PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 31, 2026*

NEW ISSUE — BOOK-ENTRY-ONLY **RATINGS: See "RATINGS" herein.**

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications and the continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Series 2026 Bonds (i) is excludable from gross income for federal income tax purposes and (ii) is exempt from income taxation under the laws of the State of Arizona. Further, interest on the Series 2026 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2026 Bonds is not excluded from the determination of adjusted financial statement income. See "TAX EXEMPTION" herein for a description of certain other federal tax consequences of ownership of the Series 2026 Bonds.

$35,000,000*
CITY OF CASA GRANDE, ARIZONA
GENERAL OBLIGATION BONDS
SERIES 2026A

$10,000,000*
CITY OF CASA GRANDE, ARIZONA
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2026B

Dated: Date of Initial Authentication and Delivery *Due:* August 1, as shown on inside front cover page

The $35,000,000* principal amount of General Obligation Bonds, Series 2026A (the "Improvement Bonds") and $10,000,000* principal amount of General Obligation Refunding Bonds, Series 2026B (the "Refunding Bonds," and together with the Improvement Bonds, the "Series 2026 Bonds"), will be issued by the City of Casa Grande, Arizona (the "City"). The Series 2026 Bonds will be dated the date of initial delivery. Purchases of the Series 2026 Bonds will be made in book-entry-only form in the book-entry system of The Depository Trust Company ("DTC") only through DTC participants in the amounts of $5,000 of principal of a series due on any maturity date or integral multiples thereof. Except as herein described, purchasers will not receive certificates representing their beneficial interest in the Series 2026 Bonds. The Series 2026 Bonds will mature on the dates and in the principal amounts and will bear interest from their dated dates as set forth on the inside front cover page hereof. Interest on the Series 2026 Bonds will accrue from the dated date of the Series 2026 Bonds and will be payable to the owners of the Series 2026 Bonds semiannually on February 1 and August 1 of each year (each an "Interest Payment Date"), commencing on February 1, 2027.

Certain of the Series 2026 Bonds are subject to redemption prior to their stated maturity dates. See "THE SERIES 2026 BONDS – Redemption Provisions" herein.

The Series 2026 Bonds are being issued for the purpose of providing funds (i) to acquire and construct certain streets improvements within the City, (ii) to refund in advance of maturity portions of certain outstanding general obligation bonds of the City (the "Bonds Being Refunded"), and (iii) to pay costs relating to the issuance of the Series 2026 Bonds. See "PLAN OF REFUNDING" and "SOURCES AND USES OF FUNDS."

Upon their issuance, the Improvement Bonds will be payable as to both principal and interest from a continuing, direct, annual ad valorem tax to be levied against all taxable property within the City, such tax to be levied without limitation as to rate or amount. See "THE SERIES 2026 BONDS – Security and Source of Payment."

Upon their issuance, the Refunding Bonds will be payable as to both principal and interest from a continuing, direct, annual ad valorem tax to be levied against all taxable property within the City, such tax to be levied without limitation as to rate, but limited in amount to a total amount not greater than the aggregate amount of principal and interest which will become due on the Bonds Being Refunded from the date of issuance of the Refunding Bonds to the final date of maturity of the Bonds Being Refunded. The application of such taxes to the Refunding Bonds will be subject to the prior rights of the owners of the Bonds Being Refunded to payment from the same ad valorem taxes in the event of a deficiency in the proceeds of the Refunded Bonds held in trust to pay the principal of, premium, if any, and interest on the Bonds Being Refunded as they become due. See "THE SERIES 2026 BONDS – Security and Source of Payment" and "PLAN OF REFUNDING."

The City and DTC each reserve the right to discontinue the book-entry-only system at any time. Utilization of the book-entry-only procedure will affect the method and timing of payment and the method of transfer of beneficial interest in the Series 2026 Bonds. So long as the book-entry system is in effect, the City will issue a single fully-registered bond for each maturity registered in the name of Cede & Co., as nominee of DTC, and will make all payments of principal and interest to Cede & Co., when due. DTC will be responsible for distributing the principal and interest payments to its direct and indirect participants who will, in turn, be responsible for distribution to the purchasers of beneficial interests in the Series 2026 Bonds (the "Beneficial Owners"). So long as the book-entry system is in effect and Cede & Co., as nominee of DTC, is the registered owner of the Series 2026 Bonds, all references herein to owners of the Series 2026 Bonds (except under the heading "TAX EXEMPTION") and provisions for consents by owners of the Series 2026 Bonds will refer to and be solicited from Cede & Co. and not the Beneficial Owners. See APPENDIX E – "BOOK-ENTRY-ONLY SYSTEM" herein.

See Inside Front Cover Page for Maturity Schedules and Additional Information

This cover page contains only a brief description of the Series 2026 Bonds and the security therefor. It is not a summary of material information with respect to the Series 2026 Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2026 Bonds are offered when, as and if issued by the City and received by the Underwriter identified above (the "Underwriter"), subject to the approving opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel, as to validity and tax exemption. In addition, certain legal matters will be passed upon for the Underwriter by its counsel, The Stratton Law Firm, PLLC, Scottsdale, Arizona. It is anticipated that the Series 2026 Bonds will be available for delivery through the facilities of DTC on or about October 8, 2026.*

RAYMOND JAMES®

*Preliminary, subject to change.

MATURITY SCHEDULES

$35,000,000*
CITY OF CASA GRANDE, ARIZONA
GENERAL OBLIGATION BONDS
SERIES 2026A

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[(a)] (147069)	Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[(a)] (147069)
2027	$3,725,000				2037	$1,750,000			
2028	1,360,000				2038	1,825,000			
2029	540,000				2039	1,900,000			
2030	650,000				2040	2,000,000			
2031	865,000				2041	2,100,000			
2032	865,000				2042	2,225,000			
2033	1,000,000				2043	2,350,000			
2034	1,100,000				2044	2,450,000			
2035	1,500,000				2045	2,555,000			
2036	1,600,000				2046	2,640,000			

$___ _.__% Term Bond due August 1, ___ at a yield of ___%[(b)] CUSIP[(a)] 147069 ___

$10,000,000*
CITY OF CASA GRANDE, ARIZONA
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2026B

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[(a)] (147069)	Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[(a)] (147069)
2027	$1,245,000				2031	$1,280,000			
2028	1,140,000				2032	1,380,000			
2029	1,190,000				2033	1,520,000			
2030	1,190,000				2034	1,055,000			

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(b) Yield to first call date, August 1, 2036.*

*Preliminary, subject to change.

CITY OF CASA GRANDE, ARIZONA

Incorporated in 1915

CITY COUNCIL

Lisa Navarro Fitzgibbons, *Mayor*
Brent BeDillon, *Mayor Pro-Tem*
Matt Herman, *Member*
Robert Huddleston, *Member*
Anthony Edwards, *Member*
Patrick "Sean" Dugan, *Member*
Rebecca Romo, *Member*

CITY ADMINISTRATIVE STAFF

Larry Rains
City Manager

Steven Weaver
Deputy City Manager

Brenda Hasler
Finance Director

BOND COUNSEL

Greenberg Traurig, LLP
Phoenix, Arizona

UNDERWRITER

Raymond James & Associates, Inc.
Scottsdale, Arizona

BOND REGISTRAR AND PAYING AGENT

Zions Bancorporation, National Association
Phoenix, Arizona

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the City of Casa Grande, Arizona (the "City") or Raymond James & Associates, Inc. (the "Underwriter") to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the City's General Obligation Bonds, Series 2026A and General Obligation Refunding Bonds, Series 2026B (collectively the "Series 2026 Bonds") by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement, which includes the cover page, inside front cover page and appendices hereto, has been obtained from the City, the Arizona Department of Revenue, the Assessor and the Treasurer of Pinal County, Arizona, and other sources that are considered to be accurate and reliable and customarily relied upon in the preparation of similar official statements, but such information has not been independently confirmed or verified by the City or the Underwriter, is not guaranteed as to accuracy or completeness, and is not to be construed as the promise or guarantee of the City or the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement: "The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information."

None of the City, the Underwriter, counsel to the Underwriter or Bond Counsel (as defined herein) are actuaries. None of them have performed any actuarial or other analysis of the City's share of the unfunded liabilities of the Arizona State Retirement System or the Public Safety Personnel Retirement System, or the Elected Officials Retirement Plan.

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are "forward looking statements" that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the City has been identified by source and has not been independently confirmed or verified by the City or the Underwriter and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the City or any of the other parties or matters described herein since the date hereof.

The Series 2026 Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the U.S. Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Series 2026 Bonds for sale.

A wide variety of information, including financial information, concerning the City is available from publications and websites of the City and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such publications and websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the U.S. Securities and Exchange Commission.

The City will undertake to provide continuing disclosure as described in this Official Statement under the heading "CONTINUING DISCLOSURE" and in APPENDIX C – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" all pursuant to Rule 15c2-12 of the U.S. Securities and Exchange Commission.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS.

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$35,000,000*	$10,000,000*
CITY OF CASA GRANDE, ARIZONA	**CITY OF CASA GRANDE, ARIZONA**
GENERAL OBLIGATION BONDS	**GENERAL OBLIGATION REFUNDING BONDS**
SERIES 2026A	**SERIES 2026B**

INTRODUCTORY STATEMENT

This Official Statement, including the cover page, the inside front cover page and Appendices hereto, sets forth information concerning the offering by the City of Casa Grande, Arizona (the "City") of $35,000,000* principal amount of General Obligation Bonds, Series 2026A (the "Improvement Bonds") and $10,000,000* principal amount of General Obligation Refunding Bonds, Series 2026B (the "Refunding Bonds," and together with the Improvement Bonds, the "Series 2026 Bonds"), which will be dated their date of initial delivery.

The offering of the Series 2026 Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Series 2026 Bonds. Accordingly, prospective purchasers of the Series 2026 Bonds should read this entire Official Statement before making their investment decision.

All financial and other information presented in this Official Statement with respect to the City has been provided by representatives of the City from its records, except for information expressly attributed to other sources. Information from other sources has not been independently confirmed or verified by the City and its accuracy is not guaranteed. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by such financial and other information, will necessarily continue or be repeated in the future.

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these opinions or estimates have been or will be realized.

Neither this Official Statement nor any statement that may have been made orally or in writing in connection herewith is to be considered as or as part of a contract with the original purchasers or subsequent owners or beneficial owners of the Series 2026 Bonds.

Reference to provisions of State of Arizona (the "State" or "Arizona") law, whether codified in the Arizona Revised Statutes, or uncodified, or of the State Constitution, or the Charter of the City are references to the current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Official Statement, "debt service" means principal of and interest on bonds or obligations, and "County" means Pinal County, Arizona.

THE SERIES 2026 BONDS

Authorization and Purpose

Improvement Bonds

The Series 2026 Bonds are being issued by the City pursuant to Title 35, Chapter 3, Article 3 of the Arizona Revised Statutes as amended, and a resolution adopted by the Mayor and the City Council (the "City Council") on August 17, 2026 (the "Bond Resolution"). The Improvement Bonds represent the first sale of a portion of the bonds authorized by the qualified electors of the City at a special bond election held on November 8, 2022. Proceeds from the sale of the Improvement Bonds will be used by the City to provide funding to (i) acquire and construct certain streets improvements within the City and (ii) pay the costs of issuance of the Improvement Bonds.

*Preliminary, subject to change.

The City expects to issue additional general obligation bonds in the future pursuant to existing and future voted general obligation bond authorizations. Such bonds may be secured by, and payable from, the same sources of revenue, and the same levy of ad valorem taxes as the Series 2026 Bonds and all outstanding general obligation bonds of the City. After the sale and delivery of the Improvement Bonds, the City will have $83,000,000* principal amount of authorized but unissued general obligation bonds remaining for future projects approved by the qualified electors of the City at elections held on November 8, 2022 and November 4, 2025. In addition, certain amounts of net premium on general obligation bonds of the City reduce the principal amount of authorized but unissued general obligation debt of the City.

Refunding Bonds

The Refunding Bonds will be issued pursuant to Arizona Revised Statutes, Title 35, Chapter 3, Article 4, as amended, and the Bond Resolution. Proceeds from the sale of the Refunding Bonds will be used to (i) provide funds to pay, when due, principal of and interest on certain outstanding general obligation bonds of the City described under the caption "PLAN OF REFUNDING" (the "Bonds Being Refunded"), and (ii) pay the costs of issuance of the Refunding Bonds.

General Provisions

The Series 2026 Bonds will be dated the date of their initial delivery, and will initially be issued only to Cede & Co., the nominee of The Depository Trust Company ("DTC") in the book-entry-only form as described in APPENDIX E – "BOOK-ENTRY-ONLY SYSTEM." Beneficial ownership interests in the Series 2026 Bonds may be purchased through direct and indirect participants of DTC in amounts of $5,000 of principal of a series due on any maturity date or integral multiples thereof. See APPENDIX E – "BOOK-ENTRY-ONLY SYSTEM." The Series 2026 Bonds will mature on the dates and in the principal amounts set forth on the inside front cover page of this Official Statement. The Series 2026 Bonds will bear interest from their date of initial delivery, to their stated maturity dates or prior redemption at the rates shown on the inside front cover page hereof (computed on the basis of a 360-day year of twelve 30-day months), and interest will be paid semiannually on February 1 and August 1 of each year (each an "Interest Payment Date"), commencing February 1, 2027. The City has chosen the fifteenth day of the month preceding each Interest Payment Date as the "Record Date" for the Series 2026 Bonds.

See "TAX EXEMPTION" for a discussion of the treatment of the interest on the Series 2026 Bonds for federal income tax purposes and State of Arizona income tax purposes.

Bond Registrar and Paying Agent

Zions Bancorporation, National Association (the "Bond Registrar and Paying Agent"), will serve as the initial Bond Registrar and Paying Agent for the Series 2026 Bonds. The Bond Registrar and Paying Agent may be replaced by the City without the consent of or notice to the owners of the Series 2026 Bonds.

Security and Source of Payment

The Improvement Bonds will be payable as to both principal and interest from a continuing, direct, annual ad valorem tax to be levied against all taxable property within the City, such tax to be levied without limitation as to rate or amount.

The Refunding Bonds will be payable as to both principal and interest from a continuing, direct, annual ad valorem tax to be levied against all taxable property within the City, such tax to be levied without limitation as to rate, but limited, by statutory provision, to a total amount not greater than the aggregate amount of principal and interest which will become due on the Bonds Being Refunded from the date of issuance of the Refunding Bonds to the final date of maturity of the Bonds Being Refunded. The application of such taxes to the payment of the Refunding Bonds will be subject to the prior rights vested in the owners of the Bonds Being Refunded to payment of the Bonds Being Refunded from the same ad valorem taxes in the event of a deficiency in the uninvested net proceeds from the sale of the Refunding Bonds to be held in trust for the purpose of paying principal of and interest on the Bonds Being Refunded. The owners of the Refunding Bonds must rely on the sufficiency of the moneys held in trust for payment of the Bonds Being Refunded. See "PLAN OF REFUNDING."

*Preliminary, subject to change.

Defeasance

Pursuant to the Bond Resolution, payment of all or any part of the Series 2026 Bonds may be provided for by the irrevocable deposit, in trust, of monies or obligations issued or guaranteed by the United States of America ("Defeasance Obligations") or both, which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant in case of a deposit in trust of Defeasance Obligations, to pay when due the principal or redemption price of and interest on such Series 2026 Bonds. Any Series 2026 Bonds so provided for will no longer be outstanding under the Bond Resolution or payable from ad valorem taxes on taxable property in the City, and the owners of such Series 2026 Bonds shall thereafter be entitled to payment only from the monies and Defeasance Obligations deposited in trust.

Redemption Provisions*

Optional Redemption. The Improvement Bonds maturing on or prior to August 1, 2036, are not subject to call for redemption prior to maturity. The Improvement Bonds maturing on or after August 1, 2037, are subject to call for redemption prior to their stated maturity dates, at the option of the City, in whole or in part, on any date on or after August 1, 2036, by the payment of a redemption price equal to the principal amount of each Improvement Bond called for redemption plus accrued interest to the date fixed for redemption, but without premium.

The Refunding Bonds will not be subject to redemption prior to their stated maturity dates.

Mandatory Redemption. The Improvement Bonds maturing on August 1 in the following years will be redeemed from funds of the City prior to maturity on the following redemption dates and in the following amounts, by the payment of the redemption price equal to the principal amount of the Improvement Bonds called for redemption plus accrued interest, if any, on the Improvement Bonds so redeemed from the most recent Interest Payment Date to the date of redemption, but without premium:

Term Bond due August 1, 20____

Redemption Date	Principal Amount
20____	$___________
20____ (maturity)	___________

Whenever Improvement Bonds subject to mandatory redemption are purchased, redeemed (other than pursuant to mandatory redemption) or delivered by the City to the Bond Registrar and Paying Agent for cancellation, the principal amount of the Improvement Bonds so retired shall satisfy and be credited against the mandatory redemption requirements for such Improvement Bonds for such years as the City may direct.

Notice of Redemption. So long as the Series 2026 Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC in the manner required by DTC. See APPENDIX E – "BOOK-ENTRY-ONLY SYSTEM." If the Book-Entry-Only System is discontinued, notice of redemption of any Series 2026 Bond will be mailed to the registered owner of the Series 2026 Bond or Series 2026 Bonds being redeemed at the address shown on the bond register maintained by the Bond Registrar and Paying Agent not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Neither the failure of any registered owner of Series 2026 Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Series 2026 Bonds as to which proper notice of redemption was given.

Notice of any redemption will also be provided as set forth in APPENDIX C – "FORM OF CONTINUING DISCLOSURE UNDERTAKING," but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

*Preliminary, subject to change.

Effect of Redemption. On the date designated for redemption, the Series 2026 Bonds or portions thereof to be redeemed will become and be due and payable at the redemption price for such Series 2026 Bonds or portions thereof, and, if monies for payment of the redemption price are held in a separate account by the Bond Registrar and Paying Agent, interest on such Series 2026 Bonds or portions thereof to be redeemed will cease to accrue, such Series 2026 Bonds or portions thereof will cease to be entitled to any benefit or security under the Bond Resolution, the owners of such Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof and such Series 2026 Bonds or portions thereof will be deemed paid and no longer outstanding. DTC's practice is to determine by lot the amount of each Direct Participant's (as defined in APPENDIX E – "BOOK-ENTRY-ONLY SYSTEM") proportionate share that is to be redeemed.

Redemption of Less than All of a Bond. The City may redeem any amount which is included in a Series 2026 Bond that is subject to prior redemption in a denomination equal to or in excess of, but divisible by, $5,000. In the event of a partial redemption, the Series 2026 Bond will be redeemed in accordance with DTC's procedures. In the event of a partial redemption if the Book-Entry-Only System is discontinued, the registered owner will submit the Series 2026 Bond for partial redemption and the Bond Registrar and Paying Agent will make such partial payment and will cause to be issued a new Series 2026 Bond in a principal amount which reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

Registration and Transfer When Book-Entry-Only System Has Been Discontinued

If the Book-Entry-Only System is discontinued, the Series 2026 Bonds will be transferred only upon the bond register maintained by the Bond Registrar and Paying Agent and one or more new Series 2026 Bonds, registered in the name of the transferee, of the same principal amount, maturity and rate of interest as the surrendered Series 2026 Bond or Series 2026 Bonds will be authenticated, upon surrender to the Bond Registrar and Paying Agent of the Series 2026 Bond or Series 2026 Bonds to be transferred, together with an appropriate instrument of transfer executed by the transferor if the Bond Registrar and Paying Agent's requirements for transfer are met. The Bond Registrar and Paying Agent may, but is not required to, transfer or exchange any Series 2026 Bonds during the period from the Record Date to and including the respective Interest Payment Date.

The transferor will be responsible for all transfer fees, taxes, fees and any other costs relating to the transfer of ownership of individual Series 2026 Bonds.

PLAN OF REFUNDING

The proceeds of the Refunding Bonds remaining after the payment of certain cost of issuance will be transferred to Zions Bancorporation, National Association (the "Prior Registrar"), as bond registrar, transfer agent and paying agent for the Bonds Being Refunded, to be applied to the payment of the principal of and interest due on the Bonds Being Refunded identified below. Such proceeds will be held by the Prior Registrar uninvested and applied to redeem the Bonds Being Refunded on the prior redemption date as specified in the following table, without premium.

Issue Series	Maturity Date (August 1)	Coupon	Principal Amount Outstanding	Bonds Being Refunded	Redemption Date	Redemption Price	CUSIP[(a)] (147069)
Series 2016B	2027	4.00%	$1,270,000	$1,270,000	10/8/26	100.00%	EH7
	2028	4.00%	1,265,000	1,265,000	10/8/26	100.00%	EJ3
	2029	4.00%	1,305,000	1,305,000	10/8/26	100.00%	EK0
	2030	4.00%	1,300,000	1,300,000	10/8/26	100.00%	EL8
	2031	4.00%	1,385,000	1,385,000	10/8/26	100.00%	EM6
	2032	4.00%	1,475,000	1,475,000	10/8/26	100.00%	EN4
	2033	4.00%	1,605,000	1,605,000	10/8/26	100.00%	EP9
	2034	4.00%	1,635,000	1,635,000	10/8/26	100.00%	EQ7
		TOTAL	$ 11,240,000	$11,240,000			

(a) See footnote (a) on the inside front cover page hereof.

To the extent the proceeds held by the Prior Registrar are not sufficient to pay, when due, the principal of and interest on the Bonds Being Refunded, the ad valorem taxes levied to pay debt service on the Refunding Bonds will be subject to the prior right of the owners of the Bonds Being Refunded to payment from the same tax levy. See "THE SERIES 2026 BONDS – Security and Source of Payment."

SOURCES AND USES OF FUNDS

Sources:	Improvement Bonds	Refunding Bonds	Total
Principal Amount of Bonds			
Net Original Issue Premium (a)			
Total	$	$	$
Uses:			
Payment to Project Fund		-	
Deposit to Prior Registrar			
Deposit to Interest Account (b)			
Issuance Expenses (c)			
Total	$	$	$

(a) Consists of original issue premium less original issue discount on the Series 2026 Bonds.
(b) Reflects net premium from sale of the Series 2026 Bonds that Arizona law requires be applied to pay interest on the Series 2026 Bonds.
(c) Costs related to the issuance of the Series 2026 Bonds, including compensation of the Underwriter (as defined herein).

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ESTIMATED DEBT SERVICE REQUIREMENTS

Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding and to be Outstanding

The following table lists the annual debt service requirements of the City's general obligation debt to be outstanding.

TABLE 1

Period Ending (August 1)	Outstanding General Obligation Bonds Debt Service Requirements		Less: The Bonds Being Refunded		Plus: The Series 2026 Bonds		Estimated Total Annual Debt Service Requirements (b)
	Principal	Interest	Principal	Interest	Principal	Interest (a)	
2026	$2,120,000	$760,950					$2,880,950
2027	1,945,000	682,700	$1,270,000	$449,600	$4,500,000	$1,775,906	7,184,006
2028	1,960,000	611,650	1,265,000	398,800	2,500,000	1,963,000	5,370,850
2029	2,025,000	540,200	1,305,000	348,200	1,800,000	1,841,500	4,553,500
2030	2,040,000	466,400	1,300,000	296,000	1,900,000	1,755,000	4,565,400
2031	2,150,000	392,200	1,385,000	244,000	2,150,000	1,663,250	4,726,450
2032	2,260,000	313,850	1,475,000	188,600	2,300,000	1,556,750	4,767,000
2033	2,415,000	231,300	1,605,000	129,600	2,600,000	1,445,250	4,956,950
2034	2,470,000	142,800	1,635,000	65,400	2,700,000	1,319,000	4,931,400
2035	860,000	52,350			1,500,000	1,188,250	3,600,600
2036	885,000	26,550			1,600,000	1,113,500	3,625,050
2037					1,700,000	1,035,000	2,735,000
2038					1,800,000	952,750	2,752,750
2039					1,900,000	866,250	2,766,250
2040					2,000,000	775,500	2,775,500
2041					2,000,000	680,250	2,680,250
2042					2,100,000	580,250	2,680,250
2043					2,300,000	475,250	2,775,250
2044					2,450,000	365,000	2,815,000
2045					2,550,000	249,250	2,799,250
2046					2,650,000	127,750	2,777,750
Total	$21,130,000	$4,220,950	$11,240,000	$2,120,200	$45,000,000	$21,728,656	$78,719,406

(a) Interest is estimated at 5.00%. The first interest payment on the Series 2026 Bonds will be due on February 1, 2027.* Thereafter, interest payments will be made semiannually on August 1 and February 1, until maturity or prior redemption.

(b) Totals may not add due to rounding.

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∗Preliminary, subject to change.

LITIGATION

To the knowledge of the City, no litigation or administrative action or proceeding is pending restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Series 2026 Bonds, the refunding of the Bonds Being Refunded, the levy, collection or receipt of ad valorem property taxes to pay the debt service on the Series 2026 Bonds, contesting or questioning the proceedings and authority under which the Series 2026 Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Series 2026 Bonds. An authorized representative of the City will deliver a certificate to the same effect at the time of the original delivery of the Series 2026 Bonds.

LEGAL MATTERS

Legal matters relating to the validity of the Series 2026 Bonds under Arizona law, and with regard to the status of the interest income on the Series 2026 Bonds for federal and Arizona income tax purposes (see "TAX EXEMPTION") will be passed upon by Greenberg Traurig, LLP, Phoenix, Arizona ("Bond Counsel"). The signed legal opinion of Bond Counsel dated and premised on the law in effect only as of the date of original delivery of the Series 2026 Bonds, will be delivered to the City at the time of original issuance of the Series 2026 Bonds.

The proposed form of legal opinion is set forth as APPENDIX B. The legal opinion to be delivered may vary from the text of APPENDIX B if necessary to reflect the facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Bond Counsel has reviewed or expressed any opinion concerning any matters relating to the Series 2026 Bonds subsequent to the original delivery of the Series 2026 Bonds.

While Bond Counsel has participated in the preparation of portions of this Official Statement, it has not been engaged to confirm or verify, and expresses and will express no opinion as to, the accuracy, completeness or fairness of any statements in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information pertaining to the City or the Series 2026 Bonds that may be prepared or made available by the City or others to the holders of the Series 2026 Bonds or others.

Certain legal matters will be passed upon for the Underwriter by its counsel, The Stratton Law Firm, PLLC, Scottsdale, Arizona ("Counsel to the Underwriter").

From time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and non-financial, impacting the operations of cities and towns which could have a material impact on the City and could adversely affect the secondary market value and marketability (liquidity) of the Series 2026 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Series 2026 Bonds) issued prior to enactment.

The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein dated and speaking only as of the date of delivery of the Series 2026 Bonds. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. The rendering of an opinion also does not guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX EXEMPTION

In General

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the City must continue to meet after the issuance of the Series 2026 Bonds in order that the interest on the Series 2026 Bonds be and remain excludable from gross income for federal income tax purposes. The City's failure to meet these requirements may cause the interest on the Series 2026 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2026 Bonds. The City has covenanted in the Bond Resolution to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2026 Bonds.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the City and continuing compliance by the City with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2026 Bonds will be excludable from gross income of the owners thereof for federal income tax purposes. Interest on the Series 2026 Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2026 Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that the interest on the Series 2026 Bonds will be exempt from income taxation under the laws of the State. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should consult with their own tax advisors as to the status of interest on the Series 2026 Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Series 2026 Bonds will be based on and will assume the accuracy of certain representations and certifications of the City, and compliance with certain covenants of the City to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2026 Bonds will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Series 2026 Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2026 Bonds, or the ownership or disposition of the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should be aware that the ownership of the Series 2026 Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2026 Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Series 2026 Bonds, (iii) the inclusion of the interest on the Series 2026 Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Series 2026 Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, (v) the inclusion of interest on the Series 2026 Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or other disposition of property such as the Series 2026 Bonds generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates, and (vii) receipt of certain investment income, including interest on the Series 2026 Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors as to the impact of these and any other tax consequences.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Original Issue Premium

Certain of the Series 2026 Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2026 Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Series 2026 Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount Bonds and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount Bonds or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Changes in Federal Tax and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or State tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Series 2026 Bonds, adversely affect the market price or marketability of the Series 2026 Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2026 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2026 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the Series 2026 Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2026 Bonds and proceeds from the sale of the Series 2026 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Series 2026 Bonds. This withholding generally applies if the owner of the Series 2026 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2026 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

RATINGS

Fitch Ratings, Inc. ("Fitch") and S&P Global Ratings ("S&P") have respectively assigned ratings of "AAA" and "AA-" to the Series 2026 Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Fitch, One State Street Plaza, New York, New York 10004, and S&P, 55 Water Street, New York, New

York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it, some of which may not have been included in this Official Statement, and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2026 Bonds.

UNDERWRITING

Raymond James & Associates, Inc. (the "Underwriter"), has agreed to purchase the Series 2026 Bonds, subject to certain conditions, at a purchase price of $_______________. If the Series 2026 Bonds are sold to produce the yields shown on the inside front cover page hereof, the Underwriter's compensation will be $___________. The Series 2026 Bonds may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Series 2026 Bonds into investment trusts) at prices lower than the public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter. The Underwriter's obligations are subject to certain conditions precedent, and the Underwriter will be obligated to purchase all of the Series 2026 Bonds if any of the Series 2026 Bonds are purchased.

RELATIONSHIPS AMONG PARTIES

Bond Counsel has previously represented, and is currently representing, the Underwriter with respect to other financings and has acted or is acting as bond counsel with respect to other bonds underwritten by the Underwriter and may do so in the future. Bond Counsel and counsel to the Underwriter also serve and have served as bond counsel for one or more of the political subdivisions that the City territorially overlaps. Counsel to the Underwriter has previously acted or is acting as bond counsel with respect to other bonds underwritten by the Underwriter and may continue to do so in the future if requested.

CONTINUING DISCLOSURE

The City will covenant for the benefit of the owners of the Series 2026 Bonds to provide certain financial information and operating data relating to the City by not later than March 1 in each year commencing March 1, 2027 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"). The Annual Reports, the Notices of Listed Events and any other document or information required to be filed by the City as such will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system ("EMMA"), each as described in APPENDIX C – "FORM OF CONTINUING DISCLOSURE UNDERTAKING." The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is also set forth in APPENDIX C – "FORM OF CONTINUING DISCLOSURE UNDERTAKING." These covenants will be made in order to assist the Underwriter in complying with the U.S. Securities and Exchange Commission's Rule 15c2-12(b)(5) (the "Rule"). A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2026 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2026 Bonds and their market price. Pursuant to Arizona Law, the ability of the City to comply with such covenants will be subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants. Should the City not comply with such covenants due to a failure to appropriate for such purpose, the City has covenanted to provide notice of such fact to the MSRB through EMMA. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Series 2026 Bonds, specifically their market price and transferability.

The City has entered into prior continuing disclosure undertakings (the "Prior Undertakings") and in connection with the Prior Undertakings (i) failed to file timely and/or (ii) incorrectly filed certain items, including but not limited to a notice of incurrence of a financial obligation. As of July 9, 2026, such items, along with failure to file notices, have been filed. The City has implemented written policies and procedures to facilitate timely and proper filing of its Annual Reports and Notices of Listed Events for all of the City's outstanding bonds and obligations.

