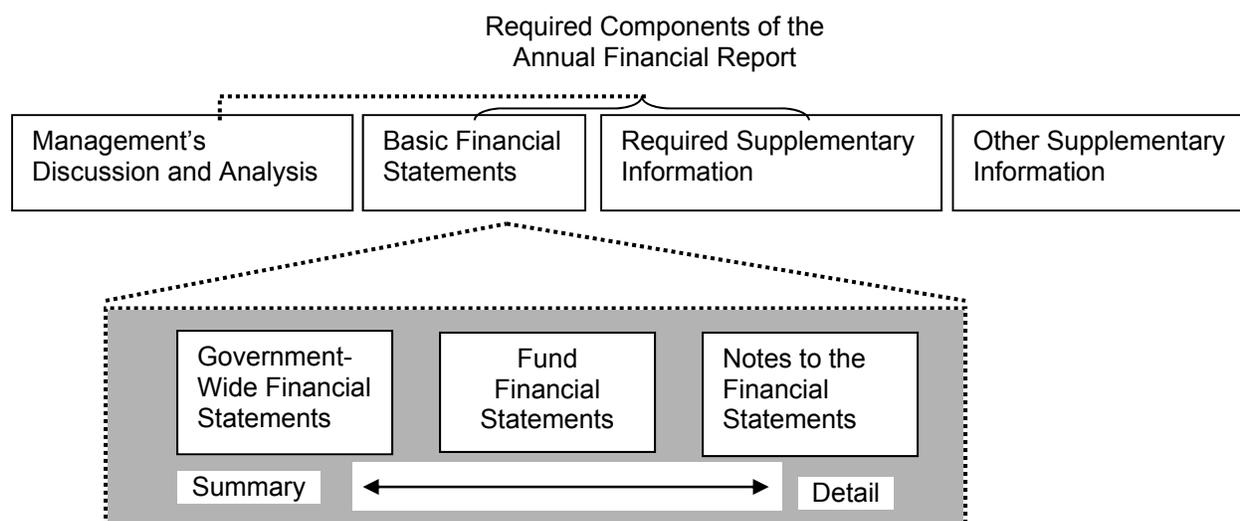
MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2015. 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 i - vi of this report as well as the City's financial statements beginning on page 21 and the accompanying notes to the financial statements.

Financial Highlights

- The City's total net position, on the government-wide basis, totaled \$246.0 million at June 30, 2015 of which \$3.2 million is unrestricted. This is a decrease of \$53.2 million from fiscal year 2014, a decrease of \$49.6 million in the government activities and decrease of \$3.6 million in the business-type activities. This decrease is mainly attributable to the implementation of GASB Statement No. 68, which requires employers to report their net pension liabilities (unfunded liabilities) in the financial statements, along with the corresponding calculated pension expense and deferred outflows/inflows of resources related to pensions. Additional detail can be obtained in the extensive footnote disclosures and additional required supplementary information.
- The governmental activities revenues increased by approximately \$8.6 million over the previous year.
- The business-type activities operating revenues increased by \$0.8 million over the previous year due mainly to increased rates.
- The General Fund reported a positive change in fund balance of \$4.5 million for the year.
- At June 30, 2015, restricted, assigned and non-spendable balance for the General Fund was \$29.9 million, or 50% of General Fund expenses for fiscal year 2015.
- At June 30, 2015, unassigned fund balance of the General Fund was \$11.7 million.
- The governmental activities general revenues of \$61.8 million were \$4.2 million less than expenses before other financial sources and uses.
- Net Pension liabilities of the City are included reflecting \$53.3 million in governmental activities and an additional \$4.6 million in business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS



Government-wide Financial Statements

The government-wide financial statements (see pages 21-23) 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, GASB changes 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 percentage a certain fund value is in relation to all other funds of the same fund type – either governmental or proprietary. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or conditions. Funds ensure and demonstrate compliance with finance-related legal requirements as well as for managerial control to demonstrate fiduciary responsibility over the assets of the City.

The City has four (4) 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 29, 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.

Internal Service 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 property and casualty insurance costs and risk management.

Fiduciary funds – Fiduciary funds account for resources held for the benefit of others. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support projects of the City.

Notes to the financial statements – The notes to the financial statements (pages 47-92) 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, 2015.

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, 2015. The City has chosen to account for its golf course, water, wastewater and sanitation operations in enterprise funds which are shown as Business Activities.

Statement of Net Position (in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2015	2014	2015	2014	2015
Current and other assets	\$ 91.9	\$ 98.9	\$ 15.9	\$ 15.5	\$ 107.8	\$ 114.4
Capital assets	201.3	192.4	110.2	107.3	311.5	299.7
Total assets	293.2	291.3	126.1	122.8	419.3	414.1
Deferred Outflow of Resources	0.0	9.7	0.0	0.5	0.0	10.2
Other liabilities	3.5	3.2	1.7	1.2	5.2	4.4
Long-term liabilities	53.3	106.8	61.6	62.1	114.9	168.9
Total liabilities	56.8	110.0	63.3	63.3	120.1	173.3
Deferred Inflow s of Resources	0.0	4.2	0.0	0.8	0.0	5.0
Net position:						
Invested Capital assets						
net of related debt	151.7	142.7	51.4	52.9	203.1	195.6
Restricted	23.4	40.9	6.2	6.3	29.6	47.2
Unrestricted	61.3	3.2	5.2	0.0	66.5	3.2
Total net position	\$ 236.4	\$ 186.8	\$ 62.8	\$ 59.2	\$ 299.2	\$ 246.0

At year end June 30, 2015 the net position of the City totaled \$246.0 million, a decrease of \$53.2 million from June 30, 2014. Of this amount, \$186.8 million was in governmental activities, a 20.8% decrease and \$59.2 million was in the business-type activities, a 5.7% decrease from the prior fiscal year.

Net Position consists of three components. The largest portion of net position (\$195.6 million or 79.4%) 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 (\$47.2 million or 19%) 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 (\$3.2 million or 1.5%), which may be used to meet the City's ongoing obligation to citizens and creditors.

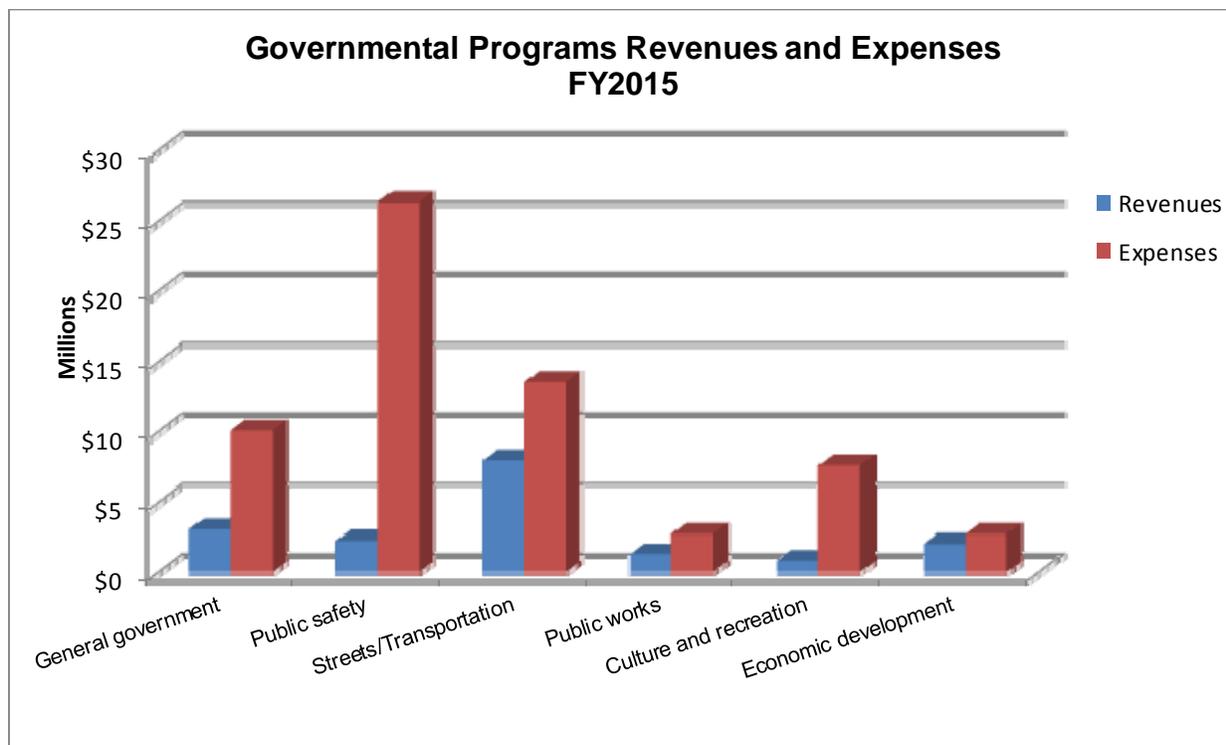
Changes in Net Position

The City's total revenues for the year ended June 30, 2015 were \$79.0 million. The total cost of all programs and services was \$82.0 million. The following table presents a summary of the changes in net position for the year ended June 30, 2015.

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Revenues						
Program revenues						
Charges for services	\$ 4.3	\$ 7.0	\$ 15.7	\$ 16.6	\$ 20.0	\$ 23.6
Operating grants and contributions	7.2	6.8	-	-	7.2	6.8
Capital grants and contributions	1.3	4.1	0.6	0.6	1.9	4.7
General revenues						
Property taxes	6.2	6.3	-	-	6.2	6.3
Sales taxes	19.7	21.8	-	-	19.7	21.8
Franchise taxes	2.2	2.4	-	-	2.2	2.4
Shared revenues	11.9	12.8	-	-	11.9	12.8
Other	0.4	0.4	0.1	-	0.5	0.4
Total revenues	53.2	61.6	16.4	17.2	69.6	78.8
Expenses						
General government	7.0	10.1	-	-	7.0	10.1
Public safety	25.5	26.5	-	-	25.5	26.5
Streets/Transportation	13.5	13.5	-	-	13.5	13.5
Public works	2.7	2.8	-	-	2.7	2.8
Culture and recreation	7.9	7.7	-	-	7.9	7.7
Economic development	3.3	2.8	-	-	3.3	2.8
Interest on long-term debt	2.3	2.5	-	-	2.3	2.5
Water	-	-	0.3	0.3	0.3	0.3
Golf course	-	-	1.2	1.2	1.2	1.2
Sewer	-	-	9.4	9.1	9.4	9.1
Sanitation	-	-	5.4	5.3	5.4	5.3
Total expenses	62.2	65.9	16.3	15.9	78.5	81.8
Excess before transfer	(9.0)	(4.3)	0.1	1.3	(8.9)	(3.0)
Transfers In (Out)	0.7	0.1	(0.7)	(0.1)	-	-
Increase (decrease) in Net Position	\$ (8.3)	\$ (4.2)	\$ (0.6)	\$ 1.2	\$ (8.9)	\$ (3.0)

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 78% of the total revenues of the City and 80% of the total expenses in fiscal year 2015. This compares to 76% of total revenues and 79% of expenses in fiscal year 2014.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

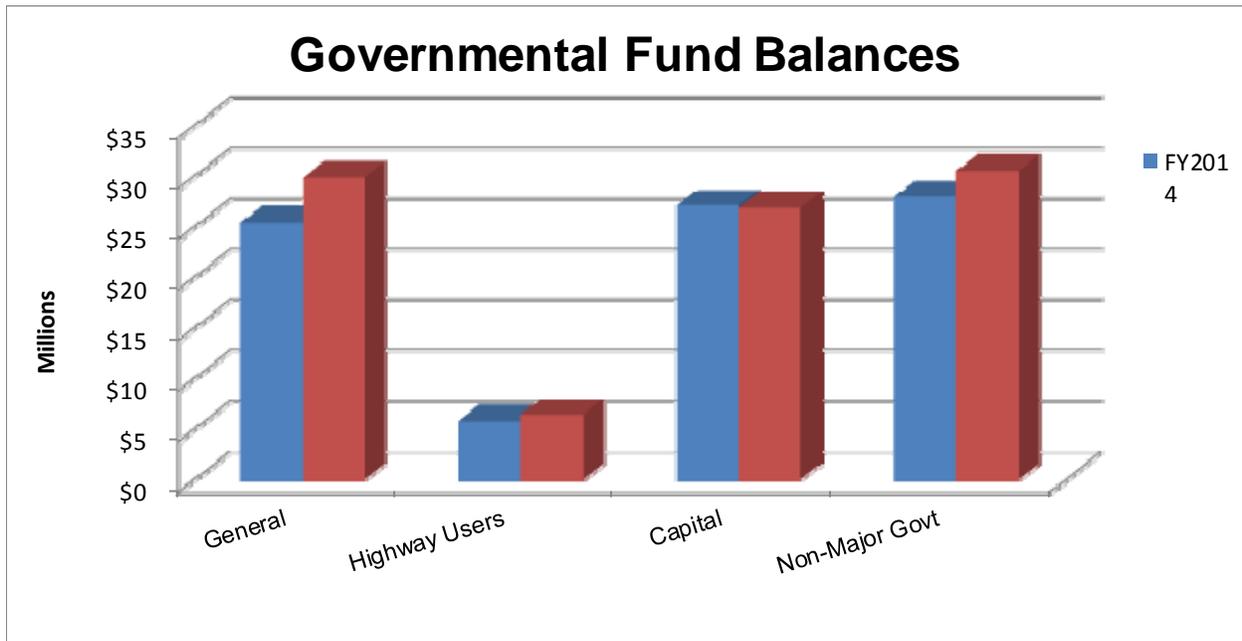
The City maintains fund accounting to demonstrate compliance with budgetary and legal requirements. The following is a brief discussion of financial highlights from the fund financial statements.

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 106-113.

For fiscal year ended June 30, 2015, the governmental funds reflect a combined fund balance of \$93.7 million, an increase of \$7.4 million. A portion of the fund balance, \$40.9 million is restricted for specific expenses or is legally segregated for a specific future use. The remaining \$52.8 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 \$41.0 million, an increase of \$3.0 million, in fiscal year 2015. The primary increases are in charges for services, local sales taxes and state shared revenues. The expenses, before other financing sources and uses, totaled \$36.4 million, a decrease of \$0.7 million. Transfers to other funds were a net of (\$165,649) resulting in an increase to fund balance of \$4.5 million.

The Highway User Revenue Fund is required by state statute to track the state allocation of gasoline taxes and other state revenues shared with local governments and must be used for transportation purposes 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 \$5.4 million, an increase of \$0.4 million from the prior fiscal year, while expenses totaled \$4.4 million, a decrease of \$2.8 million in the fiscal year ended June 30, 2015.

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. 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 \$59.2 million, a decrease of \$3.6 million as of June 30, 2015. Overall there is a \$5.2 million decrease to unrestricted assets leaving a balance of \$0.01 million. Operating revenues in fiscal year 2015 were \$16.6 million, showing a \$0.9 million increase from the prior fiscal year, while operating expenses totaled \$13.9 million, a decrease of \$0.3 million, resulting in a \$2.8 million operating gain prior to nonoperating expenses, contributions, and transfers.

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 117. 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 52 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 \$170,744,900 during fiscal year 2015. Budget amendments between funds or departments or from budgeted contingencies into operational expense/expenditure accounts did occur. However, the total adopted budget cannot be increased.

General Fund inflows (revenues and other sources) of \$41.0 million, on a budgetary basis, were nearly 6% more than budgeted inflows of \$38.7 million, while actual outflows (expenditures and other uses) of \$36.4 million were 91% of original budgeted outflows.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2015, the City had \$299.6 million invested in various capital assets, net of accumulated depreciation. Of this amount, \$192.3 million (64%) is invested in governmental activities and \$107.3 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 \$2.2 million.
- ✓ Completion of additional Solar panel parking structure for \$1.0 million.
- ✓ Replacement vehicle purchases \$1.8 million

The following table provides a breakdown of the capital asset balances net of accumulated depreciation at June 30, 2015. Additional information on the City's capital assets may be found in Note 7 on pages 64-65.

**Capital Assets
(In Millions)**

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2015	2014	2015	2014	2015
Land & Construction in Progress	\$ 19.7	\$ 20.2	\$ 3.0	\$ 3.1	\$ 22.7	\$ 23.3
Construction in Progress						
Building & improvements	174.3	164.3	97.2	94.2	271.5	258.5
Machines & equipment	7.3	7.8	10.0	10.0	17.3	17.8
Total	\$ 201.3	\$ 192.3	\$ 110.2	\$ 107.3	\$ 311.5	\$ 299.6

Long-Term Debt

The City's outstanding long-term debt, including bonds, notes, capital leases, compensated absences and new for FY2015 net pension costs, was \$168.9 million at June 30, 2015, with \$6.8 million due within one year. Of this total, \$106.9 million was in governmental activities and \$62.0 million was in business-type activities. Of the outstanding debt, \$26.3 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. With the implementation of GASB 68 Net Pension is included in the following table. The unfunded liability of our public safety retirement systems makes a significant impact on our total net position.

The following schedule shows the outstanding debt of the City (both current and long term) as of June 30, 2015. Further details can be found in Notes 10 to 15 on pages 82-88.

**Outstanding Debt
(In Millions)**

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2015	2014	2015	2014	2015
Compensated Absences	\$ 2.6	\$ 2.8	\$ 0.3	\$ 0.3	\$ 2.9	\$ 3.0
Capital Leases	7.5	8.1	47.7	0.1	55.1	8.2
Bonds Payable/Excise Tax Obligations	43.1	42.7	12.3	10.2	55.4	52.9
Notes/Loans payable	0.0	0.0	0.0	44.2	0.0	44.2
Postclosure Liability	0.0	0.0	2.6	2.7	2.6	2.7
Net Pension	0.0	53.3	0.0	4.6	0.0	57.9
Total	\$ 53.2	\$ 106.8	\$ 62.9	\$ 62.1	\$ 116.1	\$ 168.9

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 2015 was approximately 8.4%, which is higher than both the state (7.5%) and the national averages (6.1%). The local economy has witnessed a solid year driven by commercial construction, new business and sustained increases in retail sales tax collections. Casa Grande remains the retail and commercial center of our region.

Arizona cities remain dependent on sales taxes and other economically sensitive tax revenues such as franchise fees, state shared income taxes and state shared vehicle license taxes, as such, they are susceptible to slowdowns in the economy. Within Casa Grande, the local economy is experiencing a sustained increase in sales tax collection as the economy once again changes focus to spending and consumers take advantage of increased personal spending capabilities. In addition to the recent opening of a Sam's Club, the Tractor Supply Company opened both a retail store and a regional distribution facility within the last year. Casa Grande is also the site for Phoenixmart, a global sourcing center which is expected to open within the next two years bringing thousands of permanent jobs to the area.

After several years of decline, total assessed values for Casa Grande have once again begun to climb, property values have nearly doubled from 2005 to 2015 increasing by 87%. For tax year 2015, the primary assessed value increased by 3.5% and is anticipated to continue increasing at a moderate pace next year. 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.



City of
Casa Grande

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS



City of
Casa Grande

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 5,504,375	\$ 1,002,614	\$ 6,506,989
Investments	85,977,184	10,870,320	96,847,504
Receivables (net of allowance for uncollectibles)	5,313,601	3,494,951	8,808,552
Due from other governments	650,192	-	650,192
Inventories	298,789	27,622	326,411
Restricted cash and cash equivalents	1,229,683	-	1,229,683
Capital assets-nondepreciable	20,251,305	3,132,175	23,383,480
Capital assets-depreciable, net	172,074,883	104,235,662	276,310,545
Total assets	<u>291,300,012</u>	<u>122,763,344</u>	<u>414,063,356</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred employer contributions to pensions	3,746,738	263,026	4,009,764
Deferred outflows of resources related to pensions	5,937,899	233,412	6,171,311
Total deferred outflows of resources	<u>9,684,637</u>	<u>496,438</u>	<u>10,181,075</u>
LIABILITIES			
Accounts payable and other current liabilities	1,280,668	437,525	1,718,193
Deposits held	12,975	13,381	26,356
Accrued wages and benefits	1,428,115	173,119	1,601,234
Accrued interest payable	434,435	558,532	992,967
Noncurrent liabilities:			
Due within one year:			
Current portion of compensated absences	1,241,289	118,905	1,360,194
Current portion of capital leases and notes	543,783	2,546,957	3,090,740
Current portion of excise tax revenue obligations	802,755	707,322	1,510,077
Current portion of bonds payable	820,000	-	820,000
Due in more than one year:			
Noncurrent portion of compensated absences	1,517,131	145,329	1,662,460
Noncurrent portion of capital leases and notes	7,537,984	41,603,848	49,141,832
Noncurrent portion of excise tax revenue obligations	15,166,039	9,645,267	24,811,306
Noncurrent portion of bonds payable	25,951,206	-	25,951,206
Closure and postclosure liability	-	2,737,164	2,737,164
Net pension liability	53,258,803	4,592,644	57,851,447
Total liabilities	<u>109,995,183</u>	<u>63,279,993</u>	<u>173,275,176</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	4,210,648	810,820	5,021,468
NET POSITION			
Net investment in capital assets	142,734,104	52,862,580	195,596,684
Restricted for:			
Highways and streets	6,414,070	-	6,414,070
Grant purposes	1,024,548	-	1,024,548
Community development	5,572,411	-	5,572,411
Debt service	4,290,966	4,678,660	8,969,626
Capital projects	23,560,096	1,638,960	25,199,056
Unrestricted	3,182,623	(11,231)	3,171,392
Total net position	<u>\$ 186,778,818</u>	<u>\$ 59,168,969</u>	<u>\$ 245,947,787</u>

See accompanying notes.