GENERAL PURPOSE FINANCIAL STATEMENTS

The annual comprehensive financial report of the City for the fiscal year ended June 30, 2025, excerpts of which are included in APPENDIX D – "EXCERPTS FROM CITY OF CASA GRANDE, ARIZONA, ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025" of this Official Statement, includes the City's financial statements for the fiscal year ended June 30, 2025 that were audited by Baker Tilly US, LLP, to the extent indicated in its report thereon. Such audited financial statements are the most recent available for the City, are not current and therefore must be considered with an abundance of caution. The City has not requested or received the consent of Baker Tilly US, LLP to include its report, and Baker Tilly US, LLP has performed no procedures subsequent to rendering its report on the financial statements.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are "forward looking statements" that must be read with an abundance of caution and that may not be realized or may not occur in the future. All financial and other information in this Official Statement has been derived by the City from official records and other sources and is believed by the City to be accurate and reliable. Information other than that obtained from official records of the City has been identified by source and has not been independently confirmed or verified by the City and its accuracy is not guaranteed. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

Neither this Official Statement nor any statement that may have been or that may be made orally or in writing is to be construed as part of a contract with the original purchasers or subsequent owners of the Series 2026 Bonds.

CITY OF CASA GRANDE, ARIZONA

By: ____
Lisa Navarro Fitzgibbons, Mayor

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CITY OF CASA GRANDE, ARIZONA - GENERAL DEMOGRAPHIC AND FINANCIAL INFORMATION

General

The City of Casa Grande, Arizona (the "City" or "Casa Grande"), encompasses over 110 square miles and is situated in the west-central portion of Pinal County, Arizona (the "County"). The City was founded in 1879, and incorporated in 1915. The City is situated midway between the cities of Phoenix, Arizona, and Tucson, Arizona, two major metropolitan areas. The following table illustrates the City's population growth in relation to the County and the State of Arizona (the "State"), respectively.

TABLE 2

Population Statistics for the City of Casa Grande, Pinal County and the State of Arizona

Year	City of Casa Grande	Pinal County	State of Arizona
2025 Estimate (a)	69,405	502,071	7,718,747
2020 Census	53,658	425,264	7,151,502
2010 Census	48,571	375,770	6,392,017
2000 Census	25,224	179,727	5,130,632
1990 Census	19,076	116,379	3,665,228

(a) Estimate as of July 1, 2025 (published December 2025).

Source: U.S. Census Bureau and the Office of Employment & Population Statistics, Arizona Department of Administration.

Government and Organization

The City operates under a council-manager form of government. The Mayor is elected for two years and six council members are elected at large on a non-partisan ballot for staggered four-year terms. The City Council appoints the City Manager who has full responsibility for carrying out council policies and administering the City operations.

Transportation

The City lies at the intersection of Interstates 8 and 10 in an area known as "Arizona's Golden Corridor." The City is also traversed by highways 84, 387 and 287. The Union Pacific Railroad serves the City. Casa Grande Municipal Airport is located five miles north of the downtown area and provides facilities for private aircraft transportation. Phoenix Sky Harbor International Airport is located approximately forty-five miles north of the City and provides commercial airline service.

Economy

The economy of the City is based on various commercial and service activities and advanced manufacturing in and near the City. The City's economy is also supported by agriculture and mining activities in the surrounding rural areas, and is bolstered by a sizeable influx of retirees during the winter months. The City also serves as the provider of many goods and services to the surrounding rural areas and several small communities. The following table shows employment levels and unemployment rates for the City:

TABLE 3

City of Casa Grande
Employment Trends (a)

Calendar Year	Average Annual Employment	Average Annual Unemployment Rate
2026 (b)	29,685	5.10 %
2025	30,226	4.70
2024	29,893	4.10
2023	27,758	4.20
2022	25,714	4.00

(a) Data shown in the table is not seasonally adjusted.
(b) Data is through May 2026.

Source: U.S. Department of Labor, Bureau of Labor Statistics and Arizona Department of Administration, Office of Employment and Population Statistics.

The largest employers in and around the City include the following:

TABLE 4

City of Casa Grande
Major Employers

Company (a)	Type of Business	Approximate Number of Employees
Lucid Motors	Electric Vehicle Manufacturing	2,400
Casa Grande Elementary School District	Education	957
Wal-Mart Distribution Center	Retail Distribution	848
Abbott Nutrition	Nutrition / Food Manufacturing	750
Banner Casa Grande Medical Center	Medical Services	625
U.S. Customs and Border Protection	Federal Government / Public Safety	500
City of Casa Grande	Government	433
Hexcel Corporation	Advanced Materials Manufacturing	350
Tractor Supply	Retail Distribution	322
Casa Grande Union High School District	Education	318

(a) Some of these taxpayers or their parent companies are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, NY 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at http://www.sec.gov. None of the City, Bond Counsel, Counsel to the Underwriter, or the Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

Source: City of Casa Grande, Annual Comprehensive Financial Report for fiscal year ended June 30, 2025.

Although data is not available for the City, the following table presents the County's total average annual wage and salary employment by industry (excluding agriculture).

TABLE 5

Pinal County, Arizona
Average Annual Employment by Industry (Non-Farm) (a)
2021 to 2026

	2021	2022	2023	2024	2025	2026 (b)
Goods Producing						
Mining and Construction	3,750	4,225	5,050	5,950	6,800	6,975
Manufacturing	4,650	6,700	7,175	6,650	7,100	7,800
Service-Providing						
Trade, Transportation and Utilities	13,200	13,450	13,925	14,700	14,750	14,950
Information	375	550	625	625	675	675
Financial Activities	1,825	2,000	1,975	2,025	2,075	2,050
Professional and Business Services	6,125	6,100	6,825	7,525	7,600	7,700
Educational and Health Services	6,275	6,450	6,750	7,175	7,650	7,875
Leisure and Hospitality	7,175	8,150	8,750	9,000	9,150	9,550
Other Services	1,700	1,950	2,200	2,375	2,225	2,275
Government	18,950	19,275	19,975	21,075	21,150	21,100
Total	**64,025**	**68,850**	**73,250**	**77,100**	**79,175**	**80,925**

(a) Data is not seasonally adjusted.
(b) Data is through May 2026.

Source: Arizona Department of Administration; Office of Employment and Population Statistics; Current Employment Statistics (CES) tables.

Manufacturing

Average annual manufacturing employment within the County was approximately 7,100 in 2025, representing about 9.0% of the County's total wage and salary employment base. Manufacturing employment averaged 6,650 in 2024 and 7,175 in 2023. Major manufacturing employers in and around the City include Lucid Motors, Frito-Lay Inc., Abbott Laboratories, Kohler Co., Hexcel Corporation and Daisy Brand.

Educational Facilities

The City has nine public elementary schools, three public middle schools, one private elementary school and four public high schools located within its boundaries. Central Arizona College, a two-year community college, is located just east of the City, which now also has a limited offering of Bachelor's Degree programs. Arizona State University and University of Arizona, which are located within one-hour of Casa Grande, have become important educational partners to the community. They are assisting in developing skilled workforce in engineering and advanced manufacturing.

Tourism

The City's location, climate and scenic attractions regularly bring tourists to the area. Attractions include the Casa Grande Ruins National Monument, a collection of structures built in the 13th century by the Hohokam Indians, located 20 miles northeast of the City; the Pinal Pioneer Parkway and the Apache Trail, two nearby scenic drives through a variety of desert vegetation; McFarland State Park, located in nearby Florence and the site of the first County courthouse; and the Casa Grande Valley Historical Museum, which offers historical displays and facts about the area. The City hosts the Annual Downtown Casa Grande Street Fair (the "Street Fair"), which is held in January of each year. The Street Fair is one of the City signature events, which combines a street fair, car show, live entertainment, food vendors, children's activities, and local shopping. The City also hosts the Casa Grande Electric Light Parade, which is a holiday event and parade that features over 100 illuminated floats, marching bands, and local groups. In addition, a large open-air center provides retail shopping, dining and a multiplex theater to visitors of the City.

Commerce

The Promenade at Casa Grande has approximately one million square feet of retail stores, restaurants and a movie theater. Other local retailers include Target, Wal-Mart, JC Penney, Lowes and many specialty stores.

The City is the retail trade center for the western part of the County. The City's transaction privilege (sales) tax ranges from 1.5% to 2.0% depending on the amount and type of purchase with a 4.0% sales tax for contracting (construction sales tax). The following table sets forth the City's actual sales tax collections for the prior four fiscal years and the City's estimated actual but unaudited sales tax collections for the most recently completed fiscal year.

TABLE 6

City of Casa Grande Sales Tax Collections
($000s omitted)

Year	Amount
2025-26 (a)	$44,945
2024-25	43,855
2023-24	45,732
2022-23	38,958
2021-22	35,045

(a) Estimated data for fiscal year 2025-26 was provided by the City. Such amount is a "forward looking statement" and should be considered with an abundance of caution.

Source: City of Casa Grande, Finance Department.

Water Supply and Drought Conditions

The private water provider for the City, Arizona Water Company, was recently awarded a Designation of Assured Water Supply by the Arizona Department of Water Resources. This Designation is a legal determination certifying that the water provider has sufficient, reliable, and legally available water supplies to serve new development for at least 100 years. This designation ensures the ability to supports resident and economic development growth, long-term infrastructure planning, promotes responsible water management, and incorporates the use of treated effluent in the sustainability efforts.

Economic, Political, Social, and Environmental Conditions

The City is one of Arizona's fastest changing communities. Located between the Phoenix and Tucson metropolitan areas, it is transitioning from a traditionally agricultural community into a regional center for advanced manufacturing, logistics, and technology while balancing the challenges of rapid growth. The increase of the tax base of the City has been prompted by strong private capital investments. The City has maintained consistent leadership over the past three decades. This is predicated on a consistent economic development strategy, sound financial management, and long-range planning. From a business and investor perspective, the City is known to be a predictable, collaborative environment built on regional partnerships, and a strong reputation for supporting growth. The City has experienced steady population growth with younger working-age families moving into the community. The City has increased the workforce diversity but is considered suburban residential living.

Cybersecurity

The City, like all modern public and private organizations, depends on its digital infrastructure to deliver services and maintain daily operations. As a recipient and provider of personal, confidential, and other sensitive information, the City faces an evolving landscape of cyber threats, including hacking, malware, ransomware, and other sophisticated attack vectors. Federal agencies have repeatedly cautioned that critical infrastructure sectors, including certain municipal systems, remain high-value targets for nation-state actors and criminal organizations.

To address these risks, the City implemented a cybersecurity program designed to strengthen its defenses, enhance system resilience, and promote cyber awareness across the City's workforce. These efforts include continuous security hardening, investments in modern protective technologies, and employee training focused on safeguarding the City's digital assets.

While the City is committed to maintaining reasonable and practicable standards of cybersecurity, no organization can guarantee complete protection against all threats. As such, despite the City's proactive posture and ongoing mitigation efforts, the possibility remains that a significant cyber incident could impact City operations or financial resources.

FINANCIAL INFORMATION -

PROPERTY TAXES

As described under the heading "THE SERIES 2026 BONDS – Security and Source of Payment," the City will be required by law to cause to be levied on all the taxable property in the City a continuing, direct, annual, *ad valorem* property tax sufficient to pay all principal, interest, and costs of administration for the Series 2026 Bonds as the same become due. The State's *ad valorem* property tax levy and collection procedures are summarized under this heading "PROPERTY TAXES."

Taxable Property

Real property and improvements and personal property are either valued by the Assessor of the County or the Arizona Department of Revenue (the "Department of Revenue"). Property valued by the Assessor of the County is referred to as "locally assessed" property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as "centrally valued" property and generally includes large mine and utility entities.

Locally assessed property is assigned two values: Full Cash Value and Limited Property Value (both as defined herein). Centrally valued property is assigned one value: Full Cash Value.

Full Cash Value

In the context of a specific property parcel, full cash value ("Full Cash Value") is statutorily defined to mean "the value determined as prescribed by statute" or if a statutory method is not prescribed it is "synonymous with market value, which means the estimate of value that is derived annually by using standard appraisal methods and techniques," which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessor of the County generally uses a cost approach to value commercial/industrial property and a market approach to value residential property. In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. State law allows taxpayers to appeal such Full Cash Values by providing evidence of a lower value, which may be based upon another valuation approach. Full Cash Value is used as the ceiling for determining Limited Property Value. Unlike Limited Property Value, increases in Full Cash Value are not limited.

Limited Property Value

In the context of a specific property parcel, limited property value ("Limited Property Value") is a property value determined pursuant to the Arizona Constitution and the Arizona Revised Statutes. Except as described in the next sentence, for locally assessed property in existence in the prior year, Limited Property Value is limited to the lesser of Full Cash Value or an amount 5% greater than Limited Property Value determined for the prior year for such specific property parcel. In the following circumstances, Limited Property Value is established at a level or percentage of Full Cash Value that is comparable to that of other properties of the same or a similar use or classification: property that was erroneously totally or partially omitted from the property tax rolls in the preceding tax year, except as a result of the matters described in this sentence; property for which a change in use has occurred since the preceding tax year and property that has been modified by construction, destruction, or demolition since the preceding valuation year such that the total value of the modification is equal to or greater than fifteen percent of the Full Cash Value. (Limited Property Value of property that has been split, subdivided or consolidated varies depending on when the change occurred.) A separate Limited Property Value is not provided for centrally valued property.

Full Cash Value and Limited Property Value for Taxing Jurisdictions

The Full Cash Value in the context of a taxing jurisdiction is the sum of the Full Cash Value associated with each parcel of property in the jurisdiction. Full Cash Value of the jurisdiction is the basis for determining constitutional and statutory debt limits for certain political subdivisions in Arizona.

The Limited Property Value in the context of a taxing jurisdiction is the sum of the Limited Property Value associated with each parcel of locally assessed property within the jurisdiction plus the sum of the Full Cash Value associated with each parcel of centrally valued property within the jurisdiction. Limited Property Value of the jurisdiction is used as the basis for levying both primary and secondary taxes and as the basis for determining debt limits for fire districts, including the City. See "Primary Taxes" and "Secondary Taxes" below.

Property Classifications and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the Limited Property Value or Full Cash Value of the property, as applicable, to obtain the "Limited Assessed Property Value" and the "Full Cash Assessed Value," respectively.

The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 7

Property Tax Assessment Ratios (Tax Year)

Property Classification (a)	2022	2023	2024	2025	2026
Mining, utilities, commercial and industrial (b)	17.5%	17%	16.5%	16.0%	15.5%
Agricultural and vacant land	15	15	15	15	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property (c)	15	14	14	13	13

(a) Additional classes of property exist, but seldom amount to a significant portion of a municipal body's total valuation.
(b) The assessment ratio for this property classification will decrease to 15.0% for tax year 2027 and each year thereafter.
(c) This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue, *2025 Final Property Class Summary*, Arizona Department of Revenue.

Primary Taxes

Per State statute, taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are "primary taxes." Primary taxes are levied against Net Limited Assessed Property Value (as defined herein). "Net Limited Assessed Property Value" is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of locally assessed property and from Full Cash Assessed Value of centrally valued property and combining the resulting two amounts.

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year's levy limit plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

The combined taxes on owner occupied residential property only, for purposes other than voter-approved bond indebtedness and overrides and certain special district assessments, are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on the combined tax levies for owner occupied residential property is implemented by reducing the school district's taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional State aid.

Secondary Taxes

Per State statute, taxes levied for payment of bonds, voter-approved budget overrides, the maintenance and operation of special purpose districts such as sanitary, fire, road improvement, water conservation and career technical education districts, and taxes levied by school districts for qualified desegregation expenditures are "secondary taxes." Like primary taxes, secondary taxes are also levied against Net Limited Assessed Property Value. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and overrides and certain special district assessments. It should be noted that the assessment ratio of class one property, shown as "Mining, utilities, commercial and industrial" in TABLE 7 will decrease to 15.0% for tax year 2027 and each year thereafter. The City does not anticipate that the combined effect of the changes to tax rates and assessment ratios described above will be material. Additionally, State law permits an unlimited secondary tax for payment of voter approved bonds such as the Series 2026 Bonds.

Calculating Debt Limitations

Net Limited Assessed Property Value is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of both locally assessed and centrally valued property and combining the resulting two amounts. This is the basis for determining bonded debt limitations for certain political subdivisions in Arizona.

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth certain valuations by taxing district of all property in the County subject to taxation. The tax roll is then forwarded to the Treasurer of the County. (The Assessor of the County is required to have completed the assessment roll by December 15th of the year prior to the levy. This roll identifies the valuation and classification of each parcel located within the County for the tax year.)

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then levied upon each non-exempt parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll due to appeals or other reasons reduces the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years and liens imposed by the United States.

Set forth below is a record of property taxes levied and collected in the City for the previous five fiscal years.

TABLE 8

Property Taxes Levied and Collected (a)
City of Casa Grande, Arizona

		Collected to June 30 End of Tax Fiscal Year (a)		Cumulative Collections to June 30, 2026	
Fiscal Year	**Tax Levy**	**Amount**	**Percent of Tax Levy**	**Amount**	**Percent of Tax Levy**
2025-26 (b)	$8,529,484	$8,347,719	97.87%	$8,347,719	97.87%
2024-25	7,418,567	7,259,799	97.86	7,348,983	99.06
2023-24	7,150,110	7,020,788	98.19	7,113,147	99.48
2022-23	6,323,036	6,271,136	99.17	6,300,198	99.64
2021-22	6,815,188	6,686,435	98.11	6,799,312	99.77

(a) Taxes are collected by the Treasurer of the County. Taxes in support of debt service are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County's General Fund.

(b) For 2025/26, taxes were due as follows:
- First installment due 10-01-25; delinquent 11-01-25;
- Second installment due 03-01-26; delinquent 05-01-26.

Source: Office of the Treasurer of the County.

TABLE 9

City of Casa Grande, Arizona

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
2026-27	$0.9643	$1.1291	$2.0934
2025-26	0.9643	0.4154	1.3797
2024-25	0.9643	0.3184	1.2827
2023-24	0.9643	0.4197	1.3840
2022-23	0.9643	0.3993	1.3636

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

Delinquent Tax Procedures

The property taxes due the City are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum, prorated at a monthly rate of 1.33% as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes and interest thereon.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

Chapter 176, Laws of Arizona 2024 (commonly referred to by its original bill number as "SB 1431") revises the redemption and foreclosure process for tax lien certificate holders whereby a delinquent taxpayer may request an entry of judgment directing the sale of the property for excess proceeds. If a delinquent taxpayer requests an excess proceeds sale, and an entry of judgment is granted to direct such excess proceeds sale, a tax lien certificate holder's potential financial return on the subject tax lien eligible for foreclosure may decrease relative to the tax lien certificate holder's potential financial return on such tax lien prior to the enactment of SB 1431. Therefore, in connection with the new excess proceeds sale process instituted by SB 1431, it is reasonable to conclude that "tax sale investors" may be less willing to purchase tax liens. The effective date of SB 1431 was September 14, 2024. In June 2026, the Governor of Arizona signed into law House Bill 2780 ("HB 2780"), a bill intended to provide technical clarifications to the SB 1431 framework, including clarifying sale procedures and the computation of credit bids. The effective date of HB 2780, expected to be codified as Chapter 256, Laws of Arizona 2026, is September 12, 2026. None of the City, the Underwriter, or the counsel or agents of either of them, are able to determine or predict what impact, if any, SB 1431, as modified by HB 2780, will have on property tax collections in the City.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect *ad valorem* taxes on property of a taxpayer within the City. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When an owner of land or property within the City (a "debtor") files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Series 2026 Bonds. None of the City, the Underwriter, or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the City's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

ASSESSED VALUATIONS AND TAX RATES

TABLE 10

Direct and Overlapping Net Limited Assessed Property Values and Tax Rates (a)
Per $100 Net Limited Assessed Property Valuation

Overlapping Jurisdiction	2026/27 Net Limited Assessed Property Value	2026/27 Combined Tax Rates Per $100 Net Limited Assessed Property Value
State of Arizona	$97,490,938,852	None
Pinal County	4,438,600,055	$ 3.6873 (b)
Pinal County Community College District / Central Arizona College	4,438,600,055	1.7349
Casa Grande Elementary School District No. 4	773,702,183	2.8508
Casa Grande Union High School District No. 82	976,791,222	1.9594
Mission Royale Community Facilities District	47,719,198	1.0488
Villago Community Facilities District	24,798,568	1.0565
City of Casa Grande, Arizona (c)	647,057,673	2.0934

(a) Net Limited Assessed Property Values and tax rates are for fiscal year 2025/26. Tax rates are combined primary and secondary property tax rates, where applicable, and are shown per $100 of Net Limited Assessed Property Value.

(b) Includes the Pinal County combined primary and secondary tax rate of $3.2607, the Pinal County Fire District Assistance Tax rate of $0.0465, the Pinal County Library District rate of $0.0863, the Pinal County Flood Control District rate of $0.1538, and the Central Arizona Water Conservation District rate of $0.1400. The assessed value of the Pinal County Flood Control District does not include the personal property assessed valuation of the County. The value shown for the Central Arizona Water Conservation District covers only the County portion of such district.

(c) Represents the City's 2026/27 Net Limited Assessed Property Value and combined City tax rate. The City's combined tax rate consists of a primary tax rate of $0.9643 and a secondary bond debt service tax rate of $1.1291.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue and the Assessor of the County.

TABLE 11

Net Limited Assessed Property Value by Property Classification
City of Casa Grande, Arizona

Class	2026/27	2025/26	2024/25	2023/24	2022/23
Commercial, industrial, utilities and mines	$187,473,475	$227,429,966	$265,125,032	$204,992,545	$178,741,234
Agricultural and vacant	66,202,504	31,587,062	29,048,899	31,589,203	28,500,125
Residential (owner occupied)	232,697,885	214,948,846	191,805,302	167,731,494	150,513,851
Residential (rental)	124,905,335	112,749,426	104,532,223	94,379,620	83,901,463
Railroad	489,841	611,726	706,834	918,604	1,377,721
Class 6 property / historic and foreign trade zone property (b)	35,275,788	33,537,264	18,369,786	12,531,007	13,139,324
Certain improvements on government property	12,845	12,258	11,710	11,013	10,499
Totals (a)	$647,057,673	$620,876,547	$609,599,786	$512,153,486	$456,184,217

(a) Totals may not add up due to rounding.
(b) Includes property classified in legal class 6, including non-commercial historic property, foreign trade zone property and other class 6 property, if any.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

TABLE 12

Net Limited Assessed Property Value of Major Taxpayers
City of Casa Grande, Arizona

Taxpayers (a)	Type of Business/Property	2025-26 Net Limited Assessed Values	As % of City's Net Limited Assessed Values
Lucid USA INC. (b)	Manufacturing	$24,730,426	2.61%
Kohler Co.	Manufacturing	21,776,386	2.30%
Arizona Public Service Company	Electric Utility	18,760,069	1.98%
Palm Creek Holding LLC	Real Estate Management	8,691,384	0.92%
Abbott Manufacturing	Manufacturing	8,455,363	0.89%
Wal-Mart Stores East LP	Retailer	8,429,967	0.89%
Lucid USA INC (FKA Atieva USA INC) (b)	Manufacturing	8,229,000	0.87%
Southwest Gas Corporation	Gas Utility	6,798,657	0.72%
Arizona Water Company	Water Utility	5,275,194	0.56%
Promenade CG Holdings LLC	Retailer	5,082,843	0.54%
Total		**$116,229,288**	**12.27%**

(a) Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at the Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549- 2736. 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. No representatives of the City, the Underwriter, Bond Counsel or counsel to the Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.
(b) LUCID USA INC. owns multiple parcels in different locations within the City which have different operation purposes.

Source: The City.

TABLE 13

Comparative Net Limited Assessed Property Values
City of Casa Grande, Arizona

Fiscal Year	City of Casa Grande	Pinal County	State of Arizona
2026/27	$647,057,673	$4,438,600,055	$97,490,938,852
2025/26	620,876,547	4,073,510,893	92,368,086,849
2024/25	609,599,786	3,772,917,917	88,425,625,840
2023/24	512,153,486	3,390,905,658	83,026,514,349
2022/23	456,184,217	3,118,901,158	78,405,598,978

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

TABLE 14

Estimated Net Full Cash Value History City of Casa Grande, Arizona

Fiscal Year	Estimated Net Full Cash Value (a)
2026/27	$9,415,763,754
2025/26	8,783,354,418
2024/25	9,162,055,072
2023/24	6,549,786,170
2022/23	5,003,746,030

(a) Estimated Net Full Cash Value is the total market value of the property within the City less the estimated Full Cash Value of property exempt from taxation within the City.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

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DIRECT AND OVERLAPPING BONDED INDEBTEDNESS

TABLE 15

Current Year Statistics (For Fiscal Year 2026/27)
City of Casa Grande, Arizona

Net Limited Assessed Property Value (a)	$647,057,673
Net Full Cash Assessed Value	947,541,425
Estimated Net Full Cash Value (b)	9,415,763,754
Total General Obligation Bonds Outstanding and to be Outstanding	$52,770,000 (c)
Total Wastewater System Revenue Obligations	$18,630,721 (d)
Total Excise Tax Revenue Obligations	$55,430,000 (e)

(a) Net of property exempt from taxation; reflects application of applicable assessment ratios.
(b) Estimated Net Full Cash Value is the total market value of the property less unsecured personal property and less estimated exempt property within the City, as projected by the Arizona Department of Revenue, Division of Property and Special Taxes.
(c) Includes the Series 2026 Bonds and is net of the Bonds Being Refunded. See footnote (a) to TABLE 18 for a description of the treatment of certain proceeds of the Series 2026 Bonds for State voter authorization and debt limit purposes.
(d) Represents amount of WIFA loans outstanding. See “STATEMENTS OF DEBT OUTSTANDING – Outstanding Wastewater System Revenue Obligations Outstanding” in this appendix.
(e) Represents all excise tax revenue obligations outstanding. See “STATEMENTS OF DEBT OUTSTANDING – Excise Tax Revenue Obligations Outstanding” in this appendix.

Source: *Property Tax Rates and Assessed Values,* Arizona Tax Research Association and *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

TABLE 16

Direct General Obligation Bonded Debt Outstanding and to be Outstanding
City of Casa Grande, Arizona

Date of Issue	Original Principal Amount	Series	Final Maturity (August 1)	Principal Balance Outstanding	
6-23-2016	$16,000,000	2016A	2037	$7,770,000	
6-23-2016	18,650,000	2016B	2035	11,240,000	
Total Direct General Obligation Bonded Debt Outstanding				$19,010,000	
Plus: The Series 2026 Bonds				$45,000,000	*(a)
Less: the Bonds Being Refunded				(11,240,000)	*
Total Direct General Obligation Bonded Debt Outstanding and to be Outstanding				$52,770,000	*

Wastewater System Revenue Obligations Outstanding

On January 30, 2009, the City entered into two loan agreements with the Water Infrastructure Finance Authority of Arizona ("WIFA"), Loan No. 910109-09A and Loan No. 910109-09B, totaling $59,095,269, to finance improvements to the City's wastewater treatment facilities and related infrastructure of which $12,120,245 remains outstanding. The repayment of these loans is secured by and payable from revenues of the City's wastewater enterprise system.

On July 20, 2023, the City entered into an additional WIFA loan agreement in the original principal amount of up to $8,103,235 to finance the installation of a 2,050-kilowatt direct current solar photovoltaic array at the City's wastewater reclamation facility of which $6,510,477 remains outstanding. The repayment of this loan is secured by and payable from revenues of the City's wastewater enterprise system. Pursuant to the terms of the loan agreement, $1,000,000 of the original loan amount was forgivable.

*Preliminary, subject to change.

Excise Tax Revenue Obligations Outstanding

Provided below is the debt payable from local transaction privilege (sales) taxes and State shared revenues received by the City:

TABLE 17

Date of Issue	Original Amount	Description	Maturity Dates	Average Int. Rates	Balance Outstanding
12-28-17	$7,710,000	Series 2017	4-1-18/29	2.945%	$4,300,000
09-01-21	63,260,000	Series 2021	4-1-22/36	2.610%	51,130,000
Total Excise Tax Revenue Obligations Outstanding					$55,430,000

Other Indebtedness
City of Casa Grande, Arizona

The City has other obligations which are payable from various City funds, including leases, purchase obligations and other contractual commitments. For additional information with respect to such obligations, please refer to Notes 12 through 16 of the City's Audited General Purpose Financial Statements for the Fiscal Year Ended June 30, 2025, contained in APPENDIX D of this Official Statement.

Debt Limitation

By statute, the Arizona Constitutional limit for general obligation bonded indebtedness of a city for general municipal purposes may not exceed six percent (6%) of Net Full Cash Assessed Value in that city. In addition to the six percent (6%) limitation for general purpose bonds, cities may issue general obligation bonds up to an additional twenty percent (20%) of the Net Full Cash Assessed Value for such city for water, artificial light or sewers, for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities, for the acquisition and development of public safety, law enforcement, fire and emergency facilities and streets and transportation facilities.

TABLE 18

Water, Sewer, Light, Parks and Open Space, Transportation and Public Safety Purpose Bonds		All Other General Obligation Bonds	
Total 20% General Obligation Bond Capacity (b)	$189,508,285	Total 6% General Obligation Bond Capacity (b)	$56,852,485
Direct General Obligation Bonds Outstanding (c)	19,010,000	Direct General Obligation Bonds Outstanding (c)	$0
Premium on Direct General Obligation Bonds Outstanding(a)	-	Premium on Direct General Obligation Bonds Outstanding(a)	-
Plus: The Series 2026 Bonds	35,000,000	Plus: The Series 2026 Bonds	-
Plus: Premium on the Series 2026 Bonds(a)	-	Plus: Premium on the Series 2026 Bonds(a)	-
Remaining 20% General Obligation Bond Capacity	$135,498,285	Remaining 6% General Obligation Bond Capacity	$56,852,485

(a) $_____,000 of this amount is premium on the Refunding Bonds and reduces the borrowing capacity, but not authorization, of the City under the Arizona Constitution. $_____,000 of this amount is premium on the Improvement Bonds and reduces (i) the borrowing capacity of the City under the Arizona Constitution and (ii) the principal amount of general obligation bonds authorized at the November 8, 2022 election. The City's borrowing capacity (but not authorization) will be recaptured as premium is amortized.
(b) Amounts are based on the FY 2026-27 Net Full Cash Assessed Value.
(c) This Amount is net of the Bonds Being Refunded.

Net Direct and Overlapping General Obligation Bonded Debt

Overlapping bonded debt figures were compiled from information obtained from the County Treasurer's office and individual jurisdictions. A breakdown of each overlapping jurisdiction's applicable general obligation bonded debt, Net Limited Assessed Property Value and combined tax rate per $100 assessed valuation follows. Outstanding bonded debt is comprised of general obligation bonds outstanding and general obligation bonds scheduled for sale. The applicable percentage of each jurisdiction's assessed valuation which lies within the City's boundaries (see the "Approximate Percent" column below) was derived from information obtained from the County Assessor's Office.

TABLE 19

Direct and Overlapping General Obligation Bonded Debt
City of Casa Grande, Arizona

Overlapping Jurisdiction (e)	General Obligation Bonded Debt (b)	Proportion Applicable to the City (a) Approximate Percent	Net Debt Amount
State of Arizona	None	0.67%	None
Pinal County	None	15.24%	None
Pinal County Community College District	$43,990,000	15.24%	$6,704,870
Pinal County Library District	None	15.24%	None
Pinal County Flood Control District (a)	None	15.24%	None
Casa Grande Elementary School District No. 4	46,725,000	86.94%	40,623,594
Casa Grande Union High School District No. 82	None	68.57%	None
Mission Royale Community Facilities District	3,955,000	100.00%	3,955,000
Villago Community Facilities District	3,330,000	100.00%	3,330,000
City of Casa Grande (c)	52,770,000	100.00%	52,770,000
Net Direct and Overlapping General Obligation Bonded Debt			$107,383,464

Does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in the following table. Additional bonds may also be authorized by voters within overlapping jurisdictions pursuant to future elections.