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 10,107,662	\$ 2,815,852	\$ 126,548	\$ 141,278
Public safety	26,520,689	1,076,004	431,089	964,752
Streets/Transportation	13,548,310	816,829	5,363,099	1,843,323
Public works	2,771,028	167,447	76,474	1,095,019
Culture and recreation	7,676,615	430,294	358,210	87,859
Economic development	2,765,522	1,647,495	420,547	-
Interest on long-term debt	2,504,944	-	-	-
Total governmental activities	<u>65,894,770</u>	<u>6,953,921</u>	<u>6,775,967</u>	<u>4,132,231</u>
Business-type activities:				
Water	261,674	192,343	-	-
Golf course	1,195,987	1,100,780	-	-
Wastewater	9,119,769	8,541,358	-	582,705
Sanitation	5,386,901	6,739,816	-	-
Total business-type activities	<u>15,964,331</u>	<u>16,574,297</u>	<u>-</u>	<u>582,705</u>
Total primary government	<u>\$ 81,859,101</u>	<u>\$ 23,528,218</u>	<u>\$ 6,775,967</u>	<u>\$ 4,714,936</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 - restated
Net position-ending

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (7,023,984)	\$ -	\$ (7,023,984)
(24,048,844)	-	(24,048,844)
(5,525,059)	-	(5,525,059)
(1,432,088)	-	(1,432,088)
(6,800,252)	-	(6,800,252)
(697,480)	-	(697,480)
(2,504,944)	-	(2,504,944)
<u>(48,032,651)</u>	<u>-</u>	<u>(48,032,651)</u>
-	(69,331)	(69,331)
-	(95,207)	(95,207)
-	4,294	4,294
-	1,352,915	1,352,915
-	<u>1,192,671</u>	<u>1,192,671</u>
<u>\$ (48,032,651)</u>	<u>\$ 1,192,671</u>	<u>\$ (46,839,980)</u>
6,366,087	-	6,366,087
21,795,890	29,122	21,825,012
2,358,731	-	2,358,731
4,438,843	-	4,438,843
5,879,820	-	5,879,820
2,447,783	-	2,447,783
174,864	11,680	186,544
282,850	72,228	355,078
78,030	(78,030)	-
<u>43,822,898</u>	<u>35,000</u>	<u>43,857,898</u>
(4,209,753)	1,227,671	(2,982,082)
<u>190,988,571</u>	<u>57,941,298</u>	<u>248,929,869</u>
<u>\$ 186,778,818</u>	<u>\$ 59,168,969</u>	<u>\$ 245,947,787</u>

CITY OF CASA GRANDE, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

ASSETS	General	Highway Users	Capital Replacement/ Recreation/ Development
Cash	\$ 476,719	\$ 865,985	\$ 771,758
Investments	26,670,455	5,068,258	25,666,960
Accounts receivable (less allowance for uncollectibles)	3,232,990	644,931	666,594
Due from other governments	419,490	-	-
Due from other funds	1,067,545	-	-
Inventories	1,647	-	-
Restricted assets:			
Cash and cash equivalents	82,037	19,932	126,682
Total assets	<u>\$ 31,950,883</u>	<u>\$ 6,599,106</u>	<u>\$ 27,231,994</u>
LIABILITIES			
Accounts payable and other current liabilities	\$ 474,814	\$ 118,973	\$ 385,436
Accrued wages and benefits	1,366,194	66,063	-
Due to other funds	-	-	-
Total liabilities	<u>1,841,008</u>	<u>185,036</u>	<u>385,436</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenues	207,444	-	-
Total deferred inflows of resources	<u>207,444</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	1,647	-	-
Restricted	5,572,411	6,414,070	126,682
Committed	-	-	-
Assigned	12,631,345	-	26,719,876
Unassigned	11,697,028	-	-
Total fund balances	<u>29,902,431</u>	<u>6,414,070</u>	<u>26,846,558</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,950,883</u>	<u>\$ 6,599,106</u>	<u>\$ 27,231,994</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,337,045	\$ 3,451,507
28,449,191	85,854,864
726,635	5,271,150
230,702	650,192
-	1,067,545
36,281	37,928
<u>1,001,032</u>	<u>1,229,683</u>
<u>\$ 31,780,886</u>	<u>\$ 97,562,869</u>
\$ 219,563	\$ 1,198,786
32,005	1,464,262
847,796	847,796
<u>1,099,364</u>	<u>3,510,844</u>
<u>122,805</u>	<u>330,249</u>
122,805	330,249
36,281	37,928
28,751,138	40,864,301
-	-
2,364,620	41,715,841
(593,322)	11,103,706
<u>30,558,717</u>	<u>93,721,776</u>
<u>\$ 31,780,886</u>	<u>\$ 97,562,869</u>



City of
Casa Grande

CITY OF CASA GRANDE, ARIZONA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2015

Fund balance - total governmental funds balance sheet		\$93,721,776
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	\$ 348,518,409	
Less accumulated depreciation	(156,194,293)	
Internal service capital assets	360,090	
Less accumulated depreciation	<u>(358,018)</u>	192,326,188
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	(2,714,213)	
Capital leases	(8,081,767)	
Bonds payable	(42,740,000)	
Net pension liability	<u>(53,258,803)</u>	(106,794,783)
Delayed revenue is shown on the governmental funds, but is not on the statement of net position.		
Grants	122,805	
Property Tax	<u>207,444</u>	330,249
Deferred outflows and inflows of resources related to pensions and deferred charges on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	5,937,899	
Deferred outflows of employer contributions	3,746,738	
Deferred inflows of resources related to pensions	<u>(4,210,648)</u>	5,473,989
Interest payable on long-term debt is not reported in the governmental funds.		
		(434,435)
Internal service funds are used by management to charge the costs of certain activities to individual funds.		
The assets and liabilities of the internal service funds (excluding capital assets) are reported with governmental activities.		
		<u>2,155,834</u>
Net position of governmental activities - statement of net position		<u>\$186,778,818</u>

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	General	Highway Users	Capital Replacement/ Recreation/ Development	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property taxes	\$ 3,423,739	\$ -	\$ -	\$ 2,782,546	\$ 6,206,285
City sales tax	18,829,292	-	2,704,573	262,025	21,795,890
Franchise tax	2,555,177	-	-	-	2,555,177
Licenses and permits	1,344,254	-	-	-	1,344,254
Intergovernmental revenues	12,864,754	5,363,099	-	1,097,116	19,324,969
Charges for services	879,543	-	-	3,181,862	4,061,405
Fines	682,288	-	-	-	682,288
Investment earnings	54,626	16,781	115,872	20,554	207,833
Contributions and donations	42,901	-	-	220,056	262,957
Rental and sale of city property	150,461	-	-	611,034	761,495
Miscellaneous	202,247	2,748	256,408	96,839	558,242
Total revenues	<u>41,029,282</u>	<u>5,382,628</u>	<u>3,076,853</u>	<u>8,272,032</u>	<u>57,760,795</u>
EXPENDITURES					
Current:					
General government	6,763,231	-	-	1,047,222	7,810,453
Public safety	20,843,348	-	-	537,255	21,380,603
Streets/Transportation	-	2,821,113	-	-	2,821,113
Public works	1,313,886	-	38,583	-	1,352,469
Culture and recreation	5,589,731	-	-	568,110	6,157,841
Planning and economic development	1,774,910	-	-	501,815	2,276,725
Capital outlay	122,405	1,451,949	4,495,387	819,984	6,889,725
Debt service:					
Principal	-	60,718	257,604	1,641,483	1,959,805
Interest and fiscal charges	-	38,063	247,737	2,234,893	2,520,693
Total expenditures	<u>36,407,511</u>	<u>4,371,843</u>	<u>5,039,311</u>	<u>7,350,762</u>	<u>53,169,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,621,771</u>	<u>1,010,785</u>	<u>(1,962,458)</u>	<u>921,270</u>	<u>4,591,368</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,041,606	129,879	1,375,923	2,266,387	5,813,795
Transfers out	(2,207,255)	(532,900)	(786,646)	(610,536)	(4,137,337)
Lease purchase proceeds	-	-	1,095,019	-	1,095,019
Total other financing sources and uses	<u>(165,649)</u>	<u>(403,021)</u>	<u>1,684,296</u>	<u>1,655,851</u>	<u>2,771,477</u>
Net change in fund balances	4,456,122	607,764	(278,162)	2,577,121	7,362,845
Fund balances - beginning of year	<u>25,446,309</u>	<u>5,806,306</u>	<u>27,124,720</u>	<u>27,981,596</u>	<u>86,358,931</u>
Fund balances - end of year	<u>\$ 29,902,431</u>	<u>\$ 6,414,070</u>	<u>\$ 26,846,558</u>	<u>\$ 30,558,717</u>	<u>\$ 93,721,776</u>

CITY OF CASA GRANDE, ARIZONA
 RECONILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 Year Ended June 30, 2015

Net change in fund balances - total governmental funds		\$7,362,845
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.		
Contributions	435,329	
Expenditures for capital assets	5,602,983	
Less current year depreciation	<u>(14,994,187)</u>	(8,955,875)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		
Sale of capital assets		(21,892)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes and grants		(30,962)
Town pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the Town's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
City pension contributions	3,746,738	
Pension expense	<u>(6,144,619)</u>	(2,397,881)
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.		(8,604)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets.		
Issuance of lease debt	(1,095,019)	
Bond payments	1,475,718	
Lease payments	<u>484,087</u>	864,786
The internal service fund net revenue is reported with governmental activities		276,998
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.		
Transfer of debt	(1,133,770)	
Compensated absences	(127,942)	
Interest expense on long-term debt	<u>(37,456)</u>	(1,299,168)
Change in net position of governmental activities		<u>(\$4,209,753)</u>

CITY OF CASA GRANDE, ARIZONA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		
REVENUES				
Taxes:				
Property taxes	\$ 3,251,900	\$ 3,251,900	\$ 3,423,739	\$ 171,839
City sales tax	17,310,300	17,310,300	18,829,292	1,518,992
Franchise tax	2,380,000	2,380,000	2,555,177	175,177
Licenses and permits	1,226,400	1,226,400	1,344,254	117,854
Intergovernmental revenues	12,673,000	12,673,000	12,864,754	191,754
Charges for services	816,000	816,000	879,543	63,543
Fines	711,500	711,500	682,288	(29,212)
Investment earnings	103,000	103,000	54,626	(48,374)
Contributions and donations	35,500	35,500	42,901	7,401
Rental and sale of city property	168,000	168,000	150,461	(17,539)
Miscellaneous	74,000	74,000	202,247	128,247
Total revenues	<u>38,749,600</u>	<u>38,749,600</u>	<u>41,029,282</u>	<u>2,279,682</u>
EXPENDITURES				
Current:				
General government				
Mayor and Council	2,012,400	2,012,400	1,463,433	548,967
City manager	827,700	827,700	793,395	34,305
Attorney	813,700	813,700	778,665	35,035
Clerk	421,900	421,900	355,685	66,215
Finance	1,057,200	1,057,200	1,054,492	2,708
Information technology	1,751,600	1,709,100	1,653,595	55,505
Administrative services	738,300	748,300	663,966	84,334
Public safety				
Police	13,169,800	13,163,400	12,505,153	658,247
Fire	7,388,000	7,396,000	7,370,209	25,791
Court	613,300	618,300	616,119	2,181
Animal control	356,300	356,300	351,867	4,433
Public works	1,438,700	1,472,500	1,313,886	158,614
Culture and recreation	5,677,500	5,754,800	5,589,731	165,069
Planning and economic development	1,990,600	1,990,600	1,774,910	215,690
Capital outlay	1,750,500	1,875,700	122,405	1,753,295
Debt service:				
Principal	95,200	-	-	-
Total expenditures	<u>40,102,700</u>	<u>40,217,900</u>	<u>36,407,511</u>	<u>3,810,389</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,353,100)</u>	<u>(1,468,300)</u>	<u>4,621,771</u>	<u>6,090,071</u>

OTHER FINANCING SOURCES (USES)				
Transfers in	2,184,700	2,184,700	2,041,606	(143,094)
Transfers out	<u>(2,679,600)</u>	<u>(2,670,900)</u>	<u>(2,207,255)</u>	<u>463,645</u>
Total other financing sources and uses	<u>(494,900)</u>	<u>(486,200)</u>	<u>(165,649)</u>	<u>320,551</u>
Net change in fund balance	(1,848,000)	(1,954,500)	4,456,122	6,410,622
Fund balance - beginning of year	<u>25,446,309</u>	<u>25,446,309</u>	<u>25,446,309</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 23,598,309</u></u>	<u><u>\$ 23,491,809</u></u>	<u><u>\$ 29,902,431</u></u>	<u><u>\$ 6,410,622</u></u>



City of
Casa Grande

CITY OF CASA GRANDE, ARIZONA
HIGHWAY USERS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		
REVENUES				
Taxes:				
State-shared gas tax	\$ 3,333,800	\$ 3,333,800	\$ 3,495,217	\$ 161,417
County sales tax	1,700,000	1,700,000	1,867,882	167,882
Investment earnings	1,000	1,000	16,781	15,781
Miscellaneous	5,000	5,000	2,748	(2,252)
Total revenues	<u>5,039,800</u>	<u>5,039,800</u>	<u>5,382,628</u>	<u>342,828</u>
EXPENDITURES				
Streets/Transportation				
Personal services	1,333,900	1,333,900	1,297,796	36,104
Contractual services	526,100	598,300	590,290	8,010
Materials and supplies	972,700	972,700	933,027	39,673
Capital outlay	1,859,700	1,822,900	1,451,949	370,951
Debt service	167,200	98,800	98,781	19
Total expenditures	<u>4,859,600</u>	<u>4,826,600</u>	<u>4,371,843</u>	<u>454,757</u>
Excess (deficiency) of revenues over (under) expenditures	<u>180,200</u>	<u>213,200</u>	<u>1,010,785</u>	<u>797,585</u>
OTHER FINANCING USES				
Transfers in	-	-	129,879	129,879
Transfers out	(532,900)	(532,900)	(532,900)	-
Total other financing sources and uses	<u>(532,900)</u>	<u>(532,900)</u>	<u>(403,021)</u>	<u>129,879</u>
Net change in fund balance	<u>(352,700)</u>	<u>(319,700)</u>	<u>607,764</u>	<u>927,464</u>
Fund balance - beginning of year	<u>5,806,306</u>	<u>5,806,306</u>	<u>5,806,306</u>	<u>-</u>
Fund balance - end of year	<u>\$ 5,453,606</u>	<u>\$ 5,486,606</u>	<u>\$ 6,414,070</u>	<u>\$ 927,464</u>

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015

	Business-type Activities- Enterprise Funds	
	Water	Wastewater
ASSETS		
Current assets:		
Cash	\$ 590,083	\$ 206,925
Investments	-	5,764,051
Receivables, net of uncollectibles	5,719	1,759,178
Inventories	-	-
Total current assets	<u>595,802</u>	<u>7,730,154</u>
Noncurrent assets:		
Capital assets-nondepreciable	3,214	-
Capital assets-depreciable	570,814	91,422,474
Total noncurrent assets	<u>574,028</u>	<u>91,422,474</u>
Total assets	<u>1,169,830</u>	<u>99,152,628</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of employer contributions		
to pensions	5,360	64,448
Deferred outflows of resources related to pensions	4,757	57,191
Total deferred outflows of resources	<u>10,117</u>	<u>121,639</u>
LIABILITIES		
Current liabilities:		
Accounts payable	23,403	223,741
Deposits held	13,381	-
Accrued wages and benefits	1,818	41,376
Accrued interest payable	1,191	557,341
Due to other funds	-	-
Compensated absences	-	17,217
Notes/Loans payable	12,943	2,534,014
Excise tax revenue obligations	-	707,322
Total current liabilities	<u>52,736</u>	<u>4,081,011</u>
Noncurrent liabilities:		
Compensated absences	-	21,044
Notes/Loans payable	56,375	41,547,473
Excise tax revenue obligations	-	9,645,267
Closure and postclosure liability	-	-
Net pension liability	93,595	1,125,306
Total noncurrent liabilities	<u>149,970</u>	<u>52,339,090</u>
Total liabilities	<u>202,706</u>	<u>56,420,101</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions		
	<u>16,524</u>	<u>198,670</u>
NET POSITION		
Net investment in capital assets	504,710	37,110,037
Restricted for:		
Debt service	-	4,678,660
Construction	-	-
Unrestricted	<u>456,007</u>	<u>866,799</u>
Total net position	<u>\$ 960,717</u>	<u>\$ 42,655,496</u>

Business-type Activities-Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Dev Fees	Sanitation	Golf Course	Total	
\$ 5,157	\$ 152,039	\$ 48,410	\$ 1,002,614	\$ 2,052,867
1,633,803	3,472,024	442	10,870,320	122,320
-	1,726,497	3,557	3,494,951	42,451
-	-	27,622	27,622	260,861
<u>1,638,960</u>	<u>5,350,560</u>	<u>80,031</u>	<u>15,395,507</u>	<u>2,478,499</u>
2,845,961	-	283,000	3,132,175	-
5,061,725	5,485,354	1,695,295	104,235,662	2,072
<u>7,907,686</u>	<u>5,485,354</u>	<u>1,978,295</u>	<u>107,367,837</u>	<u>2,072</u>
<u>9,546,646</u>	<u>10,835,914</u>	<u>2,058,326</u>	<u>122,763,344</u>	<u>2,480,571</u>
-	172,650	20,568	263,026	-
-	153,211	18,253	233,412	-
-	<u>325,861</u>	<u>38,821</u>	<u>496,438</u>	-
-	157,464	32,917	437,525	90,098
-	-	-	13,381	-
-	124,584	5,341	173,119	(31,388)
-	-	-	558,532	-
-	-	-	-	219,750
-	101,047	641	118,905	44,205
-	-	-	2,546,957	-
-	-	-	707,322	-
-	<u>383,095</u>	<u>38,899</u>	<u>4,555,741</u>	<u>322,665</u>
-	123,502	783	145,329	-
-	-	-	41,603,848	-
-	-	-	9,645,267	-
-	2,737,164	-	2,737,164	-
-	3,014,601	359,142	4,592,644	-
-	<u>5,875,267</u>	<u>359,925</u>	<u>58,724,252</u>	-
-	<u>6,258,362</u>	<u>398,824</u>	<u>63,279,993</u>	<u>322,665</u>
-	532,221	63,405	810,820	-
7,907,686	5,361,852	1,978,295	52,862,580	2,072
-	-	-	4,678,660	-
1,638,960	-	-	1,638,960	-
-	(990,660)	(343,377)	(11,231)	2,155,834
<u>\$ 9,546,646</u>	<u>\$ 4,371,192</u>	<u>\$ 1,634,918</u>	<u>\$ 59,168,969</u>	<u>\$ 2,157,906</u>

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2015

	Business-type Activities- Enterprise Funds	
	Water	Wastewater
Operating revenues:		
Service fees	\$ 192,343	\$ 8,541,358
Department Insurance charges	-	-
Rental	-	-
Green fees	-	-
Miscellaneous	-	70,663
Total operating revenue	<u>192,343</u>	<u>8,612,021</u>
Operating expenses:		
Personal services	36,751	844,978
Contractual services	89,109	1,103,217
Materials and supplies	70,317	1,595,728
Depreciation	64,433	3,373,418
Closure and postclosure costs	-	-
Total operating expenses	<u>260,610</u>	<u>6,917,341</u>
Operating income (loss)	<u>(68,267)</u>	<u>1,694,680</u>
Nonoperating revenues (expense):		
Investment earnings	-	7,480
Interest expense	(1,064)	(2,115,738)
City sales tax	-	-
Total nonoperating revenues (expense)	<u>(1,064)</u>	<u>(2,108,258)</u>
Income (loss) before contributions and transfers	(69,331)	(413,578)
Developer fees	-	-
Contributions	-	-
Transfers in	-	155,000
Transfers out	(36,600)	(523,300)
Change in net position	<u>(105,931)</u>	<u>(781,878)</u>
Total net position-beginning of year-restated	<u>1,066,648</u>	<u>43,437,374</u>
Total net position-end of year	<u>\$ 960,717</u>	<u>\$ 42,655,496</u>

Business-type Activities-Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Dev Fees	Sanitation	Golf Course	Total	
\$ -	\$ 6,739,796	\$ -	\$ 15,473,497	\$ 1,804,516
-	-	-	-	2,335,297
-	-	139,630	139,630	-
-	-	961,150	961,150	-
-	20	1,565	72,248	121,637
-	6,739,816	1,102,345	16,646,525	4,261,450
-	2,422,642	112,378	3,416,749	823,980
-	1,206,098	649,900	3,048,324	1,875,780
-	735,587	252,649	2,654,281	805,232
86,690	925,566	181,060	4,631,167	14,802
-	97,008	-	97,008	-
86,690	5,386,901	1,195,987	13,847,529	3,519,794
(86,690)	1,352,915	(93,642)	2,798,996	741,656
1,208	2,992	-	11,680	-
-	-	-	(2,116,802)	-
-	-	29,122	29,122	-
1,208	2,992	29,122	(2,076,000)	-
(85,482)	1,355,907	(64,520)	722,996	741,656
582,705	-	-	582,705	-
-	-	1,133,770	1,133,770	-
-	-	-	155,000	37,766
(155,000)	(548,000)	(103,900)	(1,366,800)	(502,424)
342,223	807,907	965,350	1,227,671	276,998
9,204,423	3,563,285	669,568	57,941,298	1,880,908
\$ 9,546,646	\$ 4,371,192	\$ 1,634,918	\$ 59,168,969	\$ 2,157,906

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2015

	Business-type Activities- Enterprise Funds	
	Water	Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 195,551	\$ 8,882,745
Payments to suppliers	(143,517)	(2,971,926)
Payments to employees	(36,023)	(842,314)
Net cash provided by operating activities	<u>16,011</u>	<u>5,068,505</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
City sales tax	-	-
Transfers to other funds	(36,600)	(523,300)
Transfers from other funds	-	155,000
Net cash provided by noncapital financing activities	<u>(36,600)</u>	<u>(368,300)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(3,215)	(422,477)
Contributions	-	-
Principal paid on capital debt	(12,513)	(3,057,525)
Interest paid on capital debt	(2,597)	(2,217,510)
Net cash provided (used) by capital and related financing activities	<u>(18,325)</u>	<u>(5,697,512)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends received	-	7,480
Net cash provided by investing activities	<u>-</u>	<u>7,480</u>
Net increase (decrease) in cash	(38,914)	(989,827)
Cash and cash equivalents at beginning of year	<u>628,997</u>	<u>6,960,803</u>
Cash and cash equivalents at end of year	<u>\$ 590,083</u>	<u>\$ 5,970,976</u>
Cash	\$ 590,083	\$ 206,925
Investments	<u>-</u>	<u>5,764,051</u>
	<u>\$ 590,083</u>	<u>\$ 5,970,976</u>