Overlapping Jurisdiction	General Obligation Bonds Authorized but Unissued
City of Casa Grande, Arizona (d)	$83,000,000*
Casa Grande Elementary School District No. 4	48,000,000
Mission Royale Community Facilities District	915,000
Villago Community Facilities District	44,410,000

(a) Proportion applicable to the City is computed on the ratio of Net Limited Assessed Property Value for 2025/26.

(b) Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of various County and city improvement districts, as the bonds of these districts are presently being paid from special assessments against property within the various improvement districts.

(c) Includes the Series 2026 Bonds.

(d) Reflects the reduction in authorization from the November 8, 2022 election in connection with the issuance of the Series 2026 Bonds.

(e) Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States of America, Department of the Interior, for repayment of certain capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April of 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at $1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the $1.646 billion repayment obligation, 73% is interest bearing and the remaining 27% is non-interest bearing. These percentages are fixed for the entire 50-year repayment period, which commenced October l, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to fourteen cents per $100 of Net Limited Assessed Property Value, of which fourteen cents is being currently levied. (See Arizona Revised Statutes, Sections 48-3715 and 48-3715.02.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

Source: The various entities, *Property Tax Rates and Assessed Values,* Arizona Tax Research Association and Assessor of the County.

*Preliminary, subject to change.

TABLE 20

Direct and Overlapping General Obligation Bonded Debt Ratios
City of Casa Grande, Arizona

	Per Capita Bonded Debt Population Estimated @ 69,405*	As % of City's 2025/26 Net Assessed Limited Property Value*	As % of City's 2025/26 Estimated Net Full Cash Value*
Net Direct General Obligation Bonded Debt (a)	$760.32	8.15%	0.56%
Net Direct and Overlapping General Obligation Debt (a)	$1,547.20	16.59%	1.14%

(a) Includes the Series 2026 Bonds.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue, *Property Tax Rates and Assessed Values,* Arizona Tax Research Association and the City.

FINANCIAL INFORMATION - GENERAL

Introduction

The City's fiscal year is from July 1 through June 30. The budget process for each fiscal year begins in October with the preparation of the proposed budget. The proposed budget is submitted to the City Council for tentative adoption in mid-May of each year. After publication of the budget and a public hearing, the City Council adopts a final budget for the upcoming fiscal year. The budget must contain detailed information concerning the sums required to be expended for each purpose, and the City's tax levy is then set based on the adopted budget.

Expenditure Limitation

Beginning in fiscal year 1982-83, the City became subject to the annual expenditure limitation which is set by the Arizona Economic Estimates Commission. This limitation is based on the City's annual expenditures for fiscal year 1979-80, with this base adjusted to reflect interim population, cost of living and boundary changes. Certain expenditures are specifically exempt from the limit, including expenditures made from federal funds and bond sale proceeds, as well as expenditures made to meet debt service payments. The limitations can be exceeded for certain emergency expenditures or if approved by the voters. The Constitutional provisions that relate to the expenditure limitation provide four processes to exceed the spending limit: a local home rule option, a permanent base adjustment, a one-time override, and a capital project accumulation.

Since the inception of expenditure limitations, the City has not exceeded its limitation in any fiscal year. Based on the City's adopted budget, the City anticipates its expenditures will be under the limitation for fiscal year 2026-27.

Financial Reports and Examination of Accounts

State law requires that the City's financial books and records be audited by the State Auditor General or independent certified public accountants on an annual basis. The audited financial statements of the City are presented in APPENDIX D – "Excerpts from City of Casa Grande, Arizona Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025"

Summary of Certain Financial Information

The table on the following page summarizes Revenues, Expenditures and Changes in Fund Balance for the fiscal years 2021 through 2025, prepared from the audited financial statements. The information contained in the summary should be read in conjunction with the financial statements and accompanying notes in APPENDIX D of this Official Statement. The table itself has not been the subject of an audit.

*Preliminary, subject to change.

CITY OF CASA GRANDE, ARIZONA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30

TABLE 21[(1)]

	Audited				
	2021	**2022**	**2023**	**2024**	**2025**
Revenues					
Taxes	$34,865,313	$42,801,116	$45,398,580	$52,367,379	$52,994,690
Licenses and permits	4,533,874	3,823,439	3,396,365	3,664,914	5,045,172
Intergovernmental revenues	19,459,901	19,110,409	23,781,328	29,527,513	28,812,164
Charges for services	2,758,906	3,294,589	4,223,952	4,523,161	5,323,720
Fines	651,732	597,158	641,342	600,565	689,458
Investment earnings	86,087	(1,465,248)	3,951,263	8,035,619	9,075,268
Contributions and donations	133,869	49,719	95,058	102,167	112,679
Rental and sale of city property	349,215	420,536	467,716	464,012	531,936
Miscellaneous	201,312	788,750	188,524	178,628	462,234
Total revenues	**$63,040,209**	**$69,420,468**	**$82,144,128**	**$99,463,958**	**$103,047,321**
Expenditures					
Current					
General government	$7,754,301	$9,322,291	$9,188,867	$10,129,840	$11,623,126
Public safety[(2)]	27,080,812	79,551,103	27,317,807	29,406,737	32,869,684
Public works	1,034,562	1,792,507	1,238,917	1,299,385	1,583,659
Culture and recreation	5,692,304	6,699,042	7,785,599	8,084,350	9,108,659
Planning and economic development	2,140,641	2,562,248	2,864,406	2,972,230	3,045,060
Capital outlay	272,459	153,303	227,401	33,337	18,773
Debt service:					
Principal	-	-	247,475	190,542	-
Interest and fiscal charges	-	-	96	10,025	-
Issuance costs	-	792,590	-	-	-
Total expenditures	**$43,975,079**	**$100,873,084**	**$48,870,568**	**$52,126,446**	**$58,248,961**
Excess (deficiency) of revenues over (under) expenditures	**$19,065,130**	**($31,452,616)**	**$33,273,560**	**$47,337,512**	**$44,798,360**
Other financing sources (uses)					
Transfers in	-	600,697	414,387	66,607	207,062
Transfers out	(8,175,737)	(4,934,217)	(23,961,305)	(29,304,143)	(25,978,982)
Revenue bonds issued [(2)]	-	63,260,000	-	-	-
Subscription-based information technology arrangements	-	-	698,534	-	-
Total other financing sources (uses)	**($8,175,737)**	**$58,926,480**	**($22,848,384)**	**($29,237,536)**	**($25,771,920)**
Net change in fund balance	**10,889,393**	**27,473,864**	**10,425,176**	**18,099,976**	**19,026,440**
Fund Balance - beginning of year	57,386,963	68,276,356	95,750,220	106,175,396	124,275,372
Fund Balance - end of year	**$68,276,356**	**$95,750,220**	**$106,175,396**	**$124,275,372**	**$143,309,597**

(1) The information shown for fiscal years 2021 through 2025 is taken from the audited financial statements of the City. The table itself has not been the subject of an audit.

(2) During fiscal year 2022, the City had a significant, one-time increase in its Public Safety expenditures as a result of the City prefunding its Arizona Public Safety Personnel Retirement System liability through the issuance of its Excise Tax Revenue Obligations, Series 2021.

Source: City of Casa Grande Annual Comprehensive Financial Report, Fiscal Year 2020-21 through 2024-25.

Pension and Retirement Plans

The City contributes to various defined benefit pension plans for the benefit of eligible full-time employees. Please refer to APPENDIX D – "EXCERPTS FROM CITY OF CASA GRANDE, ARIZONA, ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025" for a more detailed description of these plans and the City's contributions to the various plans.

The Arizona State Retirement System ("ASRS") is a cost-sharing, multiple-employer defined benefit plan in which the City participates. The ASRS issues publicly available financial reports, which may be accessed at www.azasrs.gov. For the year ended June 30, 2025, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.27 percent (12.12 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll. The City was also required by statute to contribute at the actuarially determined rate of 12.27 percent (12.05 percent for retirement, 0.07 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members' annual covered payroll. The City's contributions to the ASRS pension plans for the year ended June 30, 2025 were $2,402,087. At June 30, 2025, the City reported a liability of $21,117,186 for its proportionate share of the ASRS net pension liability.

City police department employees and City firefighter employees who are regularly assigned hazardous duty participate in the Arizona Public Safety Personnel Retirement System ("PSPRS") or, for employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan. PSPRS issues publicly available financial reports, which may be accessed at www.psprs.com. For the year ended June 30, 2025, active PSPRS member pension contribution rates ranged from 7.65 percent to 11.65 percent of covered payroll. The City's PSPRS pension contribution rates were 13.96 percent for Police and 17.00 percent for Fire, and the City's health insurance premium benefit contribution rates were 0.25 percent for Police and 0.49 percent for Fire. The City's PSPRS pension contributions for the year ended June 30, 2025 were $989,602 for Police and $1,329,609 for Fire. At June 30, 2025, the City reported PSPRS net pension liabilities of $4,505,366 for Police and $3,628,881 for Fire, or $8,134,247 in total.

New Reporting Requirements. The Governmental Accounting Standards Board adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB 68"), which requires participating employers to report certain pension liabilities, deferred outflows and inflows of resources, and pension expense in their government-wide financial statements. As of June 30, 2025, the City reported aggregate net pension liabilities of $29,251,432, deferred outflows of resources related to pensions of $13,805,855, deferred inflows of resources related to pensions of $2,175,754, and pension expense of $7,934,011 for all pension plans to which it contributes.

Health Care Benefits for Retired Employees (OPEB)

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("GASB 75"), requires governmental employers to report certain other postemployment benefit obligations. ASRS and PSPRS net OPEB assets or liabilities have not been recorded or further disclosed at June 30, 2025 due to their relative insignificance to the City's financial statements.

The City does not offer separate OPEB benefits to its retirees and makes no payments for OPEB costs for such retirees. City employees, their spouses and survivors may be eligible for certain retiree health care benefits under health care programs provided through the ASRS or PSPRS.

For a description of the City's pension benefit obligations, see Note 9 in APPENDIX D - "EXCERPTS FROM CITY OF CASA GRANDE, ARIZONA, ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025."

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APPENDIX B

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Mayor and Council
City of Casa Grande, Arizona

Re: City of Casa Grande, Arizona General Obligation Bonds, Series 2026A, and General Obligation Refunding Bonds, Series 2026B

We have examined copies of the proceedings of the Mayor and Council of the City of Casa Grande, Arizona (the "City"), and other proofs submitted to us relative to the issuance of the captioned Bonds (the "Bonds"). In addition, we have examined such other proceedings, proofs, instruments, certificates and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the purposes of the opinion rendered herein below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid proceedings and proofs.

We are of the opinion that such proceedings and proofs show lawful authority for the sale and issuance of the Bonds pursuant to the Constitution and laws of the State of Arizona now in force and that the Bonds are valid and legally binding obligations of the City, all of the taxable property within which is subject to the levy of a tax, without limitation as to rate, to pay the principal of and interest on the Bonds, but limited with respect to the Bonds that are designated as the refunding bonds therein (the "Refunding Bonds") to a total amount not greater than the total aggregate principal and interest to become due on the bonds being refunded with proceeds of the sale of the Refunding Bonds (the "Bonds Being Refunded") from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The net proceeds of the Refunding Bonds have been [held in cash uninvested/ invested in obligations issued by or guaranteed by the United States government which mature with interest] so as to provide funds to pay when due, or called for redemption, the Bonds Being Refunded together with interest thereon, and such proceeds [and obligations] have been deposited in the respective principal and interest redemption funds, and shall be held in trust for the payment of, the Bonds Being Refunded with interest on maturity or upon an available redemption date. The owners of the Refunding Bonds must rely on the sufficiency of such funds and obligations held irrevocably in the trust for payment of the Bonds Being Refunded. The issuance of the Refunding Bonds shall in no way infringe upon the rights of the holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal and interest on the Bonds Being Refunded if such funds [and obligations] prove insufficient.

Under existing statutes, regulations, rulings and court decisions, subject to the reliance and assumption stated in the last sentence of this paragraph, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and interest on the Bonds is exempt from income taxation under the laws of the State of Arizona. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income. (We express no opinion regarding other tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds.) The Code includes requirements which the City must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The failure of the City to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Mayor and Council of the City have resolved in Resolution No. 5964, adopted by the Mayor and Council of the City on August 17, 2026, to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the

Bonds. (Subject to the same limitations in the penultimate paragraph hereof, the City has full legal power and authority to comply with such covenants.) In rendering the opinion expressed above, we have assumed continuing compliance with the tax covenants referred to above that must be met after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal tax purposes.

The rights of the holders of the Bonds and the enforceability of those rights may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights. The enforcement of such rights may also be subject to the exercise of judicial discretion in accordance with general principles of equity.

This opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

$____,000 CITY OF CASA GRANDE, ARIZONA GENERAL OBLIGATION BONDS, SERIES 2026A	$_____,000 CITY OF CASA GRANDE, ARIZONA GENERAL OBLIGATION REFUNDING BONDS, SERIES 2026B

This Continuing Disclosure Undertaking (this "Undertaking") is executed and delivered by the City of Casa Grande, Arizona (the "City"), in connection with the sale and issuance of $___________,000 principal amount of City of Casa Grande, Arizona General Obligation Bonds, Series 2026A (the "2026A Bonds") and $_________,000 principal amount of City of Casa Grande, Arizona General Obligation Refunding Bonds, Series 2026B (the "2026B Refunding Bonds" and, collectively with the 2026A Bonds, the "2026 Bonds"). The 2026 Bonds are being issued pursuant to a resolution adopted by the Mayor and Council of the City on August 17, 2026 (the "Resolution"). The City covenants and agrees as follows:

1. Definitions. In addition to those defined hereinabove, the terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires:

"*Annual Financial Information*" means the financial information and operating data set forth in Exhibit I.

"*Annual Financial Information Disclosure*" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"*Audited Financial Statements*" means the audited financial statements of the City prepared pursuant to the standards and as described in Exhibit I.

"*Commission*" means the U.S. Securities and Exchange Commission.

"*Dissemination Agent*" means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent's successors and assigns.

"*EMMA*" means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at http://emma.msrb.org.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Final Official Statement"* means the Final Official Statement relating to the 2026 Bonds, dated September __, 2026.

"*Financial Obligation*" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*GAAP*" means generally accepted accounting principles, as applied to governmental units as modified by the laws of the State.

"*Listed Event*" means the events set forth in Exhibit II.

"*Listed Events Disclosure*" means dissemination of disclosure concerning a Listed Event as set forth in Section 5.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Participating Underwriter*" means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the 2026 Bonds.

"*Rule*" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Exchange Act.

"*State*" means the State of Arizona.

2. Purpose of this Undertaking. This Undertaking is executed and delivered by the City as of the date set forth below for the benefit of the beneficial owners of the 2026 Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule. The City represents that it will be the only obligated person with respect to the 2026 Bonds at the time the 2026 Bonds are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after such delivery of the 2026 Bonds.

3. CUSIP Numbers. The CUSIP Numbers of the 2026 Bonds are as follows:

CUSIP No. (Base 147069)	Maturity Date (August 1)
2026A Bonds	
2026B Refunding Bonds	

4. Annual Financial Information Disclosure. Subject to Section 8 of this Undertaking, the City shall disseminate its Annual Financial Information and its Audited Financial Statements, if any (in the form and by the dates set forth in Exhibit I), through EMMA.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Financial Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Listed Events Disclosure. Subject to Section 8 of this Undertaking, the City shall disseminate in a timely manner, but not more than ten (10) business days after the occurrence of the event, Listed Events Disclosure through EMMA. Whether events subject to the standard "material" would be material shall be determined under applicable federal securities laws.

6. Consequences of Failure of the City to Provide Information. The City shall give notice in a timely manner through EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Undertaking, the beneficial owner of any 2026 Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default under the Resolution, and the sole remedy available to such owners of the 2026 Bonds under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Undertaking, the City by certified resolution or resolution authorizing such amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived only if:

(a) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) This Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interests of the beneficial owners of the 2026 Bonds, as determined by parties unaffiliated with the City or by approving vote of the owners of the 2026 Bonds at the time of the amendment.

The Annual Financial Information containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying an accounting principle to be followed in preparing financial statements and such changes are material, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles in the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. If the accounting principles of the City change or the fiscal year of the City changes, the City shall file a notice of such change in the same manner as for a notice of Listed Event.

8. Non-Appropriation. The performance by the City of its obligations in this Undertaking shall be subject to the annual appropriation of any funds that may be necessary to permit such performance. In the event of a failure by the City to comply with its covenants under this Undertaking due to a failure to appropriate the necessary funds, the City covenants to provide prompt notice of such fact to the MSRB through EMMA, in a format prescribed by the MSRB.

9. Termination of Undertaking. This Undertaking shall be terminated hereunder if the City shall no longer have liability for any obligation on or relating to repayment of the 2026 Bonds under the Resolution.

10. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

11. Additional Information. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future Annual Financial Information Disclosure or Listed Events Disclosure.

12. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the 2026 Bonds, and shall create no rights in any other person or entity.

13. Recordkeeping. The City shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. Governing Law. This Undertaking shall be governed by the laws of the State.

[Signature page follows.]

DATED: [Closing Date]

CITY OF CASA GRANDE, ARIZONA

By..
Lisa Navarro Fitzgibbons, Mayor

ATTEST:

....
Adriana Carpio Solis, City Clerk

[Signature page to Continuing Disclosure Undertaking]

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND
AUDITED FINANCIAL STATEMENTS

"Annual Financial Information" means financial information and operating data of the type contained in the Final Official Statement in Table Nos. 8, 9, 12, 15 and 16 (in each case, actual results for most recently completed fiscal year only).

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted through EMMA or filed with the Commission. If the information included by reference is contained in a final official statement, the final official statement must be available from the MSRB. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided through EMMA by March 1 of each year, commencing March 1, 2027. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by Audited Financial Statements within 30 days after availability to the City.

Audited Financial Statements will be prepared according to GAAP.

If any change is made to the Annual Financial Information as permitted by Section 4 of this Undertaking, the City will disseminate a notice of such change as required by Section 4, including changes in fiscal year or GAAP.

EXHIBIT II

EVENTS FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations, in each case, with respect to the tax status of the security, or other material events affecting the tax status of the security.
7. Modifications to the rights of security holders, if material.
8. Bond calls, if material, or tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the securities, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar events of the City, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.
13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

APPENDIX D

EXCERPTS
CITY OF CASA GRANDE, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The following are excerpts from the City’s Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. The City has not requested or received the consent of Baker Tilly US, LLP to include its report, and Baker Tilly US, LLP has performed no procedures subsequent to rendering its report on the financial statements.

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City of Casa Grande

Arizona

Annual Comprehensive Financial Report

For the Fiscal Year
Ended June 30, 2025

CITY OF
CASA GRANDE
STRONGER UNITED

City of Casa Grande, Arizona

ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT

For the Fiscal Year Ended June 30, 2025

Prepared by the Finance Department

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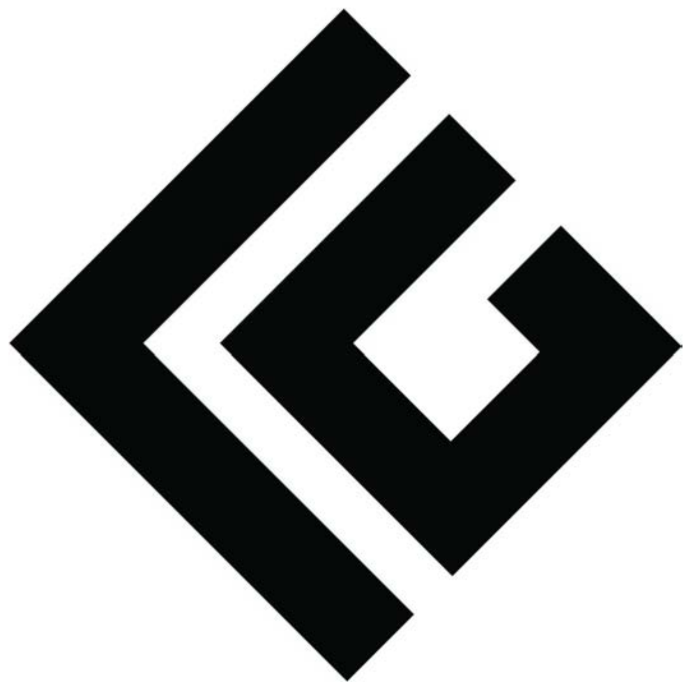
Statistical Section

Introductory Section



CITY OF CASA GRANDE | STRONGER UNITED
510 E. Florence Blvd., Casa Grande, Arizona 85122
(520) 421-8600 | www.CasaGrandeAZ.gov

March 23, 2026

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

Arizona State law requires that every general-purpose local government publish, within nine months of the close of each fiscal year, a complete set of audited financial statements presented in conformity with accounting principles generally accepted in the United States of America for local governments as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA); and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. This report has been published to fulfill these requirements for the fiscal year ended June 30, 2025.

Management assumes full responsibility for the completeness and reliability of the information contained in the Annual Comprehensive Financial Report (ACFR), based upon a comprehensive internal control framework that it has established for this purpose. The objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

BakerTilly US, LLP has issued an unmodified ("clean") opinion on the City of Casa Grande financial statements for year ended June 30, 2025. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Casa Grande, for the fiscal year ended June 30, 2025, 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 there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component in the financial section of this report. 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 results of the City's financial statement audit for the fiscal year ended June 30, 2025, identified two material weakness in the internal control structure related to the financial statement closing process and timeliness of bank reconciliations. The financial statement findings can be found in the Schedule of Findings and Questioned Costs within the separately issued Single Audit Report.

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, 2025, found two material weaknesses in the internal control structure, and no instances of significant violations of applicable laws and regulations with respect to major programs. Additional information is available within the separately issued Single Audit Report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A includes additional information intended to enable the reader to gain an understanding of the City's financial activity and financial stability. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City

Located in the heart of the Arizona Innovation and Technology Corridor, Casa Grande serves as the manufacturing, logistics, healthcare, retail and commercial hub of Pinal County The City is strategically positioned between Arizona's two largest metropolitan areas—Phoenix and Tucson—providing convenient access to both markets. Less than 30 minutes from Phoenix and about 45 minutes from Tucson, Casa Grande is ideally situated to serve a combined regional population of approximately 5.9 million people.

Founded in 1879, Casa Grande is named after the Hohokam Indian Ruins. Since its incorporation in 1915, Casa Grande has grown to be the second-largest city in Pinal County. The City of Casa Grande adopted its charter in December 1974 and operates under a council–manager form of government. The governing body consists of a mayor and six council members. The mayor is elected at-large for a two-year term and may serve no more than four consecutive terms. Council members are elected to four-year terms. A charter amendment approved by voters in November 2022 established term limits for council members, restricting service to three four-year terms (12 years total). The City Council holds the City's legislative and policy-making authority and appoints the city manager, city attorney, and city judge. The city manager is responsible for implementing council policies and ordinances and overseeing the City's day-to-day operations.

The legal boundaries of Casa Grande cover more than 110 square miles. The City's population has grown by approximately 36%, increasing from 51,460 in 2016 to an estimated 70,156 today. Since 2020, the population has grown at an average annual rate of about 6.5%. This growth has been driven by several factors, including relatively affordable housing, the expansion of advanced manufacturing companies that provide high-paying jobs, access to employment opportunities in nearby metropolitan and regional areas, and the rural quality of life that attracts many residents.

Casa Grande provides a full range of municipal services, including police and fire protection, street maintenance, wastewater, and sanitation. The City also offers a variety of community amenities and services, including a municipal airport, recreational and cultural events, an aquatic center, a recreation center, a senior center, two libraries, business-friendly planning and development services, and a municipal golf course. In addition, the City provides municipal water service to some areas located just outside the city limits.

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

The financial statements provided are on both a government-wide and fund basis for the primary government as well as its component units. Component units are legally separate entities that are included in the reporting entity due to the significance of their financial or operational relationship with Casa Grande. The criteria used by the City to determine which activities are included in its financial statements conform to GASB Statement No. 14, The Financial Reporting Entity. Blended component units, while legally separate, function in substance as part of the City's operations and are therefore reported as part of the primary government. Accordingly, the financial reporting entity includes the City and four blended component units: Copper Mountain Ranch Community Facilities District, Mission Royale Community Facilities District, Villago Community Facilities District and Post Ranch Community Facilities District. Additional information is provided in Note 1 of the Notes to Financial Statements.

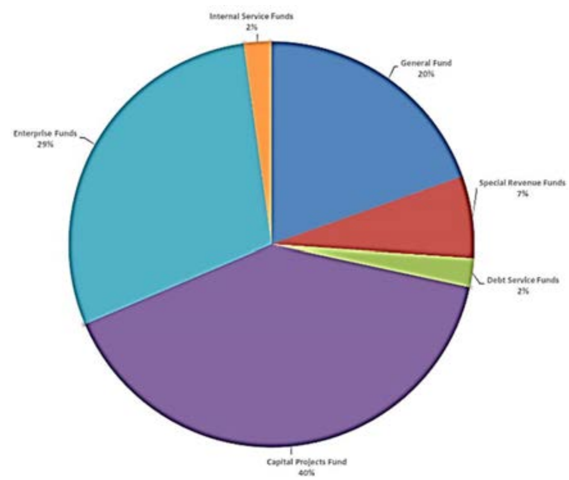
Budgetary Process

Casa Grande, like all municipalities in Arizona, is subject to numerous budgetary and legal requirements. Article IX, Section 20 of the Arizona Constitution establishes limits on the City's legal budget capacity. The City operates under the Permanent Base Adjustment Alternative Expenditure Limit, which sets a cap on municipal expenditures. Under this framework, the base year is fiscal year 1979–1980. The base expenditure amount is adjusted annually based on changes in population and the implicit price deflator.

In May 2007, voters in Casa Grande approved a permanent base adjustment to the state-imposed expenditure limit. This adjustment allowed the City to adjust the state-imposed expenditure base from the original 1979-80 base of $3,743,397 to $18,793,221. After applying annual adjustments for inflation and population growth, the City's expenditure limitation for fiscal year 25 is $302.9 million.

Casa Grande maintains budgetary controls to ensure compliance with the legal provisions established in the annual operating budget adopted by the Mayor and City Council. The annual appropriated budget includes the activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise Funds, and Internal Service Funds. The legal level of budgetary control—meaning the level at which expenditures may not legally exceed the appropriated amount—is the total budget as adopted by the City Council. In addition, the City exercises management oversight and budgetary control at the department level and at the individual project level within the Capital Projects Fund.

For fiscal year 2025, the final expenditure budget for Casa Grande totaled $369.9 million. The accompanying graph illustrates the percentage distribution of fiscal year 2025 budget allocations by fund type.



Economic Conditions and Outlook

The financial statement information is most meaningful when viewed in the context of the broader environment in which Casa Grande operates.

The economy of Casa Grande is diverse, encompassing manufacturing, logistics, healthcare, commercial, retail, and service industries. The City is also a popular destination for seasonal residents and retirees who spend the winter months in Arizona.

Because of its close proximity to nearby metropolitan areas, companies located in Casa Grande have access to a highly educated and skilled workforce of over 3 million people, particularly from the greater Phoenix Metropolitan area. Residents of Casa Grande generally benefit from a lower cost of living than those in the Phoenix metropolitan area, particularly in housing—estimated to be approximately 20% to 30% lower—and transportation costs, which are about 16% to 30% lower. During fiscal year 2025, the City issued 182 permits for build-to-rent single-family homes. In addition, 30 permits were issued for the construction of 512 apartment units. While traditional single-family construction declined during the year, multifamily development activity continued, with several projects currently underway.

Casa Grande benefits from a strategic location, robust infrastructure, and strong transportation connectivity. The City is served by major interstate highways, nearby commercial airports in the greater Phoenix metropolitan area, and the main rail line operated by Union Pacific Railroad. These advantages have contributed to the City's success in attracting new businesses. Recently announced or newly opened businesses include Target (which announced it will reopen), Jersey Mike's Subs, Aldi, Hobby Lobby, EōS Fitness, and CG Tactical Firearms. Industrial and manufacturing projects that have been announced, are under development, or are now operational include NRS Logistics, KPTC, Chlorum Solutions, Chameleon Chemicals, Waste Management (recycling operations), Sunlit Chemical, and expansions by EFP and Triumvirate Environmental. Together, these projects are expected to create approximately 400 new jobs. They also contribute to the continued diversification of the local economy and help attract additional investment and businesses to Casa Grande.

Statistics related to new businesses planned or opened in Casa Grande as well as housing related statistics are included in MD&A.

Casa Grande serves as a regional provider of goods and services to surrounding rural areas as well as several growing communities in the region. This mix of economic activity helps ensure that the local economy is not overly dependent on any single industry sector. To support continued growth and stability, the City has adopted a Strategic Plan for Community and Economic Development. The plan is intended to guide efforts to attract and retain a diverse range of businesses, generate new sources of revenue, and sustain and expand the community revenues necessary to support municipal services and enhance the overall quality of life in Casa Grande.

The continued expansion of the industrial sector in Casa Grande has contributed to both population and economic growth, helping the city maintain a relatively low unemployment rate ranging from 3.1% to 4.4% over the past three years and was 4.1% in FY 2025 The City's labor force is primarily employed in manufacturing, healthcare, social services, and logistics. Looking ahead, employment growth is expected to continue in the manufacturing, technology, construction, transportation, and warehousing sectors. Over the next five years, more than 7,500 new jobs are projected to be created throughout the City, further strengthening the local economy.

Long-term Financial Planning

Casa Grande engages in several forms of long-term financial planning as part of its annual budget process. This planning includes ensuring that budget requests align with the City's mission, vision, and strategic plan goals, developing revenue and expenditure forecasts, and maintaining a five-year capital improvement plan. The Mayor and City Council work to align the City's vision with clearly defined strategic focus areas. The following sections present the City's mission, vision statement, and strategic focus areas.

Mission Statement

To Provide a Safe, Pleasant Community for All Citizens

Vision Statement

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

WE ARE COMMITTED TO SERVICE:

Serve Casa Grande through a variety of City services designed to promote quality of life.

Ensure the safety of the community through aggressive public safety efforts and programs.

Respond to the needs of the community by promoting communications and transparency.

Value the tax dollars and maintain a fiscal policy that provides an efficient tax structure.

Incorporate safeguards to ensure fairness and equitable treatment of all citizens.

Continue to evaluate our services and ourselves to ensure quality and effectiveness.

Endeavor to hire the best people and help them develop professionally.

Strategic Focus Areas

Healthy-Safe-and-Vibrant Community Environments

The City of Casa Grande will strive to provide a safe and healthy community for Casa Grande Residents by (1) Utilizing baseline and statistical data to allocate the appropriate resources to Public Safety, (2) Marketing the success of the Police and Fire Departments through all available media avenues, (3) Continuing community outreach and education through the Community Policing initiative & City Manager's Office, (4) Aligning City initiatives with actionable goals established by my Homelessness Taskforce, and (5) Working collaboratively with various partners and organizations to promote a Healthy and Safe Community.