Business-type Activities-Enterprise Funds				Governmental
Wastewater				Activities -
Dev Fees	Sanitation	Golf Course	Total	Internal
				Service Funds
\$ -	\$ 6,002,879	\$ 1,103,285	\$ 16,184,460	\$ 4,254,963
-	(2,173,905)	(883,730)	(6,173,078)	(2,702,278)
-	(2,369,586)	(164,103)	(3,412,026)	(1,151,809)
-	1,459,388	55,452	6,599,356	400,876
-	-	29,122	29,122	-
(155,000)	(548,000)	(103,900)	(1,366,800)	(502,424)
-	-	-	155,000	37,766
(155,000)	(548,000)	(74,778)	(1,182,678)	(464,658)
(298,432)	(1,066,399)	(10,635)	(1,801,158)	-
582,705	-	-	582,705	-
-	-	-	(3,070,038)	-
-	-	-	(2,220,107)	-
284,273	(1,066,399)	(10,635)	(6,508,598)	-
1,208	2,992	-	11,680	-
1,208	2,992	-	11,680	-
130,481	(152,019)	(29,961)	(1,080,240)	(63,782)
1,508,479	3,776,082	78,813	12,953,174	2,238,969
<u>\$ 1,638,960</u>	<u>\$ 3,624,063</u>	<u>\$ 48,852</u>	<u>\$ 11,872,934</u>	<u>\$ 2,175,187</u>
\$ 5,157	\$ 152,039	\$ 48,410	\$ 1,002,614	\$ 2,052,867
1,633,803	3,472,024	442	10,870,320	122,320
<u>\$ 1,638,960</u>	<u>\$ 3,624,063</u>	<u>\$ 48,852</u>	<u>\$ 11,872,934</u>	<u>\$ 2,175,187</u>

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
Year Ended June 30, 2015

	Business-type Activities- Enterprise Funds	
	Water	Wastewater
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (68,267)	\$ 1,694,680
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Closure and postclosure costs	-	-
Depreciation expense	64,433	3,373,418
Pension expense	6,091	73,230
Employer pension contributions	(5,360)	(64,448)
Provision for bad debt	-	1,818,174
(Increase) decrease in accounts receivable	1,673	(1,547,450)
(Increase) decrease in inventory	-	-
Increase (decrease) in accounts payable	15,909	(132,708)
Increase (decrease) in deposits held	1,535	-
Increase (decrease) in accrued wages	(3)	2,703
Increase (decrease) in due to other funds	-	(140,273)
Increase (decrease) in compensated absences		(8,821)
Total adjustments	<u>84,278</u>	<u>3,373,825</u>
Net cash provided by operating activities	<u>\$ 16,011</u>	<u>\$ 5,068,505</u>

Schedule of Noncash Investing, Capital and Financing Activities
The Golf Course fund transferred \$1,133,770 in debt to Governmental Activities

Business-type Activities-Enterprise Funds				Governmental Activities - Internal Service Fund
Wastewater Dev Fees	Sanitation	Golf Course	Total	
\$ (86,690)	\$ 1,352,915	\$ (93,642)	\$ 2,798,996	\$ 741,656
-	97,008	-	97,008	-
86,690	925,566	181,060	4,631,167	14,802
-	196,177	23,372	298,870	-
-	(172,650)	(20,568)	(263,026)	-
-	985,163	-	2,803,337	-
-	(1,722,100)	940	(3,266,937)	(6,487)
-	-	25,700	25,700	(54,228)
-	(232,220)	(6,881)	(355,900)	(44,650)
-	-	-	1,535	-
-	20,908	(15,576)	8,032	(328,688)
-	-	-	(140,273)	77,612
-	8,621	(38,953)	(39,153)	859
86,690	106,473	149,094	3,800,360	(340,780)
\$ -	\$ 1,459,388	\$ 55,452	\$ 6,599,356	\$ 400,876

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2015

	<u>Agency Funds</u>	<u>Part-Time Firemen's Pension</u>
ASSETS		
Cash	\$ 61,004	\$ 2,372
Investments	<u>1,948,066</u>	<u>426,474</u>
Total assets	<u>2,009,070</u>	<u>428,846</u>
LIABILITIES		
Other liabilities	<u>2,009,070</u>	<u>-</u>
Total liabilities	<u>2,009,070</u>	<u>-</u>
NET POSITION		
Held in trust for pension benefits and other purposes	<u>\$ -</u>	<u>\$ 428,846</u>

CITY OF CASA GRANDE, ARIZONA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2015

	<u>Part-Time Firemen's Pension</u>
ADDITIONS	
Contributions:	
Employer	\$ -
Plan members	-
Total contributions	<u>-</u>
Investment earnings:	
Misc revenue	<u>(22,700)</u>
Total additions	<u>(22,700)</u>
DEDUCTIONS	
Administrative expenses	<u>1,814</u>
Total deductions	<u>1,814</u>
Change in net position	(24,514)
Net position-beginning of year	<u>453,360</u>
Net position-end of year	<u>\$ 428,846</u>



City of
Casa Grande

FINANCIAL SECTION

NOTES TO FINANCIAL STATEMENTS



City of
Casa Grande

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.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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 Highway Users Fund that accounts for the City's share of tax revenues legally restricted to the maintenance of the highways within the City's boundaries, is presented as a major fund in the basic financial statement.

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

Capital Project Funds - Capital Project Funds account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The Capital Replacement/Recreation/Development Fund 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Fund Accounting (Continued)

PROPRIETARY FUNDS

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

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

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

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

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

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

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

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

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 three agency funds, one to account for deposits received from various businesses in order to conduct business within the City, one to account for employee deposits into a flexible spending plan, and a third to account for the Sun Corridor MPO. The three 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.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

The portion of property tax levies available on June 30, 2015, 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.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Data

- In the spring of each year, the City Manager submits to City Council an estimate of the expenditures necessary to conduct the affairs of the City for the fiscal year commencing July 1st.
- The Council holds open work sessions relating to budget preparation.
- After required public hearings are held, a budget for all governmental and proprietary funds (excluding internal service and pension funds) is legally enacted prior to the third Monday of July as required by Arizona Revised Statutes. The budget specifies expenditure amounts by activity with each Fund.
- Transfer of budgeted amounts within a department may be authorized by the Director of each department, unless the transfer involves personnel services. This type of budgetary transfer requires City Manager approval. In the adoption of the budget the City Council delegates authority to transfer budget amounts between funds and departments to the City Manager. The original budget was amended for the year ending June 30, 2015.
- 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.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, Arizona 85007. In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and External Investment Pools," the City records all its investments at fair value as defined in the statement. The Part-time Firemen's Pension investments are valued from quoted market prices at year-end.

H. 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.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

J. Deferred outflows and inflows of resources

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

K. Pensions

For purposes of measuring the new pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. 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.

M. Long-term Obligations

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

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. 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.

O. Fund Equity

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

P. Fund Balance Policies

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

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

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

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

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Implementation of New GASB Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended in November 2013 by GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB Statements Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources and expenses related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits. The requirements of these Statements are effective for financial statements for periods beginning after June 15, 2014. The City adopted GASBS Nos. 68 and 71 in fiscal year 2015. The adoption of GASBS Nos. 68 and 71 has impacted the presentation of the City's statements.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. GASBS No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2013. The City adopted GASBS No. 69 in fiscal year 2015. The adoption of GASBS No. 69 does not have an impact on the City's financial statements.

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 \$6,566,311 and the bank balance was \$6,780,177. Federal Depository Insurance covered the City's deposits at June 30, 2015, to the extent of \$337,866. The City had cash on hand of \$4,055. Deposits of \$6,442,311 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.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 2 CASH AND INVESTMENTS (Continued)

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

	Governmental Activities	Business Activities	Fiduciary Fund	Total
Cash and cash equivalents	\$ 5,504,375	\$ 1,002,614	\$ 63,376	\$ 6,570,365
Investments	85,977,184	10,870,320	2,374,540	99,222,044
Restricted cash and cash equivalents	1,229,683	-	-	1,229,683
	<u>\$ 92,711,242</u>	<u>\$ 11,872,934</u>	<u>\$ 2,437,916</u>	<u>\$ 107,022,092</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, 2015 was \$1.1 billion in assets.

The City also holds \$49,927,711 invested with PFM Asset Management, LLC. The accounts are invested in U.S. Treasury securities, U.S. Government bonds, certificates of deposit and corporate debt securities.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

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. Casa Grande has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The following table shows the City's investment maturities:

Governmental funds		Investment maturities (in years)		
Investment Type	Total	Less than 1	1 - 5	6 - 10
LGIP Pool #7	\$ 35,802,262	\$ 35,802,262	\$ -	\$ -
U.S. Treasury Notes	19,309,607	4,471,104	14,838,503	-
Federal Agency Securities	23,260,240	-	23,260,240	-
Money market	1,407,114	1,407,114	-	-
Certificate of Deposit	499,175	499,175	-	-
Corporate Securities	6,928,469	1,985,867	4,942,602	-
	<u>\$ 87,206,867</u>	<u>\$ 44,165,522</u>	<u>\$ 43,041,345</u>	<u>\$ -</u>
Proprietary funds				
Investment Type	Total	Less than 1	1 - 5	6 - 10
LGIP Pool #7	\$ 10,870,320	\$ 10,870,320	\$ -	\$ -
Fiduciary funds				
Investment Type	Total	Less than 1	1 - 5	6 - 10
LGIP Pool #7	\$ 1,948,066	\$ 1,948,066	\$ -	\$ -
Money market	426,474	426,474	-	-
	<u>\$ 2,374,540</u>	<u>\$ 2,374,540</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ 100,451,727</u>	<u>\$ 57,410,382</u>	<u>\$ 43,041,345</u>	<u>\$ -</u>

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 2 CASH AND INVESTMENTS (Continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following table shows the actual rating as of year-end by investment type.

Governmental funds

Investment Type	Total	Unrated	A-AAA	B-BBB
LGIP Pool #7	\$ 35,802,262	\$ 35,802,262	\$ -	\$ -
U.S. Treasury Notes	19,309,607	-	19,309,607	-
Federal Agency Securities	23,260,240	-	23,260,240	-
Money market	1,407,114	1,407,114	-	-
Certificate of Deposit	499,175	499,175	-	-
Corporate Securities	6,928,469	-	5,933,500	994,969
	<u>\$ 87,206,867</u>	<u>\$ 37,708,551</u>	<u>\$ 48,503,347</u>	<u>\$ 994,969</u>

Proprietary funds

Investment Type	Total	Unrated	A-AAA	B-BBB
LGIP Pool #7	\$ 10,870,320	\$ 10,870,320	\$ -	\$ -

Fiduciary funds

Investment Type	Total	Unrated	A-AAA	B-BBB
LGIP Pool #7	\$ 1,948,066	\$ 1,948,066	\$ -	\$ -
Money market	426,474	426,474	-	-
	<u>\$ 2,374,540</u>	<u>\$ 2,374,540</u>	<u>\$ -</u>	<u>\$ -</u>

Total	<u>\$ 100,451,727</u>	<u>\$ 50,953,411</u>	<u>\$ 48,503,347</u>	<u>\$ 994,969</u>
-------	-----------------------	----------------------	----------------------	-------------------

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

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 Pool #7	\$ 48,620,648	48.40%
Money Market Funds	1,833,588	1.83%
Federal Agency Securities	23,260,240	23.16%
U.S. Treasury Notes	19,309,607	19.22%
Certificat of Deposit	499,175	0.50%
Corporate Debt	6,928,469	6.90%
Total	<u>\$ 100,451,727</u>	

NOTE 3 CASH WITH FISCAL AGENT/RESTRICTED INVESTMENTS

In November 2006, December 2008 and August 2010 the Villago Community Facilities District issued long-term revenue obligations. Certain resources set aside for repayment are classified as restricted cash on the statement of net assets and on the balance sheet because their use is limited by applicable bond covenants.

Fund Type	Description of Designated Capital	Balance at 6/30/2015
Capital - CFD	Infrastructure	<u>\$ 307,135</u>

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

Fund Type	Description of Designated Capital	Balance at 6/30/2015
Capital - CFD	Sewer Line	<u>\$ 693,897</u>

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 4 RECEIVABLES

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

	General Fund	Highway User	Capital Replacement/ Recreation/ Development	Non-Major Governmental Funds	Total Governmental Funds
Receivables:					
Taxes	\$ 3,093,988	\$ 644,607	\$ 635,665	\$ 68,005	\$ 4,442,265
Interest	-	-	-	13,359	13,359
Accounts	139,252	324	30,929	645,271	815,776
	<u>3,233,240</u>	<u>644,931</u>	<u>666,594</u>	<u>726,635</u>	<u>5,271,400</u>
Less:					
Allowance	(250)	-	-	-	(250)
Total receivables	<u>\$ 3,232,990</u>	<u>\$ 644,931</u>	<u>\$ 666,594</u>	<u>\$ 726,635</u>	<u>\$ 5,271,150</u>

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

	Water Fund	Wastewater Fund	Sanitation Fund	Golf Course Fund	Internal Service Fund
Receivables:					
Accounts	\$ 5,719	\$ 4,627,463	\$ 2,584,672	\$ 3,557	\$ 42,451
Less:					
Allowance	-	(2,868,285)	(858,175)	-	-
Net receivables	<u>\$ 5,719</u>	<u>\$ 1,759,178</u>	<u>\$ 1,726,497</u>	<u>\$ 3,557</u>	<u>\$ 42,451</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	\$ 1,818,174
Uncollectibles related to sanitation	985,163
Total uncollectibles for the current year	<u>\$ 2,803,337</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, 2015 these loans outstanding totaled \$415,450.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 PROPERTY TAXES

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

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

The City's 2014-2015 maximum primary levy limit was \$3,595,284. The primary tax levy was \$3,251,900. 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 year-end and expected to be collected within 60 days after year-end. Available means taxes due or past due at the end of the fiscal year. Deferred revenue includes the balance of the property tax levy that does not meet the accrual criteria. Property tax receivable and deferred revenue at June 30, 2015, are \$281,140 and \$207,444 respectively.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 7 CAPITAL ASSETS

A summary of capital assets activity for the fiscal year ended June 30, 2015 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 19,531,684	\$ -	\$ -	\$ 19,531,684
Construction in progress	158,120	561,501	-	719,621
Total capital assets not being depreciated	19,689,804	561,501	-	20,251,305
Capital assets, being depreciated:				
Buildings	70,225,198	289,701	-	70,514,899
Improvements	228,735,866	3,013,739	-	231,749,605
Heavy machinery & equipment	24,522,178	2,173,370	(332,858)	26,362,690
Total capital assets being depreciated	323,483,242	5,476,810	(332,858)	328,627,194
Less accumulated depreciation for:				
Buildings	(16,640,715)	(2,778,989)	-	(19,419,704)
Improvements	(108,038,633)	(10,539,035)	-	(118,577,668)
Heavy machinery & equipment	(17,174,940)	(1,690,965)	310,966	(18,554,939)
Total accumulated depreciation	(141,854,288)	(15,008,989)	310,966	(156,552,311)
Total capital assets, being depreciated, net	181,628,954	(9,532,179)	(21,892)	172,074,883
Governmental activities capital assets, net	\$ 201,318,758	\$ (8,970,678)	\$ (21,892)	\$ 192,326,188
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 2,983,724	\$ -	\$ -	\$ 2,983,724
Construction in progress	-	148,451	-	148,451
Total capital assets not being depreciated	2,983,724	148,451	-	3,132,175
Capital assets, being depreciated:				
Buildings and improvements	123,755,579	536,973	-	124,292,552
Machinery and equipment	16,773,934	1,115,732	(242,614)	17,647,052
Total capital assets being depreciated	140,529,513	1,652,705	(242,614)	141,939,604
Less accumulated depreciation for:				
Buildings and improvements	(26,562,676)	(3,540,519)	-	(30,103,195)
Machinery and equipment	(6,752,713)	(1,090,648)	242,614	(7,600,747)
Total accumulated depreciation	(33,315,389)	(4,631,167)	242,614	(37,703,942)
Total capital assets, being depreciated, net	107,214,124	(2,978,462)	-	104,235,662
Business-Type activities capital assets, net	\$ 110,197,848	\$ (2,830,011)	\$ -	\$ 107,367,837

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 7 CAPITAL ASSETS (Continued)

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

Governmental activities:	
General government	\$ 438,327
Public safety	2,448,657
Streets/Transportation	9,543,051
Public Works	863,827
Culture and recreation	1,457,926
Economic Development	242,399
Internal Service	<u>14,802</u>
Total depreciation expense	<u>\$ 15,008,989</u>
Business-type activities:	
Water	\$ 64,433
Wastewater	3,460,108
Sanitation	925,566
Golf Course	<u>181,060</u>
Total depreciation expense	<u>\$ 4,631,167</u>

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

At June 30, 2015, the City reported the following aggregate amounts related to pensions for all plans to which it contributes:

<u>Statement of Net Position and Statement of Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activites</u>	<u>Total</u>
Net pension liabilities	53,258,803	4,592,644	57,851,447
Deferred outflows of resources	9,684,637	496,438	10,181,075
Deferred inflows of resources	4,210,648	810,820	5,021,468
Pension expense	6,144,477	298,870	6,443,347

The City reported \$4,009,764 of pension contributions in expenditures in the fund statements related to all pension plans to which it contributes.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

A. Arizona State Retirement System

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

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

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

*with actuarially reduced benefits

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

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2015 active ASRS members were required by statute to contribute at the actuarially determined rate of 11.6 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 11.6 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. In addition, the City was required by statute to contribute at the actuarially determined rate of 9.57 percent (9.51 percent for retirement and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the City in positions that would typically be filled by an employee who contributes to the ASRS. The City's contributions to the pension plan for the year ended June 30, 2015 were \$1,329,066. The City's contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

ASRS	Year ended June 30	Health Benefit	Long-Term
		Supplement	Disability
		Fund	Fund
	2015	\$ 68,745	\$ 13,749
	2014	\$ 77,803	\$ 31,121
	2013	\$ 75,053	\$ 30,021

During fiscal year 2015, the City paid for ASRS pension and OPEB contributions as follows: 64.5 percent from the General Fund, 7.9 percent from the HURF Fund, 0.2 percent from the Water Fund, 5.1 percent from the Wastewater Fund, 14.2 percent from the Sanitation Fund, 0.5 percent from the Golf Fund, and 7.6 percent from other funds.

Pension Liability - At June 30, 2015, the City reported a liability of \$21,766,069 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The City's proportion measured as of June 30, 2014 was 0.147102 percent, which was a decrease of 0.000302 percent from its proportion measured as of June 30, 2013.

The City's reported liability at June 30, 2015, decreased by \$2,738,936 from the City's prior year liability of \$24,505,005 because of changes in the ASRS' net pension liability and the City's proportionate share of that liability. The ASRS' publicly available financial report provides details on the change in the net pension liability.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the City recognized pension expense for ASRS of \$1,416,438. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,106,215	\$ -
Net difference between projected and actual earnings on pension plan investments		3,806,213
Changes in proportion and differences between City contributions and proportionate share of contributions		36,535
City contributions subsequent to the measurement date	<u>1,246,572</u>	
Total	<u>\$ 2,352,787</u>	<u>\$ 3,842,748</u>

The \$1,246,572 reported as deferred outflows of resources related to ASRS pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30	
2016	\$ (486,475)
2017	(486,475)
2018	(813,030)
2019	(950,533)

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

ASRS

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 20, 2014
Actuarial cost method	Entry age normal
Amortization method:	
Plan amendments	Immediate
Investment gain/loss	5 years
Assumption gain/loss	Average future service lives
Experience gain/loss	Average future service lives
Asset valuation	Fair Value
Discount rate	8%
Projected salary increases	3 - 6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ASRS	Target	Long-Term
Asset Class	Allocation	Expected Real Rate of Return
Equity	63%	7.03%
Fixed Income	25%	3.20%
Real estate	8%	4.50%
Commodities	4%	4.75%
Total	100%	

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount Rate - The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate:

ASRS	1% Decrease	Current	1% increase
	(7%)	Discount Rate (8%)	(9%)
City's proportionate share of the net pension liability	\$ 27,511,194	\$ 21,766,069	\$ 18,649,049

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

B. Public Safety Personnel Retirement System

Plan Descriptions – City police department employees and City fire fighter employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent plans). A seven-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

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

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

PSPRS

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

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Employees Covered by Benefit Terms - At June 30, 2015, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Police	PSPRS Fire
Inactive employees or beneficiaries		
currently receiving benefits	43	18
Inactive employees entitled to		
by not yet receiving benefits	6	2
Active employees	73	57
Total	122	77

Contributions and Annual OPEB Cost - State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2015, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police	PSPRS Fire
Active members - Pension	7.65%	7.65%
City		
Pension	31.84%	22.21%
Health insurance permium benefit	1.16%	0.97%

In addition, the City was required by statute to contribute at the actuarially determined rate of 19.65 percent for the PSPRS of annual covered payroll of retired members who worked for the City in positions that would typically be filled by an employee who contributes to the PSPRS.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

For the agent plans, the City's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2015, were:

Pension	PSPRS	
	Police	Fire
Contributions made	\$ 1,825,522	\$ 924,690
Health Insurance Permium Benefit		
Annual OPEB cost		
Contributions made	66,508	40,385

During fiscal year 2015, the City paid for PSPRS and OPEB contributions as follows: 97.9 percent from the General Fund and 2.1 percent from other funds.

Pension Liability (Asset) - At June 30, 2015, the City reported the following net pension liabilities (assets):

	<u>Net Pension Liability</u>
PSPRS Police	\$ 25,043,021
PSPRS Fire	11,040,178

The net pension liabilities were measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

PSPRS Police and Fire	
Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	24 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	8%, net of investment and administrative expenses
Projected salary increases includes inflation at	3.0% - 4.0%

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for June 30, 2012.

The long-term expected rate of return on both the PSPRS Police and PSPRS Fire pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS Police and PSPRS Fire		Target	Long-Term
Asset Class	Allocation	Expected Real	Rate of Return
U.S. equity	16.00%	7.60%	
Non-U.S. equity	14.00%	8.63%	
Private equity	11.00%	9.50%	
Fixed income	7.00%	4.75%	
Credit opportunities	13.00%	8.00%	
Absolute Return	4.00%	6.75%	
GTAA	10.00%	5.73%	
Real Assets	8.00%	5.96%	
Real Estate	11.00%	6.50%	
Risk Parity	4.00%	6.04%	
Short Term Inv	2.00%	3.25%	
Total	100%		

Pension Discount Rates - A 7.85 percent discount rate was used to measure the total pension liability for both the PSPRS Police and PSPRS Fire pension plans.