Community Connection

The City of Casa Grande must continue to build and strengthen collaborative relationships and partnerships that support the needs of, reflect and enriching our diverse and vibrant local community, and to promote tourism by: (1) Adopting and sustaining a culture and practice of engagement and partnerships to achieve outcomes that reflect our City's concerns, aspirations, and values, (2) Increasing positive citizen interaction, (3) Creating an image of the City that residents rate favorably, (4) Creating an image to attract residents to visit and live in Casa Grande, (5) Creating an image of the City that businesses rate favorably, (6) Increasing presence on the City's social media sites, and (7) Holding City events to fully reflect the composition of the entire community.

Education and Workforce Advancement

The City of Casa Grande will continue to partner with educational institutions and attract key industries by (1) Increase the number of baccalaureate degrees achieved by Casa Grande residents, (2) Assessing and improving workforce exposure to training and developing opportunities, (3) Increase the number of students attending post-graduate institutions or vocational education, (4) Welcome five (5) industrial companies participating in an apprenticeship/internship program to place five (5) apprentices each year for the next five (5) years, and (4) Place five (5) interns within City Departments each year for the next five (5) years.

Financial Stability and Sustainability

The City of Casa Grande must manage financial and human resources to provide maximum efficiency and effectiveness in the delivery of City services by focusing to; (1) Develop a sustainable budget that can withstand a 5% revenue reduction, (2) Continue to utilize the classification and compensation system to benchmark job positions against mid-point of the salary range with the market, (3) Analyze and evaluate five programs or services a year to ensure efficiency/effectiveness against the private sector, (4) Create a Comparative Analysis of service delivery by other municipalities, (5) Dispose of underutilized City Properties, and 6) Develop a sustainable five-year Capital Infrastructure and Financing Plan.

Community Enhancement

The City of Casa Grande will maintain a high quality of life by striving to (1) Construct and improve quality of life infrastructure and facilities, (2) Expand broadband services to citizens, and (3) Eliminate slums or blight by allocating City resources.

Economic Expansion

The City of Casa Grande will continue to pursue and create economic opportunities by (1) Implementing the City's 2030 General Plan, (2) Implementing Water Resources Plan, (3) I-10 Widening, (4) Implementing Economic Development Strategic Plan, and (5) Enhancing art and culture within the City.

Approximately 79% of the General Fund revenues for Casa Grande are derived from local taxes and intergovernmental sources. Because of this concentration of revenue sources, City management conducts both short-term and long-term revenue and expenditure modeling to support financial planning and decision-making. A key component of this modeling process is the development of major assumptions, along with scenario planning and stress testing to evaluate potential financial outcomes. This analysis includes assessing the potential fiscal impacts of policy changes, new legislation, and shifts in federal, state, or county fiscal policies. In addition, the City considers how policies and priorities of other jurisdictions—such as Pinal County Government and local school districts—may affect intergovernmental partnerships and financial conditions. Local service providers, including utility companies, are also evaluated because their infrastructure investments and service capacity can influence the City's ability to grow and may affect the community's long-term financial outlook.

Financial Policies

The City has adopted a comprehensive set of financial policies to establish specific guidelines for the day- to-day financial activities of the City. Significant policies are highlighted below:

1. The City Council will strive to set a property tax levy that provides for a primary rate of less than $1 per $100 of net assessed value.

2. The City will maintain a consistent secondary property tax rate. Management calculates a secondary property tax rate for City Council consideration. The calculation includes the following factors: annual debt service, net cash available from the general obligation fund, estimated interest, property tax revenue, federal subsidy payments, voluntary contributions in lieu of property taxes, and anticipated cash defeasances, as applicable. The calculated rate is also adjusted for an estimated delinquency factor for uncollected taxes, and allowable cash reserves.

3. The City will maintain an equipment and vehicle replacement fund to replace vehicles and major equipment.

4. The City will focus on providing new programs and services that are financed with new revenue sources or reductions in existing programs or services.

5. The City will use one-time revenues to fund one-time expenses. One-time revenues and expenditures are defined as those items that are non-recurring.

6. The City will maintain a performance measurement program to ensure that services are provided in a cost-effective manner and produce the desired outcomes.

7. The City will evaluate the comprehensive fee schedule annually to ensure that the cost of services are fair and equitable.

8. The City will continue to maintain general fund reserve that equals up to 50% of annual anticipated general fund expenditures. The reserve is intended to establish resources that would be readily available in a fluctuating economy. The reserve also ensures that the City maintains a strong financial position.

9. The City will maintain its debt management policy to improve the quality of decisions, articulate policy goals, provide guidelines for the structure of debt issuance, and demonstrate a commitment to long-term capital and financial planning. The core objectives of this Debt Policy include the following:

    - Minimize debt service costs and issuance costs;
    - Maintain access to cost-effective borrowing;
    - Achieve and maintain the highest practical credit ratings;
    - Balance pay-go financing with debt financing;
    - Ensure full and timely repayment of debt;

- Maintain full and complete financial and non-financial disclosure and reporting with respect to outstanding debt;
- Ensure compliance with federal and State laws and regulations;
- Promote the City's best interests and protect the City's financial stability when deciding whether to issue debt;
- Increase transparency to debt stakeholders and consistency in debt decision making.

10. The City will present to Mayor and Council an annual mid-year budget report and a projected year-end report.

Major Initiatives

In FY25, the City focused on addressing the effect of rising personnel costs, while ensuring that the City remained competitive in the local job market. Highlighted below are some of the major initiatives that are reflected in the financial statements:

- Allocate General Fund resources to slums and blight removal and improvement;
- Continue to utilize the classification and compensation system to benchmark job positions against mid-point of the salary range with the market;
- Analyze and evaluate five programs or services a year to ensure efficiency/effectiveness;
- Budget to continue to minimize the City's unfunded liabilities with PSPRS.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended June 30, 2024. The City has received this award for 30 years. In order to be awarded this certificate, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements. This certificate is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements, and we are submitting it to GFOA to determine its eligibility for the fiscal year ended June 30, 2025, certificate.

Casa Grande has received recognition as/for:

- Distinguished Budget Presentation from the Government Finance Officers Association (24 years)
- A Tree City USA by the National Arbor Day Foundation (18 Years)
- A Playful City USA designated by Kaboom!

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

Our thanks and appreciation go to the City Manager, and Mayor and Council for their continued support and leadership.

CITY OF CASA GRANDE

Brenda Hasler

Brenda K. Hasler, Finance Director

Date: March 26, 2026

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Casa Grande
Arizona

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

City of Casa Grande, Arizona
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2025

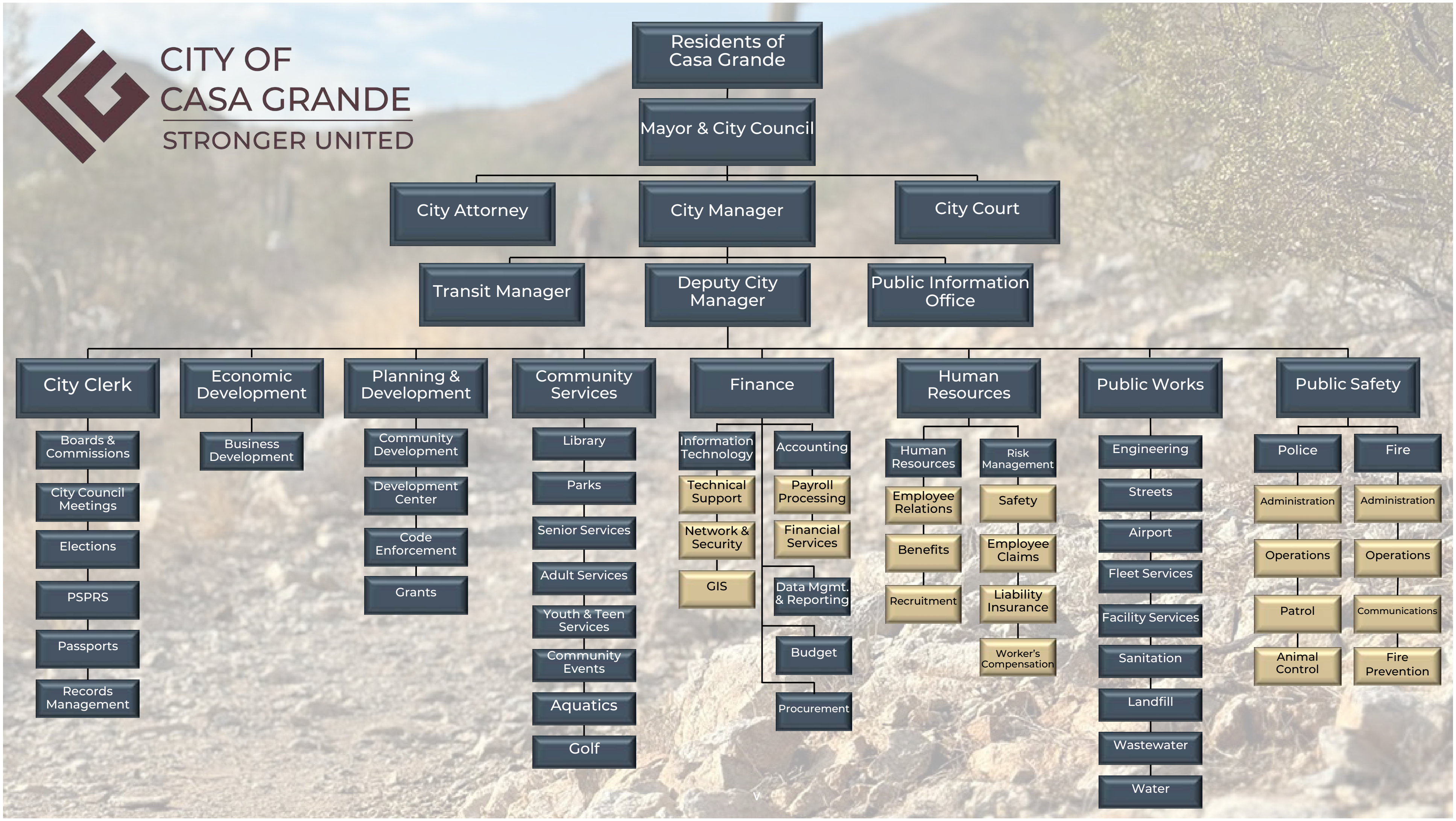
CITY COUNCIL

Mayor
Lisa Navarro Fitgibbons

Mayor Pro-Tem
Matt Herman

Council Members
Brent BeDillon
Sean Dugan
Anthony Edwards
Robert Huddleston
Rebecca Romo

City Manager
Larry Rains


CITY OF
CASA GRANDE
STRONGER UNITED
Residents of Casa Grande
Mayor & City Council
City Attorney
City Manager
City Court
Transit Manager
Deputy City Manager
Public Information Office
City Clerk
Boards & Commissions
City Council Meetings
Elections
PSPRS
Passports
Records Management
Economic Development
Business Development
Planning & Development
Community Development
Development Center
Code Enforcement
Grants
Community Services
Library
Parks
Senior Services
Adult Services
Youth & Teen Services
Community Events
Aquatics
Golf
Finance
Information Technology
Technical Support
Network & Security
GIS
Accounting
Payroll Processing
Financial Services
Data Mgmt. & Reporting
Budget
Procurement
Human Resources
Human Resources
Employee Relations
Benefits
Recruitment
Risk Management
Safety
Employee Claims
Liability Insurance
Worker's Compensation
Public Works
Engineering
Streets
Airport
Fleet Services
Facility Services
Sanitation
Landfill
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Public Safety
Police
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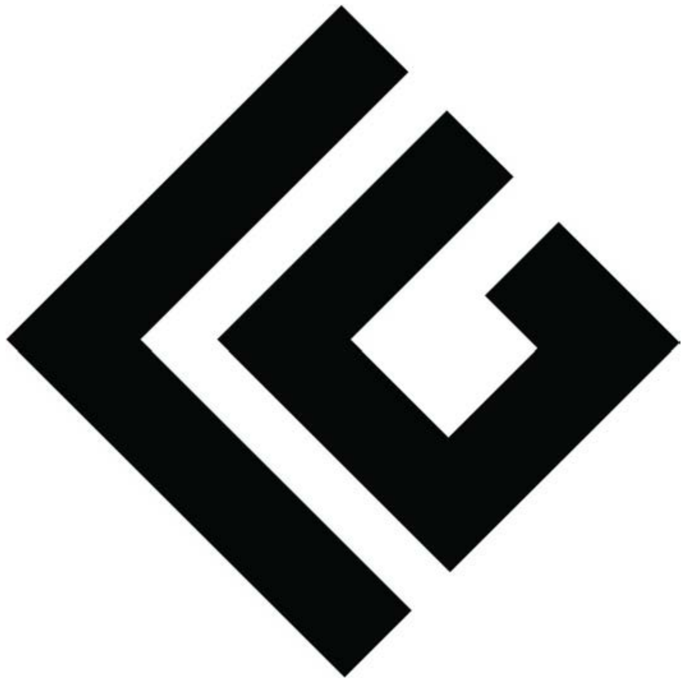
Animal Control
Fire
Administration
Operations
Communications
Fire Prevention

Financial Section



bakertilly

Independent Auditors' Report

To the City Council of
City of Casa Grande, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Casa Grande, Arizona (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 as of June 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards).* Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matters

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

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to use highway user revenue fund monies received by the City pursuant to Arizona Revised Statues Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the City 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 noncompliance with the used of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the the introductory section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Restricted Use Relating to the Other Matter

The communication related to compliance with the aforementioned indenture described in the Other Matter paragraph is intended solely for the information and use of the Arizona State Legislature, management and other responsible parties within the City and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly US, LLP

Tempe, Arizona
March 26, 2026

Financial Section

Management's Discussion and Analysis

As management of the City of Casa Grande, Arizona (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, (4) identify any significant deviations from the approved annual budget and (5) identify individual fund issues or concerns. Please read it in conjunction with the Letter of Transmittal, Basic Financial Statements and the Accompanying Notes to the financial statements.

Financial Highlights

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

- The City's total net position totaled $522.9 million at June 30, 2025. This is an increase of $67.1 million compared to fiscal year 2024.

- Net pension liabilities as of June 30, 2025 totaled $29.3 million; $25.7 million from Governmental Activities and $3.5 million from Business-Type Activities. This is an increase of $1.3 million compared to fiscal year 2024.

- The landfill closure and post-closure liability totaled $4.8 million as of June 30, 2025, compared to $4.2 million in the previous fiscal year. This is an increase of $0.6 million.

- Current and long-term debt totaled $121.7 million as of June 30, 2025, compared to $127.2 million in the previous year. This is a decrease of $8.8 million.

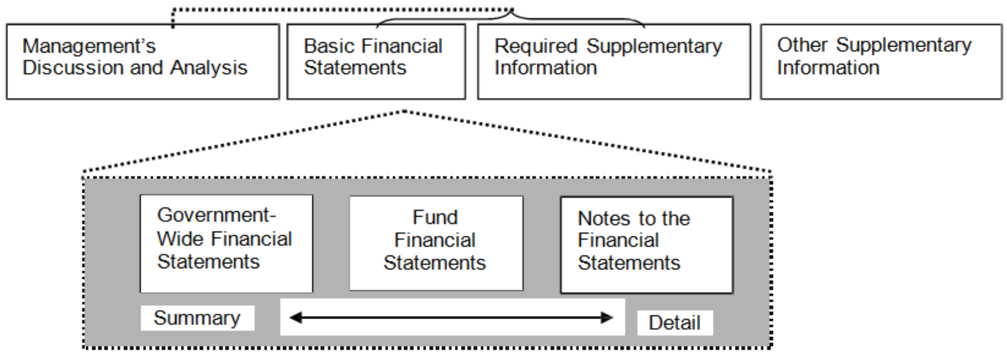
- With no significant changes to operations, Government Activities ended fiscal year 2025 with Net Inflows of $52.3 million. In fiscal year 2025, Government Activities outflows and inflows totaled $92.7 million and $148.9 million, respectively. In fiscal year 2024, total Government Activities outflows and inflows totaled $90.2 million and $146.1 million, respectively.

- There was an increase of $1.5 million in net income for Business-Type Activities compared to last year. In fiscal year 2025 there were $14.8 million in net revenues including net transfers, compared to $13.3 million in fiscal year 2024. In fiscal year 2025, expenditures and revenues for Business-Type Activities totaled $21.0 million and $31.8 million, respectively. In fiscal year 2024, expenses and revenues for Business-Type Activities totaled $19.3 million and $32.5 million, respectively.

- General revenues for Government Activities in fiscal year 2025 were $121.5 million, compared to $116.5 million in the previous year. The net increase of $5.0 million from the previous year was driven by primarily by an increase in investment earnings of $1.7 million and a gain on disposal of capital assets of $4.0 million due to the sale of land in the Airport fund.

Overview of the Financial Statements

Required Components of the Annual Financial Report



Government-Wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the City's finances in a manner similar to those used by private businesses. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The activities of the City are broken into two columns on these statements - Governmental Activities and Business-Type Activities. A total column is also provided.

Governmental Activities - include the basic services of the City including general government administration (finance, accounting, human resources, information technology, etc.), community services (parks, library, recreation, etc.), public safety (police, fire, communications and court), planning and development and public works (streets, engineering, etc.). Taxes and intergovernmental revenues support the majority of these activities.

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

The *statement of net position* presents information on all of the City's assets and liabilities, both current and long-term. The difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources 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 nonfinancial indicators like the City's property tax base, GASB changes and condition of infrastructure should also be considered.

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

Fund Financial Statements

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

The City has four (4) types of funds:

Governmental Funds - Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide a reconciliation to facilitate this comparison between governmental funds and Governmental Activities.

Proprietary Funds - Proprietary funds account for Business-Type Activities of the City. Proprietary funds, like the government-wide statements, provide both long and short term financial information. Enterprise funds are used to account for activities that primarily serve customers for which fees are charged. The City has four enterprise funds: golf course, sanitation, water and wastewater funds.

Internal Service Funds - The internal service funds reflect activities in which the City is the customer. The fleet services, facilities maintenance, risk management and self-insurance funds are the City's four internal service funds. Their purpose is to provide vehicle maintenance and facilities services to City departments and to provide cost accounting for property, casualty and certain medical insurance costs and risk management.

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

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

Required Supplementary Information Other Than MD&A - Governments have an option of including the budgetary comparison schedules 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 schedules as part of the required supplementary information. Additionally, governments are required to disclose certain information about employee pension funds. The City has disclosed this information in Note 9 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, 2025.

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, 2025 and 2024. The City has chosen to account for its golf course, water, wastewater and sanitation operations in enterprise funds which are shown as Business-Type Activities.

Statement of Net Position (In Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 306,641	$ 272,261	$ 34,153	$ 52,676	$ 340,794	$ 324,937
Capital assets	205,007	184,734	146,569	114,374	351,576	299,108
Total assets	511,648	456,995	180,722	167,050	692,370	624,045
Deferred outflow of resources	14,332	16,020	688	464	15,020	16,484
Current liabilities	17,676	21,062	7,174	14,232	24,850	35,294
Long-term liabilities	124,190	120,991	31,622	25,550	155,812	146,541
Total liabilities	141,866	142,053	38,796	39,782	180,662	181,835
Deferred inflows of resources	3,580	2,723	248	141	3,828	2,864
Net position:						
Net investment in capital assets	166,662	142,010	122,006	91,186	288,668	233,196
Restricted	125,113	106,047	24,316	28,399	149,429	134,446
Unrestricted	88,758	80,183	(3,956)	8,006	84,802	88,189
	$ 380,533	$ 328,240	$ 142,366	$ 127,591	$ 522,899	$ 455,831

As of June 30, 2025 the net position of the City totaled $522.9 million, an increase of $67.1 million from June 30, 2024. Net position is comprised of $380.5 million in Governmental Activities and $142.4 million in the Business-Type Activities.

Net position consists of three components. The largest portion of net position ($288.6 million or 55%) reflects the City's investment in capital assets net of accumulated depreciation and any related outstanding debt used to acquire or construct those assets. The City uses these capital assets to provide services to its citizens. It is not the City's intent to sell these assets; therefore, they are not considered available resources.

The restricted portion of the City's net position ($149.4 million or 29%) 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 ($84.8 million or 16%), which may be used to meet the City's ongoing obligations to its residents and creditors.

Changes in Net Position

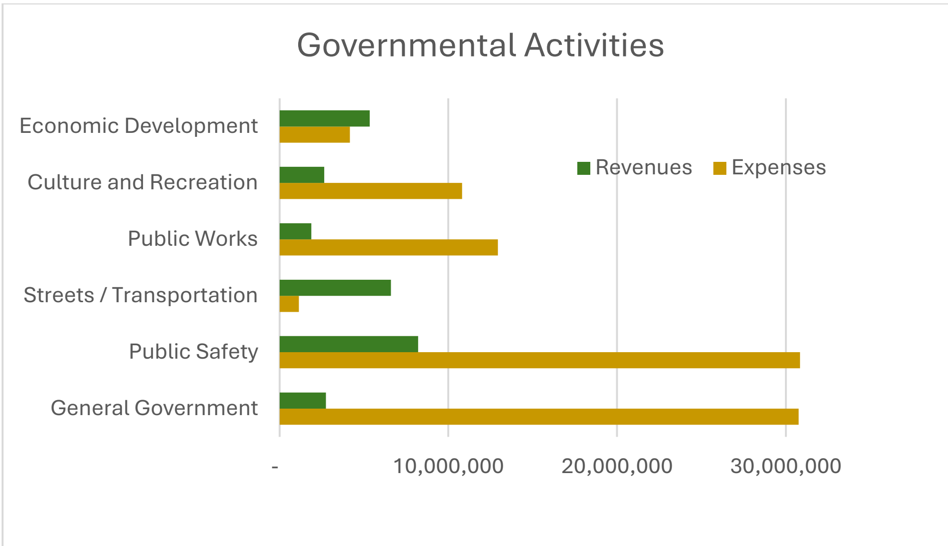
The City's total revenues for the year ended June 30, 2025 were $180.7 million. The total cost of all programs and services was $113.6 million. This resulted in a net revenue of $67.1 million. The following table presents a summary of the changes in net position for the year ended June 30, 2025.

Changes in Net Position (In Thousand)

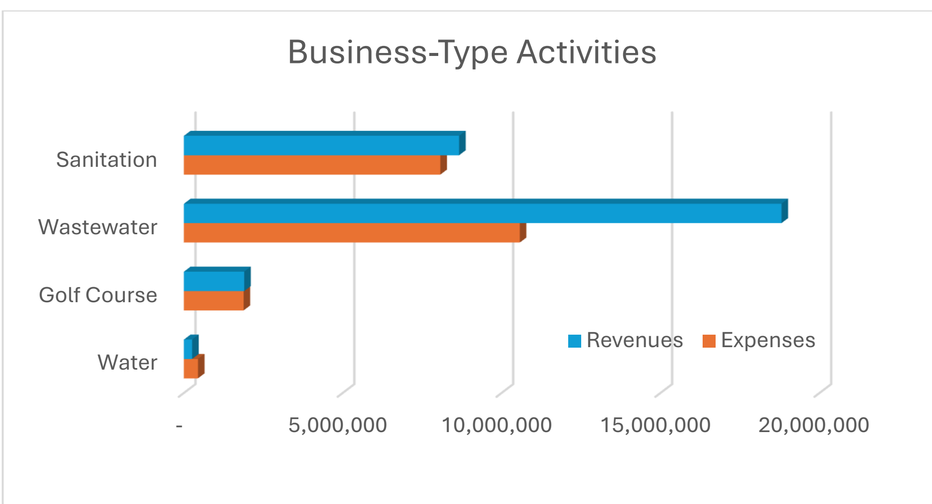
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for service	$ 12,856	$ 12,882	$ 25,435	$ 25,081	$ 38,291	$ 37,963
Operating grants and contributions	11,030	10,445	-	-	11,030	10,445
Capital grants and contributions	3,537	6,211	4,184	5,593	7,721	11,804
General revenues:						
Property taxes	8,419	7,990	-	-	8,419	7,990
Sales taxes	62,997	63,486	32	36	63,029	63,522
Franchise taxes	3,376	3,260	-	-	3,376	3,260
Share revenues	28,280	29,391	-	-	28,280	29,391
Other	18,400	12,390	2,148	1,825	20,548	14,215
Total revenues	148,895	146,055	31,799	32,535	180,694	178,590
Expenses:						
General government	30,762	19,982	-	-	30,762	19,982
Public safety	30,842	37,804	-	-	30,842	37,804
Streets/transportation	1,141	140	-	-	1,141	140
Public works	12,939	5,212	-	-	12,939	5,212
Culture and recreation	10,820	11,380	-	-	10,820	11,380
Economic development:	4,166	12,837	-	-	4,166	12,837
Interest on long-term debt	1,994	2,872	-	-	1,994	2,872
Water	-	-	441	362	441	362
Golf course	-	-	1,877	1,756	1,877	1,756
Wastewater	-	-	10,573	9,885	10,573	9,885
Sanitation	-	-	8,071	7,252	8,071	7,252
Total expenses	92,664	90,227	20,962	19,255	113,626	109,482
Net revenues (expense) before transfers	56,231	55,828	10,837	13,280	67,068	69,108
Net transfers in (out)	(3,938)	-	3,938	-	-	-
Increase in net position	52,293	55,828	14,775	13,280	67,068	69,108
Net position, beginning	328,240	272,412	127,591	114,311	455,831	386,723
Net position, ending	$ 380,533	$ 328,240	$ 142,366	$ 127,591	$ 522,899	$ 455,831

In FY25, Governmental Activities accounted for 82% of the total revenues and 82% of the total expenditures for the City, in the amount of $148.9 million and $92.7 million, respectively.

The following graph illustrates revenues and expenditures for Governmental Activities by function. Program revenues partially offset program costs in the current year. The General Fund provides an allocation of resources to the various functions, where expenditures are not fully recovered through direct program revenues.



Business-Type Activities accounted for the remaining 18% of total revenues and 18% of total expenses, in the amount of $31.8 million and $21.0 million, respectively. The following graph illustrates revenues and expenses for the City's Business-Type Activities: Sanitation, Wastewater, and Nonmajor funds. Operating revenues are generated by charging service fees to customers who use the services. User fees and charges are established with the goal of recovering the cost of providing services.



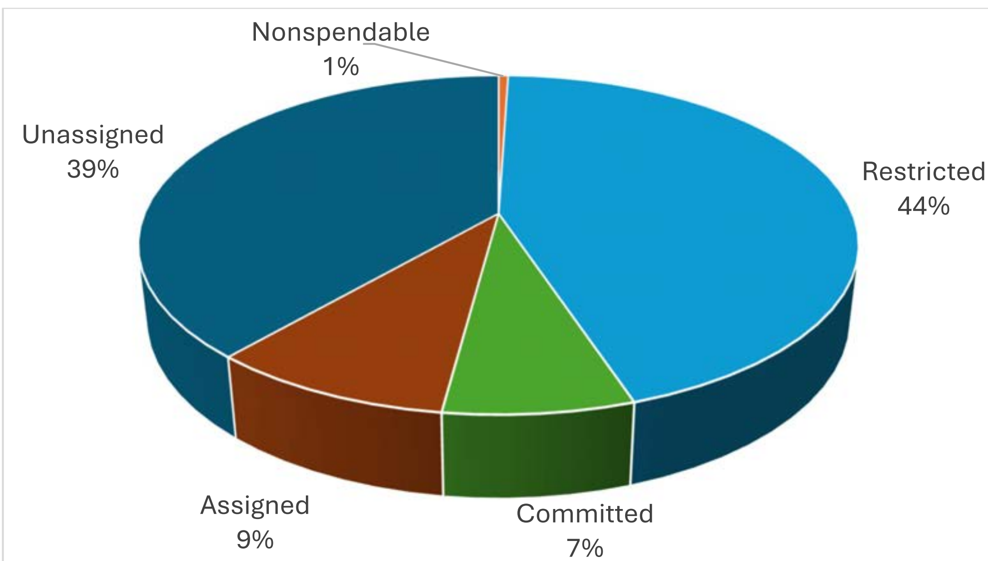
Financial Analysis of the City's Funds

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

Governmental Funds

The focus of governmental fund financial statements is to provide information on near-term inflows, outflows and the balance of spendable resources. All major governmental funds are presented, while nonmajor funds are combined into a single column.

The governmental fund financial statement provides fund balance by major fund, as well as a combined total for nonmajor funds. Fund balance serves as a useful indicator of a government's net resources available for spending at the end of the year. As of June 30, 2025, fund balance for the City's governmental funds totaled $281.9 million. Total fund balance is categorized in one of five types on the financial statements. Nonspendable fund balance totaled $1.4 million, representing fund resources that are not in a form that could be spent. Restricted fund balance totaled $125.1 million, representing fund resources that are subject to restrictions that are legally enforceable by outside parties or enabling legislation. Committed fund balance totaled $20.3 million, representing fund resources that have self-imposed limitations on its use. Assigned fund balance totaled $26.2 million, representing fund resources that are less formally limited. Unassigned fund balance totaled $108.8 million, representing resources that are in spendable form and are not otherwise restricted, committed nor assigned.



The General Fund is the chief operating fund of the City and accounts for our major Governmental Activities, including public safety, community services, planning and development, and general administrative services. The following activity resulted in a positive net change in fund balance of $19.0 million, bringing ending fund balance to $143.3 million. General Fund revenues totaled $103.0 million, an increase of $3.5 million over fiscal year 2024. The increase was driven primarily from plan review, inspection, and land use and zoning fees for various construction projects throughout the City. Additionally, short-term rental permits were introduced in FY 25, increasing the amount of revenue collected for licenses and permits. Other contributing factors to the increase of General Fund revenues were due to increases in investment earnings of $1.0 million and charges for services of $800.5 thousand. Expenditures before transfers (in/out) totaled $58.2 million, an increase of $6.1 million compared to fiscal year 2024. The increase is due to increases in spending for general government, public safety, and culture and recreation, transfers-in and transfers-out totaled $207 thousand and $26.0 million, respectively.

The Highway User Revenue Fund (HURF) is governed by Arizona Revised Statutes. The HURF fund tracks the state allocation of gasoline taxes and other state shared revenues that are restricted for transportation. The following activity resulted in a net change of $2.8 million, bringing ending fund balance to $17.2 million. Revenues totaled $12.4 million, an increase of $0.9 million from the prior fiscal year. This was primarily due to an increase in intergovernmental revenues of $11.5 million and investment earnings of $968 thousand. Expenditures totaled $9.6 million, a decrease of $1.3 million from the prior fiscal year primarily due to a decrease of $686 thousand in streets/and transportation and a decrease of $567 thousand in capital outlay. There were no net transfers-in or out in FY25.

The Grants Fund accounts for resources derived from local, state, and federal grant funding. In fiscal year 2025, the City implemented a new financial ERP system and chose to roll several previously reported nonmajor Governmental funds such as Senior Meals, the Community Development Block Grant, Housing Grants, Tribal Grants and the HOME Grant into the major Governmental Grants fund. The following activity resulted in a net decrease in fund balance of $157.5 thousand, bringing ending fund balance to $73.2 thousand. Revenues totaled $4.5 million, an increase of $2.1 million from the prior fiscal year. Expenditures totaled $4.9 million, an increase of $2.5 million from the prior fiscal year. There were no net transfers-in or out in FY25.