The projection of cash flows used to determine the discount rates for both PSPRS Police and PSPRS Fire assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Net Pension Liability

PSPRS Police	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary	Pension
	Liability	Net	Liability
(Asset)	Position	(Asset)	
(a)	(b)	(a) - (b)	
Balances at June 30, 2014	35,135,780	15,195,836	19,939,944
Changes for the year:			
Service Cost	1,015,910		1,015,910
Interest on the total pension liability	2,707,371		2,707,371
Changes of benefit terms	863,565		863,565
Differences between expected and actual experience in the measurement of the pension liability	(573,850)		(573,850)
Changes of assumptions or other inputs	4,417,506		4,417,506
Contributions - employer		1,604,579	(1,604,579)
Contributions - employee		539,514	(539,514)
Net investment income		1,965,995	(1,965,995)
Benefit payments, including refunds of employee contributions	(2,309,869)	(2,309,869)	-
Administrative expense			
Other changes		(782,663)	782,663
Net changes	6,120,633	1,017,556	5,103,077
Balances at June 30, 2015	41,256,413	16,213,392	25,043,021

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

PSPRS Fire	Increase (Decrease)		
	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2014	20,268,828	11,374,517	8,894,311
Changes for the year:			
Service Cost	817,489		817,489
Interest on the total pension liability	1,586,947		1,586,947
Changes of benefit terms	346,208		346,208
Differences between expected and actual experience in the measurement of the pension liability	288,360		288,360
Changes of assumptions or other inputs	1,859,876		1,859,876
Contributions - employer		991,261	(991,261)
Contributions - employee		555,093	(555,093)
Net investment income		1,538,450	(1,538,450)
Benefit payments, including refunds of employee contributions	(923,381)	(923,381)	-
Administrative expense			
Other changes		(331,791)	331,791
Net changes	3,975,499	1,829,632	2,145,867
Balances at June 30, 2015	24,244,327	13,204,149	11,040,178

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

PSPRS Police	1% Decrease 6.85%	Current Discount Rate 7.85%	1% Increase 8.85%
Total pension liability	46,381,865	41,256,413	36,998,647
Plan fiduciary net position	16,213,392	16,213,392	16,213,392
Net pension liability	30,168,473	25,043,021	20,785,255
 PSPRS Fire	 1% Decrease 6.85%	 Current Discount Rate 7.85%	 1% Increase 8.85%
Total pension liability	27,411,892	24,244,327	21,606,400
Plan fiduciary net position	13,204,149	13,204,149	13,204,149
Net pension liability	14,207,743	11,040,178	8,402,251

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

Pension Expense - For the year ended June 30, 2015, the City recognized the following pension expense:

	<u>Pension Expense</u>
PSPRS Police	3,572,496
PSPRS Fire	1,454,413

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Pension Deferred Outflows/Inflows of Resources - At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 661,046
Changes of assumptions or other inputs	3,643,523	-
Net difference between projected and actual earnings on pension plan investments	-	473,307
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	2,750,212	-
Total	\$ 6,393,735	\$ 1,134,353
PSPRS Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 254,337	\$ -
Changes of assumptions or other inputs	1,640,432	-
Net difference between projected and actual earnings on pension plan investments	-	517,290
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	924,690	-
Total	\$ 2,819,459	\$ 517,290

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

The amounts reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (or an increase in the net pension asset) in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	PSPRS Police	PSPRS Fire
2016	\$ 508,178	\$ 124,145
2017	508,178	124,145
2018	508,178	124,145
2019	508,178	124,145
2020	476,458	253,467
Thereafter	-	627,432

Agent Plan OPEB Actuarial Assumptions – The health insurance premium benefit contribution requirements for the year ended June 30, 2015, were established by the June 30, 2013, actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Projections of benefits are based on (1) the plans as understood by the City and plans' members and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the City and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all PSPRS plans and related benefits (unless noted), and the actuarial methods and assumptions used to establish the fiscal year 2015 contribution requirements, are as follows:

PSPRS - OPEB Contribution Requirements

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.5% - 8.5% for PSPRS
includes inflation at	4.5% for PSPRS

The funded status of the all the PSPRS and CORP health insurance premium benefit plans in the June 30, 2014, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Agent Plan OPEB Trend Information – Annual OPEB cost information for the health insurance premium benefit for the current and preceding 2 years follows for each of the agent plans:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS Police			
2015	\$ 66,508	100%	\$ -
2014	56,434	100%	-
2013	108,088	100%	-
PSPRS Fire			
2015	\$ 40,385	100%	\$ -
2014	34,953	100%	-
2013	35,232	100%	-

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Agent Plan OPEB Funded Status - The following table presents the funded status of the health insurance premium benefit plans as of the most recent valuation date, June 30, 2014.

	PSPRS	PSPRS
	Police	Fire
Actuarial value of assets (a)	\$ 754,568	\$ 371,272
Actuarial accrued liability (b)	675,772	525,683
Unfunded actuarial accrued liability		
(funded excess) (b) - (a)	(78,796)	154,411
Funded ratio (a)/(b)	111.66%	70.63%
Annual covered payroll (c)	\$ 5,253,943	\$ 4,550,140
Unfunded actuarial accrued liability		
(funding excess) as a percentage		
of covered payroll (b) - (a) / (c)	0.00%	3.39%

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 2015 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.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 10 CAPITAL LEASES

Leases at June 30, 2015, 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.	\$1,312,875
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.	2,477,000
Lease to finance Solar Panels. Payments are due semi-annually at an interest rate of 3.59%, due through April 2031.	3,196,873
Lease to finance Solar Panels. Payments are due semi-annually at an interest rate of 3.75%, due through February 2033.	<u>1,095,019</u>
Total Governmental Activities Capital Lease Obligation	<u><u>\$8,081,767</u></u>

The future minimum lease payments by year are:

Fiscal Year Ending June 30,	Government Activities
2016	\$861,707
2017	871,745
2018	886,470
2019	891,613
2020	899,475
2021-2025	3,118,368
2026-2030	2,402,774
2031-2033	<u>552,659</u>
Total minimum lease payments	10,484,811
Less: amount representing interest	<u>(2,403,044)</u>
Present value of future minimum lease payments	8,081,767
Less: current portion	<u>(543,783)</u>
Noncurrent portion	<u><u>\$ 7,537,984</u></u>

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 10 CAPITAL LEASES (Continued)

Leased Capital Assets

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

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Balance</u>
Building and Improvements: Governmental Activities Assets	<u>\$ 12,278,922</u>	<u>\$ (2,267,534)</u>	<u>\$ 10,011,388</u>
Total Building and Improvement	<u><u>\$ 12,278,922</u></u>	<u><u>\$ (2,267,534)</u></u>	<u><u>\$ 10,011,388</u></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.

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.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 11 BOND DEBT (Continued)

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.

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

Fiscal year ending June 30,	Governmental Activities	
	Principal	Interest
2016	\$ 820,000	\$ 1,269,734
2017	845,000	1,239,534
2018	960,000	1,200,110
2019	1,015,000	1,154,669
2020	1,110,000	1,110,923
2021-2025	6,705,002	4,784,764
2026-2030	7,764,998	3,215,075
2031-2035	7,440,000	1,401,159
Total	\$ 26,660,000	\$ 15,375,968

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.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 12 EXCISE TAX REVENUE OBLIGATIONS (Continued)

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.

The following table summarizes the City's future revenue obligation debt service requirements as of June 30, 2015:

Fiscal year ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 802,755	\$ 877,577	\$ 707,322	\$ 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	1,062,973	676,600	1,557,027	206,593
2021-2025	5,833,213	2,364,232	3,026,787	207,558
2026-2030	5,625,000	707,288	-	-
Total	\$ 16,154,252	\$ 6,984,927	\$ 9,300,825	\$ 1,822,916

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

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 balance disbursed to the City of Casa Grande at June 30, 2015 is \$59,224,517. The following schedule shows estimated payments based on the amount due of \$44,081,487.

Fiscal Year Ending June 30,	Principal	Interest
2016	\$ 2,534,014	\$ 1,827,200
2017	2,636,109	1,725,104
2018	2,742,318	1,618,895
2019	2,852,806	1,508,407
2020	2,967,746	1,393,468
2021-2025	16,731,594	5,074,473
2026-2030	13,616,900	1,465,167
	<u>\$ 44,081,487</u>	<u>\$ 14,612,714</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, 2015

NOTE 14 CHANGES IN LONG-TERM OBLIGATIONS

	Beginning Balance	Additions & transfers	Reductions & transfers	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 2,629,619	\$ 1,443,611	\$ (1,314,810)	\$ 2,758,420	\$ 1,241,289
G.O Bonds (2)	26,254,555	1,115,445	(710,000)	26,660,000	820,000
Excise tax revenue obligations	16,919,970	-	(765,718)	16,154,252	802,755
Capital leases	7,470,835	1,095,019	(484,087)	8,081,767	543,783
Bonds premiums	189,130	21,272	(19,681)	190,721	-
Bonds discounts	(287,367)	-	22,394	(264,973)	-
Governmental activities long-term liabilities	<u>\$ 53,176,742</u>	<u>\$ 3,675,347</u>	<u>\$ (3,271,902)</u>	<u>\$ 53,580,187</u>	<u>\$ 3,407,827</u>
	Beginning Balance	Additions & transfers	Reductions & transfers	Ending Balance	Due Within One Year
Business-type activities					
Compensated absences	\$ 303,387	\$ 112,541	\$ (151,694)	\$ 264,234	\$ 118,905
Bonds payable (2)	1,115,446	-	(1,115,446)	-	-
Excise tax revenue obligations	9,985,030	-	(684,205)	9,300,825	707,322
Notes payable (1)	81,831	-	(12,513)	69,318	12,513
Loan payable	46,319,556	197,803	(2,435,872)	44,081,487	2,534,444
Bond premiums	1,220,429	-	(168,665)	1,051,764	-
Postclosure liability	2,640,156	97,008	-	2,737,164	-
Business-type activities long-term liabilities	<u>\$ 61,665,835</u>	<u>\$ 407,352</u>	<u>\$ (4,568,395)</u>	<u>\$ 57,504,792</u>	<u>\$ 3,373,184</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%.

(2) In July 2014 the Golf Course Fund transferred its bonds payable to Governmental Activities.

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, 2015

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
2016	\$ 2,166,538	\$ 2,465,235	\$ 3,254,279	\$ 2,231,523
2017	2,300,845	2,368,261	3,756,410	2,100,682
2018	2,528,371	2,257,663	4,170,810	1,971,867
2019	2,667,095	2,131,448	4,355,262	1,790,163
2020	2,859,593	2,000,378	4,539,588	1,600,314
2021-2025	14,891,239	7,914,340	19,758,381	5,282,031
2026-2030	15,513,994	4,201,141	13,616,900	1,465,167
2031-2035	7,968,344	1,425,474	-	-
Total	<u>\$ 50,896,019</u>	<u>\$ 24,763,939</u>	<u>\$ 53,451,630</u>	<u>\$ 16,441,747</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, 2015 the City has reported a \$2,737,164 landfill closure and postclosure care liability that represents the total current cost based on 56.4 percent of estimated capacity of the landfill.

The remaining cost of \$2,109,811 will be recognized in the future periods as the remaining capacity is filled. The City expects the remaining capacity to extend for 15 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 2015 valuation of the total closure and postclosure costs were estimated to be \$4,846,975.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 17 CONSTRUCTION COMMITMENTS

The City has active construction projects as of June 30, 2015. 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	Remaining Commitment
Carr McNatt Park Improvements	\$ 312,542
Heliport	195,543
Increase Kitchen Capacity at Senior Center	156,798
Kortsen and I-10 Design Concept Report	303,323
Remodel Animal Control Sally Port	68,533
Station 502 Additional Bay & Bunkroom	140,023
Taxiway E Rehabilitation	19,906
Thornton Road Reconstruction - Phase 1	1,303,321
	\$ 2,499,989

NOTE 18 SUMMARY OF INTERFUND TRANSACTIONS

Interfund transactions as of June 30, 2015, were as follows:

Interfund Receivable/Payable:

Fund	Receivable Amount	Payable Amount
General Fund	\$ 1,067,545	\$ -
Non-Major Funds	-	847,795
Internal Service Fund	-	219,750
	\$ 1,067,545	\$ 1,067,545

The inter fund balances at June 30, 2015 are short-term loans to cover temporary cash deficits in various funds.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 18 SUMMARY OF INTERFUND TRANSACTIONS (Continued)

Transfers:

Fund	Transfers	
	Out	In
General Fund	\$ 2,207,255	\$ 2,041,606
Highway Users Fund	532,900	129,879
Capital Replacement	786,646	1,375,923
Non-Major Governmental Funds	610,536	2,266,387
Water Fund	36,600	-
Wastewater Fund	523,300	155,000
Wastewater Development Fees	155,000	-
Sanitation Fund	548,000	-
Golf Course	103,900	-
Internal Service Funds	502,424	37,766
Total	\$ 6,006,561	\$ 6,006,561

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

Two funds had deficits in fund balance. The HOME/HUD fund deficit decreased from \$557 in the prior year to the current year balance of \$556. It is expected that this deficit balance continue to decrease as intergovernmental revenues increase. The Municipal Airport operating fund deficit increased by \$94,174 to a total of \$556,485. The Municipal Airport is supported through fuel sales and hangar rentals which continue to be lower than expected. The increase in the deficit was attributed to the decrease in fuel sales.

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, 2015 \$6,173,434 (including \$3,738,631 in interest) has been paid.

CITY OF CASA GRANDE, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

NOTE 21 FUND BALANCE DETAILS BY CLASSIFICATION

	General	Major Governmental Funds	Non-Major Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable:				
Inventories	\$ 1,647	\$ -	\$ 36,281	\$ 37,928
Restricted for:				
Highway Users Revenue Fund	-	6,414,070	-	6,414,070
Grants	-	-	286,914	286,914
Systems Development	-	-	6,613,147	6,613,147
Community Services	-	-	3,019,675	3,019,675
Transportation	-	-	6,949,734	6,949,734
Airport Improvement	-	-	157,333	157,333
Debt Services	-	-	4,290,966	4,290,966
Court Enhancement	-	-	222,013	222,013
Housing	-	-	517,831	517,831
Public Safety	-	-	5,101,737	5,101,737
CFD Debt	-	-	1,591,788	1,591,788
Capital Replacement	-	126,682	-	126,682
Aesthetic Revitalization	5,572,411	-	-	5,572,411
Assigned to:				
General Fund Reserves	12,631,345	-	-	12,631,345
Parks Development	-	-	960,264	960,264
Capital Replacement	-	26,719,876	-	26,719,876
Redevelopment	-	-	1,064,963	1,064,963
Promotion & Tourism	-	-	225,198	225,198
2009 Recreation Bond	-	-	15,376	15,376
Wildland Fire/Public Safety	-	-	83,141	83,141
Community Arts	-	-	15,678	15,678
Unassigned	11,697,028	-	(593,322)	11,103,706
Total fund balances	<u>\$ 29,902,431</u>	<u>\$ 33,260,628</u>	<u>\$ 30,558,717</u>	<u>\$ 93,721,776</u>

CITY OF CASA GRANDE, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 22 RESTATEMENT OF NET POSITION

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, and a prior period adjustment moving debt from the Golf Course Fund to Governmental Activities.

	Governmental Activities	Business-type Activities	Water Fund	Wastewater Fund	Sanitation Fund	Golf Course Fund
Net Position as previously						
reported at June 30, 2014	\$ 236,375,504	\$ 62,812,480	\$ 1,165,919	\$ 44,630,929	\$ 6,760,719	\$ 1,050,490
Prior period adjustment - implementation of GASB 68:						
Net pension liability (measurement date as of June 30, 2013)	(49,102,380)	(5,170,557)	(105,372)	(1,266,909)	(3,393,943)	(404,333)
Deferred outflows - City contributions made during fiscal year 2014	3,715,447	299,375	6,101	73,354	196,509	23,411
Total prior period adjustment	(45,386,933)	(4,871,182)	(99,271)	(1,193,555)	(3,197,434)	(380,922)
Net position as restated, July 1, 2014	\$ 190,988,571	\$ 57,941,298	\$ 1,066,648	\$ 43,437,374	\$ 3,563,285	\$ 669,568

REQUIRED SUPPLEMENTARY INFORMATION



City of
Casa Grande

CITY OF CASA GRANDE, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 COST-SHARING PENSION PLAN
 June 30, 2015

Arizona Retirement System

	Fiscal Year	
	2015	2014 through 2006
City's proportion of the net pension liability	0.147102%	Information
City's proportionate share of the net pension liability	\$ 21,766,069	not available
City's covered-employee payroll	\$ 12,967,224	
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	167.85%	
Plan fiduciary net position as a percentage of the total pension liability	69.49%	

CITY OF CASA GRANDE, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
 AGENT PENSION PLAN
 June 30, 2015

PSPRS - Police	Fiscal Year	
	2015	2014 through 2006
Total pension liability		
Service cost	\$ 1,015,910	Information
Interest on the total pension liability	2,707,371	not available
Changes on benefit terms	863,565	
Differences between expected and actual experience in the measurement of the pension liability	(573,850)	
Changes of assumptions or other inputs	4,417,506	
Benefit payments, including refunds of employee contributions	<u>(2,309,869)</u>	
Net change in total pension liability	\$ 6,120,633	
Total pension liability - beginning	<u>35,135,780</u>	
Total pension liability - ending (a)	<u>\$ 41,256,413</u>	
Plan fiduciary net position		
Contributions - employer	\$ 1,604,579	
Contributions - employee	539,514	
Net investment income	1,965,995	
Benefit payments, including refunds of employee contributions	(2,309,869)	
Administrative expense		
Other changes	<u>(782,663)</u>	
Net change in plan fiduciary net position	\$ 1,017,556	
Plan fiduciary net position - beginning	<u>15,195,836</u>	
Plan fiduciary net position - ending (b)	<u>\$ 16,213,392</u>	
City's net pension liability (asset) - ending (a) - (b)	<u>\$ 25,043,021</u>	

CITY OF CASA GRANDE, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
 AGENT PENSION PLAN (Continued)
 June 30, 2015

PSPRS - Police	Fiscal Year	
	2015	2014 through 2006
Plan fiduciary net position as a percentage of the total pension liability	39.30%	
Covered-employee payroll	\$ 5,253,946	
City's net pension liability (asset) as a percentage of covered-employee payroll	476.65%	

CITY OF CASA GRANDE, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
 AGENT PENSION PLAN (Continued)
 June 30, 2015

PSPRS - Fire	Fiscal Year	
	2015	2014 through 2006
Total pension liability		
Service cost	\$ 817,489	Information not available
Interest on the total pension liability	1,586,947	
Changes on benefit terms	346,208	
Differences between expected and actual experience in the measurement of the pension liability	288,360	
Changes of assumptions or other inputs	1,859,876	
Benefit payments, including refunds of employee contributions	(923,381)	
Net change in total pension liability	\$ 3,975,499	
Total pension liability - beginning	20,268,828	
Total pension liability - ending (a)	\$ 24,244,327	
Plan fiduciary net position		
Contributions - employer	\$ 991,261	
Contributions - employee	555,093	
Net investment income	1,538,450	
Benefit payments, including refunds of employee contributions	(923,381)	
Administrative expense		
Other changes	(331,791)	
Net change in plan fiduciary net position	\$ 1,829,632	
Plan fiduciary net position - beginning	11,374,517	
Plan fiduciary net position - ending (b)	\$ 13,204,149	
City's net pension liability (asset) - ending (a) - (b)	\$ 11,040,178	

CITY OF CASA GRANDE, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
 AGENT PENSION PLAN (Concluded)
 June 30, 2015

PSPRS - Fire	Fiscal Year	
	2015	2014 through 2006
Plan fiduciary net position as a percentage of the total pension liability	54.46%	
Covered-employee payroll	\$ 4,550,142	
City's net pension liability (asset) as a percentage of covered-employee payroll	242.63%	

CITY OF CASA GRANDE, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CITY PENSION CONTRIBUTIONS
 June 30, 2015

Arizona Retirement System

	Fiscal Year		2013 through 2006
	2015	2014	
Statutorily required contribution	\$ 1,246,572	\$ 1,387,493	Information not available
City's contributions in relation to the statutorily required contribution	<u>1,246,572</u>	<u>1,387,493</u>	
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	
City's covered-employee payroll	\$ 11,457,463	\$ 12,967,224	
City's contributions as a percentage of covered- employee payroll	10.88%	10.70%	

PSPRS - Police

	Fiscal Year		2013 through 2006
	2015	2014	
Statutorily required contribution	\$ 1,825,522	\$ 1,664,257	Information not available
City's contributions in relation to the statutorily required contribution	<u>1,825,522</u>	<u>1,664,257</u>	
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	
City's covered-employee payroll	\$ 5,733,423	\$ 5,532,769	
City's contributions as a percentage of covered- employee payroll	31.84%	30.08%	

PSPRS - Fire

	Fiscal Year		2013 through 2006
	2015	2014	
Statutorily required contribution	\$ 924,690	\$ 920,873	Information not available
City's contributions in relation to the statutorily required contribution	<u>924,690</u>	<u>920,873</u>	
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	
City's covered-employee payroll	\$ 4,163,395	\$ 4,315,244	
City's contributions as a percentage of covered- employee payroll	22.21%	21.34%	

CITY OF CASA GRANDE, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 NOTES TO THE SCHEDULE OF AGENT OPEB PLANS' FUNDING PROGRESS
 June 30, 2015

NOTE 1 ACTUARIALLY DETERMINED CONTRIBUTION RATES

Actuarial determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Individual entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market; 20% corridor
Actuarial assumptions:	
Investment rate of return	8.00%, net of investment and administrative expenses
Projected salary increases	5.00% to 9.00% including inflation
includes inflation at	3.0% - 4.0% --approximate
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition.
Mortality	RP-2000 mortality table projected to 2015 using projection scale AA (adjusted by 105% for both males and females)

NOTE 2 FACTORS THAT AFFECT TRENDS

Changes of benefit terms include the payout of Retro PBI and a change in the employee contribution rate. Changes of assumptions include a decrease in the wage assumption from 4.5% to 4.0% as well the inclusion of an assumption to explicitly value future PBI. In 2014 other changes also include the removal of assets specifically set aside for Health Insurance from Pension Assets.

CITY OF CASA GRANDE, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF AGENT OPEB PLANS' FUNDING PROGRESS
 June 30, 2015

Health Insurance Premium Benefit

Actuarial Valuation Date	Actuarial value of assets (a)	Actuarial accrued liability (b)	Unfunded actuarial accrued liability (UAAL) (funding excess) (b) - (a)	Funded ratio (a)/(b)	Annual covered payroll (c)	UAAL (funding excess) as a percentage of covered payroll (b) - (a)/(c)
PSPRS Police						
6/30/2014	\$ 16,441,370	\$ 41,256,413	\$ 24,815,043	39.9%	\$ 5,253,943	472.3%
6/30/2013	16,999,345	35,135,780	18,136,435	48.4%	5,248,916	345.5%
6/30/2012	16,848,670	34,240,024	17,391,354	49.2%	5,196,630	334.7%
PSPRS Fire						
6/30/2014	\$ 13,389,814	\$ 24,244,327	\$ 10,854,513	55.2%	\$ 4,550,140	238.6%
6/30/2013	12,719,418	20,268,828	7,549,410	62.8%	4,231,402	178.4%
6/30/2012	11,686,671	19,503,044	7,816,373	59.9%	4,559,461	171.4%

CITY OF CASA GRANDE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE SCHEDULE OF AGENT OPEB PLANS' FUNDING PROGRESS
June 30, 2015

NOTE 1 FACTORS THAT AFFECT TRENDS

Beginning in fiscal year 2014, PSPRS established separate funds for pension benefits and health insurance premium benefits. Previously, the plan recorded both pension and health insurance premium contributions in the same Pension Fund. During fiscal year 2014, the plans transferred prior-year health insurance premium benefit contributions that exceeded benefit payments from each plan's Pension Fund to the new Health Insurance Fund.



City of
Casa Grande

OTHER SUPPLEMENTARY INFORMATION

COMBINING NON-MAJOR FUNDS FINANCIAL STATEMENTS

CITY OF CASA GRANDE, ARIZONA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2015

	Special Revenue			
	Municipal Airport	Parks Develop.	Community Arts	Redevelop- ment
ASSETS				
Cash	\$ 2,123	\$ 46,946	\$ 4,613	\$ 60,442
Investments	-	913,447	11,065	1,005,133
Receivables (less allowance for uncollectibles)	14,968	-	-	-
Due from other governments	-	-	-	-
Inventory	36,281	-	-	-
Restricted assets: cash and cash equivalents	-	-	-	-
Total assets	<u>53,372</u>	<u>960,393</u>	<u>15,678</u>	<u>1,065,575</u>
LIABILITIES				
Accounts payable and other current liabilities	35,273	129	-	612
Accrued wages and benefits	7,109	-	-	-
Due to other funds	567,475	-	-	-
Total liabilities	<u>609,857</u>	<u>129</u>	<u>-</u>	<u>612</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	36,281	-	-	-
Restricted	-	-	-	-
Assigned	-	960,264	15,678	1,064,963
Unassigned	(592,766)	-	-	-
Total fund balances	<u>(556,485)</u>	<u>960,264</u>	<u>15,678</u>	<u>1,064,963</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 53,372</u>	<u>\$ 960,393</u>	<u>\$ 15,678</u>	<u>\$ 1,065,575</u>

Special Revenue

Promotion & Tourism	Court Enhancement	Housing Programs	CDBG	Self-help Technical Asst	Home/HUD	Grants & Subsidies
\$ 53,013	\$ 90,343	\$ 28,161	\$ 709	\$ 6,542	\$ -	\$ 24,447
132,192	132,043	118,356	-	-	-	248,627
252,601	-	-	428,809	-	-	619
-	5,254	-	58,502	-	-	133,942
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>437,806</u>	<u>227,640</u>	<u>146,517</u>	<u>488,020</u>	<u>6,542</u>	<u>-</u>	<u>407,635</u>
9,669	5,627	2,789	479	-	-	18,650
-	-	-	1,160	-	-	21,740
202,939	-	-	76,826	-	556	-
<u>212,608</u>	<u>5,627</u>	<u>2,789</u>	<u>78,465</u>	<u>-</u>	<u>556</u>	<u>40,390</u>
-	-	-	41,994	-	-	80,331
-	-	-	<u>41,994</u>	-	-	<u>80,331</u>
-	222,013	143,728	367,561	6,542	-	286,914
225,198	-	-	-	-	-	-
-	-	-	-	-	(556)	-
<u>225,198</u>	<u>222,013</u>	<u>143,728</u>	<u>367,561</u>	<u>6,542</u>	<u>(556)</u>	<u>286,914</u>
<u>\$ 437,806</u>	<u>\$ 227,640</u>	<u>\$ 146,517</u>	<u>\$ 488,020</u>	<u>\$ 6,542</u>	<u>\$ -</u>	<u>\$ 407,635</u>

CITY OF CASA GRANDE, ARIZONA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 June 30, 2015

	Special	Debt Service		Capital Projects
	Revenue	General	2009 Excise	Community
	Wildland Fire/ Public Safety	Obligation	Recreation	Services
ASSETS				
Cash	\$ 26,252	\$ -	\$ -	\$ 1,156
Investments	63,356	4,262,808	15,376	3,042,969
Receivables (less allowance for uncollectibles)	-	28,158	-	-
Due from other governments	1,239	-	-	-
Inventory	-	-	-	-
Restricted assets: cash and cash equivalents	-	-	-	-
Total assets	<u>90,847</u>	<u>4,290,966</u>	<u>15,376</u>	<u>3,044,125</u>
LIABILITIES				
Accounts payable and other current liabilities	5,230	-	-	24,450
Accrued wages and benefits	1,996	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>7,226</u>	<u>-</u>	<u>-</u>	<u>24,450</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	480	-	-	-
Total deferred inflows of resources	<u>480</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	4,290,966	-	3,019,675
Assigned	83,141	-	15,376	-
Unassigned	-	-	-	-
Total fund balances	<u>83,141</u>	<u>4,290,966</u>	<u>15,376</u>	<u>3,019,675</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 90,847</u>	<u>\$ 4,290,966</u>	<u>\$ 15,376</u>	<u>\$ 3,044,125</u>

	Capital Projects				Total Nonmajor Governmental Funds
Transportation	Public Safety	Community Facilities	Airport Improvement	System Development	
\$ 103,295	\$ -	\$ 589,276	\$ 175,644	\$ 124,083	\$ 1,337,045
6,846,439	5,126,714	-	-	6,530,666	28,449,191
-	-	1,480	-	-	726,635
-	-	-	31,765	-	230,702
-	-	-	-	-	36,281
-	-	1,001,032	-	-	1,001,032
<u>6,949,734</u>	<u>5,126,714</u>	<u>1,591,788</u>	<u>207,409</u>	<u>6,654,749</u>	<u>31,780,886</u>
-	24,977	-	50,076	41,602	219,563
-	-	-	-	-	32,005
-	-	-	-	-	847,796
<u>-</u>	<u>24,977</u>	<u>-</u>	<u>50,076</u>	<u>41,602</u>	<u>1,099,364</u>
-	-	-	-	-	122,805
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,805</u>
-	-	-	-	-	36,281
6,949,734	5,101,737	1,591,788	157,333	6,613,147	28,751,138
-	-	-	-	-	2,364,620
-	-	-	-	-	(593,322)
<u>6,949,734</u>	<u>5,101,737</u>	<u>1,591,788</u>	<u>157,333</u>	<u>6,613,147</u>	<u>30,558,717</u>
<u>\$ 6,949,734</u>	<u>\$ 5,126,714</u>	<u>\$ 1,591,788</u>	<u>\$ 207,409</u>	<u>\$ 6,654,749</u>	<u>\$ 31,780,886</u>

CITY OF CASA GRANDE, ARIZONA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2015

REVENUES	Special Revenue			
	Municipal Airport	Parks Develop.	Community Arts	Redevelop- ment
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	605,233	-	-	-
Investment earnings	-	700	8	743
Contributions and donations	-	-	-	-
Rental and sale of city property	208,984	18,273	-	-
Miscellaneous	2,509	25,001	430	-
Total revenues	<u>816,726</u>	<u>43,974</u>	<u>438</u>	<u>743</u>
EXPENDITURES				
Current:				
General government	748,650	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	577	4,096	-
Economic development	-	-	-	48,797
Capital outlay	125,625	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>874,275</u>	<u>577</u>	<u>4,096</u>	<u>48,797</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(57,549)</u>	<u>43,397</u>	<u>(3,658)</u>	<u>(48,054)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,375	-	5,000	-
Transfers out	(46,000)	-	-	-
Total other financing sources and uses	<u>(36,625)</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Net change in fund balances	(94,174)	43,397	1,342	(48,054)
Fund balances - beginning of year	<u>(462,311)</u>	<u>916,867</u>	<u>14,336</u>	<u>1,113,017</u>
Fund balances - end of year	<u>\$ (556,485)</u>	<u>\$ 960,264</u>	<u>\$ 15,678</u>	<u>\$ 1,064,963</u>

Special Revenue

Promotion & Tourism	Court Enhancement	Housing Programs	CDBG	Self Help Tech Asst	Home/HUD	Grants & Subsidies
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
262,025	-	-	-	-	-	-
-	9,718	36,000	161,074	-	32,156	698,761
-	130,690	4,131	-	-	-	-
203	104	91	-	-	-	240
-	-	-	-	-	-	220,056
383,777	-	-	-	-	-	-
23,597	-	5,370	16,274	-	-	-
<u>669,602</u>	<u>140,512</u>	<u>45,592</u>	<u>177,348</u>	<u>-</u>	<u>32,156</u>	<u>919,057</u>
298,572	-	-	-	-	-	-
-	76,287	-	-	-	-	391,320
-	-	-	-	-	-	527,608
-	-	85,719	251,385	-	32,155	900
-	1,835	-	-	-	-	217,250
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>298,572</u>	<u>78,122</u>	<u>85,719</u>	<u>251,385</u>	<u>-</u>	<u>32,155</u>	<u>1,137,078</u>
371,030	62,390	(40,127)	(74,037)	-	1	(218,021)
275,300	12,300	-	-	-	-	55,101
(300,000)	(62,300)	-	-	-	-	(18,606)
<u>(24,700)</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,495</u>
346,330	12,390	(40,127)	(74,037)	-	1	(181,526)
<u>(121,132)</u>	<u>209,623</u>	<u>183,855</u>	<u>441,598</u>	<u>6,542</u>	<u>(557)</u>	<u>468,440</u>
<u>\$ 225,198</u>	<u>\$ 222,013</u>	<u>\$ 143,728</u>	<u>\$ 367,561</u>	<u>\$ 6,542</u>	<u>\$ (556)</u>	<u>\$ 286,914</u>

CITY OF CASA GRANDE, ARIZONA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 Year Ended June 30, 2015

	Special	Debt Service		Capital
	Revenue	General	2009 Excise	Projects
	Wildland Fire/ Public Safety	Obligation	Recreation	Community Services
REVENUES				
Taxes:				
Property taxes	\$ -	\$ 2,286,570	\$ -	\$ -
Sales Tax	-	-	-	-
Intergovernmental revenues	29,460	-	-	-
Charges for services	-	-	-	88,540
Investment earnings	43	2,470	10	2,307
Contributions and donations	-	-	-	-
Rental and sale of city property	-	-	-	-
Miscellaneous	23,658	-	-	-
Total revenues	<u>53,161</u>	<u>2,289,040</u>	<u>10</u>	<u>90,847</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	69,648	-	-	-
Culture and recreation	-	-	4,635	-
Economic development	-	5,080	-	-
Capital outlay	-	-	-	24,450
Debt service:				
Principal	-	600,000	931,483	-
Interest and fiscal charges	-	1,049,765	947,502	-
Total expenditures	<u>69,648</u>	<u>1,654,845</u>	<u>1,883,620</u>	<u>24,450</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,487)</u>	<u>634,195</u>	<u>(1,883,610)</u>	<u>66,397</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,898,986	-
Transfers out	-	(129,879)	-	-
Total other financing sources and uses	<u>-</u>	<u>(129,879)</u>	<u>1,898,986</u>	<u>-</u>
Net change in fund balances	(16,487)	504,316	15,376	66,397
Fund balances - beginning of year	<u>99,628</u>	<u>3,786,650</u>	<u>-</u>	<u>2,953,278</u>
Fund balances - end of year	<u>\$ 83,141</u>	<u>\$ 4,290,966</u>	<u>\$ 15,376</u>	<u>\$ 3,019,675</u>

Transportation	Capital Projects				Total Nonmajor Governmental Funds
	Public Safety	Community Facilities	Airport Improvement	System Development	
\$ -	\$ -	\$ 495,976	\$ -	\$ -	\$ 2,782,546
-	-	-	-	-	262,025
-	-	-	129,947	-	1,097,116
1,312,316	866,284	-	-	174,668	3,181,862
4,863	3,660	27	-	5,085	20,554
-	-	-	-	-	220,056
-	-	-	-	-	611,034
-	-	-	-	-	96,839
<u>1,317,179</u>	<u>869,944</u>	<u>496,003</u>	<u>129,947</u>	<u>179,753</u>	<u>8,272,032</u>
-	-	-	-	-	1,047,222
-	-	-	-	-	537,255
-	-	-	-	31,194	568,110
-	-	3,621	74,158	-	501,815
185,677	71,811	-	70,094	123,242	819,984
-	-	110,000	-	-	1,641,483
-	-	237,626	-	-	2,234,893
<u>185,677</u>	<u>71,811</u>	<u>351,247</u>	<u>144,252</u>	<u>154,436</u>	<u>7,350,762</u>
<u>1,131,502</u>	<u>798,133</u>	<u>144,756</u>	<u>(14,305)</u>	<u>25,317</u>	<u>921,270</u>
-	-	-	10,325	-	2,266,387
-	-	-	-	(53,751)	(610,536)
-	-	-	10,325	(53,751)	1,655,851
1,131,502	798,133	144,756	(3,980)	(28,434)	2,577,121
<u>5,818,232</u>	<u>4,303,604</u>	<u>1,447,032</u>	<u>161,313</u>	<u>6,641,581</u>	<u>27,981,596</u>
<u>\$ 6,949,734</u>	<u>\$ 5,101,737</u>	<u>\$ 1,591,788</u>	<u>\$ 157,333</u>	<u>\$ 6,613,147</u>	<u>\$ 30,558,717</u>



City of
Casa Grande

OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES – GENERAL FUND LEGAL
AND MAJOR FUNDS



City of
Casa Grande

CITY OF CASA GRANDE, ARIZONA
GENERAL FUND
SCHEDULE OF EXPENDITURES - LEGAL LEVEL BUDGET COMPLIANCE
Year Ended June 30, 2015

EXPENDITURES	Budgeted Amounts		Actual Amounts	Budget Variance
	Original	Final		
General Government				
Mayor and Council				
Personal services	\$ 159,100	\$ 157,600	\$ 147,615	\$ 9,985
Other expenditures	1,853,300	1,854,800	1,315,818	538,982
City Manager				
Personal services	700,000	688,000	669,412	18,588
Other expenditures	127,700	139,700	123,983	15,717
Attorney				
Personal services	752,200	752,200	717,550	34,650
Other expenditures	61,500	61,500	61,115	385
Clerk				
Personal services	303,900	303,900	276,825	27,075
Other expenditures	118,000	118,000	78,860	39,140
Finance				
Personal services	874,700	874,700	826,025	48,675
Other expenditures	182,500	182,500	228,467	(45,967)
Information Technology				
Personal services	833,700	833,700	812,719	20,981
Other expenditures	917,900	875,400	840,876	34,524
Administrative Services				
Personal services	561,700	561,700	507,060	54,640
Other expenditures	176,600	186,600	156,906	29,694
Public Safety				
Police				
Personal services	11,250,000	11,117,200	10,822,966	294,234
Other expenditures	1,919,800	2,046,200	1,682,187	364,013
Fire				
Personal services	6,490,500	6,490,500	6,452,171	38,329
Other expenditures	897,500	905,500	918,038	(12,538)
Court				
Personal services	521,100	521,100	504,403	16,697
Other expenditures	92,200	97,200	111,716	(14,516)
Animal Control				
Personal services	257,300	225,300	211,653	13,647
Other expenditures	99,000	131,000	140,214	(9,214)
Public Works				
Personal services	1,241,900	1,245,900	1,115,754	130,146
Other expenditures	196,800	226,600	198,132	28,468
Culture and Recreation				
Personal services	3,330,300	3,335,000	3,216,744	118,256
Other expenditures	2,347,200	2,419,800	2,372,987	46,813
Planning and Economic Development				
Personal services	1,588,500	1,589,000	1,514,067	74,933
Other expenditures	402,100	401,600	260,843	140,757
Capital outlay	1,750,500	1,875,700	122,405	1,753,295
Debt service	95,200	-	-	-
Transfers out	2,679,600	2,670,900	2,207,255	463,645
Total expenditures	<u>\$ 42,782,300</u>	<u>\$ 42,888,800</u>	<u>\$ 38,614,766</u>	<u>\$ 4,274,034</u>

CITY OF CASA GRANDE, ARIZONA
 CAPITAL REPLACEMENT/RECREATION/DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 8,400	\$ 8,400	\$ 115,872	\$ 107,472
Miscellaneous revenue	-	-	256,408	256,408
Construction sales tax	2,560,000	3,804,000	2,704,573	(1,099,427)
Total revenues	2,568,400	3,812,400	3,076,853	(735,547)
EXPENDITURES				
Contractual services	-	25,000	38,583	(13,583)
Lease purchase principal & interest	257,700	257,700	505,341	(247,641)
Capital outlay	40,200,600	41,223,600	4,495,387	36,728,213
Total expenditures	40,458,300	41,506,300	5,039,311	36,466,989
Excess (deficiency) of revenues over (under) expenditures	(37,889,900)	(37,693,900)	(1,962,458)	35,731,442
OTHER FINANCING SOURCES (USES)				
Transfers in	2,288,300	2,288,300	1,375,923	(912,377)
Transfers out	(1,445,300)	(1,445,300)	(786,646)	658,654
Proceeds from obligations	36,000,000	37,384,900	1,095,019	(36,289,881)
Total other financing sources and uses	36,843,000	38,227,900	1,684,296	(36,543,604)
Net change in fund balance	(1,046,900)	534,000	(278,162)	(812,162)
Fund balance - beginning of year	27,124,720	27,124,720	27,124,720	-
Fund balance - end of year	\$ 26,077,820	\$ 27,658,720	\$ 26,846,558	\$ (812,162)

OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES
NON-MAJOR GOVERNMENTAL FUNDS



City of
Casa Grande

CITY OF CASA GRANDE, ARIZONA
MUNICIPAL AIRPORT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charge for service	\$ 925,800	\$ 925,800	\$ 605,233	\$ (320,567)
Rental and sale of city property	235,600	235,600	208,984	(26,616)
Miscellaneous	500	500	2,509	2,009
Total revenues	<u>1,161,900</u>	<u>1,161,900</u>	<u>816,726</u>	<u>(345,174)</u>
EXPENDITURES				
Current:				
General government:				
Personal services	141,200	141,200	144,641	3,441
Contractual services	88,700	88,700	78,093	(10,607)
Materials and supplies	819,500	879,500	525,916	(353,584)
Capital outlay	1,275,600	1,275,600	125,625	(1,149,975)
Total expenditures	<u>2,325,000</u>	<u>2,385,000</u>	<u>874,275</u>	<u>1,510,725</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,163,100)</u>	<u>(1,223,100)</u>	<u>(57,549)</u>	<u>1,165,551</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	9,375	9,375
Transfers out	(46,000)	(46,000)	(46,000)	-
Proceeds from obligations	1,150,000	1,150,000	-	(1,150,000)
Total other financing sources and uses	<u>1,104,000</u>	<u>1,104,000</u>	<u>(36,625)</u>	<u>(1,140,625)</u>
Net change in fund balance	(59,100)	(119,100)	(94,174)	24,926
Fund balance - beginning of year	<u>(462,311)</u>	<u>(462,311)</u>	<u>(462,311)</u>	-
Fund balance - end of year	<u>\$ (521,411)</u>	<u>\$ (581,411)</u>	<u>\$ (556,485)</u>	<u>\$ 24,926</u>

CITY OF CASA GRANDE, ARIZONA
 PARKS DEVELOPMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET TO ACTUAL
 Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 300	\$ 300	\$ 700	\$ 400
Rental and sale of City property	36,000	36,000	18,273	(17,727)
Miscellaneous	-	-	25,001	25,001
Total revenues	<u>36,300</u>	<u>36,300</u>	<u>43,974</u>	<u>7,674</u>
EXPENDITURES				
Current:				
Culture and recreation:				
Contractual services	100,000	100,000	577	99,423
Capital outlay	<u>806,000</u>	<u>806,000</u>	-	<u>806,000</u>
Total expenditures	<u>906,000</u>	<u>906,000</u>	<u>577</u>	<u>905,423</u>
Excess (deficiency) of revenues over (under) expenditures	(869,700)	(869,700)	43,397	913,097
Fund balance - beginning of year	<u>916,867</u>	<u>916,867</u>	<u>916,867</u>	<u>-</u>
Fund balance - end of year	<u>\$ 47,167</u>	<u>\$ 47,167</u>	<u>\$ 960,264</u>	<u>\$ 913,097</u>

CITY OF CASA GRANDE, ARIZONA
COMMUNITY ARTS RESERVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 2,300	\$ 2,300	\$ 430	\$ (1,870)
Investment earnings	-	-	8	8
Total revenues	<u>2,300</u>	<u>2,300</u>	<u>438</u>	<u>(1,862)</u>
EXPENDITURES				
Current:				
Culture and recreation:				
Contractual services	12,100	12,100	3,638	8,462
Materials and supplies	1,300	1,300	458	842
Total expenditures	<u>13,400</u>	<u>13,400</u>	<u>4,096</u>	<u>9,304</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,100)</u>	<u>(11,100)</u>	<u>(3,658)</u>	<u>7,442</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	(6,100)	(6,100)	1,342	7,442
Fund balance - beginning of year	<u>14,336</u>	<u>14,336</u>	<u>14,336</u>	<u>-</u>
Fund balance - end of year	<u>\$ 8,236</u>	<u>\$ 8,236</u>	<u>\$ 15,678</u>	<u>\$ 7,442</u>

CITY OF CASA GRANDE, ARIZONA
REDEVELOPMENT/DOWNTOWN REVITALIZATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 743	\$ 743
Total revenues	-	-	743	743
EXPENDITURES				
Current:				
Economic development:				
Contractual services	300,000	300,000	48,797	251,203
Capital outlay	828,900	828,900	-	828,900
Total expenditures	1,128,900	1,128,900	48,797	1,080,103
Excess (deficiency) of revenues over (under) expenditures	(1,128,900)	(1,128,900)	(48,054)	1,080,846
Fund balance - beginning of year	1,113,017	1,113,017	1,113,017	-
Fund balance - end of year	\$ (15,883)	\$ (15,883)	\$ 1,064,963	\$ 1,080,846