The Capital Replacement and Recreation Development Funds account for accumulated resources and capital expenses related to construction and the replacement of infrastructure and equipment. The following activity resulted in a net decrease in fund balance of $637.6 thousand, bringing ending fund balance to $64.1 million. Revenues totaled $16.3 million, a decrease of $864 thousand from the prior fiscal year primarily to a decrease in city sales tax and intergovernmental revenue collected. Expenditures totaled $25.1 million, an increase of $8.7 million from the prior fiscal year. Expenditure increases were primarily due to increases in capital outlay for various infrastructure projects throughout the City. These projects included the Veregy Energy Efficiency Project intended to improve the City's overall energy efficiency and included replacing interior and exterior lighting to LED lighting, replacing the HVAC system for the IT server room and Finance/HR building, replacing the chiller system for City Hall and installing solar shade parking at the Community Recreation Center. Other major infrastructure projects included road, water, and sewer improvements to support the Pinal County Technology Park (formerly a natural gas tech site) and the rapid industrial growth of the area and key road enhancements such as the installation of medians, new asphalt, and upgraded drainage on Trekell Road between Rodeo and McCartney Roads to improve the traffic flow near Casa Grande Union High School. Net transfers-in totaled $8.1 million in FY25, compared to net transfers-in of $18.3 in the prior fiscal year.

The Development Impact Fee Funds account for accumulated resources and costs associated with necessary infrastructure and public services to provide growth areas with the same level of services provided to existing developments. The following activity resulted in a net decrease in fund balance of $2.0 million, bringing ending fund balance to $37.4 million. Revenues totaled $3.3 million, a decrease of $2.9 million from the prior fiscal year due to a decline in charges for services. Expenditures totaled $5.4 million, an increase of $3.3 million from the prior fiscal year and were a result of increases in capital outlay on such infrastructure projects as the replacement of Fire Station 503 and the installation of traffic signals and the widening of turn lanes at various intersections (Centennial/Pinal roads and Pueblo/Cottonwood roads) within the City. There were no net transfers-in or out in FY25.

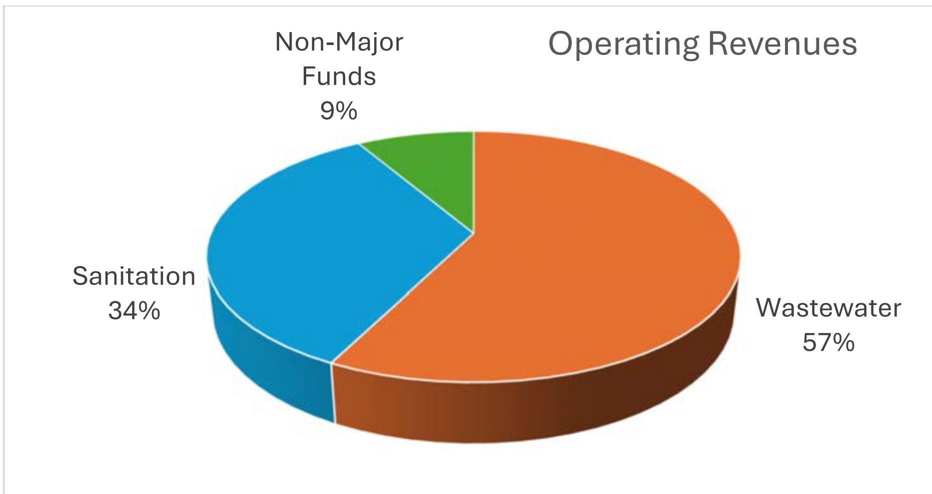
All nonmajor governmental funds are combined into Nonmajor Governmental Funds. The following activity resulted in a net increase in fund balance of $9.5 million, bringing ending fund balance to $19.8 million. Revenues totaled $4.7 million, a decrease of $3.0 million from the prior fiscal year primarily due to a decline in intergovernmental revenues of $2.0 million. Expenditures totaled $11.0 million, a decrease of $7.8 million from the prior fiscal year primarily due to decreases in capital outlay, debt service principal and planning and economic development expenditures of $4.0 million, $1.6 million, and $2.4 million respectively. Net transfers-in totaled $12.0 million in FY25, compared to $9.2 million in the prior fiscal year.

Proprietary Funds

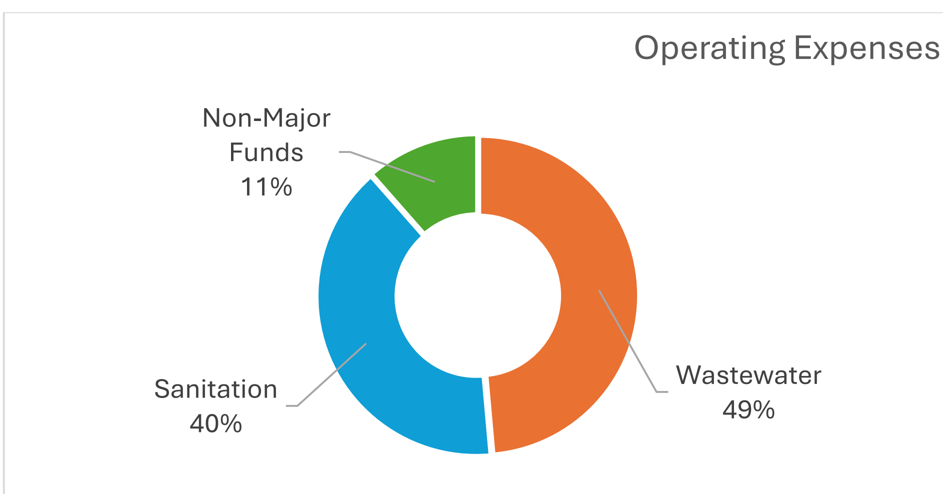
The proprietary funds financial statements are prepared on the same accounting basis and measurement focus as the government-wide financial statements but provide additional detail since each enterprise fund is shown individually on the fund statement. In addition to the enterprise funds, the proprietary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

Consolidated net position of the City's enterprise funds totaled $142.4 million, an increase of $14.8 million from the prior year. The change in net position was based on the following activity.

Consolidated operating revenues totaled $25.4 million, an increase of $0.3 million from the prior year. The chart below illustrates the percentage of revenues that each business-type activity contributed to consolidated revenues. Wastewater, Sanitation, and Nonmajor Fund revenues totaled $14.6 million, $8.6 million and $2.2 million, respectively.



Consolidated operating expenses totaled $20.2, an increase of $1.8 million from the prior year. The chart below illustrates the percentage of expenses that each business-type activity contributed to consolidated expenses. Wastewater, Sanitation and Nonmajor Fund expenses totaled $9.8 million, $8.1 million and $2.3 million, respectively.



Consolidated operating income totaled $5.2 million. Wastewater, Sanitation, and Nonmajor Funds net operating income (loss) totaled $4.8 million, $592 thousand and $(161) thousand, respectively.

After nonoperating revenues and (expenses) of $1.4 million, developer fees of $4.2 million, capital contributions of $34 thousand, and net transfers-in of $3.9 million, the total change in net position totaled $14.8 million.

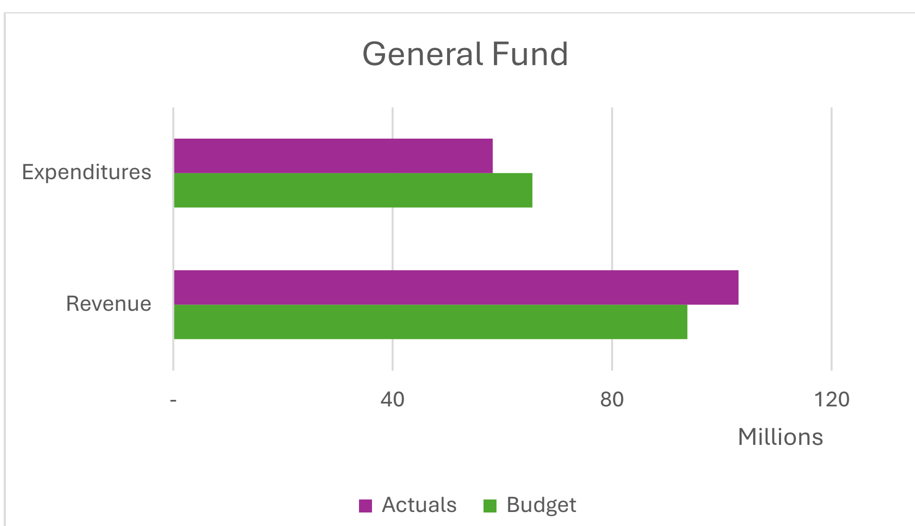
Budgetary Highlights

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

Amendments to the adopted budget may occur throughout the year in a legally permissible manner (see Note 1 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 $370 million during fiscal year 2025, compared to the Economic Estimates Commission Expenditure Limitation of $303 million. Budget amendments between funds or departments or from budgeted contingencies into operational expense/expenditure accounts did occur. However, the total amount of the amended budget remained the same overall.

Actual General Fund revenues of $103 million were $9.3 million more than the estimated $93.7 million of budgeted General Fund revenues. Actual General Fund expenditures of $58.2 million were $7.2 million less than budgeted expenditures of $65.5 million. The most significant differences between estimated revenues and actual revenues were sales tax by $4.4 million, intergovernmental revenues by $1.42 million, and charges for services by $3.49 million. The budget departments with the largest variances below their related appropriations in personnel services and other expenditures included Finance/Information Technology at $1,721,180, the City Manager’s Office at $1,809,563, and Public Safety- Fire at $1,878,885.



Capital Assets and Debt Administration

Capital Assets

As of June 30, 2025, the City had $351.6 million invested in various capital assets, net of accumulated depreciation. Of this amount, $205.0 million (58.3%) is invested in Governmental Activities and $146.6 million (41.7%) is invested in Business-Type Activities.

The table below provides a breakdown of the capital asset balances net of accumulated depreciation at June 30, 2025 and 2024 . Additional information on the City's capital assets may be found in Note 7 Capital Assets.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land and construction in progress	$ 66,114	$ 57,021	$ 62,719	$ 35,654	$ 128,833	$ 92,675
Building and improvements	124,709	115,637	65,457	68,773	190,166	184,410
Heavy machinery and equipment	13,878	11,171	18,393	9,947	32,271	21,118
Right-to-use assets:						
Subscription arrangements	306	906	-	-	306	906
Total	$ 205,007	$ 184,735	$ 146,569	$ 114,374	$ 351,576	$ 299,109

Long-Term Debt

The City's outstanding long-term debt, including bonds, leases, subscriptions, compensated absences, excise tax revenue bonds, net pension liabilities, notes and post closure costs, was $155.9 million at June 30, 2025, with $13.8 million due within one year. Of this total, $124.2 million was in Governmental Activities and $31.6 million was in Business-Type Activities. Of the outstanding debt, $60.5 million is excise tax revenue obligation bond collateralized by the City's excise tax stream.

The following schedule shows the outstanding debt of the City (both current and long term), including the Landfill Closure and Post Closure and Net Pension Liabilities as of June 30, 2025. Further details can be found in Notes 10 through Note 16.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 31,040	$ 32,850	$ -	$ -	$ 31,040	$ 32,850
Subscription payable	65	653	-	-	65	653
Leases payable	647	881	-	-	647	881
Compensated absences	4,467	4,236	367	359	4,834	4,595
Excise tax revenue obligations	60,500	64,960	-	-	60,500	64,960
Bond premium	1,742	1,923	-	-	1,742	1,923
Net pension liability	25,729	24,526	3,522	3,459	29,251	27,985
Notes and loans payable	-	-	22,954	21,332	22,954	21,332
Post closure	-	-	4,778	4,192	4,778	4,192
Total	$ 124,190	$ 130,029	$ 31,621	$ 29,342	$ 155,811	$ 159,371

Economic Factors

The local economy continues to experience consistent growth. Casa Grande's population has grown steadily since FY2016, when the city's population was 51,460. The growth rate has averaged approximately 6.5% since 2020. Casa Grande's current population is 70,156. The unemployment rate in Casa Grande (Pinal County) has improved from 6.7% in FY2016 to 4.1% in FY25. In FY25, the City experienced continual growth with the expansion of advanced manufacturing companies and continued development of both single-family and multi-family housing.

Projects in Casa Grande

During fiscal year 2025, Lucid added more employees as it began ramping up to begin production of its SUV, the Gravity. Lucid currently employs approximately 2,800 at its AMP1 facility.

New businesses planned and opened include Target (announced it is re-opening), Jersey Mike's Subs, Aldi, Hobby Lobby, EOS Sports, and CG Tactical Firearms. Industrial and manufacturing projects announced, underway, or now operational include NRS Logistics, KPTC, Chlorum Solutions, Chameleon Chemicals, Waste Management Recycling, Sunlit, and EFP and Triumvirate (both expansions). These companies represent upwards of 400 new jobs and help to further diversify the economy and assist with attracting additional companies to Casa Grande.

The housing market experienced a significant slowdown in fiscal year 2025, with 257 new single-family building permits issued, down from 759 in fiscal year 2024. This represents a substantial decrease in single-family construction activity year-over-year. During fiscal year 2025, the City issued 182 permits for Build-to-Rent single-family homes. In addition, 30 permits were issued for the construction of 512 apartment units. While traditional single-family construction declined notably, multi-family development activity remained present, with several of these projects currently underway.

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, Arizona 85122 or send an e-mail to mailto:finance@casagrandeaz.gov. Copies of this report and other financial information can also be found on the City's website www.casagrandeaz.gov.

Financial Section

Basic Financial Statements

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

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

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

Fiduciary Funds Financial Statements - Include the Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position that use the accrual basis of accounting for financial reporting.

Notes to Financial Statements

City of Casa Grande, Arizona

Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	$ 150,668,807	$ 10,820,326	$ 161,489,133
Investments	133,268,923	18,383,261	151,652,184
Receivables, net	4,977,199	2,800,751	7,777,950
Lease receivables	1,728,640	-	1,728,640
Internal balances	460,740	(460,740)	-
Due from other governments	8,535,140	2,399,369	10,934,509
Inventories	760,394	210,194	970,588
Prepaids	522,140	-	522,140
Restricted cash and cash equivalents	5,718,620	-	5,718,620
Capital assets, not being depreciated/amortized	66,114,015	62,719,226	128,833,241
Capital assets, being depreciated/amortized, net	138,893,334	83,849,829	222,743,163
Total assets	511,647,952	180,722,216	692,370,168
Deferred Outflows of Resources			
Deferred outflows of resources related to pensions	13,118,230	687,625	13,805,855
Deferred amount on refunding	1,213,608	-	1,213,608
Total deferred outflows of resources	14,331,838	687,625	15,019,463
Liabilities			
Accounts payable and other current liabilities	10,306,937	4,598,810	14,905,747
Retainages payable	409,803	1,609,161	2,018,964
Deposits held	3,255,745	777,972	4,033,717
Accrued wages and benefits	2,483,397	28,261	2,511,658
Accrued interest payable	941,389	159,878	1,101,267
Unearned revenue	278,397	-	278,397
Noncurrent liabilities:			
Due within one year:			
Compensated absences	2,010,350	165,677	2,176,027
Subscription payable	64,563	-	64,563
Leases payable	248,000	-	248,000
Notes/loans payable	-	3,994,784	3,994,784
Excise tax revenue obligations	5,070,000	-	5,070,000
Bonds payable	2,285,000	-	2,285,000
Due in more than one year:			
Compensated absences	2,457,096	202,170	2,659,266
Leases payable	399,000	-	399,000
Notes/loans payable	-	18,958,832	18,958,832
Excise tax revenue obligations	55,430,000	-	55,430,000
Bonds payable	30,497,377	-	30,497,377
Closure and postclosure liability	-	4,777,959	4,777,959
Net pension liability	25,729,050	3,522,382	29,251,432
Total liabilities	141,866,104	38,795,886	180,661,990
Deferred Inflows of Resources			
Deferred inflows of resources related to pensions	1,928,078	247,676	2,175,754
Deferred inflows of resources related to leases	1,652,079	-	1,652,079
Total deferred inflows of resources	3,580,157	247,676	3,827,833
Net Position			
Net investment in capital assets	166,662,214	122,006,278	288,668,492
Restricted for:			
Highways and streets	17,215,102	-	17,215,102
Grant purposes	73,288	-	73,288
Public safety purposes	615,806	-	615,806
Debt service	5,660,591	-	5,660,591
Capital projects	101,548,451	24,315,875	125,864,326
Unrestricted	88,758,077	(3,955,874)	84,802,203
Total net position	$ 380,533,529	$ 142,366,279	$ 522,899,808

See notes to financial statements

City of Casa Grande, Arizona

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Primary Government							
Governmental activities:							
General government	$ 30,761,607	$ 1,255,589	$ 1,058,142	$ 435,763	$ (28,012,113)	$ -	$ (28,012,113)
Public safety	30,842,152	4,365,316	2,857,614	987,461	(22,631,761)	-	(22,631,761)
Streets/transportation	1,139,933	-	5,619,460	978,812	5,458,339	-	5,458,339
Public works	12,939,144	1,668,650	-	214,101	(11,056,393)	-	(11,056,393)
Culture and recreation	10,820,031	1,392,029	333,923	918,631	(8,175,448)	-	(8,175,448)
Economic development	4,165,782	4,174,548	1,161,120	2,122	1,172,008	-	1,172,008
Interest on long-term debt	1,994,417	-	-	-	(1,994,417)	-	(1,994,417)
Total governmental activities	92,663,066	12,856,132	11,030,259	3,536,890	(65,239,785)	-	(65,239,785)
Business-type activities:							
Water	441,301	257,643	-	-	-	(183,658)	(183,658)
Wastewater	10,572,518	14,616,505	-	4,184,371	-	8,228,358	8,228,358
Sanitation	8,070,426	8,662,158	-	-	-	591,732	591,732
Golf course	1,877,315	1,898,381	-	-	-	21,066	21,066
Total business-type activities	20,961,560	25,434,687	-	4,184,371	-	8,657,498	8,657,498
Total primary government	$ 113,624,626	$ 38,290,819	$ 11,030,259	$ 7,721,261	(65,239,785)	8,657,498	(56,582,287)
General Revenues							
Property taxes					8,418,696	-	8,418,696
Sales taxes					62,996,727	31,812	63,028,539
Franchise taxes					3,375,880	-	3,375,880
Shared revenues, unrestricted:							
State sales taxes					9,842,921	-	9,842,921
Urban revenue sharing					13,559,917	-	13,559,917
Auto-in-lieu					4,876,521	-	4,876,521
Investment income:							
Interest earnings					13,824,468	2,148,571	15,973,039
Gain on disposal of capital assets					4,049,476	-	4,049,476
Miscellaneous					526,190	-	526,190
Transfers in/(out) and capital contributions					(3,937,669)	3,937,669	-
Total general revenues and transfers					117,533,127	6,118,052	123,651,179
Change in net position					52,293,342	14,775,550	67,068,892
Net Position, Beginning					328,240,187	127,590,729	455,830,916
Net Position, Ending					$ 380,533,529	$ 142,366,279	$ 522,899,808

See notes to financial statements

Financial Section

Governmental Funds Financial Statements

City of Casa Grande, Arizona

Balance Sheet - Governmental Funds

June 30, 2025

	General	Highway Users	Grants	Capital Replacement/ Recreation/ Development	Development Impact Fee Funds	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Assets							
Cash and cash equivalents	$ 53,615,823	$ 9,045,506	$ -	$ 37,405,654	$ 32,943,481	$ 16,237,396	$ 149,247,860
Investments	87,031,936	9,717,087	-	28,691,561	5,310,823	2,517,516	133,268,923
Accounts receivable, net	2,902,192	1,100	189,071	-	-	1,884,836	4,977,199
Lease receivables	1,302,292	-	-	-	-	426,348	1,728,640
Due from other governments	5,011,930	1,541,040	1,036,123	877,817	-	68,230	8,535,140
Due from other funds	2,297,451	-	-	-	-	-	2,297,451
Inventories	-	-	-	-	-	56,305	56,305
Prepaids	97,830	-	-	424,310	-	-	522,140
Restricted assets, cash and cash equivalents	3,060,098	-	-	-	-	2,658,522	5,718,620
Advances to other funds	787,988	-	-	-	-	-	787,988
Total assets	$ 156,107,540	$ 20,304,733	$ 1,225,194	$ 67,399,342	$ 38,254,304	$ 23,849,153	$ 307,140,266
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable and other current liabilities	$ 2,906,740	$ 2,258,782	$ 218,894	$ 3,307,199	$ 856,994	$ 90,214	$ 9,638,823
Retainages payable	409,803	-	-	-	-	-	409,803
Deposits held	3,247,878	-	-	-	-	7,867	3,255,745
Accrued wages and benefits	2,416,670	42,861	15,222	-	-	1,597	2,476,350
Due to other funds	-	-	114,914	-	-	1,721,797	1,836,711
Unearned revenue	-	-	278,397	-	-	-	278,397
Advance from other funds	-	787,988	-	-	-	-	787,988
Total liabilities	8,981,091	3,089,631	627,427	3,307,199	856,994	1,821,475	18,683,817
Deferred Inflows of Resources							
Unavailable revenue	2,571,833	-	524,479	-	-	1,800,710	4,897,022
Leases	1,245,019	-	-	-	-	407,060	1,652,079
Total deferred inflows of resources	3,816,852	-	524,479	-	-	2,207,770	6,549,101
Fund Balances							
Nonspendable	943,091	-	-	424,310	-	75,593	1,442,994
Restricted	-	17,215,102	73,288	53,480,244	37,397,310	16,947,294	125,113,238
Committed	15,780,589	-	-	-	-	4,528,720	20,309,309
Assigned	16,009,518	-	-	10,187,589	-	-	26,197,107
Unassigned (deficit)	110,576,399	-	-	-	-	(1,731,699)	108,844,700
Total fund balances	143,309,597	17,215,102	73,288	64,092,143	37,397,310	19,819,908	281,907,348
Total liabilities, deferred inflows of resources and fund balances	$ 156,107,540	$ 20,304,733	$ 1,225,194	$ 67,399,342	$ 38,254,304	$ 23,849,153	$ 307,140,266

See notes to financial statements

Fund Balance, Total Governmental Funds Balance Sheet		$ 281,907,348
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds:		
Governmental capital assets	$ 510,057,904	
Governmental right-to-use lease and subscription assets	4,651,641	
Less accumulated depreciation/amortization	(310,807,044)	
Internal service capital assets	1,513,669	
Less internal service accumulated depreciation/amortization	(408,821)	205,007,349
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	(4,359,763)	
Subscription-based information technology arrangements	(64,563)	
Leases	(647,000)	
Bonds payable	(91,540,000)	
Bond premiums	(1,742,377)	
Net pension liability	(24,836,103)	(123,189,806)
Delayed revenue is shown on the governmental funds, but is not on the statement of net position:		
Property tax, grants, and other revenue		4,897,022
Deferred outflows and inflows of resources related to pensions and deferred charges on debt refundings are applicable to future reporting periods, and therefore, are not reported in the funds:		
Deferred amount on refunding	1,213,608	
Deferred outflows of resources related to pensions	12,955,261	
Deferred inflows of resources related to pensions	(1,872,364)	12,296,505
Interest payable on long-term debt is not reported in the governmental funds.		(941,389)
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
The assets, deferred outflows of resources, liabilities and deferred inflow of resources of the internal services funds are reported with governmental activities.		556,500
Net Position of Governmental Activities, Statement of Net Position		$ 380,533,529

See notes to financial statements

	General	Highway Users	Grants	Capital Replacement/ Recreation/ Development	Development Impact Fee Funds	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes:							
Property taxes	$ 5,763,392	$ -	$ -	$ -	$ -	$ 2,655,970	$ 8,419,362
City sales tax	43,855,418	-	-	12,940,004	-	485,710	57,281,132
Franchise tax	3,375,880	-	-	-	-	-	3,375,880
Licenses and permits	5,045,172	-	7,500	-	-	-	5,052,672
Intergovernmental revenues	28,812,164	11,457,822	4,361,842	534,640	-	46,166	45,212,634
Charges for services	5,323,720	-	110,483	-	2,797,347	794,509	9,026,059
Fines	689,458	-	-	-	-	-	689,458
Investment earnings	9,075,268	968,900	-	2,861,462	544,253	374,585	13,824,468
Contributions and donations	112,679	-	4,827	-	-	-	117,506
Rental income	512,253	-	-	-	-	337,429	849,682
Miscellaneous	462,234	-	8	9,665	-	54,283	526,190
Total revenues	103,027,638	12,426,722	4,484,660	16,345,771	3,341,600	4,748,652	144,375,043
Expenditures							
Current:							
General government	11,623,126	-	1,007,530	-	28,932	108,239	12,767,827
Public safety	32,869,684	-	2,091,787	-	-	1,796	34,963,267
Streets/transportation	-	5,710,231	-	-	-	-	5,710,231
Public works	1,583,659	-	1,500	-	-	1,002,913	2,588,072
Culture and recreation	9,108,659	-	228,855	-	-	498,149	9,835,663
Planning and economic development	3,045,060	-	1,077,455	-	-	-	4,122,515
Capital outlay	18,773	3,901,461	519,428	25,079,721	5,332,511	327,061	35,178,955
Debt service:							
Principal	-	-	-	-	-	6,504,000	6,504,000
Interest and fiscal charges	-	16,979	-	-	-	2,537,224	2,554,203
Total expenditures	58,248,961	9,628,671	4,926,555	25,079,721	5,361,443	10,979,382	114,224,733
Excess (deficiency) of revenues over (under) expenditures	44,778,677	2,798,051	(441,895)	(8,733,950)	(2,019,843)	(6,230,730)	30,150,310
Other Financing Sources (Uses)							
Sale of assets	19,683	-	-	-	-	4,029,793	4,049,476
Transfers in	207,062	-	-	12,000,000	-	12,188,982	24,396,044
Transfers out	(25,978,982)	-	-	(3,903,631)	-	(207,062)	(30,089,675)
Total other financing sources (uses)	(25,752,237)	-	-	8,096,369	-	16,011,713	(1,644,155)
Net change in fund balances	19,026,440	2,798,051	(441,895)	(637,581)	(2,019,843)	9,780,983	28,506,155
Fund Balances, Beginning	124,275,372	14,417,051	230,783	64,729,724	39,417,153	10,331,110	253,401,193
Change within financial reporting entity	7,785		284,400			(292,185)	-
Fund Balances, Ending	$ 143,309,597	$ 17,215,102	$ 73,288	$ 64,092,143	$ 37,397,310	$ 19,819,908	$ 281,907,348

See notes to financial statements

City of Casa Grande, Arizona

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds		$ 28,506,155
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/amortization expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current period:		
Expenditures for capital assets	$ 34,840,382	
Less current year depreciation/amortization	(14,658,639)	20,181,743
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to decrease net position:		
Loss on capital assets		(132,356)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Property taxes, permit revenues, grants and other revenue		485,814
City pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported net pension liability is measured a year before the City's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the statement of activities:		
City pension contributions	4,188,965	
Pension expense	(7,905,112)	(3,716,147)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is issued, whereas these amounts are amortized in the statement of activities:		
Bond payments	6,270,000	
Amortization of bond premium	181,100	
Deferred amount on refunding	(159,613)	
Subscription payments	588,792	
Lease payments	234,000	7,114,279
The internal service fund net revenue is reported with governmental activities.		137,993
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds:		
Compensated absences	(228,046)	
Interest expense on long-term debt	(56,093)	(284,139)
Change in Net Position of Governmental Activities		$ 52,293,342

See notes to financial statements

Financial Section

Proprietary Fund Financial Statements

City of Casa Grande, Arizona

Statement of Net Position - Proprietary Funds
June 30, 2025

	Business-Type Activities - Enterprise Funds						Governmental Activities -
	(Previous Year Major Fund) Water	Wastewater	Sanitation	(Previous Year Major Fund) Golf Course	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Assets							
Current assets:							
Cash and cash equivalents	$ -	$ 2,889,986	$ 6,713,210	$ -	$ 1,217,130	$ 10,820,326	$ 1,420,947
Investments	-	8,894,904	9,488,357	-	-	18,383,261	-
Receivables, net	-	4,077,142	1,060,644	-	62,334	5,200,120	-
Inventories	-	-	164,118	-	46,076	210,194	704,089
Total current assets	-	15,862,032	17,426,329	-	1,325,540	34,613,901	2,125,036
Noncurrent assets:							
Capital assets, not being depreciated/amortized	-	62,139,950	133,807	-	445,469	62,719,226	383,012
Capital assets, being depreciated/amortized, net	-	73,301,984	9,086,613	-	1,461,232	83,849,829	721,836
Total noncurrent assets	-	135,441,934	9,220,420	-	1,906,701	146,569,055	1,104,848
Total assets	-	151,303,966	26,646,749	-	3,232,241	181,182,956	3,229,884
Deferred Outflows of Resources							
Deferred outflows of resources related to pensions	-	195,679	450,752	-	41,194	687,625	162,969
Liabilities							
Current liabilities:							
Accounts payable	-	4,232,411	205,672	-	160,727	4,598,810	668,114
Retainages payable	-	1,609,161	-	-	-	1,609,161	-
Deposits held	-	389,337	385,350	-	3,285	777,972	-
Accrued wages and benefits	-	9,056	16,364	-	2,841	28,261	7,047
Accrued interest payable	-	159,878	-	-	-	159,878	-
Due to other funds	-	-	-	-	460,740	460,740	-
Compensated absences	-	52,222	102,682	-	10,773	165,677	48,457
Notes/loans payable	-	3,994,784	-	-	-	3,994,784	-
Total current liabilities	-	10,446,849	710,068	-	638,366	11,795,283	723,618
Noncurrent liabilities:							
Compensated absences	-	63,506	125,497	-	13,167	202,170	59,226
Notes/loans payable	-	18,958,832	-	-	-	18,958,832	-
Closure and postclosure liability	-	-	4,777,959	-	-	4,777,959	-
Net pension liability	-	1,032,660	2,293,722	-	196,000	3,522,382	892,947
Total noncurrent liabilities	-	20,054,998	7,197,178	-	209,167	27,461,343	952,173
Total liabilities	-	30,501,847	7,907,246	-	847,533	39,256,626	1,675,791
Deferred Inflows of Resources							
Deferred inflows of resources related to pensions	-	77,263	157,414	-	12,999	247,676	55,714
Net Position							
Net investment in capital assets	-	110,879,157	9,220,420	-	1,906,701	122,006,278	1,104,848
Restricted for:							
Capital projects	-	24,315,875	-	-	-	24,315,875	-
Unrestricted (deficit)	-	(14,274,497)	9,812,421	-	506,202	(3,955,874)	556,500
Total net position (deficit)	$ -	$ 120,920,535	$ 19,032,841	$ -	$ 2,412,903	$ 142,366,279	$ 1,661,348

See notes to financial statements

City of Casa Grande, Arizona

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds						Governmental Activities -
	(Previous Year Major Fund) Water	Wastewater	Sanitation	(Previous Year Major Fund) Golf Course	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues							
Service fees	$ -	$ 14,609,407	$ 8,655,774	$ -	$ 626,078	$ 23,891,259	$ 4,386,692
Rental	-	-	-	-	340,848	340,848	-
Green fees	-	-	-	-	1,184,381	1,184,381	-
Miscellaneous	-	7,098	6,384	-	4,717	18,199	590,105
Total operating revenues	-	14,616,505	8,662,158	-	2,156,024	25,434,687	4,976,797
Operating Expenses							
Personal services	-	1,518,920	2,984,518	-	520,179	5,023,617	1,291,703
Contractual services	-	3,412,997	1,536,815	-	1,144,670	6,094,482	3,354,998
Materials and supplies	-	1,297,374	1,187,125	-	335,446	2,819,945	1,945,480
Depreciation	-	3,571,552	1,775,798	-	316,654	5,664,004	36,623
Closure and postclosure costs	-	-	586,170	-	-	586,170	-
Other expenses	-	10,052	-	-	-	10,052	-
Total operating expenses	-	9,810,895	8,070,426	-	2,316,949	20,198,270	6,628,804
Operating income (loss)	-	4,805,610	591,732	-	(160,925)	5,236,417	(1,652,007)
Nonoperating Revenues (Expense)							
Investment earnings	-	1,086,697	1,056,593	-	5,281	2,148,571	-
Interest expense	-	(761,623)	-	-	-	(761,623)	-
City sales tax	-	-	-	-	31,812	31,812	-
Gain (loss) on sale of equipment	-	-	-	-	(1,667)	(1,667)	-
Total nonoperating revenues (expense)	-	325,074	1,056,593	-	35,426	1,417,093	-
Income (loss) before developer fees, capital contributions and transfers	-	5,130,684	1,648,325	-	(125,499)	6,653,510	(1,652,007)
Developer Fees	-	4,184,371	-	-	-	4,184,371	-
Capital Contributions	-	34,038	-	-	-	34,038	-
Transfers in	-	4,420,983	-	-	-	4,420,983	1,790,000
Transfers Out	-	(517,352)	-	-	-	(517,352)	-
Change in net position	-	13,252,724	1,648,325	-	(125,499)	14,775,550	137,993
Net Position, Beginning	(57,582)	107,667,811	17,384,516	2,595,984	-	127,590,729	1,523,355
Change within financial reporting entity From Major Fund to Nonmajor Fund	57,582	-	-	(2,595,984)	2,538,402	-	-
Net Position, Ending	$ -	$ 120,920,535	$ 19,032,841	$ -	$ 2,412,903	$ 142,366,279	$ 1,661,348

See notes to financial statements

City of Casa Grande, Arizona

Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds						Governmental Activities -
	(Previous Year Major Fund) Water	Wastewater	Sanitation	(Previous Year Major Fund) Golf Course	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows From Operating Activities							
Receipts from customers and users	$ -	$ 14,791,417	$ 8,691,336	$ -	$ 2,166,125	$ 25,648,878	$ 5,186,794
Receipt (payments) from/to other funds	-	-	-	-	159,637	159,637	-
Payments to suppliers	-	(5,578,595)	(4,931,267)	-	(1,491,522)	(12,001,384)	(5,034,534)
Payments to employees	-	(1,523,764)	(3,001,148)	-	(527,680)	(5,052,592)	(1,301,030)
Net cash provided by (used in) operating activities	-	7,689,058	758,921	-	306,560	8,754,539	(1,148,770)
Cash Flows From Noncapital Financing Activities							
Proceeds from city sales tax	-	-	-	-	31,812	31,812	-
Transfers to other funds		(517,352)				(517,352)	-
Transfers from other funds	-	4,420,983	-	-	-	4,420,983	1,790,000
Net cash provided by (used in) noncapital financing activities	-	3,903,631	-	-	31,812	3,935,443	1,790,000
Cash Flows From Capital and Related Financing Activities							
Purchases of capital assets	-	(35,478,154)	(1,929,966)	-	(665,235)	(38,073,355)	(260,191)
Proceeds from capital debt	-	4,007,774	-	-	-	4,007,774	-
Proceeds from developer contributions	-	4,184,371	-	-	-	4,184,371	-
Principal paid on capital debt	-	(3,629,468)	-	-	-	(3,629,468)	-
Interest paid on capital debt	-	(802,441)	-	-	-	(802,441)	-
Net cash provided by (used in) capital and related financing activities	-	(31,717,918)	(1,929,966)	-	(665,235)	(34,313,119)	(260,191)
Cash Flows From Investing Activities							
Purchase of investments	-	-	(610,218)	-	-	(610,218)	-
Proceeds from sale of investments	-	686,607	-	-	-	686,607	-
Interest and dividends received	-	1,086,697	1,056,593	-	5,281	2,148,571	-
Net cash provided by (used in) investing activities	-	1,773,304	446,375	-	5,281	2,224,960	-
Net increase (decrease) in cash	-	(18,351,925)	(724,670)	-	(321,582)	(19,398,177)	381,039
Cash and Cash Equivalents, Beginning	-	21,241,911	7,437,880	-	1,538,712	30,218,503	1,039,908
Cash and Cash Equivalents, Ending	$ -	$ 2,889,986	$ 6,713,210	$ -	$ 1,217,130	$ 10,820,326	$ 1,420,947

See notes to financial statements

	Business-Type Activities - Enterprise Funds						Governmental Activities -
	(Previous Year Major Fund) Water	Wastewater	Sanitation	(Previous Year Major Fund) Golf Course	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities							
Operating income (loss)	$ -	$ 4,805,610	$ 591,732	$ -	$ (160,925)	$ 5,236,417	$ (1,652,007)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Closure and postclosure costs	-	-	586,170	-	-	586,170	-
Depreciation expense	-	3,571,552	1,775,798	-	316,654	5,664,004	36,623
Provision for bad debt	-	29,427	10,748	-	-	40,175	-
(Increase) decrease in:							
Prepaid expense	-	-	-	-	8,000	8,000	-
Accounts receivable	-	150,158	22,782	-	8,401	181,341	495,148
Inventory	-	-	(91,993)	-	(5,590)	(97,583)	(171,390)
Due from other funds	-	-	-	-	-	-	-
Deferred outflows of resources related to pensions	-	(76,601)	(132,324)	-	(14,910)	(223,835)	(61,127)
Increase (decrease) in:							
Accounts payable	-	(858,172)	(2,115,334)	-	(13,816)	(2,987,322)	437,334
Due to other funds	-	-	-	-	159,637	159,637	-
Deposits held	-	(4,673)	(4,352)	-	1,700	(7,325)	(285,151)
Accrued wages	-	5,685	8,519	-	1,419	15,623	3,973
Compensated absences	-	17,189	(1,871)	-	(6,604)	8,714	3,166
Net pension liabilities	-	18,252	40,717	-	4,702	63,671	16,675
Deferred inflows of resources related to pensions	-	30,631	68,329	-	7,892	106,852	27,986
Total adjustments	-	2,883,448	167,189	-	467,485	3,518,122	503,237
Net cash provided by (used in) operating activities	$ -	$ 7,689,058	$ 758,921	$ -	$ 306,560	$ 8,754,539	$ (1,148,770)
Schedule of Noncash Investing, Capital and Financing Activities							
Loss on disposal of assets	$ -	$ -	$ -	$ -	$ 1,667	$ 1,667	$ -
Contributed capital	$ -	$ 34,038	$ -	$ -	$ -	$ 34,038	$ -

See notes to financial statements

Financial Section

Fiduciary Funds

City of Casa Grande, Arizona

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2025

	Part-Time Firemen's Pension Trust
Assets	
Cash	$ 7,647
Investments at fair value:	
Mutual funds	578,782
Total assets	$ 586,429
Liabilities	
Accounts payable	$ -
Total liabilities	-
Net Position	
Net position restricted for pensions	$ 586,429

See notes to financial statements

City of Casa Grande, Arizona

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
Year Ended June 30, 2025

	Part-Time Firemen's Pension Trust
Additions	
Investment earnings:	
Interest and dividends	$ 29,445
Net increase in the fair value of investments	41,314
Total additions	70,759
Deductions	
Administrative expenses	14,115
Beneficiary payments to individuals	39,200
Total deductions	53,315
Change in fiduciary net position	17,444
Net Position, Beginning	568,985
Net Position, Ending	$ 586,429

See notes to financial statements

Financial Section

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies and financial reporting practices of City of Casa Grande, Arizona (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.

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 Districts' 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.

Government-Wide and Fund Financial Statements

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

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

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

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

Basis of Presentation - Fund Accounting

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

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

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

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

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

Fiduciary Funds

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

At June 30, 2025, the City had one fiduciary fund considered a pension trust fund used to report resources that are required to be held in trust for the members and beneficiaries of the part-time firemen's pension plan.

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.

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

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

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

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

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

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

The portion of property tax levies available on June 30, 2025, 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, internal service, and fiduciary funds are accounted for using the accrual basis of accounting. Proprietary and internal service funds use the economic resource measurement focus and the fiduciary funds have no measurement focus. 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.

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 1.
- 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, 2025.
- 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.

Cash, Cash Equivalents and Investments

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

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

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

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

Inventories

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

Capital Assets

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

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

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

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

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

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

	Years
Sewer systems	20 to 50
Street systems	20 to 30
Streetlights and traffic control devices	20
Other improvements and landscaping	15
Vehicles	3 to 15
Equipment	5 to 10
Furniture and fixtures	5 to 10
Computers/software	3

Intangible right-to-use lease assets are amortized over the shorter of the term or the useful life of the underlying asset, unless the lease contains a purchase option that the City is reasonably certain of being exercised, then the lease asset is amortized over the useful life of the underlying asset.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

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 assets that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will be recognized as revenue in future periods.

Post-Employment Benefits

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

ASRS and PSPRS net OPEB asset (liabilities) have not been recorded, or further disclosed at June 30, 2025 in accordance with GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, due to the relative insignificance to the City's financial statements.

Compensated Absences

Different measurement focuses for governmental and proprietary funds were considered when determining the compensated absences liability. Because the measurement focus for proprietary funds is the determination of net income, current and long-term liabilities are recorded in the accounting records. The measurement focus for governmental funds is the flow of financial resources; expenditures for vacation time are accrued as current liabilities only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement). The City is following the new GASB 101 when recognizing liabilities on unused leave.

Employees with a hire date between July 1, 2018 and June 30, 2025 are in the Paid Time Off (PTO) program. Those hired prior to July 1, 2018 were in the traditional vacation/sick program. On July 1, 2018 they had a one time option to move to PTO or stay in their original plan.

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

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

The traditional vacation/sick leave program allows city employees with less than 10 years of service to be granted nonvesting sick leave. Employees with 10 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.

Leases and Subscription-Based Information Technology Arrangements

Leases

Lessee - As lessee, the City recognizes lease liabilities with an initial, individual value of $350,000 or more. The City uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The City's estimated incremental borrowing rate is based on the average interest rate of other financing instruments with similar terms and risks as those currently entered into by the City.

Lessor - As lessor, the City recognizes lease receivables with an initial, individual value of $33,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the City charges the lessee) and the implicit rate cannot be determined, the City uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The City's estimated incremental borrowing rate is calculated as described above.

At the commencement of the lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Subscription-Based Technology Arrangements

The City recognizes subscription liabilities with an initial, individual value of $33,000 or more. The City uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The City's estimated incremental borrowing rate is calculated as described above.

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.

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.

Fund Equity

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

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 Nonspendable, Restricted, Committed, Assigned and Unassigned. Nonspendable and Restricted fund balances represent the restricted classifications and Committed, Assigned and Unassigned represent the unrestricted classifications.

Nonspendable 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.

Expenditures Over Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level for the General Fund and at the Fund level for all other budgeted funds. The individual schedules of revenues, expenditures and changes in fund balance - budget and actual reports found in the required supplementary information and the supplementary information present all of the departments and funds which incurred an excess of expenditures/expenses over appropriations for the year ended June 30, 2025, if any.

Change in Reporting Entity

Reclassification of Major and Nonmajor Fund Presentation

In fiscal year 2025, the City reevaluated the criteria for major fund reporting in accordance with GASB Statement No. 34 and its related guidance. As a result of changes in (1) financial activity levels and/or (2) qualitative considerations, the following changes occurred in the presentation of major funds:

The Water and Golf Course Funds no longer met the quantitative thresholds for major fund classification and is presented as a nonmajor enterprise fund for fiscal year 2025.

This change represents a change in financial statement presentation related to major fund determination and does not reflect a change in accounting principle, reporting entity, or measurement focus. In accordance with GASB Statement No. 100, Accounting Changes and Error Corrections, this change is considered a presentation change.

The change in major fund presentation did not affect total fund balances, net position, or results of operations for the governmental activities or individual fund types. This change impacts only the classification and display of funds within the financial statements.

Management will continue to evaluate the classification of funds annually to ensure compliance with GASB requirements.

Change in Funds Presentation

During the current fiscal year, the City consolidated several previously reported nonmajor special revenue grant funds into a single special revenue grant fund, a major fund. Management determined that combining these funds better reflects the manner in which grant resources are administered and improves the clarity of the financial statements.

This change represents a change in financial statement presentation and does not affect the City's total fund balance, net position, or results of operations. Prior year amounts have not been reclassified to conform to the current year presentation.

2. Cash and Investments

The carrying amount of the City's cash in bank totaled $5,721,246 from which $5,713,598 are City deposits and $7,647 are fiduciary deposits, and the bank balance for those deposits was $7,181,407. The City had cash on hand of $5,944. Federal Depository Insurance covered the City's deposits at June 30, 2025, to the extent of $750,000. Deposits of $6,192,686 were collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City's name. Casa Grande does not have a deposit policy for custodial credit risk.

In addition, the City holds certificates of deposit with Western State Bank totaling $272,262 at June 30, 2025.

Investments

The City's policy is to invest unrestricted cash in the Local Government Investment Pool 7 (LGIP), an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. The LGIP is not registered with the Securities Exchange Commission under the 1940 Investment Advisors Act. The State Board of Investment has oversight responsibilities of the investment pool pursuant to ARS 35-311. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the City held.

The fair value of a participant's position in the pools approximates the value of that participant's pool shares. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy. Funds held in the State Treasurer's Local Government Investment Pool represent a proportionate interest in the pool's portfolio; however, the City's portion is not identified with specific investments and is not subject to custodial credit risk. At June 30, 2025, the City's funds invested with the State Treasurer totaled $158,829,690.

The City also holds $151,379,921 invested with PFM Asset Management, LLC, $2,658,522 with Zions Bank and $578,782 with Charles Schwab. The accounts are invested in U.S. Treasury securities, U.S. Government bonds, certificates of deposit and corporate debt securities.

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

	Governmental Activities	Business-Type Activities	Fiduciary Fund	Total
Cash and cash equivalents	$ 150,668,807	$ 10,820,326	$ 7,647	$ 161,496,780
Investments	133,268,923	18,383,261	578,782	152,230,966
Restricted cash and cash equivalents	5,718,620	-	-	5,718,620
Total	$ 289,656,350	$ 29,203,587	$ 586,429	$ 319,446,366

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:

		Remaining Maturity (in Months)			
Investment Type	**Amount**	**12 Months or Less**	**13 to 24 Months**	**25 to 60 Months**	**More Than 60 Months**
U.S. Treasury notes	$ 84,467,293	$ -	$ 42,301,389	$ 42,165,904	$ -
Supra-National Agency Bond	1,385,350	-	1,385,350	-	-
Federal agency commercial mortgage-backed security	18,794,285	2,803,370	7,558,956	8,431,959	-
Corporate note	40,966,828	3,388,411	17,139,391	20,439,026	-
Certificate of deposit	3,742,592	272,262	3,470,330	-	-
Bank note	714,538	-	-	714,538	-
Money market	4,239,818	4,239,818	-	-	-
Mutual funds	578,782	578,782	-	-	-
State Investment Pool 7 (LGIP)	158,829,690	158,829,690	-	-	-
Total	$ 313,719,176	$ 170,112,333	$ 71,855,416	$ 71,751,427	$ -

Custodial Credit Risk

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

Investment Type	Rating	Agency	Total
U.S. Treasury notes	AA+	S&P	$ 84,467,293
Supra-National Agency Bond	AAA	S&P	1,385,350
Federal agency commercial mortgage-backed security	AA+	S&P	18,794,285
Corporate note	AAA	S&P	325,369
Corporate note	AA-	S&P	7,535,999
Corporate note	A+	S&P	10,193,675
Corporate note	A	S&P	11,513,067
Corporate note	A-	S&P	9,568,214
Corporate note	BBB+	S&P	1,830,504
Certificate of deposit	A+	S&P	3,470,330
Certificate of deposit		Unrated	272,262
Bank note	A+	S&P	714,538
Mutual funds		Unrated	578,782
Money market			4,239,818
State investment Pool 7 (LGIP)		Unrated	158,829,690
			$ 313,719,176

Fair Value Measurement

Investments are measured at fair value. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2025:

	Fair Value Measurements Using			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments by fair value level:				
U.S. Treasury notes	$ -	$ 84,467,293	$ -	$ 84,467,293
Supra-National Agency Bond	-	1,385,350	-	1,385,350
Federal agency commercial mortgage-backed security	-	18,794,285	-	18,794,285
Corporate note	-	40,966,828	-	40,966,828
Certificate of deposit	-	3,742,592	-	3,742,592
Bank note	714,538	-	-	714,538
Money market	4,239,818	-	-	4,239,818
Total investments by fair value level	$ 4,954,356	$ 149,356,348	$ -	154,310,704
External investment pool measured at fair value:				
State Investment Pool 7 (LGIP)				158,829,690
Total investments measured at fair value				158,829,690
Investments measured at amortized costs:				
Mutual funds				578,782
Total investments measured at amortized costs				578,782
Total investments				$ 313,719,176

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

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:

	Reported Amount	Concentration
2025 issuer:		
U.S. Treasury notes	$ 84,467,293	26.9 %
Supra-National Agency Bond	1,385,350	0.4
Federal agency commercial mortgage-backed security	18,794,285	6.0
Corporate note	40,966,828	13.1
Certificate of deposit	3,742,592	1.2
Bank note	714,538	0.2
Money market	4,239,818	1.4
Mutual funds	578,782	0.2
State Investment Pool 7 (LGIP)	158,829,690	50.6
Total	$ 313,719,176	100.0 %

3. Cash With Fiscal Agent/Restricted Investments

The City has restricted the following for the General Fund:

	Description of Designated Restriction	Balance at June 30, 2025
General Fund	Infrastructure	$ 3,060,098

The City has restricted the following for the Excise Bonds Fund:

	Description of Designated Restriction	Balance at June 30, 2025
Debt Service	Excise Tax	$ 2,658,522

4. Receivables

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

	Water	Wastewater	Sanitation	Golf Course	Internal Service Funds	Total
Receivables:						
Intergovernmental	$ -	$ 2,399,369	$ -	$ -	$ -	$ 2,399,369
Accounts	62,334	6,726,594	4,156,176	-	-	10,945,104
Less allowance	-	(5,048,821)	(3,095,532)	-	-	(8,144,353)
Net receivables	$ 62,334	$ 4,077,142	$ 1,060,644	$ -	$ -	$ 5,200,120

Revenues of the enterprise funds are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to wastewater	$ 29,427
Uncollectibles related to sanitation	10,748
Total uncollectibles for the current year	$ 40,175

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, 2025, these loans outstanding totaled $149,456 and an interest receivable balance of $14,388 for a total outstanding of $163,844 included in the Grants Fund (major fund), accounts receivable balance on the Governmental Funds balance sheet.

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 2024-2025 maximum primary levy limit, without a truth in taxation hearing was $5,504,686. The primary tax levy was $5,878,352. The City's secondary tax levy was $1,941,155.

7. Capital Assets

A summary of capital assets activity for the fiscal year ended June 30, 2025 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 21,711,724	$ -	$ (64,200)	$ 21,647,524
Construction in progress	35,308,788	24,687,623	(15,529,920)	44,466,491
Total capital assets, not being depreciated/ amortized	57,020,512	24,687,623	(15,594,120)	66,114,015
Capital assets, being depreciated/amortized:				
Buildings	94,573,129	13,939,651	-	108,512,780
Improvements	284,517,432	6,590,666	-	291,108,098
Heavy machinery and equipment	42,750,826	5,558,440	(2,472,584)	45,836,682
Right-to-use assets:				
Leases, buildings	2,774,321	-	-	2,774,321
Subscription arrangements	1,877,318	-	-	1,877,318
Total capital assets, being depreciated/amortized	426,493,026	26,088,757	(2,472,584)	450,109,199
Less accumulated depreciation/amortization for:				
Buildings	(45,249,033)	(2,218,393)	-	(47,467,426)
Improvements	(218,204,817)	(9,239,693)	-	(227,444,510)
Heavy machinery and equipment	(31,579,955)	(2,637,063)	2,258,541	(31,958,477)
Right-to-use assets:				
Buildings	(2,774,321)	-	-	(2,774,321)
Subscription arrangements	(971,018)	(600,113)	-	(1,571,131)
Total accumulated depreciation/amortization	(298,779,144)	(14,695,262)	2,258,541	(311,215,865)
Total capital assets, being depreciated/amortized, net	127,713,882	11,393,495	(214,043)	138,893,334
Governmental activities capital assets, net	$ 184,734,394	$ 36,081,118	$ (15,808,163)	$ 205,007,349

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 4,216,809	$ -	$ -	$ 4,216,809
Water rights	125,000	-	-	125,000
Construction in progress	31,311,956	35,732,703	(8,667,242)	58,377,417
Total capital assets, not being depreciated/ amortized	35,653,765	35,732,703	(8,667,242)	62,719,226
Capital assets, being depreciated/amortized:				
Buildings and improvements	131,935,214	-	-	131,935,214
Machinery and equipment	21,183,597	10,793,789	(736,722)	31,240,664
Total capital assets, being depreciated/amortized	153,118,811	10,793,789	(736,722)	163,175,878
Less accumulated depreciation/amortization for:				
Buildings and improvements	(63,162,566)	(3,315,547)	-	(66,478,113)
Machinery and equipment	(11,236,201)	(2,348,457)	736,722	(12,847,936)
Total accumulated depreciation/amortization	(74,398,767)	(5,664,004)	736,722	(79,326,049)
Total capital assets, being depreciated/amortized, net	78,720,044	5,129,785	-	83,849,829
Business-type activities capital assets, net	$ 114,373,809	$ 40,862,488	$ (8,667,242)	$ 146,569,055

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

Governmental activities:	
General government	$ 1,829,359
Public safety	3,130,241
Streets/transportation	143,212
Public works	7,503,256
Culture and recreation	243,716
Economic development	1,808,855
Internal service	36,623
Total depreciation/amortization expense	$ 14,695,262

Business-type activities:	
Water	$ 34,541
Wastewater	3,571,552
Sanitation	1,775,798
Golf Course	282,113
Total depreciation/amortization expense	$ 5,664,004

8. Leases

Lessee

Effective March of 2012, the City entered into an agreement for energy improvements. Based on this agreement, the City will make semi-annual, variable payments at a stated interest rate of 4.25%, through July 1, 2028. The lease qualifies as an Energy Conservation Bond where tax credits are available annually to reduce interest. The City has acquired energy efficiency equipment included as a right-to-use building asset under the provisions of a lease agreement.

The total amount of the lease assets and the related accumulated amortization is as follows:

	Cost	Accumulated Depreciation	Carrying Value
Governmental activities:			
Right-to-use lease assets:			
Buildings	$ 2,774,321	$ (2,774,321)	$ -
Total	$ 2,774,321	$ (2,774,321)	$ -

The following schedule details minimum lease payments to maturity for the City's leases payable at June 30, 2025:

	Governmental Activities		
	Principal	Interest	Total
Fiscal years ending June 30:			
2026	$ 248,000	$ 24,905	$ 272,905
2027	262,000	14,217	276,217
2028	137,000	2,911	139,911
Total	$ 647,000	$ 42,033	$ 689,033

Lessor

The City has entered into various lease agreements as the Lessor. From time to time the City's lease contracts include variable lease payments, including residual value guarantees, that are not included in the lease receivable because they are not fixed in substance. The City recognized an insignificant amount of revenue related to these variable lease payments and they have not been further disclosed or included in the measurement of the City's lease receivables.

As of June 30, 2025, the City is reporting the following lease receivables, deferred inflows related to leases, lease revenues and interest revenue:

	Governmental Activities			
	Lease Receivable	Deferred Inflows Related to Leases	Lease Revenue	Lease Interest Revenue
Airport Hangar Leases	$ 344,342	$ 327,793	$ 10,938	$ 20,469
Building Leases	520,128	491,636	57,787	19,153
Communication Tower Land Lease	864,170	832,650	41,781	31,327
Total	$ 1,728,640	$ 1,652,079	$ 110,506	$ 70,949

The City's leases are summarized as follows:

Airport Hangar Leases - The City has entered into various hangar leases. The lease terms vary; however, the City is reasonably certain the leases will renew for each additional term as outlined in the contracts. The leases are being calculated using an incremental borrowing rate of 3.5%. Based on these agreements the City will be receiving fixed annual payments through fiscal year 2061.

Building Leases - The City has entered various building leases. The lease terms vary; however, the City is reasonably certain the leases will renew for each additional term as outlined in the contracts. The leases are being calculated using an incremental borrowing rate of 3.5%. Based on these agreements the City will be receiving fixed monthly or annual payments through fiscal year 2039.

Communication Tower Land Lease - The City has entered into a land lease for a communication tower. The leases are being calculated using an incremental borrowing rate of 3.5%. Based on the agreement the City will be receiving fixed monthly payments through fiscal year 2029.

The following schedule details future payments due to the City's as of June 30, 2025:

	Governmental Activities		
	Principal	**Interest**	**Total**
Fiscal years ending June 30:			
2026	$ 85,254	$ 59,279	$ 144,533
2027	90,822	56,237	147,059
2028	91,114	52,994	144,108
2029	66,681	50,243	116,924
2030	46,569	48,276	94,845
2031-2035	278,870	214,440	493,310
2036-2040	325,854	159,631	485,485
2041-2045	252,189	111,835	364,024
2046-2050	300,320	62,220	362,540
2051-2055	119,673	20,616	140,289
2056-2060	58,331	8,546	66,877
2061	12,963	454	13,417
Total	$ 1,728,640	$ 844,771	$ 2,573,411

9. Pensions

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

At June 30, 2025, the City reported the following aggregate amounts related to pensions for all plans to which it contributes:

	Governmental Activities	**Business-Type Activities**	**Total**
Statement of net position and statement of activities:			
Net pension liability	$ 25,729,050	$ 3,522,382	$ 29,251,432
Deferred outflows of resources	13,118,230	687,625	13,805,855
Deferred inflows of resources	1,928,078	247,676	2,175,754
Pension expense	7,567,457	366,554	7,934,011
Total	$ 48,342,815	$ 4,824,237	$ 53,167,052

The City reported $4,188,965 of pension contributions as expenditures in the governmental fund statements related to all pension plans to which it contributes.

Net OPEB assets/liabilities have not been recorded, or further disclosed, at June 30, 2025 in accordance with GASB Statement 75, due to the relative insignificance to the City's financial statements.

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:

	Retirement Initial Membership Date	
ASRS	**Before July 1, 2011**	**On or After July 1, 2011**
Years of service and age required to receive benefit	Sum of years and age equals 80	30 years, age 55
Final average salary is based on	Highest 36 months of last 120 months	25 years, age 60
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

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.

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, 2025 active ASRS members were required by statute to contribute at the actuarially determined rate of 12.27% (12.12% for retirement and 0.15% for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 12.27% (12.05% for retirement, 0.07% for health insurance premium benefit and 0.15% for long-term disability) of the active members' annual covered payroll.

In addition, the City was required by statute to contribute at the actuarially determined rate of 10.19% (10.14% for retirement and 0.05% for long-term disability) of annual covered payroll of retired members who worked for the City in positions that an employee who contributes to the ASRS would typically fill. The City's contributions to the pension plans for the year ended June 30, 2025, was $2,402,087.

During fiscal year 2025, the City paid for ASRS pension as follows:

69.6% from the General Fund, 4.9% from the HURF Fund, 1.3% from the Grants Fund, 2.1% from Nonmajor Funds, 0.4% from the Water Fund, 5.5% from the Wastewater Fund, 10.7% from the Sanitation Fund, 0.8% from the Golf Fund and 4.7% from Internal Service Funds.

Pension Liability

At June 30, 2025, the City reported a liability of $21,117,186 for its proportionate share of the ASRS' net pension liability. The net liability was measured as of June 30, 2024. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2023, to the measurement date of June 30, 2024.

The City's proportion of the net pension liability was based on the City's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The City's proportion measured as of June 30, 2024, was 0.131967%, which was an increase of 0.003726% from its proportion measured as of June 30, 2023.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2025, the City recognized pension expense of $ 2,107,597. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,178,742	$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earning on pension plan investments	-	1,348,563
Changes in proportion and differences between City contributions and proportionate share contributions	428,775	-
City contributions subsequent to measurement date	2,402,087	-
Total	$ 4,009,604	$ 1,348,563

The amounts reported as deferred outflows of resources related to ASRS pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as expense as follows:

Years ending June 30:	
2026	$ (373,888)
2027	1,221,685
2028	(341,366)
2029	(247,477)
2030	-
Thereafter	-
Total	$ 258,954

Actuarial Assumptions

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

ASRS:	
Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 20, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9% to 8.4% for pensions
Inflation	2.3%
Permanent benefit increase	Included for pensions
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rate	2012 GLDT for long-term disability
Healthcare cost trend rate	N/A

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Asset class:		
Public equity	44 %	4.48 %
Credit	23	4.40
Real estate	17	6.05
Private equity	10	6.11
Interest rate sensitive	6	(0.45)
Total	100 %	

Discount Rate

At June 30, 2024, the discount rate used to measure the ASRS total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
ASRS:			
City's proportionate share of the net pension liability	$ 32,334,731	$ 21,117,186	$ 11,768,343

Plan Fiduciary Net Position

Detailed information about the plans' fiduciary net position is available in the separately issued ASRS financial report.

Public Safety Personnel Retirement System

Plan Descriptions

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

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

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:

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

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

Employees Covered by Benefit Terms

At June 30, 2025, the following employees were covered by the agent plans' benefit terms:

	PSPRS Police	PSPRS Fire
Inactive employees or beneficiaries currently receiving benefits	63	36
Inactive employees entitled to by not yet receiving benefits	16	6
Active employees	43	37
Total	122	79

Contributions

State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2025, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police	PSPRS Fire
Active members, pension	7.65 - 11.65 %	7.65 - 11.65 %
City:		
Pension	13.96	17.00
Health insurance premium benefit	0.25	0.49

In addition, statute required the City to contribute at the actuarially determined rate of 8% for both Police and for Fire for the PSPRS of annual covered payroll of retired members who worked for the City in positions that would typically be filled by an employee who contributes to the PSPRS.

The City's contributions to the plans for the year ended June 30, 2025, were:

	PSPRS Police	PSPRS Fire
Pension:		
Contributions made	$ 989,602	$ 1,329,609

During fiscal year 2025, the City paid for PSPRS pension contributions 100% from the General Fund.

Pension Liability

At June 30, 2025, the City reported a PSPRS net pension liabilities for Police of $4,505,366 and Fire of $3,628,881 for a total of $8,134,247.

The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

PSPRS:	
Actuarial valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	2.75 - 15.00% for pensions
Price inflation	2.5% for pensions
Cost of living adjustment	2.00% maximum for pensions
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	N/A

Actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2021.