CITY OF CASA GRANDE, ARIZONA
PROMOTION AND TOURISM SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Local taxes	\$ 230,000	\$ 230,000	\$ 262,025	\$ 32,025
Miscellaneous	-	-	23,597	23,597
Facility Use	184,000	184,000	383,777	199,777
Investment earnings	200	200	203	3
Total revenues	<u>414,200</u>	<u>414,200</u>	<u>669,602</u>	<u>255,402</u>
EXPENDITURES				
Current:				
General government:				
Contractual services	300,500	300,500	117,741	182,759
Materials & supplies	203,000	203,000	180,831	22,169
	-	-	-	-
Total expenditures	<u>503,500</u>	<u>503,500</u>	<u>298,572</u>	<u>204,928</u>
Excess (deficiency) of revenues over (under) expenditures	(89,300)	(89,300)	371,030	460,330
OTHER FINANCING USES				
Transfers in	275,300	275,300	275,300	-
Transfers out	(300,000)	(300,000)	(300,000)	-
Total other financing sources and uses	<u>(24,700)</u>	<u>(24,700)</u>	<u>(24,700)</u>	<u>-</u>
Net change in fund balance	(114,000)	(114,000)	346,330	460,330
Fund balance - beginning of year	<u>(121,132)</u>	<u>(121,132)</u>	<u>(121,132)</u>	<u>-</u>
Fund balance - end of year	<u>\$ (235,132)</u>	<u>\$ (210,432)</u>	<u>\$ 225,198</u>	<u>\$ 460,330</u>

CITY OF CASA GRANDE, ARIZONA
 COURT ENHANCEMENT/PROBATIONARY SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 13,500	\$ 13,500	\$ 9,718	\$ (3,782)
Charges for services	150,000	150,000	130,690	(19,310)
Investment earnings	-	-	104	104
Total revenues	<u>163,500</u>	<u>163,500</u>	<u>140,512</u>	<u>(22,988)</u>
EXPENDITURES				
Current:				
Public safety:				
Personal services	56,300	56,300	20,231	36,069
Contractual services	96,000	99,500	50,809	48,691
Materials and supplies	12,400	10,900	5,247	5,653
Capital outlay	159,900	157,900	1,835	156,065
Total expenditures	<u>324,600</u>	<u>324,600</u>	<u>78,122</u>	<u>246,478</u>
Excess (deficiency) of revenues over (under) expenditures	(161,100)	(161,100)	62,390	223,490
OTHER FINANCING USES				
Transfers in	12,300	12,300	12,300	-
Transfers out	(62,300)	(62,300)	(62,300)	-
Total other financing uses	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	(211,100)	(211,100)	12,390	223,490
Fund balance - beginning of year	<u>209,623</u>	<u>209,623</u>	<u>209,623</u>	<u>-</u>
Fund balance - end of year	<u>\$ (1,477)</u>	<u>\$ (1,477)</u>	<u>\$ 222,013</u>	<u>\$ 223,490</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
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for service	\$ 10,100	\$ 10,100	\$ 4,131	\$ (5,969)
Intergovernmental	76,000	112,000	36,000	(76,000)
Investment earnings	-	-	91	91
Loan fees	5,400	5,400	5,370	(30)
Total revenues	<u>91,500</u>	<u>127,500</u>	<u>45,592</u>	<u>(81,908)</u>
EXPENDITURES				
Current:				
Economic development:				
Personal services	41,500	41,500	28,312	13,188
Contractual services	176,300	210,100	57,288	152,812
Materials and supplies	-	-	119	(119)
Total expenditures	<u>217,800</u>	<u>251,600</u>	<u>85,719</u>	<u>165,881</u>
Excess (deficiency) of revenues over (under) expenditures	(126,300)	(124,100)	(40,127)	83,973
Fund balance - beginning of year	<u>183,855</u>	<u>183,855</u>	<u>183,855</u>	<u>-</u>
Fund balance - end of year	<u>\$ 57,555</u>	<u>\$ 59,755</u>	<u>\$ 143,728</u>	<u>\$ 83,973</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
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$180,000	\$350,200	\$161,074	(\$189,126)
Program income	-	-	16,274	16,274
Total revenues	<u>180,000</u>	<u>350,200</u>	<u>177,348</u>	<u>(172,852)</u>
EXPENDITURES				
Community development				
Personal services	40,500	110,900	66,948	43,952
Contractual services	135,000	233,800	179,575	54,225
Materials and supplies	2,500	3,500	4,678	(1,178)
Internal charges	2,000	2,000	184	1,816
Total expenditures	<u>180,000</u>	<u>350,200</u>	<u>251,385</u>	<u>98,815</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(74,037)	(74,037)
Fund balance - beginning of year	<u>441,598</u>	<u>441,598</u>	<u>441,598</u>	<u>-</u>
Fund balance - end of year	<u>\$ 441,598</u>	<u>\$ 441,598</u>	<u>\$ 367,561</u>	<u>\$ (74,037)</u>

CITY OF CASA GRANDE, ARIZONA
HOME/HUD SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 275,000	\$ 275,000	\$ 32,156	\$ (242,844)
Total revenues	<u>275,000</u>	<u>275,000</u>	<u>32,156</u>	<u>(242,844)</u>
EXPENDITURES				
Community development				
Personal services	40,800	40,800	-	40,800
Contractual services	233,800	233,800	32,155	201,645
Materials and supplies	400	400	-	400
Total expenditures	<u>275,000</u>	<u>275,000</u>	<u>32,155</u>	<u>242,845</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	1	1
Fund balance - beginning of year	<u>(557)</u>	<u>(557)</u>	<u>(557)</u>	<u>-</u>
Fund balance - end of year	<u>\$ (557)</u>	<u>\$ (557)</u>	<u>\$ (556)</u>	<u>\$ 1</u>

CITY OF CASA GRANDE, ARIZONA
GRANTS AND SUBSIDIES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 4,613,900	\$ 1,711,200	\$ 698,761	\$ (1,012,439)
Investment earnings	-	-	240	240
Contributions and donations	234,100	259,600	220,056	(39,544)
Total revenues	<u>4,848,000</u>	<u>1,970,800</u>	<u>919,057</u>	<u>(1,051,743)</u>
EXPENDITURES				
Public safety				
Personal services	67,900	179,600	286,861	(107,261)
Contractual services	1,000	26,700	23,070	3,630
Materials and supplies	500	33,000	81,389	(48,389)
Capital outlay	5,000,000	870,900	169,460	701,440
Total Public Safety	<u>5,069,400</u>	<u>1,110,200</u>	<u>560,780</u>	<u>549,420</u>
Culture and recreation				
Personal services	113,800	113,800	119,727	(5,927)
Contractual services	17,800	227,200	210,903	16,297
Materials and supplies	157,000	157,000	196,978	(39,978)
Capital outlay	-	117,700	47,790	69,910
Total Culture and Recreation	<u>288,600</u>	<u>615,700</u>	<u>575,398</u>	<u>40,302</u>
Community Development				
Contractual services	-	-	900	(900)
Total Community Development	<u>-</u>	<u>-</u>	<u>900</u>	<u>(900)</u>
Total expenditures	<u>5,358,000</u>	<u>1,725,900</u>	<u>1,137,078</u>	<u>588,822</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(510,000)</u>	<u>244,900</u>	<u>(218,021)</u>	<u>(462,921)</u>
OTHER FINANCING SOURCES				
Transfers in	510,000	521,400	55,101	(466,299)
Transfers out	-	-	(18,606)	(18,606)
Total other financing sources and uses	<u>510,000</u>	<u>521,400</u>	<u>36,495</u>	<u>(484,905)</u>
Net change in fund balance	<u>-</u>	<u>766,300</u>	<u>(181,526)</u>	<u>(947,826)</u>
Fund balance - beginning of year	468,440	468,440	468,440	-
Fund balance - end of year	<u>\$ 468,440</u>	<u>\$ 1,234,740</u>	<u>\$ 286,914</u>	<u>\$ (947,826)</u>

CITY OF CASA GRANDE, ARIZONA
WILDLAND FIREFIGHTING/PUBLIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenue	\$272,400	\$272,400	\$29,460	(\$242,940)
Investment earnings	-	-	43	43
Contributions	13,000	13,000	23,658	10,658
Total revenues	<u>285,400</u>	<u>285,400</u>	<u>53,161</u>	<u>(232,239)</u>
EXPENDITURES				
Current:				
Wildland firefighting	272,400	272,400	51,249	221,151
Public safety activities	41,000	41,000	18,399	22,601
Total expenditures	<u>313,400</u>	<u>313,400</u>	<u>69,648</u>	<u>243,752</u>
Excess (deficiency) of revenues over (under) expenditures	(28,000)	(28,000)	(16,487)	11,513
Fund balance - beginning of year	<u>99,628</u>	<u>99,628</u>	<u>99,628</u>	<u>-</u>
Fund balance - end of year	<u>\$ 71,628</u>	<u>\$ 71,628</u>	<u>\$ 83,141</u>	<u>\$ 11,513</u>

CITY OF CASA GRANDE, ARIZONA
GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property tax	\$ 2,110,300	2,110,300	\$ 2,286,570	\$ 176,270
Investment earnings	-	-	2,470	2,470
Total revenues	<u>2,110,300</u>	<u>2,110,300</u>	<u>2,289,040</u>	<u>178,740</u>
EXPENDITURES				
Current:				
Contractual services	4,000	5,200	5,080	120
Debt Service				
Principal retirement	545,500	545,500	600,000	(54,500)
Interest	1,003,300	1,003,300	1,049,765	(46,465)
Total expenditures	<u>1,552,800</u>	<u>1,554,000</u>	<u>1,654,845</u>	<u>(100,845)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>557,500</u>	<u>556,300</u>	<u>634,195</u>	<u>77,895</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(101,000)	(101,000)	(129,879)	(28,879)
Total other financing uses	<u>(101,000)</u>	<u>(101,000)</u>	<u>(129,879)</u>	<u>(28,879)</u>
Net change in fund balance	456,500	455,300	504,316	49,016
Fund balance - beginning of year	<u>3,786,650</u>	<u>3,786,650</u>	<u>3,786,650</u>	<u>-</u>
Fund balance - end of year	<u>\$ 4,243,150</u>	<u>\$ 4,241,950</u>	<u>\$ 4,290,966</u>	<u>\$ 49,016</u>

CITY OF CASA GRANDE, ARIZONA
RECREATION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 10	\$ 10
Total revenues	-	-	10	10
EXPENDITURES				
Current:				
Contractual services	4,000	5,000	4,635	365
Debt Service:				
Principal retirement	705,000	705,000	931,483	(226,483)
Interest	876,500	876,500	947,502	(71,002)
Total expenditures	1,585,500	1,586,500	1,883,620	(297,120)
Excess (deficiency) of revenues over (under) expenditures	(1,585,500)	(1,586,500)	(1,883,610)	(297,110)
OTHER FINANCING SOURCES				
Transfers in	1,585,500	1,585,500	1,898,986	313,486
Total other financing uses	1,585,500	1,585,500	1,898,986	313,486
Net change in fund balance	-	(1,000)	15,376	16,376
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ (1,000)	\$ 15,376	\$ 16,376

CITY OF CASA GRANDE, ARIZONA
COMMUNITY SERVICES CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 94,800	\$ 94,800	\$ 88,540	\$ (6,260)
Investment earnings	-	-	2,307	2,307
Total revenues	<u>94,800</u>	<u>94,800</u>	<u>90,847</u>	<u>(3,953)</u>
EXPENDITURES				
Capital Outlay	<u>3,036,900</u>	<u>3,036,900</u>	<u>24,450</u>	<u>3,012,450</u>
Total expenditures	<u>3,036,900</u>	<u>3,036,900</u>	<u>24,450</u>	<u>3,012,450</u>
Excess (deficiency) of revenues over (under) expenditures	(2,942,100)	(2,942,100)	66,397	3,008,497
Fund balance - beginning of year	<u>2,953,278</u>	<u>2,953,278</u>	<u>2,953,278</u>	<u>-</u>
Fund balance - end of year	<u>\$ 11,178</u>	<u>\$ 11,178</u>	<u>\$ 3,019,675</u>	<u>\$ 3,008,497</u>

CITY OF CASA GRANDE, ARIZONA
TRANSPORTATION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 540,000	\$ 540,000	\$ 1,312,316	\$ 772,316
Investment earnings	2,000	2,000	4,863	2,863
Total revenues	<u>542,000</u>	<u>542,000</u>	<u>1,317,179</u>	<u>775,179</u>
EXPENDITURES				
Capital outlay	<u>492,700</u>	<u>489,000</u>	<u>185,677</u>	<u>303,323</u>
Total expenditures	<u>492,700</u>	<u>489,000</u>	<u>185,677</u>	<u>303,323</u>
Excess (deficiency) of revenues over (under) expenditures	49,300	53,000	1,131,502	1,078,502
Fund balance - beginning of year	<u>5,818,232</u>	<u>5,818,232</u>	<u>5,818,232</u>	<u>-</u>
Fund balance - end of year	<u>\$ 5,867,532</u>	<u>\$ 5,871,232</u>	<u>\$ 6,949,734</u>	<u>\$ 1,078,502</u>

CITY OF CASA GRANDE, ARIZONA
PUBLIC SAFETY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 253,600	\$ 253,600	\$ 866,284	\$ 612,684
Investment earnings	300	300	3,660	3,360
Total revenues	<u>253,900</u>	<u>253,900</u>	<u>869,944</u>	<u>616,044</u>
EXPENDITURES				
Capital outlay	<u>287,000</u>	<u>255,500</u>	<u>71,811</u>	<u>(183,689)</u>
Total expenditures	<u>287,000</u>	<u>255,500</u>	<u>71,811</u>	<u>(183,689)</u>
Excess (deficiency) of revenues over (under) expenditures	(33,100)	(1,600)	798,133	799,733
Fund balance - beginning of year	<u>4,303,604</u>	<u>4,303,604</u>	<u>4,303,604</u>	<u>-</u>
Fund balance - end of year	<u>\$ 4,270,504</u>	<u>\$ 4,302,004</u>	<u>\$ 5,101,737</u>	<u>\$ 799,733</u>

CITY OF CASA GRANDE, ARIZONA
COMMUNITY FACILITIES DISTRICTS - CAPITAL PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property Tax	\$ 493,800	\$ 493,800	\$ 495,976	\$ 2,176
Developer Contribution	29,800	104,800	-	(104,800)
Investment Earnings	-	-	27	27
Total revenues	<u>523,600</u>	<u>598,600</u>	<u>496,003</u>	<u>(102,597)</u>
EXPENDITURES				
Contractual services	42,800	42,800	3,621	39,179
Capital outlay	1,508,100	1,508,100	-	1,508,100
Debt service	347,600	347,600	347,626	(26)
Total expenditures	<u>1,898,500</u>	<u>1,898,500</u>	<u>351,247</u>	<u>1,547,253</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,374,900)</u>	<u>(1,299,900)</u>	<u>144,756</u>	<u>1,444,656</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(75,700)</u>	<u>(75,700)</u>	<u>-</u>	<u>75,700</u>
Total other financing sources and uses	<u>(75,700)</u>	<u>(75,700)</u>	<u>-</u>	<u>75,700</u>
Net change in fund balance	<u>(1,450,600)</u>	<u>(1,375,600)</u>	<u>144,756</u>	<u>1,520,356</u>
Fund balance - beginning of year	<u>1,447,032</u>	<u>1,447,032</u>	<u>1,447,032</u>	<u>-</u>
Fund balance - end of year	<u>\$ (3,568)</u>	<u>\$ 71,432</u>	<u>\$ 1,591,788</u>	<u>\$ 1,520,356</u>

CITY OF CASA GRANDE, ARIZONA
 AIRPORT IMPROVEMENT CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 2,005,300	\$ 1,397,200	\$ 129,947	\$ (1,267,253)
Total revenues	<u>2,005,300</u>	<u>1,397,200</u>	<u>129,947</u>	<u>(1,267,253)</u>
EXPENDITURES				
Contractual services	100,000	100,000	74,158	25,842
Capital outlay	<u>1,956,700</u>	<u>1,340,000</u>	<u>70,094</u>	<u>1,269,906</u>
Total expenditures	<u>2,056,700</u>	<u>1,440,000</u>	<u>144,252</u>	<u>1,295,748</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(51,400)</u>	<u>(42,800)</u>	<u>(14,305)</u>	<u>28,495</u>
OTHER FINANCING SOURCES				
Transfers in	<u>25,800</u>	<u>17,100</u>	<u>10,325</u>	<u>(6,775)</u>
Total other financing sources	<u>25,800</u>	<u>17,100</u>	<u>10,325</u>	<u>(6,775)</u>
Net change in fund balance	(25,600)	(25,700)	(3,980)	21,720
Fund balance - beginning of year	<u>161,313</u>	<u>161,313</u>	<u>161,313</u>	<u>-</u>
Fund balance - end of year	<u>\$ (3,492,587)</u>	<u>\$ (3,496,587)</u>	<u>\$ 157,333</u>	<u>\$ 21,720</u>

CITY OF CASA GRANDE, ARIZONA
SYSTEM DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		
REVENUES				
Charges for services	\$87,000	\$162,000	\$174,668	\$12,668
Change in fair value of investments	-	-	-	-
Investment earnings	1,000	1,000	5,085	4,085
Total revenues	88,000	163,000	179,753	16,753
EXPENDITURES				
General government	-	-	-	-
Culture and recreation	1,501,800	1,522,500	31,194	1,491,306
Capital outlay	1,144,000	1,144,000	123,242	1,020,758
Total expenditures	2,645,800	2,666,500	154,436	2,512,064
Excess (deficiency) of revenues over (under) expenditures	(2,557,800)	(2,503,500)	25,317	2,528,817
OTHER FINANCING SOURCES (USES)				
Transfers out	(86,000)	(86,000)	(53,751)	32,249
Total other financing sources and uses	(86,000)	(86,000)	(53,751)	32,249
Net change in fund balance	(2,643,800)	(2,589,500)	(28,434)	2,561,066
Fund balance - beginning of year	6,641,581	6,641,581	6,641,581	-
Fund balance - end of year	\$ 3,997,781	\$ 4,052,081	\$ 6,613,147	\$ 2,561,066



City of
Casa Grande

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE OF OPERATIONS
ENTERPRISE FUNDS



City of
Casa Grande

CITY OF CASA GRANDE, ARIZONA
COPPER MOUNTAIN RANCH WATER ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Service fees	\$ 216,200	\$ 216,200	\$ 192,343	\$ (23,857)
Miscellaneous	400	400	-	(400)
Total operating revenues	<u>216,600</u>	<u>216,600</u>	<u>192,343</u>	<u>(24,257)</u>
OPERATING EXPENSES:				
Personal services	37,200	37,200	36,751	449
Contractual	110,300	104,900	89,109	15,791
Materials and supplies	67,400	72,800	70,317	2,483
Depreciation	250,000	250,000	64,433	185,567
Total operating expenses	<u>464,900</u>	<u>464,900</u>	<u>260,610</u>	<u>204,290</u>
Operating income	<u>(248,300)</u>	<u>(248,300)</u>	<u>(68,267)</u>	<u>180,033</u>
NONOPERATING REVENUE (EXPENSES):				
Interest expense	<u>(15,100)</u>	<u>(15,100)</u>	<u>(1,064)</u>	<u>14,036</u>
Income (loss) before transfers	(263,400)	(263,400)	(69,331)	194,069
Transfers out	<u>(36,600)</u>	<u>(36,600)</u>	<u>(36,600)</u>	<u>-</u>
Net change in Fund Balance	(300,000)	(300,000)	(105,931)	194,069
Fund Balance - beginning of year - restated	<u>1,066,648</u>	<u>1,066,648</u>	<u>1,066,648</u>	<u>-</u>
Fund Balance - end of year	<u>\$ 766,648</u>	<u>\$ 766,648</u>	<u>\$ 960,717</u>	<u>\$ 194,069</u>

CITY OF CASA GRANDE, ARIZONA
WASTEWATER ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Service fees	\$ 8,982,000	\$ 8,982,000	\$ 8,541,358	\$ (440,642)
Connection fees	5,000	5,000	-	(5,000)
Miscellaneous	6,000	6,000	70,663	64,663
Total operating revenues	<u>8,993,000</u>	<u>8,993,000</u>	<u>8,612,021</u>	<u>(380,979)</u>
OPERATING EXPENSES:				
Personal services	915,100	915,100	844,978	70,122
Contractual	1,610,500	1,538,300	1,103,217	435,083
Materials and supplies	2,512,000	2,798,200	1,595,728	1,202,472
Depreciation	1,521,400	2,516,000	3,373,418	(857,418)
Total operating expenses	<u>6,559,000</u>	<u>7,767,600</u>	<u>6,917,341</u>	<u>850,259</u>
Operating income	<u>2,434,000</u>	<u>1,225,400</u>	<u>1,694,680</u>	<u>469,280</u>
NONOPERATING REVENUE (EXPENSES):				
Interest income	(3,000)	(3,000)	7,480	10,480
Interest expense	(5,467,100)	(5,467,100)	(2,115,738)	3,351,362
Total nonoperating revenue (expense)	<u>(5,470,100)</u>	<u>(5,470,100)</u>	<u>(2,108,258)</u>	<u>3,361,842</u>
Income (loss) before transfers	(3,036,100)	(4,244,700)	(413,578)	3,831,122
Transfers in	155,000	155,000	155,000	-
Transfers out	<u>(555,700)</u>	<u>(555,700)</u>	<u>(523,300)</u>	<u>32,400</u>
Net change in Fund Balance	(3,436,800)	(4,645,400)	(781,878)	3,863,522
Fund Balance - beginning of year - restated	<u>44,630,929</u>	<u>44,630,929</u>	<u>43,437,374</u>	<u>(1,193,555)</u>
Fund Balance - end of year	<u>\$ 41,194,129</u>	<u>\$ 39,985,529</u>	<u>\$ 42,655,496</u>	<u>\$ 2,669,967</u>

CITY OF CASA GRANDE, ARIZONA
WASTEWATER DEVELOPMENT FEES ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Fees	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-
OPERATING EXPENSES:				
Depreciation	-	-	86,690	(86,690)
Total operating expenses	-	-	86,690	(86,690)
Operating income	-	-	(86,690)	(86,690)
NONOPERATING REVENUE :				
Interest income	-	-	1,208	1,208
Total nonoperating revenue	-	-	1,208	1,208
Income (loss) before transfers	-	-	(85,482)	(85,482)
Impact fees	1,924,100	2,124,100	582,705	(1,541,395)
Transfers out	(155,000)	(155,000)	(155,000)	-
Net change in Fund Balance	1,769,100	1,969,100	342,223	(1,626,877)
Fund Balance - beginning of year	9,204,423	9,204,423	9,204,423	-
Fund Balance - end of year	<u>\$ 10,973,523</u>	<u>\$ 11,173,523</u>	<u>\$ 9,546,646</u>	<u>\$ (1,626,877)</u>