The long-term expected rate of return on both the PSPRS Police and PSPRS Fire plan investments was determined to be 7.2% using a building-block method in which best- estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Asset class:		
U.S. public equity	24 %	3.62 %
International public equity	16	4.47
Global private equity	27	7.05
Core bonds	6	2.44
Private credit	20	6.24
Diversifying strategies	5	3.16
Cash, Mellon	2	0.89
Total	100 %	

Discount Rate

At June 30, 2024, the discount rate used to measure the PSPRS total pension liabilities was 7.2%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
PSPRS - Police			
Balance at June 30, 2024	$ 71,938,321	$ 68,327,933	$ 3,610,388
Changes for the year:			
Service cost	808,667	-	808,667
Interest on the total liability	5,093,342	-	5,093,342
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the liability	2,809,458	-	2,809,458
Changes of assumptions or other inputs	-	-	-
Contributions, employer	-	653,992	(653,992)
Contributions, employee	-	357,046	(357,046)
Net investment income	-	6,839,411	(6,839,411)
Benefit payments, including refunds of employee contributions	(4,012,247)	(4,012,247)	-
Administrative expense	-	(33,960)	33,960
Other changes	-	-	-
Net changes	4,699,220	3,804,242	894,978
Balances at June 30, 2025	$ 76,637,541	$ 72,132,175	$ 4,505,366

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
PSPRS - Fire			
Balance at June 30, 2024	$ 54,303,413	$ 50,680,047	$ 3,623,366
Changes for the year:			
Service cost	889,637	-	889,637
Interest on the total liability	3,889,790	-	3,889,790
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the liability	1,599,973	-	1,599,973
Changes of assumptions or other inputs	-	-	-
Contributions, employer	-	924,680	(924,680)
Contributions, employee	-	362,475	(362,475)
Net investment income	-	5,109,317	(5,109,317)
Benefit payments, including refunds of employee contributions	(2,336,373)	(2,336,373)	-
Administrative expense	-	(22,587)	22,587
Other changes	-	-	-
Net changes	4,043,027	4,037,512	5,515
Balances at June 30, 2025	$ 58,346,440	$ 54,717,559	$ 3,628,881

Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate

The following table presents the City's net pension liabilities calculated using the discount rate of 7.2%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.2%) or 1 percentage point higher (8.2%) than the current rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
PSPRS - Police:			
Net pension liability	$ 14,751,267	$ 4,505,366	$ (3,850,397)

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
PSPRS - Fire:			
Net pension liability	$ 11,788,840	$ 3,628,881	$ (3,039,392)

Plan Fiduciary Net Position

Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS financial reports.

Expense

For the year ended June 30, 2025, the City recognized pension expense of $3,113,182 for Police and $2,713,232 for Fire which was a total of $5,826,414 of PSPRS pension expense.

Deferred Outflows/Inflows of Resources

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Police:		
Differences between expected and actual experience	$ 2,972,344	$ -
Changes of assumptions or other inputs	233,635	-
Net difference between projected and actual earning on pension plan investments	-	349,633
City contributions subsequent to measurement date	989,602	-
Total	$ 4,195,581	$ 349,633

	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Fire:		
Differences between expected and actual experience	$ 3,900,536	$ 228,074
Changes of assumptions or other inputs	352,874	-
Net difference between projected and actual earning on pension plan investments	-	249,482
City contributions subsequent to measurement date	1,329,609	-
Total	$ 5,583,019	$ 477,556

The amounts reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as expenses as follows:

	PSPRS Police
Years ending June 30:	
2026	$ 2,019,154
2027	1,718,073
2028	(475,068)
2029	(405,813)
2030	-
Thereafter	-

	PSPRS Fire
Years ending June 30:	
2026	$ 1,443,513
2027	1,890,325
2028	741,804
2029	(299,788)
2030	-
Thereafter	-

Part-Time Firefighters' Pension Fund

The City contributes to the Part-time Firefighters' Pension Fund, a defined contribution plan to provide pensions to part-time firefighters only. Arizona Revised Statutes (ARS) §9-981 gives the City the authority to establish an alternative pension and benefits program for its part-time firefighters. The statute requires that both the employee and the City make contributions equal to at least 5% of the employees' compensation. After a part-time firefighter has 20 years of service or who has reached fifty five years of age and served 20 years or more, he or she is entitled to their accrued benefit by payment in a lump sum or payments in monthly, quarterly or annual installments over a fixed reasonable period of time, not exceeding the life expectancy of the participant. If an employee resigns before completing 20 years of service, he or she is entitled to a refund of his or her contributions only. After five years of service, the participants accrued benefit derived from the City contributions will vest at a scheduled percentage amount for each year or service. This plan has not been further disclosed.

10. 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 2024 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.

11. Subscription-Based IT Arrangements (SBITAs)

The City has obtained the right to use various IT software under the provisions of various subscription-based information technology arrangements. The terms range from three to five years, including options that are more likely than not to be exercised. The discount rate applied to the subscription-based technology arrangements are based on actual rates or an estimated incremental borrowing rate, which ranged from 2.0237% to 2.6560% for all subscription-based technology arrangements reported.

The total of amount of subscription assets and the related accumulated amortization are as follows:

Total intangible right-to-use subscription assets	$ 1,877,318
Less accumulated amortization	(1,571,131)
Carrying value	$ 306,187

The following schedule details minimum subscription payments to maturity for the City's subscriptions liability at June 30, 2025:

	Governmental Activities	
	Principal	Interest
Fiscal years ending June 30:		
2026	$ 64,563	$ 1,469
Total	$ 64,563	$ 1,469

Variable and Other Payments

From time to time, the City's leases and SBITAs include variable payments and other payments, such as termination penalties, that are not included in the lease/subscription liabilities because they are either not fixed in substance (variable) or the City is not reasonably certain the other payments will be required. The City recognized an insignificant amount of expenses related to these variable and other payments and they have not been further disclosed or included in the measurement of the lease/subscription liabilities.

12. Bond Debt

General Obligation Bonds

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

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

Villago Community Facilities District issued General Obligation bonds to finance construction. On October 15, 2020, Villago CFD issued General Obligation Bonds and General Obligation Refunding Bonds, Series 2020. The General Obligation Bond was issued in the amount of $4,430,000 with a final maturity of July 1, 2040. The General Obligation Refunding Bonds refunded the General Obligation Bonds, Series 2006, 2008 and 2010, in the amount of $220,000, $290,000 and $1,765,000, respectively with a final maturity of July 1, 2040. The refunded portion of the bonds are considered defeased and the related liability for the bonds removed from the City's liabilities. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of $742,344. These bonds will be repaid by the property owners within Villago CFD. The bonds are obligations of the district only. The City has no obligation for the debt other than administration of the collection of property taxes and payment of the debt service on behalf of Villago. There was no outstanding principal balance for the Series 2006, 2008 and 2010 as of June 30, 2025. The outstanding principal balance of Series 2020 is $3,710,000 at June 30, 2025.

Mission Royale Community Facilities District issued General Obligation bonds to finance construction. On November 2, 2023, Mission Royale CFD issued General Obligation Bonds, Series 2023. The General Obligation Bond was issued in the amount of $4,250,000 with a final maturity of July 15, 2036. The 12-year bond has interest rates ranging from 4.25% to 5%. 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. The outstanding principal balance of Series 2023 is $4,250,000 at June 30, 2025.

In June 2016, the City issued General Obligation bonds (Series 2016A) in the amount of $16,000,000 to be used to design, construct, furnish and equip a new recreational center in the City. The 30-year bond has interest rates ranging from 2% to 3%. Principal payments ranging from $540,000 to $990,000 are paid annually on August 1, with payments beginning August 2016 and with interest paid semiannually on August and February 1. In addition, the City also issued General Obligation Refunding bonds (Series 2016B) in the amount $18,650,000 which will be refund a portion of the City's Series 2008 and Series 2009 bonds. The 20-year bonds has interest rates of 4%. Principal payments range from $540,000 to $1,635,000 and are paid annually on August 1, with payments beginning August 2020 and interest paid semiannually on August and February 1. The refunded portion of the Series 2008 and Series 2009 bonds are considered defeased and the related liability for the bonds removed from the City's liabilities. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of $1,835,568. At June 30, 2025, there is no balance on the defeased bonds, Series 2008 and 2009, still outstanding. The outstanding principal balance for the Series 2016A and 2016B is $9,025,000 and $14,055,000, respectively, at June 30, 2025.

In January 2019, the City defeased $2,555,000 of General Obligation Bonds, Series 2008, 2009 and 2016B using their own resources. Sufficient assets to pay all principal and interest in the defeased bonds had been placed in irrevocable trust accounts at commercial banks and invested in U.S. Government securities which, together with interest earned thereon, will provide amounts sufficient for future payment of principal and interest of the issues defeased. The defeased portion of the Series 2008, 2009 and 2016B bonds are considered defeased and the related liability for the bonds removed from the City's liabilities. The transaction resulted in a gain on early extinguishment of debt of $106,940. At June 30, 2025, there is no balance of defeased bonds for Series 2008, Series 2009, and Series 2016B.

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

	Governmental Activities	
	Principal	Interest
Years ending June 30:		
2026	$ 2,285,000	$ 1,096,400
2027	2,460,000	1,011,325
2028	2,290,000	998,125
2029	2,330,000	838,550
2030	2,405,000	751,525
2031-2035	13,460,000	2,361,150
2036-2040	4,295,000	663,147
2041-2045	1,515,000	160,884
Total	$ 31,040,000	$ 7,881,106

13. Excise Tax Revenue Obligations

On December 28, 2017, the City issued $7,710,000 of Excise Tax Revenue Refunding Bonds, Series 2017, with a fixed interest rate of 2.945%. The net proceeds of $7,710,000 (after issuance costs of $178,171) were used to advance refund various series of bonds with a total principal amount of $7,175,000 and an average interest rate of 4.82%. The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the related liability for the bonds has been removed from the City's liabilities. The advance refunding was done in order to reduce debt payments. The transaction resulted in an economic gain of $622,089. At June 30, 2025, there is no balance of defeased bond, Series 2009, still outstanding. The outstanding principal balance for the Series 2017 excise tax obligations is $5,655,000 at June 30, 2025.

On September 1, 2021, the City issued $63,260,000 of Excise Tax Revenue Refunding Bonds, Series 2021, with interest rates ranging from 0.22-2.5%, maturing in fiscal year 2036. The net proceeds of $62,460,138 (after issuance costs of $799,862) were used to make an excess contribution to the Arizona Public Sector Personnel Retirement System (PSPRS) Pension Liability for Police and Fire. The outstanding principal balance for the Series 2021 excise tax obligations is $54,845,000 at June 30, 2025.

The excise revenue obligations are secured by a pledge of and first lien on all excise, transaction, franchise, privilege and business taxes, state shared sales and income taxes, fees for licenses and permits and state revenue sharing which the City presently or in the future validly imposes or receives from other entities.

The following table summarizes the City's future excise tax revenue obligation debt service requirements as of June 30, 2025:

	Governmental Activities	
	Principal	Interest
Years ending June 30:		
2026	$ 5,070,000	$ 1,234,295
2027	5,240,000	1,155,011
2028	5,645,000	1,062,521
2029	6,000,000	958,573
2030	4,700,000	839,703
2031-2035	27,310,000	2,738,838
2036	6,535,000	165,793
Total	$ 60,500,000	$ 8,154,734

14. WIFA Financing

In January 2009 the City of Casa Grande received financing from the Water Infrastructure Finance Authority (WIFA) of Arizona to finance a wastewater treatment plant expansion project which was completed in 2011. The original loan was authorized for a total of $62,555,540; however, the balance disbursed to the City of Casa Grande was $59,095,269. The 20-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.

In July 2023, the City of Casa Grande received financing from the Water Infrastructure Finance Authority (WIFA) of Arizona in the amount of $8,103,235 to finance a wastewater treatment plant infrastructure. A total of $1,000,000 of the principal balance is forgivable. The loan matures on July 1, 2043 and the interest rate at June 30, 2025 on the outstanding balance is 2.780%.

The following schedule shows estimated payments based on the remaining amount due as of June 30, 2025.

	Principal	Interest
Years ending June 30:		
2026	$ 3,994,784	$ 825,571
2027	4,437,228	666,554
2028	4,354,442	501,228
2029	4,457,322	329,341
2030	310,051	153,408
2031-2035	1,684,417	631,018
2036-2040	1,931,888	380,107
2041-2044	1,783,484	98,833
Total	$ 22,953,616	$ 3,586,060

15. Changes in Long-Term Obligations

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 4,236,234	$ 123,529	$ -	$ 4,359,763	$ 2,010,350
Public, general obligation bonds	32,850,000	-	(1,810,000)	31,040,000	2,285,000
Public, excise tax revenue obligations	64,960,000	-	(4,460,000)	60,500,000	5,070,000
Subscription payable	653,355	-	(588,792)	64,563	64,563
Leases payable	881,000	-	(234,000)	647,000	248,000
Bonds premiums	1,923,477	-	(181,100)	1,742,377	-
Net pension liability	24,526,129	1,202,921	-	25,729,050	-
Governmental activities long-term liabilities	$ 130,030,195	$ 1,326,450	$ (7,273,892)	$ 124,082,753	$ 9,677,913

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Compensated absences	$ 359,133	$ 17,188	$ (8,474)	$ 367,847	$ 165,677
Loans payable	21,332,011	5,251,073	(3,629,468)	22,953,616	3,994,784
Postclosure liability	4,191,789	586,170	-	4,777,959	-
Net pension liability	3,458,711	63,671	-	3,522,382	-
Business-type activities long-term liabilities	$ 29,341,644	$ 5,918,102	$ (3,637,942)	$ 31,621,804	$ 4,160,461

Compensated absences and pension liabilities are paid from various funds in the same proportion that those funds pay payroll costs. During the year ended June 30, 2025, the City primarily paid for compensated absences from the General Fund.

16. Long-Term Debt

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

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2026	$ 7,667,563	$ 2,330,695	$ 3,994,784	$ 825,571
2027	7,962,000	2,166,336	4,437,228	666,554
2028	8,072,000	2,060,646	4,354,442	501,228
2029	8,330,000	1,797,123	4,457,322	329,341
2030	7,105,000	1,710,098	310,051	153,408
2031-2035	40,770,000	5,628,410	1,684,417	631,018
2036-2040	10,830,000	1,140,221	1,931,888	380,107
2041-2045	1,515,000	160,884	1,783,484	98,833
Total	$ 92,251,563	$ 16,994,413	$ 22,953,616	$ 3,586,060

17. Landfill Closure and Post Closure Care Costs

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

The amount recognized each year is based on landfill capacity used at the end of each fiscal year. The $4,777,959 reported as landfill closure and postclosure care liability at June 30, 2025 represents the cumulative amount reported to date based on the use of 75.9% of the landfill's estimated capacity. The City will recognize the remaining estimated cost of closure and postclosure care of $1,517,011 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in fiscal year 2025. The City expects to close the landfill in the year 2039, and the actual cost may be higher because of inflation, changes in technology or changes in regulations.

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

18. Construction Commitments

As of June 30, 2025, the City had outstanding construction commitments and contractual commitments that will be financed from the General Fund. The City's commitments are as follows:

	Remaining Commitment
Project:	
1/2 Street Improvements Pinal Tech Park	$ 363,197
Trekell Rd. Improvements - Rodeo - McCartney	887,558
Through the Fence Taxiway	26,677
Peters Road Widening	8,207,107
Pickelball Courts	1,406,554
Veregy Energy Efficiency Project	1,328,021
Lift Station for West End	4,005,332
Thorton Rd from Peters to Hwy 84	274,565
Thorton Rd HWY84/Cottonwood Ln	687,017
WRD Upgrades	1,551,725
Traffic Signal Pueblo and Cottonwood	17,300
City Wide Left Turn Analysis	1,026,558
Total	$ 19,781,611

19. Summary of Interfund Transactions

Interfund transactions as of June 30, 2025, were as follows:

	Receivable Amount	Payable Amount
General Fund	$ 3,085,439	$ -
HURF	-	787,988
Grants	-	114,914
Nonmajor funds	-	1,721,797
Water	-	460,740
Total	$ 3,085,439	$ 3,085,439

The interfund balances at June 30, 2025 are short-term loans to cover temporary cash deficits in various funds. The interfund balance between the General Fund and HURF fund is an advance for a streetlight project. The advance is being amortized over 15 years at an annual interest rate of 2%. The advance will mature in December 2031.

Transfers

	Transfers Out	Transfers In
Transfers:		
General fund	$ 25,978,982	$ 207,062
Capital projects funds	3,903,631	12,000,000
Nonmajor governmental funds	207,062	12,188,982
Wastewater fund	517,352	4,420,983
Internal service funds	-	1,790,000
Total	$ 30,607,027	$ 30,607,027

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.

20. Deficit in Fund Balance

Two governmental funds have deficits in fund balance. The Municipal Airport operating fund has a deficit of $417,202. The Municipal Airport is supported through fuel sales and hangar rentals which continue to be lower than expected. The deficit in this fund is expected to decrease as charges for services increase in the future. The Grande Sports World fund has a deficit of $1,241,644. It is expected that the deficit balance will decrease as charges for service revenues increase and outstanding receivables and unavailable revenues are paid.

The Water fund has a deficit in fund balance of $241,240. The Water fund is supported through water service fees. The deficit in this fund is expected to decrease as service fees increase in the future.

21. Sales Tax Incentive Agreement

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

Under the assigned agreement, 50% of the retail sales and construction activities uncommitted tax collected by the City from Promenade sales will be paid to Promenade CG Retail, LLC. The agreement applies to the portion of tax that is not a dedicated or special tax. The 20-year agreement provides a maximum payment of $19,950,000, including interest calculated at 7%. The agreement can be extended for an additional three years if the amount remaining unpaid after 20 years is $3,000,000 or more (including accrued unpaid interest). Payments are made within 45 days after the end of each calendar quarter. The first payment under the agreement was made in September 2008. As of June 30, 2025, $13,289,596 has been paid.

22. Fund Balance Details by Classification

	General	Major Governmental Funds	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable:				
Inventory	$ -	$ -	$ 56,305	$ 56,305
Prepaid items	97,830	424,310		522,140
Lease receivables	57,273	-	19,288	76,561
Advances to other funds	787,988	-	-	787,988
Restricted for:				
Highway users revenue fund	-	17,215,102	-	17,215,102
Grants	-	73,288	-	73,288
Airport improvement	-	-	9,061,614	9,061,614
Debt services	-	-	5,660,591	5,660,591
Court enhancement	-	-	615,806	615,806
Community housing	-	-	-	-
CFD capital projects	-	-	1,609,283	1,609,283
Capital replacement	-	53,480,244	-	53,480,244
Developer impact fees - capital	-	37,397,310	-	37,397,310
Committed to:				
Aesthetic revitalization	9,919,101	-	-	9,919,101
Parks development	-	-	986,645	986,645
Rodeo grounds	-	-	-	-
Redevelopment	-	-	719,757	719,757
Youth services	-	-	2,822,318	2,822,318
PSPRS police pension unfunded liability	3,528,359	-	-	3,528,359
PSPRS fire pension unfunded liability	2,333,129	-	-	2,333,129
Assigned to:				
General Fund reserves	16,009,518	-	-	16,009,518
Capital replacement	-	10,187,589	-	10,187,589
Unassigned	110,576,399	-	(1,731,699)	108,844,700
Total fund balances	$ 143,309,597	$ 118,777,843	$ 19,819,908	$ 281,907,348

The General Fund has assigned funds consisting of a stabilization arrangement referred to as the General Fund reserves, in the amount of $16,009,518. The stabilization arrangement is used to set aside resources for use in response to economic or natural disasters, City Court JCEF use, aesthetic revitalization within City limits, or economic development efforts. The amount of the Stabilization Arrangement for general fund reserves is equal to 50% of General Fund Budget total expenditures less nonspendable and committed fund balances.

23. Net Investment in Capital Assets

The net investment in capital assets on the statement of net position are calculated as follows:

	Governmental Activities	Business-Type Activities
Net investment in capital asset:		
Nondepreciable capital assets	$ 66,114,015	$ 62,719,226
Other capital and right-of-use, net of accumulated depreciation/amortization	138,893,334	83,849,829
Plus deferred amounts on refunding	1,213,608	-
Less retainages payable	409,803	1,609,161
Less loans-payable outstanding	-	22,953,616
Less long-term debt outstanding	36,695,000	-
Less premiums on long-term debt	1,742,377	-
Less lease liability outstanding	647,000	-
Less subscription liability outstanding	64,563	-
Total	$ 166,662,214	$ 122,006,278

24. Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has issued several statements that have been adopted but are not yet effective for the fiscal year ending June 30, 2025. The City will implement these standards in future reporting periods as required. Those standards include:

- GASB Statement No. 103, *Financial Reporting Model Improvements*,

- GASB Statement No. 104, *Disclosure of Certain Capital Assets*.

The City continues to monitor and evaluate the impact of these new standards, and any future accounting standards issued by GASB, to ensure compliance and accurate financial reporting on its future financial statements. The adoption of these standards is expected to enhance the transparency and comparability of the City's financial reporting. The City will provide additional disclosures in the financial statements for the periods in which these standards become effective.

Financial Section

Required Supplementary Information

Budgetary Comparison Schedules

General Fund
Highway Users Special Revenue Fund
Grants and Subsidies Special Revenue Fund

Pension Schedules

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Taxes:				
Property taxes	$ 5,918,335	$ 5,918,335	$ 5,763,392	$ (154,943)
City sales tax	39,417,615	39,417,615	43,855,418	4,437,803
Franchise tax	2,413,625	2,413,625	3,375,880	962,255
Licenses and permits	6,164,146	4,867,021	5,045,172	178,151
Intergovernmental revenues	27,396,646	27,396,646	28,812,164	1,415,518
Charges for services	1,835,174	1,835,174	5,323,720	3,488,546
Fines	536,391	536,391	689,458	153,067
Investment earnings	10,230,407	10,230,407	9,075,268	(1,155,139)
Contributions and donations	334,593	334,593	112,679	(221,914)
Rental and sale of city property	494,575	494,575	531,936	37,361
Miscellaneous	266,394	266,394	462,234	195,840
Total revenues	95,007,901	93,710,776	103,047,321	9,336,545
Expenditures				
Current:				
General government:				
Mayor and Council	634,831	634,831	498,055	136,776
City manager	4,149,620	3,937,346	2,127,783	1,809,563
Attorney	1,369,770	1,553,719	1,425,373	128,346
Clerk	705,796	754,627	657,881	96,746
Finance/Information technology	6,960,462	7,150,933	5,429,753	1,721,180
Human resources	772,999	957,982	772,155	185,827
Administrative services	1,865,352	182,488	712,126	(529,638)
Total general government	16,458,830	15,171,926	11,623,126	3,548,800
Public safety:				
Police	14,930,588	15,753,808	15,234,698	519,110
Fire	17,879,378	18,582,803	16,703,918	1,878,885
Court	1,012,021	1,052,699	931,068	121,631
Total public safety	33,821,987	35,389,310	32,869,684	2,519,626
Public works	1,890,776	2,043,924	1,583,659	460,265
Culture and recreation	8,399,831	8,805,231	9,108,659	(303,428)
Planning and economic development	3,225,452	3,508,004	3,045,060	462,944
Capital outlay	548,000	548,000	18,773	529,227
Total expenditures	64,344,876	65,466,395	58,248,961	7,217,434
Excess (deficiency) of revenues over (under) expenditures	30,663,025	28,244,381	44,798,360	16,553,979
Other Financing Sources (Uses)				
Transfers in	-	-	207,062	207,062
Transfers out	(27,614,834)	-	(25,978,982)	(25,978,982)
Total other financing sources (uses)	(27,614,834)	-	(25,771,920)	(25,771,920)
Net change in fund balance	3,048,191	28,244,381	19,026,440	(9,217,941)
Fund Balance, Beginning	124,283,157	124,283,157	124,283,157	-
Fund Balance, Ending	$ 127,331,348	$ 152,527,538	$ 143,309,597	$ (9,217,941)

See notes to budgetary comparison schedules

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Highway Users Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Taxes:				
State-shared gas tax	$ 5,734,030	$ -	$ 5,619,460	$ 5,619,460
County sales tax	4,774,928	-	5,715,595	5,715,595
Investment earnings	258,856	258,856	968,900	710,044
Intergovernmental revenues	170,927	10,679,885	122,767	(10,557,118)
Total revenues	10,938,741	10,938,741	12,426,722	1,487,981
Expenditures				
Current:				
Streets/transportation	6,282,025	6,372,093	5,710,231	661,862
Capital outlay	5,007,000	5,007,000	3,901,461	1,105,539
Debt service:				
Interest and fiscal charges	-	-	16,979	(16,979)
Total expenditures	11,289,025	11,379,093	9,628,671	1,750,422
Net change in fund balance	(350,284)	(440,352)	2,798,051	3,238,403
Fund Balance, Beginning	14,417,051	14,417,051	14,417,051	-
Fund Balance, Ending	$ 14,066,767	$ 13,976,699	$ 17,215,102	$ 3,238,403

See notes to budgetary comparison schedules

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Grants and Subsidies Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental revenues	$ 18,355,739	$ 10,498,844	$ 4,361,842	$ (6,137,002)
Charges for services	132,670	92,670	117,983	25,313
Contributions and donations	-	-	4,827	4,827
Miscellaneous revenues	-	-	8	8
Total revenues	18,488,409	10,591,514	4,484,660	(6,106,854)
Expenditures				
Current:				
General government	3,542,597	1,324,100	1,007,530	316,570
Public safety	5,146,037	2,232,818	2,091,787	141,031
Planning and economic development	2,653,998	2,608,049	1,077,455	1,530,594
Culture and recreation	145,073	205,673	228,855	(23,182)
Public works	-	205,673	1,500	204,173
Capital outlay	2,093,921	1,711,927	519,428	1,192,499
Total expenditures	13,581,626	8,288,240	4,926,555	3,361,685
Net change in fund balance	4,906,783	2,303,274	(441,895)	(2,745,169)
Fund Balance, Beginning	515,183	515,183	515,183	-
Fund Balance, Ending	$ 5,421,966	$ 2,818,457	$ 73,288	$ (2,745,169)

See notes to budgetary comparison schedules

1. Budgeting and Budgetary Control

Arizona Revised Statutes (A.R.S.) require the City to prepare and adopt a balanced budget annually for each governmental fund. A.R.S. prohibits expenditures or liabilities in excess of the amounts budgeted. Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the City Manager's approval.

2. Budgetary Basis of Accounting

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

City of Casa Grande, Arizona

Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability Cost - Sharing Pension Plan
Year Ended June 30, 2025

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Arizona Retirement System										
City's proportion of the net pension liability	0.131967%	0.128242%	0.127563%	0.126745%	0.128433%	0.134311%	0.144070%	0.143480%	0.147785%	0.145976%
City's proportionate share of the net pension liability	$ 21,117,186	$ 20,751,085	$ 20,820,625	$ 16,654,387	$ 22,252,450	$ 19,543,668	$ 20,092,695	$ 22,351,387	$ 23,853,177	$ 22,737,813
City's Covered Payroll	$ 17,949,327	$ 16,841,888	$ 15,237,760	$ 14,120,137	$ 14,373,677	$ 14,298,784	$ 14,458,275	$ 13,928,321	$ 13,863,447	$ 11,457,463
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	117.65%	123.21%	136.64%	117.95%	154.81%	136.68%	138.97%	160.47%	172.06%	198.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.93%	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

See notes to pension plan schedules

City of Casa Grande, Arizona

Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios
Agent Pension Plan
Year Ended June 30, 2025

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	**2024 (2023)**	**2023 (2022)**	**2022 (2021)**	**2021 (2020)**	**2020 (2019)**	**2019 (2018)**	**2018 (2017)**	**2017 (2016)**	**2016 (2015)**
PSPRS - Police										
Total Pension Liability										
Service cost	$ 808,667	$ 801,452	$ 791,400	$ 773,163	$ 858,613	$ 1,013,404	$ 998,926	$ 1,293,070	$ 1,071,458	$ 1,005,609
Interest on the total pension liability	5,093,342	4,825,702	4,638,172	4,498,645	4,164,541	3,921,272	3,764,862	3,458,358	3,272,521	3,199,872
Changes on benefit terms	-	-	-	-	-	-	-	601,523	1,657,105	-
Differences between expected and actual experience in the measurement of the pension liability	2,809,458	2,178,709	1,492,545	152,824	2,111,581	879,309	(669,456)	222,393	(873,099)	(909,542)
Changes of assumptions or other inputs	-	-	934,540	-	-	990,827	-	1,607,956	1,728,627	-
Benefit payments, including refunds of employee contributions	(4,012,247)	(4,179,460)	(4,579,894)	(2,483,168)	(2,461,877)	(2,721,465)	(2,267,800)	(2,274,512)	(2,813,757)	(1,993,041)
Net change in total pension liability	4,699,220	3,626,403	3,276,763	2,941,464	4,672,858	4,083,347	1,826,532	4,908,788	4,042,855	1,302,898
Total pension liability, beginning	71,938,321	68,311,918	65,035,155	62,093,691	57,420,833	53,337,486	51,510,954	46,602,166	42,559,311	41,256,413
Total pension liability, ending (a)	$ 76,637,541	$ 71,938,321	$ 68,311,918	$ 65,035,155	$ 62,093,691	$ 57,420,833	$ 53,337,486	$ 51,510,954	$ 46,602,166	$ 42,559,311
Plan Fiduciary Net Position										
Contributions, employer	$ 653,992	$ 434,597	$ 40,615,053	$ 3,210,616	$ 2,927,180	$ 2,619,482	$ 2,731,284	$ 2,661,381	$ 2,318,393	$ 1,632,224
Contributions, employee	357,046	411,191	405,112	391,532	414,474	397,833	494,033	751,939	726,673	559,645
Net investment income	6,839,411	5,025,116	(2,558,421)	7,005,066	315,368	1,310,394	1,508,301	2,233,060	105,517	598,261
Benefit payments, including refunds of employee contributions	(4,012,247)	(4,179,460)	(4,579,894)	(2,483,168)	(2,461,877)	(2,721,465)	(2,267,800)	(2,274,512)	(2,813,757)	(1,993,041)
Hall/Parker Settlement	-	-	-	-	-	-	(779,034)	-	-	-
Administrative expense	(33,960)	(26,926)	(45,840)	(32,683)	(25,713)	(23,756)	(23,656)	(20,159)	(15,582)	(14,978)
Other changes	-	(778)	-	-	-	-	233	(17,598)	(100,587)	(101,064)
Net change in plan fiduciary net position	3,804,242	1,663,740	33,836,010	8,091,363	1,169,432	1,582,488	1,663,361	3,334,111	220,657	681,047
Plan Fiduciary Net Position, Beginning	68,327,933	66,664,193	32,828,183	24,736,820	23,674,056	22,112,568	20,449,207	17,115,096	16,894,439	16,213,392
Adjustments, beginning	-	-	-	-	(106,668)	(21,000)	-	-	-	-
Plan Fiduciary Net Position, Ending (b)	$ 72,132,175	$ 68,327,933	$ 66,664,193	$ 32,828,183	$ 24,736,820	$ 23,674,056	$ 22,112,568	$ 20,449,207	$ 17,115,096	$ 16,894,439
City's Net Pension Liability (Asset), Ending (a) - (b)	$ 4,505,366	$ 3,610,388	$ 1,647,725	$ 32,206,972	$ 37,356,871	$ 33,746,777	$ 31,224,918	$ 31,061,747	$ 29,487,070	$ 25,664,872
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.12%	94.98%	97.59%	50.48%	39.84%	41.23%	41.46%	39.70%	36.73%	39.70%
Covered Payroll	$ 6,990,719	$ 4,305,568	$ 4,315,108	$ 4,316,013	$ 4,262,027	$ 4,491,216	$ 5,011,868	$ 5,886,278	$ 5,587,082	$ 5,733,423
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	94.96%	83.85%	38.19%	746.22%	876.50%	751.40%	623.92%	548.42%	530.87%	521.48%