CITY OF CASA GRANDE, ARIZONA
SANITATION/DEVELOPMENT ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Service fees	\$ 6,470,000	\$ 6,470,000	\$ 6,624,819	\$ 154,819
Recycling revenue	120,000	120,000	114,977	(5,023)
Miscellaneous	3,000	3,000	20	(2,980)
Total operating revenues	<u>6,593,000</u>	<u>6,593,000</u>	<u>6,739,816</u>	<u>146,816</u>
OPERATING EXPENSES:				
Personal services	2,540,100	2,540,100	2,422,642	117,458
Contractual	1,317,200	1,321,000	1,206,098	114,902
Materials and supplies	1,084,400	1,083,600	735,587	348,013
Depreciation	1,909,100	1,800,500	925,566	874,934
Closure and postclosure costs	150,000	150,000	97,008	52,992
Total operating expenses	<u>7,000,800</u>	<u>6,895,200</u>	<u>5,386,901</u>	<u>1,508,299</u>
Operating income	<u>(407,800)</u>	<u>(302,200)</u>	<u>1,352,915</u>	<u>1,655,115</u>
NONOPERATING REVENUE (EXPENSES):				
Interest income	(500)	(500)	2,992	3,492
Interest expense	(3,000)	-	-	-
Total nonoperating revenue (expense)	<u>(3,500)</u>	<u>(500)</u>	<u>2,992</u>	<u>3,492</u>
Income before transfers	(411,300)	(302,700)	1,355,907	1,658,607
Transfers in	670,000	670,000	-	(670,000)
Transfers out	<u>(1,372,000)</u>	<u>(1,372,000)</u>	<u>(548,000)</u>	<u>824,000</u>
Excess (deficiency) of revenues				
Net change in Fund Balance	(1,783,300)	(1,674,700)	807,907	2,482,607
Fund Balance - beginning of year - restated	<u>3,563,285</u>	<u>3,563,285</u>	<u>3,563,285</u>	<u>-</u>
Fund Balance - end of year	<u>\$ 1,779,985</u>	<u>\$ 1,888,585</u>	<u>\$ 4,371,192</u>	<u>\$ 2,482,607</u>

CITY OF CASA GRANDE, ARIZONA
 GOLF COURSE ENTERPRISE FUND
 SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
 Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Rental	\$ 142,200	\$ 142,200	\$ 139,630	\$ (2,570)
Green fees	983,000	983,000	961,150	(21,850)
Miscellaneous	4,600	4,600	1,565	(3,035)
Total operating revenues	<u>1,129,800</u>	<u>1,129,800</u>	<u>1,102,345</u>	<u>(27,455)</u>
OPERATING EXPENSES:				
Personal services	142,300	142,300	112,378	29,922
Contractual	654,000	654,000	649,900	4,100
Materials and supplies	226,400	226,400	252,649	(26,249)
Depreciation	130,000	130,000	181,060	(51,060)
Total operating expenses	<u>1,152,700</u>	<u>1,152,700</u>	<u>1,195,987</u>	<u>(43,287)</u>
Operating income	<u>(22,900)</u>	<u>(22,900)</u>	<u>(93,642)</u>	<u>(70,742)</u>
NONOPERATING REVENUE (EXPENSE):				
Interest expense	(100,900)	(100,900)	-	100,900
City sales tax	(26,300)	(26,300)	29,122	55,422
Total nonoperating revenue	<u>(127,200)</u>	<u>(127,200)</u>	<u>29,122</u>	<u>156,322</u>
Income (loss) before transfers	(150,100)	(150,100)	(64,520)	85,580
Contributions	-	-	1,133,770	1,133,770
Transfers in	101,000	101,000	-	(101,000)
Transfers out	<u>(103,900)</u>	<u>(103,900)</u>	<u>(103,900)</u>	<u>-</u>
Net change in Fund Balance	(153,000)	(153,000)	965,350	1,118,350
Fund Balance - beginning - restated	<u>669,568</u>	<u>669,568</u>	<u>669,568</u>	<u>-</u>
Fund Balance - end of year	<u>\$ 516,568</u>	<u>\$ 516,568</u>	<u>\$ 1,634,918</u>	<u>\$ 1,118,350</u>



City of
Casa Grande

OTHER SUPPLEMENTARY INFORMATION

FIDUCIARY FUNDS



City of
Casa Grande

CITY OF CASA GRANDE, ARIZONA
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 ALL AGENCY FUNDS
 June 30, 2015

	Performance Bond Fund	Flexible Spending Plan Fund	Sun Corridor MPO Fund	Total
ASSETS				
Cash	\$ -	\$ 48,658	\$ 12,346	\$ 61,004
Investments, at fair value	<u>1,948,066</u>	<u>-</u>	<u>-</u>	<u>1,948,066</u>
Total assets	<u>1,948,066</u>	<u>48,658</u>	<u>12,346</u>	<u>2,009,070</u>
LIABILITIES				
Other liabilities	<u>1,948,066</u>	<u>48,658</u>	<u>12,346</u>	<u>2,009,070</u>
Total liabilities	<u>1,948,066</u>	<u>48,658</u>	<u>12,346</u>	<u>2,009,070</u>
NET ASSETS				
Held in trust for other purposes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CASA GRANDE, ARIZONA
 COMBINING STATEMENT CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 June 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
Performance Bond Fund				
Assets:				
Cash	\$ -	\$ 383,721	\$ (383,721)	\$ -
Investments	1,752,205	237,829	(41,968)	1,948,066
Total Assets	<u>1,752,205</u>	<u>621,550</u>	<u>(425,689)</u>	<u>1,948,066</u>
Liabilities:				
Other Liabilities	1,749,109	198,957	-	1,948,066
Accounts Payable	3,096	147,360	(150,456)	-
	<u>1,752,205</u>	<u>346,317</u>	<u>(150,456)</u>	<u>1,948,066</u>
Flexible Spending Plan Fund				
Assets:				
Cash	41,684	173,977	(167,003)	48,658
Total Assets	<u>41,684</u>	<u>173,977</u>	<u>(167,003)</u>	<u>48,658</u>
Liabilities:				
Other Liabilities	21,684	-	(3,026)	18,658
Accounts Payable	20,000	10,000	-	30,000
	<u>41,684</u>	<u>10,000</u>	<u>-</u>	<u>48,658</u>
Sun Corridor MPO				
Assets:				
Cash	74,276	298,973	(360,903)	12,346
Total Assets	<u>74,276</u>	<u>298,973</u>	<u>(360,903)</u>	<u>12,346</u>
Liabilities:				
Other Liabilities	41,383	-	(114,900)	(73,517)
Accounts Payable	32,893	301,011	(248,041)	85,863
	<u>74,276</u>	<u>301,011</u>	<u>-</u>	<u>12,346</u>
Totals - All Agency Funds				
Assets:				
Cash	74,276	298,973	(360,903)	61,004
Investments	1,752,205	237,829	(41,968)	1,948,066
Total Assets	<u>1,826,481</u>	<u>536,802</u>	<u>(402,871)</u>	<u>2,009,070</u>
Liabilities:				
Other Liabilities	1,812,176	198,957	(117,926)	1,893,207
Accounts Payable	55,989	458,371	(398,497)	115,863
Total Liabilities	<u>\$ 1,868,165</u>	<u>\$ 657,328</u>	<u>\$ (516,423)</u>	<u>\$ 2,009,070</u>

STATISTICAL SECTION



City of
Casa Grande

STATISTICAL SECTION

This part of the City of Casa Grande's Comprehensive Annual Financial Report gives detailed information to help readers better understand what the information in the financial statements, note disclosures and required supplemental information says about the City's overall financial health.

Contents	Page
Financial Trends	156
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	166
These schedules contain information to help the reader assess the City's most significant local revenue source, sales tax.	
Debt Capacity	170
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographics and Economic Information	179
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
Operations	181
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

	<u>2006</u>	<u>2007</u>	<u>June 30 2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities					
Net investment in Capital Assets	\$ 74,265,031	\$ 121,397,151	\$ 144,539,605	\$ 166,666,266	\$ 169,037,582
Restricted	39,505,454	61,600,770	77,352,432	63,759,736	66,259,746
Unrestricted	17,574,060	24,880,238	29,930,330	29,204,011	24,786,399
Total governmental activities net assets	<u>\$ 131,344,545</u>	<u>\$ 207,878,159</u>	<u>\$ 251,822,367</u>	<u>\$ 259,630,013</u>	<u>\$ 260,083,727</u>
Business-type activities					
Net investment in Capital Assets	\$ 27,728,464	\$ 29,545,366	\$ 33,189,049	\$ 42,819,605	\$ 46,698,154
Restricted	11,541,534	15,292,233	19,276,562	16,814,023	11,962,381
Unrestricted	8,492,036	9,374,364	7,191,725	1,188,222	5,103,985
Total business-type activities net assets	<u>\$ 47,762,034</u>	<u>\$ 54,211,963</u>	<u>\$ 59,657,336</u>	<u>\$ 60,821,850</u>	<u>\$ 63,764,520</u>
Primary government					
Net investment in Capital Assets	\$ 101,993,495	\$ 150,942,517	\$ 177,728,654	\$ 209,485,871	\$ 215,735,736
Restricted	51,046,988	76,893,003	96,628,994	80,573,759	78,222,127
Unrestricted	26,066,096	34,254,602	37,122,055	30,392,233	29,890,384
Total primary government net assets	<u>\$ 179,106,579</u>	<u>\$ 262,090,122</u>	<u>\$ 311,479,703</u>	<u>\$ 320,451,863</u>	<u>\$ 323,848,247</u>

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 163,072,110	\$ 161,430,232	\$ 157,440,959	\$ 151,713,255	\$ 142,734,104
68,817,721	37,158,304	40,395,789	23,313,575	40,862,091
20,795,291	48,679,263	46,777,093	61,348,678	3,182,623
<u>\$ 252,685,122</u>	<u>\$ 247,267,799</u>	<u>\$ 244,613,841</u>	<u>\$ 236,375,508</u>	<u>\$ 186,778,818</u>
\$ 47,003,748	\$ 49,361,435	\$ 47,631,810	\$ 51,371,884	\$ 52,862,580
10,324,306	11,742,168	9,245,649	6,187,139	6,317,620
7,429,067	3,708,031	5,504,681	5,253,457	(11,231)
<u>\$ 64,757,121</u>	<u>\$ 64,811,633</u>	<u>\$ 62,382,140</u>	<u>\$ 62,812,480</u>	<u>\$ 59,168,969</u>
\$ 210,847,017	\$ 210,791,667	\$ 205,072,769	\$ 201,934,193	\$ 195,596,684
78,350,244	48,900,472	49,641,438	29,500,714	47,179,711
28,244,981	52,387,294	52,281,774	66,681,178	3,171,392
<u>\$ 317,442,242</u>	<u>\$ 312,079,433</u>	<u>\$ 306,995,981</u>	<u>\$ 298,116,085</u>	<u>\$ 245,947,787</u>

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

	June 30				
	2006	2007	2008	2009	2010
Governmental Activities:					
Expenses					
General government	\$ 4,463,957	\$ 5,196,569	\$ 6,958,153	\$ 7,824,380	\$ 6,961,775
Public safety	13,504,033	14,765,435	17,799,896	20,384,692	20,366,672
Streets/Transportation	5,486,251	9,650,354	10,614,899	12,198,334	12,007,921
Public works	1,868,890	2,144,675	1,652,940	2,336,854	2,335,926
Culture and recreation	4,978,247	5,247,404	5,853,610	7,696,876	6,828,387
Economic development	4,468,076	5,564,781	5,932,564	4,367,403	4,700,480
Interest on long-term debt	500,879	610,630	641,914	972,791	2,145,146
Total expenses	35,270,333	43,179,848	49,453,976	55,781,330	55,346,307
Program Revenues					
Charges for services:					
General government	119,514	133,192	144,550	131,394	153,150
Public safety	984,555	1,091,960	1,214,170	1,410,573	1,135,284
Streets/Transportation	832,940	996,571	1,345,035	1,297,796	1,144,798
Public works	84,424	33,994	100,784	23,399	9,736
Culture and recreation	340,272	328,163	378,268	378,961	469,536
Development fees	11,353,338	13,115,223	8,272,278	1,332,296	1,414,107
Building permits	3,468,682	2,580,633	1,692,576	635,045	494,055
Development and engineering	3,357,825	2,456,074	694,885	96,008	55,896
Other economic development	1,282,294	863,185	627,986	379,636	842,301
Operating grants and contributions	7,866,501	9,066,924	9,303,041	8,859,174	7,469,173
Capital grants and contributions	43,675,183	14,852,514	22,402,954	7,360,861	4,841,012
Total program revenues	73,365,528	45,518,433	46,176,527	21,905,143	18,029,048
Total Governmental Activities Net Program Expense	\$ 38,095,195	\$ 2,338,585	\$ (3,277,449)	\$ (33,876,187)	\$ (37,317,259)
General Revenues and Other Changes in Net Position					
Property taxes	2,401,386	2,475,296	3,105,864	6,264,879	7,422,710
Sales taxes	14,973,622	22,708,648	28,082,890	23,313,628	19,776,002
Franchise taxes	1,236,366	1,511,751	1,687,014	1,910,594	1,947,031
Shared revenues:					
State sales taxes	2,721,554	3,086,185	2,984,122	2,583,416	2,382,825
Urban revenue sharing	2,728,207	3,760,034	4,592,697	4,793,336	4,106,244
Auto-in-lieu	1,585,116	2,032,801	2,199,266	2,126,092	2,034,181
Investment earnings	1,508,717	3,222,176	3,202,760	815,213	107,521
Gain on sales of assets	660,798	1,846,201	452,693	-	-
Miscellaneous	361,586	274,310	388,409	440,101	625,779
Transfers	349,200	449,800	525,942	(563,426)	(631,320)
Total general revenues and other changes in net position	28,526,552	41,367,202	47,221,657	41,683,833	37,770,973
Total Governmental Activities Change in Net Position	\$ 66,621,747	\$ 43,705,787	\$ 43,944,208	\$ 7,807,646	\$ 453,714

2011	2012	2013	2014	2015
\$ 6,875,962	\$ 6,943,378	\$ 6,766,944	\$ 7,010,252	\$ 10,107,662
20,265,216	22,629,105	24,280,544	25,534,564	26,520,689
12,554,956	13,442,435	12,494,463	13,511,907	13,548,310
2,067,097	2,542,009	3,205,901	2,666,121	2,771,028
7,103,723	7,247,394	7,273,320	7,859,818	7,676,615
3,731,265	3,186,873	3,117,655	3,269,820	2,765,522
2,436,221	2,670,881	2,367,185	2,333,855	2,504,944
<u>55,034,440</u>	<u>58,662,075</u>	<u>59,506,012</u>	<u>62,186,337</u>	<u>65,894,770</u>
215,969	173,396	342,086	304,629	2,815,852
1,028,639	1,370,883	1,182,158	1,345,626	1,076,004
1,213,808	1,369,817	1,112,963	960,368	816,829
12,018	26,595	60,757	33,133	167,447
771,516	601,627	443,652	502,803	430,294
1,023,436	161,576	2,198,089	110,170	179,753
342,553	290,999	988,908	846,542	1,081,880
65,715	40,880	74,375	16,393	78,284
376,785	429,012	416,676	163,809	307,578
6,266,856	7,420,053	6,823,705	7,163,717	6,775,967
315,613	3,507,353	10,177,899	1,333,697	4,132,231
<u>11,632,908</u>	<u>15,392,191</u>	<u>23,821,268</u>	<u>12,780,887</u>	<u>17,862,119</u>
<u>\$ (43,401,532)</u>	<u>\$ (43,269,884)</u>	<u>\$ (35,684,744)</u>	<u>\$ (49,405,450)</u>	<u>\$ (48,032,651)</u>
6,570,203	6,439,021	6,877,452	6,197,813	6,366,087
18,973,408	18,901,163	19,242,309	19,650,998	21,795,890
2,196,398	2,201,312	2,248,227	2,248,466	2,358,731
2,590,692	3,795,352	3,975,626	4,227,755	4,438,843
2,897,028	4,099,428	4,961,423	5,413,854	5,879,820
1,992,071	2,137,645	2,129,894	2,259,469	2,447,783
108,552	67,705	3,586	330,546	174,864
-	-	-	-	-
81,130	121,530	49,172	112,756	282,850
593,445	94,464	1,337,500	725,460	78,030
<u>36,002,927</u>	<u>37,857,620</u>	<u>40,825,189</u>	<u>41,167,117</u>	<u>43,822,898</u>
<u>\$ (7,398,605)</u>	<u>\$ (5,412,264)</u>	<u>\$ 5,140,445</u>	<u>\$ (8,238,333)</u>	<u>\$ (4,209,753)</u>

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

	June 30				
	2006	2007	2008	2009	2010
Business-type Activities:					
Expenses					
Water	\$ 98,048	\$ 115,599	\$ 117,638	\$ 153,147	\$ 159,718
Golf course	928,321	1,107,942	967,750	1,266,986	1,243,440
Wastewater	3,138,128	5,413,331	4,522,025	4,610,789	5,528,871
Sanitation	3,538,650	3,902,782	4,041,517	5,465,908	4,653,383
Total expenses	7,703,147	10,539,654	9,648,930	11,496,830	11,585,412
Revenues					
Charges for services:					
Water	197,834	193,909	190,125	196,410	162,094
Golf course	781,464	784,983	797,501	962,206	1,066,642
Wastewater	7,533,801	6,001,607	5,972,329	5,119,786	6,049,625
Sanitation	4,571,127	4,963,964	4,990,169	4,555,927	5,151,563
Sales taxes	2,676,631	2,124,036	14,203	20,612	26,657
Investment earnings	635,533	1,167,957	919,273	202,016	8,383
Miscellaneous	58,502	73,411	155,834	323,560	10,473
Capital grants and contributions	7,991,457	2,129,515	2,580,813	717,407	895,826
Total revenues	24,446,349	17,439,382	15,620,247	12,097,924	13,371,263
Total Business-type Activities Net Program Expense	\$ 16,743,202	\$ 6,899,728	\$ 5,971,317	\$ 601,094	\$ 1,785,851
Other Changes in Net Position					
Transfers	(349,200)	(449,800)	(525,942)	563,426	631,320
Total Business-type Activities Change in Net Position	\$ 16,394,002	\$ 6,449,928	\$ 5,445,375	\$ 1,164,520	\$ 2,417,171
Total Primary Government Change in Net Position	\$ 83,015,749	\$ 50,155,715	\$ 49,389,583	\$ 8,972,166	\$ 2,870,885

	2011	2012	2013	2014	2015
\$	150,493	\$ 190,786	\$ 226,382	\$ 286,210	\$ 261,674
	1,203,084	1,303,013	1,299,400	1,212,036	1,195,987
	5,561,882	9,786,826	9,188,433	9,559,101	9,119,769
	5,028,014	5,060,239	4,953,994	5,410,150	5,386,901
	<u>11,943,473</u>	<u>16,340,864</u>	<u>15,668,209</u>	<u>16,467,497</u>	<u>15,964,331</u>
	167,772	185,176	173,935	181,120	192,343
	1,119,396	1,066,136	994,534	1,076,014	1,100,780
	6,304,052	6,871,045	6,541,782	8,027,267	8,541,358
	5,858,238	6,264,192	6,151,881	6,385,562	6,739,816
	28,802	29,539	25,737	29,098	29,122
	45,969	15,397	40,519	8,917	11,680
	5,289	21,139	60,209	57,654	72,228
	-	2,337,217	545,163	587,959	582,705
	<u>13,529,518</u>	<u>16,789,841</u>	<u>14,533,760</u>	<u>16,353,591</u>	<u>17,270,032</u>
\$	<u>1,586,045</u>	<u>\$ 448,977</u>	<u>\$ (1,134,449)</u>	<u>\$ (113,906)</u>	<u>\$ 1,305,701</u>
	(593,445)	(94,464)	(1,337,500)	(725,460)	(78,030)
\$	<u>992,600</u>	<u>\$ 354,513</u>	<u>\$ (2,471,949)</u>	<u>\$ (839,366)</u>	<u>\$ 1,227,671</u>
\$	<u>(6,406,005)</u>	<u>\$ (5,057,751)</u>	<u>\$ 2,668,496</u>	<u>\$ (9,077,699)</u>	<u>\$ (2,982,082)</u>

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

	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 1,476,273	\$ 1,959,234	\$ 2,548,121	\$ 3,153,554	\$ 3,815,142
Unreserved	17,796,454	25,521,015	30,572,472	30,402,947	25,262,863
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>\$ 19,272,727</u>	<u>\$ 27,480,249</u>	<u>\$ 33,120,593</u>	<u>\$ 33,556,501</u>	<u>\$ 29,078,005</u>
All Other Governmental Funds					
Reserved	\$ 4,250,108	\$ 4,413,184	\$ 32,896,933	\$ 25,327,803	\$ 39,966,314
Unreserved, reported in:					
Special revenue funds	28,612,756	43,633,806	49,835,900	39,794,807	40,446,857
Capital projects funds	5,365,147	10,701,962	77,406	8,084	151,896
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 38,228,011</u>	<u>\$ 58,748,952</u>	<u>\$ 82,810,239</u>	<u>\$ 65,130,694</u>	<u>\$ 80,565,067</u>

*FY2011: Implementation of GASB-54 Fund Balance Classification

Fiscal Year				
2011*	2012	2013	2014	2015
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
7,411	6,023	6,264	6,281	1,647
33,225	4,202,039	4,701,221	5,163,565	5,572,411
23,342,866	-	-	-	-
-	19,251,625	14,550,404	13,384,358	11,631,345
1,247,242	502,264	5,281,667	6,892,105	12,631,345
<u>\$ 24,630,744</u>	<u>\$ 23,961,951</u>	<u>\$ 24,539,556</u>	<u>\$ 25,446,309</u>	<u>\$ 29,836,748</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
57,949	60,783	66,983	93,031	36,281
13,250,249	33,542,117	35,694,573	32,227,498	35,291,890
1,083,515	15,628,386	2,523,457	-	0
50,374,649	13,156,163	27,643,540	29,168,940	29,084,496
(378,345)	(385,290)	(576,410)	(576,846)	(593,322)
<u>\$ 64,388,017</u>	<u>\$ 62,002,159</u>	<u>\$ 65,352,143</u>	<u>\$ 60,912,623</u>	<u>\$ 63,819,345</u>

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

	2006	2007	2008	2009	2010
Revenues					
Taxes	\$ 18,585,602	\$ 26,706,698	\$ 32,840,670	\$ 31,334,264	\$ 29,088,943
Licenses and permits	3,632,214	2,756,899	1,881,951	808,414	656,902
Intergovernmental revenues	15,208,404	18,007,273	20,798,409	17,188,146	16,769,422
Charges for services	16,390,930	16,678,803	10,171,890	2,188,466	2,058,720
Fines	734,495	826,533	815,081	1,092,331	978,765
Special assessments	354,840	28,907	29,691	21,092	8,883
Investment earnings	1,508,717	3,222,176	3,202,760	815,213	107,521
Rental and sale of city property	1,071,511	1,459,760	1,546,935	1,645,235	2,106,527
Other revenues	1,198,605	720,635	608,700	536,204	514,473
Total revenues	<u>58,685,318</u>	<u>70,407,684</u>	<u>71,896,087</u>	<u>55,629,365</u>	<u>52,290,156</u>
Expenditures					
General government	5,230,006	5,921,449	8,076,361	8,996,033	8,055,272
Public safety	12,957,767	14,155,865	16,983,507	18,594,022	18,957,126
Streets/Transportation	2,168,597	2,846,301	2,323,097	2,991,139	2,521,337
Public works	1,650,860	2,063,253	1,684,699	1,716,458	2,192,317
Culture and recreation	4,446,967	4,828,294	5,463,871	5,222,719	5,792,331
Planning and economic development	3,914,867	4,821,056	4,965,772	3,425,837	3,550,938
Capital outlay	6,149,634	8,251,421	11,030,175	27,511,902	31,846,819
Debt service					
Principal	1,206,388	882,247	1,226,548	5,313,821	2,484,637
Interest	484,775	707,501	607,351	955,207	2,125,295
Total expenditures	<u>38,209,861</u>	<u>44,477,387</u>	<u>52,361,381</u>	<u>74,727,138</u>	<u>77,526,072</u>
Other Financing Sources (Uses)					
Transfers in	5,808,434	6,844,898	8,101,980	5,630,797	12,829,121
Transfers out	(5,374,834)	(6,311,098)	(7,483,839)	(5,922,924)	(13,965,253)
Capital leases	-	-	-	-	-
Bond issuance	-	455,000	9,000,000	750,000	37,800,000
Bond issuance costs	-	-	(30,201)	(103,736)	(472,067)
Sale of land	-	1,809,371	578,989	1,500,000	-
Total other financing sources (uses)	<u>433,600</u>	<u>988,800</u>	<u>10,166,929</u>	<u>1,854,137</u>	<u>36,191,801</u>
Net change in fund balances	<u>\$ 20,909,056</u>	<u>\$ 26,919,097</u>	<u>\$ 29,701,635</u>	<u>\$ (17,243,635)</u>	<u>\$ 10,955,886</u>
Debt service as a percentage of noncapital expenditures	5.27%	4.39%	4.44%	13.28%	10.09%

		Fiscal Year							
		2011	2012	2013	2014	2015			
\$	27,556,571	\$	27,524,503	\$	28,352,139	\$	28,304,305	\$	30,557,352
	546,628		494,921		1,263,721		1,055,340		1,344,254
	14,151,581		17,627,429		20,814,430		19,166,537		19,324,969
	1,661,339		2,856,201		4,024,127		2,614,233		4,061,405
	807,884		756,454		735,217		707,660		682,288
	-		-		-		-		-
	108,549		67,707		3,586		339,728		207,833
	1,489,826		502,054		537,055		536,601		761,495
	349,597		1,599,077		477,857		968,313		821,199
	<u>46,671,975</u>		<u>51,428,346</u>		<u>56,208,132</u>		<u>53,692,717</u>		<u>57,760,795</u>
	8,026,262		7,932,235		7,473,914		7,801,503		7,810,453
	19,691,260		20,516,232		22,089,961		22,673,464		21,380,603
	2,770,032		3,287,682		2,717,802		2,645,606		2,821,113
	1,959,265		1,913,991		2,040,691		1,350,102		1,352,469
	5,847,772		5,939,441		6,041,037		6,413,990		6,157,841
	2,652,964		2,467,005		2,424,452		2,526,552		2,276,725
	24,677,470		8,999,838		10,215,671		10,651,896		6,889,725
	1,899,760		3,669,732		1,718,222		1,528,344		1,959,805
	2,594,138		2,733,203		2,343,898		2,448,448		2,520,693
	<u>70,118,923</u>		<u>57,459,359</u>		<u>57,065,648</u>		<u>58,039,905</u>		<u>53,169,427</u>
	11,790,392		17,492,942		7,243,155		8,818,190		5,813,795
	(11,101,760)		(17,303,578)		(5,786,655)		(8,003,769)		(4,137,337)
	-		2,787,000		3,328,600		-		-
	2,200,000		-		-		-		1,095,019
	(66,000)		-		-		-		-
	-		-		-		-		-
	<u>2,822,632</u>		<u>2,976,364</u>		<u>4,785,100</u>		<u>814,421</u>		<u>2,771,477</u>
\$	<u>(20,624,315)</u>	\$	<u>(3,054,649)</u>	\$	<u>3,927,584</u>	\$	<u>(3,532,767)</u>	\$	<u>7,362,845</u>
	9.89%		13.21%		8.67%		8.39%		9.68%

Schedule 6
City of Casa Grande
Sales Tax Revenue by Industry
Fiscal Years 2010 - 2015

	Fiscal Year 2010		Fiscal Year 2011		Fiscal Year 2012	
	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total
Construction	\$ 3,558,323	17.82%	\$ 2,545,580	13.36%	\$ 1,802,508	9.41%
Manufacture	594,982	2.98%	575,026	3.02%	461,262	2.41%
Transportation/Communication/ Utilities	2,053,502	10.29%	2,009,759	10.55%	2,217,902	11.57%
Wholesale Trade	238,731	1.20%	246,612	1.29%	287,453	1.50%
Retail Trade	9,361,417	46.89%	9,430,292	49.51%	9,836,562	51.33%
Restaurants/Bars	1,228,270	6.15%	1,227,699	6.45%	1,285,661	6.71%
Insurance/Real Estate	1,751,628	8.77%	1,793,481	9.42%	1,897,474	9.90%
Hotels/Lodging	390,430	1.96%	449,581	2.36%	483,410	2.52%
Services	433,326	2.17%	432,552	2.27%	500,029	2.61%
All Other	355,036	1.78%	336,162	1.76%	391,070	2.04%
Total	\$ 19,965,645	100.00%	\$ 19,046,744	100.00%	\$ 19,163,329	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 2013		Fiscal Year 2014		Fiscal Year 2015	
Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total
\$ 2,151,068	11.04%	\$ 2,590,980	12.90%	\$ 2,963,203	13.48%
427,104	2.19%	423,393	2.11%	413,453	1.88%
2,220,570	11.39%	2,279,738	11.35%	2,349,392	10.68%
276,385	1.42%	390,045	1.94%	409,233	1.86%
9,549,885	49.00%	9,453,064	47.06%	10,748,122	48.88%
1,348,805	6.92%	1,411,036	7.02%	1,516,426	6.90%
1,941,221	9.96%	1,955,194	9.73%	1,869,141	8.50%
564,426	2.90%	445,971	2.22%	494,388	2.25%
603,372	3.10%	577,454	2.87%	645,623	2.94%
405,733	2.08%	561,765	2.80%	578,911	2.63%
<u>\$ 19,488,568</u>	<u>100.00%</u>	<u>\$ 20,088,640</u>	<u>100.00%</u>	<u>\$ 21,987,890</u>	<u>100.00%</u>



City of
Casa Grande

Schedule 7
City of Casa Grande
Direct and Overlapping Sales Tax Rates
As of June 30, 2015

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
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	12,775,000	6,199,218	255,000	3,180,356	-	13,855,602
2009	11,345,000	3,130,318	130,000	2,909,161	-	13,304,502
2010	28,664,999	21,249,788	-	2,598,870	-	12,735,032
2011	29,664,998	20,603,035	-	2,331,681	-	12,125,001
2012	28,800,000	18,358,670	-	4,846,117	-	11,266,335
2013	28,093,115	17,554,432	-	7,831,620	-	12,002,655
2014	27,385,814	16,824,237	-	7,470,835	-	11,187,135
2015	26,660,000	16,154,247	-	8,081,767	-	9,300,748

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

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

Personal income is based on Pinal County information.

Business-type Activities

<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>
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
-	44,150,805	104,347,567	7.76%	2,027.03

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

Fiscal Year	General Obligation Bonds	Estimated Actual Value of Property (a)	Percentage of Estimated Actual Value of Property	General Bonded Debt Per Capita (b)	Restricted for Principal Payment
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%	172	
2010	2,430,000 (1)	249,681,000	0.97%	807	
2010	26,234,999 (2)	3,680,064,800	0.71%	510	
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%	488	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%	477	625,000
2013	4,135,000 (1)	269,324,094	1.54%	807	105,000
2013	23,940,000 (2)	2,788,057,728	0.86%	465	600,000
2014	4,030,000 (1)	279,975,183	1.44%	786	110,000
2014	23,340,000 (2)	2,833,543,388	0.82%	453	595,000
2015	3,920,000 (1)	292,667,259	1.34%	765	120,000
2015	22,740,000 (2)	2,910,644,515	0.78%	442	700,000

(a) Source: Pinal County Assessor's records

(b) Estimated population of Mission Royale CFD 6/30/15 3,502
 Estimated population of Villago CFD 6/30/15 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 51,478

(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, 2015

Governmental Unit	Bonded Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Elementary School District #4	\$ 5,490,000	82.26%	\$ 4,516,914
Union High School District #82	24,995,000	65.40%	16,347,965
Central Arizona Community College	85,940,000	16.54%	14,217,990
Mission Royale CFD	1,090,000	100.00%	1,090,000
Villago CFD	2,830,000	100.00%	<u>2,830,000</u>
Subtotal, overlapping debt			\$ 39,002,869
City direct debt	38,894,252	100.00%	<u>38,894,252</u>
Total direct and overlapping debt			<u><u>\$ 77,897,121</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, 2015

Net Secondary Assessed Valuation as of June 30, 2015 (a)	<u>\$</u>	336,457,808
Debt limit (6% of assessed value)		20,187,468
Debt applicable to limit:		
General obligation bonds		<u>0</u>
Legal 6% debt margin	<u>\$</u>	<u>20,187,468</u>
Debt limit (20% of assessed value)		67,291,562
Debt applicable to limit:		
General obligation bonds		26,660,000
Legal 20% debt margin	<u>\$</u>	<u>40,631,562</u>

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

(a) Source: Pinal County Assessor's records

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 Nine Fiscal Years

Fiscal Year	Special Assessment Bonds					Excise Tax Revenue Obligations		
	Transaction Privilege (Sales)	State Shared	State Shared	Franchise	Licenses & Permits/Fines & Forfeitures	Debt Service		Coverage
	Tax (a)(b)	Sales Tax	Income Tax	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
2015	20,913,078	4,438,843	5,879,820	2,358,732	2,109,157	1,450,000	1,344,085	12.78

(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
2015	1,074,812

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

Fiscal Year	Collected to June 30 End of Tax Fiscal Year (a)				
	Tax Levy	Collections	Taxes Receivable	Percent of Tax Levy	Adjustments
2005	\$ 1,844,115	\$ 1,843,199	916	99.95%	(\$5,388)
2006	1,943,065	1,942,172	894	99.95%	(\$1,818)
2007	2,324,339	2,323,049	1,290	99.94%	(38,322)
2008	5,293,078	5,289,151	3,928	99.93%	(109,585)
2009	5,969,191	5,958,289	10,903	99.82%	(19,966)
2010	5,760,833	5,750,965	9,868	99.83%	(20,266)
2011	5,455,728	5,435,637	20,092	99.63%	(24,416)
2012	5,590,646	5,570,320	20,325	99.64%	(47,998)
2013	5,351,495	5,328,060	23,436	99.56%	(22,930)
2014	5,357,544	5,266,072	91,472	98.29%	(21,013)
2015	5,499,525	2,778,699	2,720,826	50.53%	(11,146)

(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
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
2015	\$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 2014-15 Net Secondary Assessed Valuation	As Percent of City's 2014-15 Net Secondary Assessed Valuation
Arizona Public Service Co.	Electric Utility	\$11,545,760	3.43%
Wp Casa Grande Retail LLC	Retailer	9,513,541	2.83%
Wal-Mart Stores East LP	Retailer	7,990,545	2.37%
Daisy Brand LLC	Dairy Product Manufacturing	4,697,960	1.40%
Abbott Manufacturing Inc.	Gas Utility	5,156,497	1.53%
Southwest Gas Corp.	Pharmaceutical Manufacturing	3,420,593	1.02%
CG Hanna LLC	Real Estate Management	3,669,081	1.09%
Hexel Corp.	Manufacturing	4,653,483	1.38%
Arizona Water Co.	Water Utility	2,972,711	0.88%
Courtney Mann LLC	Vitamin Distributor	1,935,016	0.58%
Daisy Brand LP	Dairy Product Manufacturing	2,401,569	0.71%
Wal-Mart Stores Inc.	Retailer	2,384,179	0.71%
Lowes HIW Inc.	Home Improvement & Construction	1,873,909	0.56%
HSL Desert Sands Properties LLC	Real Estate Management	1,871,731	0.56%
Ehrmann Arizona Dairy LLC	Dairy Product Manufacturing	4,060,132	1.21%
TOTAL		\$68,146,707	20.25%

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

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

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

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

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

Fiscal Year	Population	County Per Capita Personal Income	Total Personal Income	School Enrollment	Unemployment Rate
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%
2015	51,478	20,983	1,080,162,874	12,752	6.80%

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

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

Employer	2015		2006	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Casa Grande Elementary School District	896	4.34%	761	5.12%
Banner Casa Grande Medical Center	650	3.15%	920	6.19%
Hexcel Corporation	500	2.42%	365	2.46%
Wal-Mart Distribution Center	608	2.94%	569	3.83%
Wal-Mart Supermarket	440	2.13%	520	3.50%
Frito-Lay Inc.	not available		450	3.03%
Abbott Laboratories/Ross Products	400	1.94%	425	2.86%
City of Casa Grande	450	2.18%	340	2.29%
National Vitamin Company	270	1.31%		0.00%
Franklin Foods	76	0.37%		0.00%
Sam's Club	144	0.70%		0.00%
All Others	16,223	78.54%	10,501	70.71%
	20,657	100.00%	14,851	100.00%

Sources:

City of Casa Grande
Arizona Department of Administration/Office of Employment & Population Statistics
AZ Department of Commerce

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	
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
2015	46.7	141.9	62.3	75.5	21.0	100.8	448.1

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Registered voters	13,239	13,946	19,331	20,805	20,805	20,805	20,805	20,417	20,417	20,417
Votes cast last primary election	1,428	2,364	2,364	2,400	2,400	4,182	4,182	3,886	3,886	3,886
Fire										
Medical support calls	3,766	3,778	4,286	4,689	4,289	4,849	4,941	5,155	5,400	5,710
Total alarms	5,137	5,194	5,642	5,050	5,703	6,397	6,515	6,685	6,951	7,356
Inspections/investigations	390	986	1,512	1,505	883	1,051	1,458	910	687	504
Public education contacts	8,884	10,164	19,801	25,064	15,812	12,622	18,743	26,225	15,556	13,247
Police										
Calls for service	39,365	42,412	41,126	40,893	38,629	38,660	34,213	31,308	22,079	23,314
Officer initiated	69,936	72,028	71,626	76,263	72,807	85,032	78,125	88,023	74,271	64,963
Patrolled miles	706,375	802,935	864,421	939,398	983,100	1,005,416	974,867	991,778	696,743	640,119
Traffic accidents	1,213	1,121	1,104	991	974	942	938	874	843	912
Traffic citations	6,127	6,136	6,943	7,025	6,107	5,171	6,008	7,836	7,912	4,897
Arrests (adult and juvenile)	4,055	3,840	4,015	3,981	4,738	3,737	4,052	4,098	4,760	4,477
Culture and recreation - library (a) (b) (c)										
Items in collections	73,984	74,311	75,863	79,920	113,480	114,257	117,108	454,700	645,813	330,220
Total circulation transactions	187,063	225,043	229,446	270,473	329,790	368,693	361,334	376,405	359,585	346,683
Total circulation items	49,718	73,079	75,840	78,727	98,937	70,820	69,376	129,695	124,944	73,648
Economic development										
Building permits - commercial	339	143	195	114	90	95	63	94	63	94
Building permits - residential	3,501	1,454	777	329	369	291	259	264	215	438
Self-help homes completed	20	25	25	25	12	12	11	0	0	0
Self-help homes started	27	25	26	25	12	12	14	0	0	0
Housing rehabilitations	12	12	12	12	12	12	11	21	17	13
Code enforcement cases	1,704	984	1,150	1,331	1,317	2,104	1,203	1,206	1,349	1,241
Planning cases	334	193	85	95	90	121	110	133	152	135

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Fire stations	3	3	3	3	3	4	4	4	4	4
Parks and recreation										
Park areas	24	25	26	26	27	27	27	27	27	27
Parkland acreage	1,370	1,371	1,387	1,396	1,566	1,611	1,611	1,611	1,611	1,611
Community centers	4	4	5	5	5	5	5	5	5	5
Golf courses	1	1	1	1	1	1	1	1	1	1
Playgrounds	24	24	25	26	26	26	26	26	26	26
Other maintenance areas	87	88	93	93	95	97	97	99	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**	2,217	3,130	3,302	3,500	3,363	5,340	5,340	3,948	3,988	3,996
Miles of streets (centerline)**	375	375	389	410	410	410	414	409	403	396
Miles of sewer**	300	375	450	455	455	455	455	284	290	290
Number of lift stations	9	9	9	10	10	10	10	10	10	10
Number of signalized intersections*	31	31	35	38	39	41	41	41	42	43

* Includes ADOT signalized intersections

**Enhanced GIS information utilized beginning in FY2013

Sources: Various City departments



City of
Casa Grande

COMPLIANCE SECTION



City of
Casa Grande



HENRY & HORNE, LLP
Certified Public Accountants

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

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, 2015, 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 December 24, 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 the 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.

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

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

Tempe
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

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.

Henry + Horne LLP

Casa Grande, Arizona
December 24, 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, 2015. 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.

Tempe
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

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, 2015.

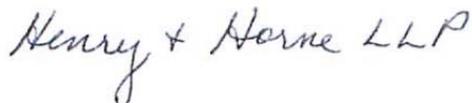
Report on Internal Control Over Compliance

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
December 24, 2015

City of Casa Grande
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

	Grant Number	Federal CFDA Number	Expenditures
U.S. Department of Housing and Urban Development:			
Passed through Arizona Department of Housing:			
Community Development Block Grant - 2012	132-12	14.228	9,189 *
Community Development Block Grant - 2014	106-14	14.228	92,178 *
Community Development Block Grant - 2015	113-15	14.228	<u>52,107 *</u>
			153,474
HOME - 2013	304-13	14.239	32,154
Community Development Block Grant - Entitlement	B-15-MC-32-0007	14.218	<u>36,200 *</u>
Total Department of Housing and Urban Development			<u>221,828</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	13,859
Special Programs for the Aging	5-237	93.045	84,415
Nutritional Services Incentive Program	5-237	93.053	<u>15,883</u>
Total Aging Cluster			114,157
Social Services Block Grant	5-237	93.667	<u>12,360</u>
Total Department of Health & Human Services			<u>126,517</u>
Institute of Museum & Library Services			
Passed thru State Library Administrative Agencies			
Computers/ipads/software	2013-33020-D/2014-34026-7	45.310	<u>22,480</u>
Total Institute of Museum & Library Services			<u>22,480</u>
US Dept of Interior National Park Service:			
Passed thru State Historic Preservation Office			
Historic Perservation	AZ-12-011	15.904	<u>900</u>
Total Department of Interior National Park Service			<u>900</u>
U.S. Department of Justice:			
JAG Grant	2013-DJBX-0747	16.738	3,934
JAG Grant	2014-H2551-AZ-DJ	16.738	<u>21,021</u>
Total Justice Assistance Grant Cluster			24,955
U.S. Department of Justice:			
Bulletproof Vest Grant			
ARRA -Community Oriented Policing Services (COPS)	2006BUBX 2010RKWX003	16.607 16.710	9,142 <u>50,904</u>
Total Department of Justice			<u>85,001</u>
U.S. Department of Transportation:			
FAA Airport Grant			
Passed thru Governor's Office of Highway Safety	3-04-0007-17-2014	20.106	<u>67,529</u>
Selective Traffic Enforcement Truck	2014A-PT-090	20.600	38,299
LIDAR/Holsters	2014-PT-049	20.600	3,267
Buckle UP Campaign	2015-CIOT-003	20.600	<u>7,172</u>
			48,738
Speed Awareness Trailer/Software	2015-PT-052	20.608	<u>9,144</u>
Total Department of Transportation			<u>125,411</u>

City of Casa Grande
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

	Grant Number	Federal CFDA Number	Expenditures
Executive Office of the President			
High Intensity Drug Trafficking Areas Program	D08-12-2004	95.001	3,534
Total Executive Office of the President			3,534
U.S. Department of Homeland Security			
Federal Emergency Management Agency	EMW-2013-FO-03279	97.044	102,114 *
Passed through Pinal-Gila Council for Senior Citizens:			
Emergency Food and Shelter National Board Program		97.024	4,600
Passed through Arizona Division of Emergency Management:			
Arizona Dept of Homeland Security	130320-1	97.067	9,456 *
Passed through Arizona Department of Homeland Security:			
Operation Stonegarden Grant Program	140315-01	97.067	89,387 *
Operation Stonegarden Grant Program	130316-01	97.067	33,026 *
			131,869
Total Department of Homeland Security			238,583
Total Federal Financial Assistance and Expenditures of Federal Awards			\$ 824,254

*Denotes major program

CITY OF CASA GRANDE, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2015

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, 2015

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

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

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
14.218	Department of Housing – Community Development Block Grant/Entitlement Grants
14.228	Department of Housing – Community Development Block Grant/State’s program and Non-Entitlement Grants in Hawaii
97.044	Department of Homeland Security – Assistance to Firefighters Grant
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? yes no

CITY OF CASA GRANDE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED June 30, 2015

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

None noted.

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None noted.

SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.