See notes to pension plan schedules

Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios
Agent Pension Plan
Year Ended June 30, 2025

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
PSPRS - Fire										
Total Pension Liability										
Service cost	$ 889,637	$ 884,569	$ 922,095	$ 887,096	$ 903,486	$ 1,006,360	$ 986,910	$ 986,609	$ 775,382	$ 872,432
Interest on the total pension liability	3,889,790	3,484,068	3,365,580	3,155,303	2,893,804	2,760,313	2,549,509	2,276,137	1,967,441	1,899,792
Changes on benefit terms	-	-	-	-	-	-	-	347,560	1,771,605	-
Differences between expected and actual experience in the measurement of the pension liability	1,599,973	3,439,003	(447,749)	1,023,345	1,776,229	(342,819)	358,294	487,783	680,418	(825,229)
Changes of assumptions or other inputs	-	-	659,749	-	-	622,816	-	1,462,032	1,122,239	-
Benefit payments, including refunds of employee contributions	(2,336,373)	(2,018,970)	(2,333,336)	(2,107,154)	(1,842,752)	(1,365,578)	(1,752,251)	(1,159,629)	(1,114,667)	(958,739)
Net change in total pension liability	4,043,027	5,788,670	2,166,339	2,958,590	3,730,767	2,681,092	2,142,462	4,400,492	5,202,418	988,256
Total pension liability, beginning	54,303,413	48,514,743	46,348,404	43,389,814	39,659,047	36,977,955	34,835,493	30,435,001	25,232,583	24,244,327
Total pension liability, ending (a)	$ 58,346,440	$ 54,303,413	$ 48,514,743	$ 46,348,404	$ 43,389,814	$ 39,659,047	$ 36,977,955	$ 34,835,493	$ 30,435,001	$ 25,232,583
Plan Fiduciary Net Position										
Contributions, employer	$ 924,680	$ 564,524	$ 24,439,720	$ 2,129,797	$ 2,019,501	$ 1,881,489	$ 1,920,207	$ 1,472,557	$ 1,329,591	$ 968,712
Contributions, employee	362,475	371,512	368,654	372,033	378,609	365,521	387,117	514,482	521,437	618,303
Net investment income	5,109,317	3,656,354	(1,848,936)	5,508,463	297,777	1,100,936	1,270,182	1,915,054	88,738	494,059
Benefit payments, including refunds of employee contributions	(2,336,373)	(2,018,970)	(2,333,336)	(2,107,154)	(1,842,752)	(1,365,578)	(1,752,251)	(1,159,629)	(1,114,667)	(958,739)
Hall/Parker Settlement	-	-	-	-	-	-	(772,667)	-	-	-
Administrative expense	(22,587)	(18,106)	(33,170)	(27,056)	(24,275)	(20,122)	(20,032)	(17,345)	(13,169)	(12,443)
Other changes	-	-	974	-	-	-	(55,542)	191	33,117	16,979
Net change in plan fiduciary net position	4,037,512	2,555,314	20,593,906	5,876,083	828,860	1,962,246	977,014	2,725,310	845,047	1,126,871
Plan Fiduciary Net Position, Beginning	50,680,047	48,124,733	27,530,827	21,654,744	20,825,883	18,878,391	17,901,377	15,176,067	14,331,020	13,204,149
Adjustment to beginning of year	-	-	-	-	1	(14,754)	-	-	-	-
Plan Fiduciary Net Position, Ending (b)	$ 54,717,559	$ 50,680,047	$ 48,124,733	$ 27,530,827	$ 21,654,744	$ 20,825,883	$ 18,878,391	$ 17,901,377	$ 15,176,067	$ 14,331,020
City's Net Pension Liability (Asset), Ending (a) - (b)	$ 3,628,881	$ 3,623,366	$ 390,010	$ 18,817,577	$ 21,735,070	$ 18,833,164	$ 18,099,564	$ 16,934,116	$ 15,258,934	$ 10,901,563
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.78%	93.33%	99.20%	59.40%	49.91%	52.51%	51.05%	51.39%	49.86%	56.80%
Covered Payroll	$ 7,049,213	$ 4,194,582	$ 4,110,619	$ 4,273,419	$ 4,220,112	$ 4,279,556	$ 4,322,029	$ 4,491,279	$ 4,592,896	$ 4,163,395
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	79.21%	86.38%	9.49%	440.34%	515.04%	440.07%	402.19%	395.11%	380.79%	260.01%

See notes to pension plan schedules

City of Casa Grande, Arizona

Required Supplementary Information
Schedule of City Pension Contributions
Year Ended June 30, 2025

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Arizona Retirement System										
Statutorily required contribution	$ 2,402,087	$ 2,159,304	$ 2,007,553	$ 1,830,055	$ 1,644,996	$ 1,645,786	$ 1,598,604	$ 1,575,952	$ 1,501,473	$ 1,504,184
City's contributions in relation to the statutorily required contribution	2,402,087	2,159,304	2,007,553	1,830,055	1,644,996	1,645,786	1,598,604	1,575,952	1,501,473	1,504,184
City's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 19,934,332	$ 17,949,327	$ 16,841,888	$ 15,237,760	$ 14,120,137	$ 14,373,677	$ 14,298,784	$ 14,458,275	$ 13,928,321	$ 13,863,447
City's Contributions as a Percentage of Covered Payroll	12.05%	12.03%	11.92%	12.01%	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%
PSPRS - Police										
Statutorily required contribution	$ 954,269	$ 680,896	$ 628,582	$ 2,936,863	$ 3,342,204	$ 2,927,180	$ 2,619,482	$ 2,731,284	$ 2,661,381	$ 2,318,393
City's contributions in relation to the statutorily required contribution	989,602	854,894	628,582	42,074,494	3,342,204	2,927,180	2,619,482	2,731,284	2,661,381	2,341,546
City's contribution deficiency (excess)	$ (35,333)	$ (173,998)	$ -	$ (39,137,631)	$ -	$ -	$ -	$ -	$ -	$ (23,153)
City's Covered Payroll	$ 6,835,738	$ 6,990,719	$ 4,305,568	$ 4,315,109	$ 4,315,863	$ 4,262,056	$ 4,491,567	$ 5,011,530	$ 5,886,709	$ 5,586,489
City's Contributions as a Percentage of Covered Payroll	13.96%	9.74%	67.06%	68.06%	77.44%	68.68%	58.32%	54.50%	45.21%	41.50%
PSPRS - Fire										
Statutorily required contribution	$ 569,647	$ 877,627	$ 671,956	$ 1,852,245	$ 2,132,730	$ 2,019,501	$ 1,881,489	$ 1,920,207	$ 1,472,557	$ 1,329,591
City's contributions in relation to the statutorily required contribution	1,329,609	1,152,130	671,956	25,174,752	2,132,730	2,019,501	1,881,489	1,920,207	1,472,557	1,329,591
City's contribution deficiency (excess)	$ (759,962)	$ (274,503)	$ -	$ (23,322,507)	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 3,350,865	$ 7,049,213	$ 4,194,582	$ 4,110,619	$ 4,273,152	$ 4,220,483	$ 4,280,002	$ 4,321,870	$ 4,490,872	$ 4,592,715
City's Contributions as a Percentage of Covered Payroll	17.00%	12.45%	46.50%	45.06%	49.91%	47.85%	43.96%	44.43%	32.79%	28.95%

See notes to pension plan schedules

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	Entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period as of the 2023 actuarial valuation	19 years for underfunded 20 years for over funded
Asset valuation method	7-year smoothed fair value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2022 actuarial valuation, the investment rate of return was decreased from 7.3% to 7.2%. In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2014 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0% - 8.0% to 3.5% - 7.5% for PSPRS. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5% - 8.5% to 4.0% - 8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0% - 9.0% to 4.5% - 8.5% for PSPRS.
Wage growth	In the 2022 actuarial valuation, wage growth was changed from 3.5% to a range of 3.0-6.25% for PSPRS. In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 40% for PSPRS. In 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 20 17 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

2. Factors That Affect Trends

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

Financial Section

Supplementary Information

Combining Fund Financial Statements
Nonmajor Government Funds

Combining Fund Financial Statements
Nonmajor Enterprise Funds

City of Casa Grande, Arizona

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue								
	Municipal Airport	Parks Develop.	Redevelopment	Senior Services	Youth Services	Rodeo Grounds	Grande Sports	Court Enhancement	CDBG
Assets									
Assets									
Cash	$ -	$ 986,645	$ 714,789	$ -	$ 2,773,307	$ -	$ -	$ 621,721	$ -
Investments	-	-	-	-	-	-	-	-	-
Receivables, net	78,125	-	6,001	-	-	-	1,800,710	-	-
Lease receivables	344,341	-	82,007	-	-	-	-	-	-
Due from other governments	-	-	-	-	49,011	-	-	-	-
Inventory	56,305	-	-	-	-	-	-	-	-
Restricted assets, cash and cash equivalents	-	-	-	-	-	-	-	-	-
Total assets	$ 478,771	$ 986,645	$ 802,797	$ -	$ 2,822,318	$ -	$ 1,800,710	$ 621,721	$ -
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable and other current liabilities	$ 78,560	$ -	$ 1,033	$ -	$ -	$ -	$ 126	$ 5,792	$ -
Deposits held	7,867	-	-	-	-	-	-	-	-
Accrued wages and benefits	1,474	-	-	-	-	-	-	123	-
Due to other funds	480,279	-	-	-	-	-	1,241,518	-	-
Total liabilities	568,180	-	1,033	-	-	-	1,241,644	5,915	-
Deferred Inflows of Resources									
Unavailable revenue	-	-	-	-	-	-	1,800,710	-	-
Leases	327,793	-	79,267	-	-	-	-	-	-
Total deferred inflows of resources	327,793	-	79,267	-	-	-	1,800,710	-	-
Fund Balances									
Nonspendable	72,853	-	2,740	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	615,806	-
Committed	-	986,645	719,757	-	2,822,318	-	-	-	-
Unassigned	(490,055)	-	-	-	-	-	(1,241,644)	-	-
Total fund balances	(417,202)	986,645	722,497	-	2,822,318	-	(1,241,644)	615,806	-
Total liabilities, deferred inflows of resources and fund balances	$ 478,771	$ 986,645	$ 802,797	$ -	$ 2,822,318	$ -	$ 1,800,710	$ 621,721	$ -

City of Casa Grande, Arizona
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue			Debt Service			Capital Improvements		Total
	Housing	Tribal Housing	Home	Debt Service	General Obligations	Excise Bonds	Airport Improvements	Community Facilities District	Total Nonmajor Governmental Funds
Assets									
Assets									
Cash	$ -	$ -	$ -	$ 15,807	$ 6,893	$ 444,473	$ 9,066,317	$ 1,607,444	$ 16,237,396
Investments	-	-	-	-	2,517,516	-	-	-	2,517,516
Receivables, net	-	-	-	-	-	-	-	-	1,884,836
Lease receivables	-	-	-	-	-	-	-	-	426,348
Due from other governments	-	-	-	-	17,380	-	-	1,839	68,230
Inventory	-	-	-	-	-	-	-	-	56,305
Restricted assets, cash and cash equivalents	-	-	-	-	-	2,658,522	-	-	2,658,522
Total assets	$ -	$ -	$ -	$ 15,807	$ 2,541,789	$ 3,102,995	$ 9,066,317	$ 1,609,283	$ 23,849,153
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable and other current liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,703	$ -	$ 90,214
Deposits held	-	-	-	-	-	-	-	-	7,867
Accrued wages and benefits	-	-	-	-	-	-	-	-	1,597
Due to other funds	-	-	-	-	-	-	-	-	1,721,797
Total liabilities	-	-	-	-	-	-	4,703	-	1,821,475
Deferred Inflows of Resources									
Unavailable revenue	-	-	-	-	-	-	-	-	1,800,710
Leases	-	-	-	-	-	-	-	-	407,060
Total deferred inflows of resources	-	-	-	-	-	-	-	-	2,207,770
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	75,593
Restricted	-	-	-	15,807	2,541,789	3,102,995	9,061,614	1,609,283	16,947,294
Committed	-	-	-	-	-	-	-	-	4,528,720
Unassigned	-	-	-	-	-	-	-	-	(1,731,699)
Total fund balances	-	-	-	15,807	2,541,789	3,102,995	9,061,614	1,609,283	19,819,908
Total liabilities, deferred inflows of resources and fund balances	$ -	$ -	$ -	$ 15,807	$ 2,541,789	$ 3,102,995	$ 9,066,317	$ 1,609,283	$ 23,849,153

City of Casa Grande, Arizona

Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue								
	Municipal Airport	Parks Develop.	Redevelopment	Senior Services	Youth Services	Rodeo Grounds	Grande Sports	Court Enhancement	CDBG
Revenues									
Taxes:									
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales tax	-	-	-	-	485,710	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-	-
Charges for services	643,535	-	-	-	-	-	-	150,974	-
Investment earnings	-	-	1,814	-	-	-	-	-	-
Rental income	297,060	-	40,369	-	-	-	-	-	-
Miscellaneous	881	-	-	-	-	-	-	-	-
Total revenues	941,476	-	42,183	-	485,710	-	-	150,974	-
Expenditures									
Current:									
General government	-	-	-	-	-	-	-	102,229	-
Public safety	-	-	-	-	-	-	-	1,796	-
Public works	1,002,913	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	200,000	-	298,149	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	1,002,913	-	-	-	200,000	-	298,149	104,025	-
Excess (deficiency) of revenues over (under) expenditures	(61,437)	-	42,183	-	285,710	-	(298,149)	46,949	-
Other Financing Sources (Uses)									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	35,500	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	35,500	-
Net change in fund balances	(61,437)	-	42,183	-	285,710	-	(298,149)	82,449	-
Fund Balances, Beginning	(355,765)	986,645	680,314	(11,040)	2,536,608	7,785	(943,495)	533,357	59,370
Change within financial reporting entity	-	-	-	11,040	-	(7,785)	-	-	(59,370)
Fund Balances, Ending	$ (417,202)	$ 986,645	$ 722,497	$ -	$ 2,822,318	$ -	$ (1,241,644)	$ 615,806	$ -

City of Casa Grande, Arizona

Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue			Debt Service			Capital Improvements		Total
	Housing	Tribal Housing	HOME	Debt Service	General Obligations	Excise Bonds	Airport Improvements	Community Facilities District	Total Nonmajor Governmental Funds
Revenues									
Taxes:									
Property taxes	$ -	$ -	$ -	$ -	$ 1,904,321	$ -	$ -	$ 751,649	$ 2,655,970
Sales tax	-	-	-	-	-	-	-	-	485,710
Intergovernmental revenues	-	-	-	-	-	-	46,166	-	46,166
Charges for services	-	-	-	-	-	-	-	-	794,509
Investment earnings	-	-	-	-	253,524	119,247	-	-	374,585
Rental income	-	-	-	-	-	-	-	-	337,429
Miscellaneous	-	-	-	53,402	-	-	-	-	54,283
Total revenues	-	-	-	53,402	2,157,845	119,247	46,166	751,649	4,748,652
Expenditures									
Current:									
General government	-	-	-	-	-	2,000	-	4,010	108,239
Public safety	-	-	-	-	-	-	-	-	1,796
Public works	-	-	-	-	-	-	-	-	1,002,913
Culture and recreation	-	-	-	-	-	-	-	-	498,149
Capital outlay	-	-	-	-	-	-	327,061	-	327,061
Debt service:									
Principal	-	-	-	234,000	1,625,000	4,460,000	-	185,000	6,504,000
Interest and fiscal charges	-	-	-	35,000	854,350	1,305,909	-	341,965	2,537,224
Total expenditures	-	-	-	269,000	2,479,350	5,767,909	327,061	530,975	10,979,382
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(215,598)	(321,505)	(5,648,662)	(280,895)	220,674	(6,230,730)
Other Financing Sources (Uses)									
Sale of capital assets	-	-	-	-	-	-	4,029,793	-	4,029,793
Transfers in	-	-	-	221,734	325,000	6,606,748	5,000,000	-	12,188,982
Transfers out	-	-	-	-	-	-	-	(207,062)	(207,062)
Total other financing sources (uses)	-	-	-	221,734	325,000	6,606,748	9,029,793	(207,062)	16,011,713
Net change in fund balances	-	-	-	6,136	3,495	958,086	8,748,898	13,612	9,780,983
Fund Balances, Beginning	111,809	151,667	(27,406)	9,671	2,538,294	2,144,909	312,716	1,595,671	10,331,110
Change within financial reporting entity	(111,809)	(151,667)	27,406	-	-	-	-	-	(292,185)
Fund Balances, Ending	$ -	$ -	$ -	$ 15,807	$ 2,541,789	$ 3,102,995	$ 9,061,614	$ 1,609,283	$ 19,819,908

	Business-Type Activities - Enterprise Funds		
	(Previous Year Major Fund) Water	(Previous Year Major Fund) Course	Total Nonmajor Enterprise Funds
Assets			
Assets			
Current assets:			
Cash	$ -	$ 1,217,130	$ 1,217,130
Receivables, net	62,334	-	62,334
Inventory	-	46,076	46,076
Total current assets	62,334	1,263,206	1,325,540
Noncurrent assets:			
Capital assets, not being depreciated/amortized	149,000	296,469	445,469
Capital assets, being depreciated/amortized, net	162,882	1,298,350	1,461,232
Total noncurrent assets	311,882	1,594,819	1,906,701
Total assets	374,216	2,858,025	3,232,241
Deferred Outflows of Resources			
Deferred outflows of resources related to pensions	14,160	27,034	41,194
Liabilities			
Current liabilities:			
Accounts payable	106,231	54,496	160,727
Deposits held	3,285	-	3,285
Accrued wages and benefits	628	2,213	2,841
Due to other funds	460,740	-	460,740
Compensated absences	-	10,773	10,773
Total noncurrent liabilities	570,884	67,482	638,366
Noncurrent liabilities:			
Compensated absences	-	13,167	13,167
Net pension liability	52,042	143,958	196,000
Total noncurrent liabilities	52,042	157,125	209,167
Total liabilities	622,926	224,607	847,533
Deferred Inflows of Resources			
Deferred inflows of resources related to pensions	6,690	6,309	12,999
Total deferred inflows of resources	6,690	6,309	12,999
Net Position			
Net investment in capital assets	311,882	1,594,819	1,906,701
Unrestricted (deficit)	(553,122)	1,059,324	506,202
Total net position (deficit)	$ (241,240)	$ 2,654,143	$ 2,412,903

City of Casa Grande, Arizona

Combining Statements of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds		
	(Previous Year Major Fund) Water	(Previous Year Major Fund) Course	Total Nonmajor Enterprise Funds
Operating Revenues			
Service fees	$ 257,451	$ 368,627	$ 626,078
Rental	-	340,848	340,848
Green fees	-	1,184,381	1,184,381
Miscellaneous	192	4,525	4,717
Total operating revenues	257,643	1,898,381	2,156,024
Operating Expenses			
Personal services	113,348	406,831	520,179
Contractual services	185,010	959,660	1,144,670
Materials and supplies	108,402	227,044	335,446
Depreciation	34,541	282,113	316,654
Total operating expenses	441,301	1,875,648	2,316,949
Operating income (loss)	(183,658)	22,733	(160,925)
Nonoperating Revenues (Expense)			
Investment earnings	-	5,281	5,281
City sales tax	-	31,812	31,812
Gain (loss) on sale of equipment	-	(1,667)	(1,667)
Total nonoperating revenues (expense)	-	35,426	35,426
Change in net position	(183,658)	58,159	(125,499)
Net Position, Beginning	(57,582)	2,595,984	2,538,402
Net Position, Ending	$ (241,240)	$ 2,654,143	$ 2,412,903

	Business-Type Activities - Enterprise Funds		
	(Previous Year Major Fund) Water	(Previous Year Major Fund) Course	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities			
Receipts from customers and users	$ 244,820	$ 1,921,305	$ 2,166,125
Receipt (payments) from/to other funds	159,637	-	159,637
Payments to suppliers	(204,629)	(1,286,893)	(1,491,522)
Payments to employees	(114,693)	(412,987)	(527,680)
Net cash provided by (used in) operating activities	85,135	221,425	306,560
Cash Flows From Noncapital Financing Activities			
Proceeds from city sales tax	-	31,812	31,812
Cash Flows From Capital and Related Financing Activities			
Purchases of capital assets	(85,135)	(580,100)	(665,235)
Cash Flows From Investing Activities			
Interest and dividends received	-	5,281	5,281
Net cash provided by (used in) investing activities	-	5,281	5,281
Net increase (decrease) in cash	-	(321,582)	(321,582)
Cash and Cash Equivalents, Beginning	-	1,538,712	1,538,712
Cash and Cash Equivalents, Ending	$ -	$ 1,217,130	$ 1,217,130

See notes to financial statements

City of Casa Grande, Arizona

Combining Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds		
	(Previous Year Major Fund) Water	(Previous Year Major Fund) Course	Total Nonmajor Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating income (loss)	$ (183,658)	$ 22,733	$ (160,925)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	34,541	282,113	316,654
(Increase) decrease in:			
Prepaid expense	-	8,000	8,000
Accounts receivable	(14,523)	22,924	8,401
Inventory	-	(5,590)	(5,590)
Deferred outflows of resources related to pensions	(5,613)	(9,297)	(14,910)
Increase (decrease) in:			
Accounts payable	88,783	(102,599)	(13,816)
Due to other funds	159,637	-	159,637
Deposits held	1,700	-	1,700
Accrued wages	356	1,063	1,419
Compensated absences	-	(6,604)	(6,604)
Net pension liabilities	1,461	3,241	4,702
Deferred inflows of resources related to pensions	2,451	5,441	7,892
Total adjustments	268,793	198,692	467,485
Net cash provided by (used in) operating activities	$ 85,135	$ 221,425	$ 306,560
Schedule of Noncash Investing, Capital and Financing Activities			
Loss on disposal of assets	$ -	$ 1,667	$ 1,667
Reconciliation of Cash, Cash Equivalents and Investments to the Statement of Net Position			
Cash and cash equivalents	$ -	$ 1,217,130	$ 1,217,130
Total cash and cash equivalents	$ -	$ 1,217,130	$ 1,217,130

See notes to financial statements

Financial Section

Other Supplementary Information

Budgetary Comparison Schedules

General Fund - Legal Budget Comparison
Other Major Governmental Funds

City of Casa Grande, Arizona

Schedule of Expenditures - Legal Level Budget Compliance
General Fund
Year Ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget
Expenditures				
Current:				
General government:				
Mayor and council:				
Personnel services	$ 212,446	$ 212,446	$ 174,608	$ 37,838
Other expenditures	422,385	422,385	323,447	98,938
City manager:				
Personnel services	1,198,828	1,166,019	1,244,208	(78,189)
Other expenditures	2,950,792	2,771,327	883,575	1,887,752
Attorney:				
Personnel services	1,187,927	1,371,876	1,334,774	37,102
Other expenditures	181,843	181,843	90,599	91,244
Clerk:				
Personnel services	426,992	460,823	486,961	(26,138)
Other expenditures	278,804	293,804	170,920	122,884
Finance/Information technology:				
Personnel services	2,751,697	2,941,368	2,585,679	355,689
Other expenditures	4,208,765	4,209,565	2,844,074	1,365,491
Human resources:				
Personnel services	498,519	658,502	531,369	127,133
Other expenditures	274,480	299,480	240,786	58,694
Administrative services:				
Personnel services	4,776,198	1,379,899	526,813	853,086
Other expenditures	1,865,352	182,488	185,313	(2,825)
Public safety:				
Police:				
Personnel services	11,915,590	12,738,810	12,780,745	(41,935)
Other expenditures	3,014,998	3,014,998	2,453,953	561,045
Fire:				
Personnel services	14,759,786	15,463,211	13,686,610	1,776,601
Other expenditures	3,119,592	3,119,592	3,017,308	102,284
Court:				
Personnel services	788,010	828,688	750,770	77,918
Other expenditures	224,011	224,011	180,298	43,713
Public works:				
Personnel services	1,231,653	1,384,801	1,026,639	358,162
Other expenditures	659,123	659,123	557,020	102,103
Culture and recreation:				
Personnel services	4,771,994	5,066,691	5,101,944	(35,253)
Other expenditures	3,627,837	3,738,540	4,006,715	(268,175)
Planning and economic development:				
Personnel services	2,321,721	2,604,273	2,565,593	38,680
Other expenditures	903,731	903,731	479,467	424,264
Capital outlay	548,000	548,000	18,773	529,227
Transfers out	27,614,834	-	25,978,982	(25,978,982)
Total expenditures	$ 96,735,908	$ 66,846,294	$ 84,227,943	$ (17,381,649)

Financial Section

Supplementary Information

Budgetary Comparison Schedules

Nonmajor Governmental Funds

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Replacement/Recreation/Development Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Construction sales tax	$ -	$ -	$ 12,940,004	$ 12,940,004
Investment earnings	78,479	78,479	2,861,462	2,782,983
Intergovernmental revenue	-	-	534,640	534,640
Miscellaneous	-	-	9,665	9,665
Total revenues	78,479	78,479	16,345,771	16,267,292
Expenditures				
Capital outlay	38,657,165	43,623,730	25,079,721	18,544,009
Total expenditures	38,657,165	43,623,730	25,079,721	18,544,009
Excess (deficiency) of revenues (under) expenditures	(38,578,686)	(43,545,251)	(8,733,950)	34,811,301
Other Financing Sources (Uses)				
Transfers in	12,000,000	12,000,000	12,000,000	-
Transfers out	-	-	(3,903,631)	(3,903,631)
Total other financing sources (uses)	12,000,000	12,000,000	8,096,369	(3,903,631)
Net change in fund balance	(26,578,686)	(31,545,251)	(637,581)	30,907,670
Fund Balance, Beginning	64,729,724	64,729,724	64,729,724	-
Fund Balance, Ending	$ 38,151,038	$ 33,184,473	$ 64,092,143	$ 30,907,670

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Development Impact Fees Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	$ 649,558	$ 649,558	$ 2,797,347	$ 2,147,789
Investment earnings	-	-	544,253	544,253
Total revenues	649,558	649,558	3,341,600	2,692,042
Expenditures				
Current:				
General government	-	-	28,932	(28,932)
Capital outlay	73,000	73,000	5,332,511	(5,259,511)
Total expenditures	73,000	73,000	5,361,443	(5,288,443)
Net change in fund balance	576,558	576,558	(2,019,843)	(2,596,401)
Fund Balance, Beginning	39,417,153	39,417,153	39,417,153	-
Fund Balance, Ending	$ 39,993,711	$ 39,993,711	$ 37,397,310	$ (2,596,401)

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Municipal Airport Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Charge for service	$ 1,207,878	$ 1,207,878	$ 643,535	$ (564,343)
Rental and sale of city property	294,421	294,421	297,060	2,639
Miscellaneous	3,061	3,061	881	(2,180)
Total revenues	1,505,360	1,505,360	941,476	(563,884)
Expenditures				
Current:				
Public works	2,169,127	2,177,911	1,002,913	1,174,998
Total expenditures	2,169,127	2,177,911	1,002,913	1,174,998
Net change in fund balance	(663,767)	(672,551)	(61,437)	611,114
Fund Balance, Beginning	(355,765)	(355,765)	(355,765)	-
Fund Balance, Ending	$ (1,019,532)	$ (1,028,316)	$ (417,202)	$ 611,114

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Parks Development Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Miscellaneous	$ -	$ -	$ -	$ -
Expenditures				
Current:				
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund Balance, Beginning	986,645	986,645	986,645	-
Fund Balance, Ending	$ 986,645	$ 986,645	$ 986,645	$ -

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Redevelopment/Downtown Revitalization Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Rental and sale of city property	$ -	$ -	$ 40,369	$ 40,369
Investment earnings	-	-	1,814	1,814
Total revenues	-	-	42,183	42,183
Expenditures				
Current:				
General government	-	-	-	-
Net change in fund balance	-	-	42,183	42,183
Fund Balance, Beginning	680,314	680,314	680,314	-
Fund Balance, Ending	$ 680,314	$ 680,314	$ 722,497	$ 42,183

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Senior Services Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	**Final**	**Amounts**	**Final Budget**
Revenues				
Intergovernmental revenues	$ -	$ -	$ -	$ -
Charges for services	27,670	-	-	-
Contributions and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	27,670	-	-	-
Expenditures				
Current:				
Culture and recreation	145,074	-	-	-
Net change in fund balance	(117,404)	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	$ (117,404)	$ -	$ -	$ -

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Youth Services Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
City sales taxes	$ -	$ -	$ 485,710	$ 485,710
Expenditures				
Current:				
Culture and recreation	-	-	200,000	(200,000)
Net change in fund balance	-	-	285,710	285,710
Fund Balance, Beginning	2,536,608	2,536,608	2,536,608	-
Fund Balance, Ending	$ 2,536,608	$ 2,536,608	$ 2,822,318	$ 285,710

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Rodeo Grounds Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	**Final**	**Amounts**	**Final Budget**
Revenues				
Rental and sale of city property	$ -	$ -	$ -	$ -
Expenditures				
Current:				
General government:	-	-	-	-
Net change in fund balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	$ -	$ -	$ -	$ -

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Grande Sports Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	$ -	$ -	$ -	$ -
Expenditures				
Current:				
Culture and recreation	67,801	74,301	298,149	(223,848)
Net change in fund balance	(67,801)	(74,301)	(298,149)	(223,848)
Fund Balance, Beginning	(943,495)	(943,495)	(943,495)	-
Fund Balance, Ending	$ (1,011,296)	$ (1,017,796)	$ (1,241,644)	$ (223,848)

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Court Enhancement/Probationary Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	$ 6,500	$ 6,500	$ 150,974	$ 144,474
Total revenues	6,500	6,500	150,974	144,474
Expenditures				
Current:				
General government	161,001	161,001	102,229	58,772
Public safety	40,000	40,000	1,796	38,204
Total expenditures	201,001	201,001	104,025	96,976
Excess (deficiency) of revenues over (under) expenditures	(194,501)	(194,501)	46,949	241,450
Other Financing Uses				
Transfers in	35,500	35,500	35,500	-
Total other financing uses	35,500	35,500	35,500	-
Net change in fund balance	(159,001)	(159,001)	82,449	241,450
Fund Balance, Beginning	533,357	533,357	533,357	-
Fund Balance, Ending	$ 374,356	$ 374,356	$ 615,806	$ 241,450

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget
Revenues				
Intergovernmental revenues	$ 1,166,501	$ -	$ -	$ -
Charges for services	25,000	-	-	-
Total revenues	1,191,501	-	-	-
Expenditures				
Current:				
Public safety	2,276	-	-	-
Planning and economic development	1,312,091	-	-	-
Capital outlay	83,921	-	-	-
Total expenditures	1,398,288	-	-	-
Net change in fund balance	(206,787)	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	$ (206,787)	$ -	$ -	$ -

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Housing Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Licenses and permits	$ 135,000	$ -	$ -	$ -
Charges for service	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	135,000	-	-	-
Expenditures				
Current:				
Planning and economic development	135,000	-	-	-
Net change in fund balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	$ -	$ -	$ -	$ -

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Tribal Housing Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental revenues	$ 955,448	$ -	$ -	$ -
Expenditures				
Current:				
General government	55,000	-	-	-
Public safety	3,240	-	-	-
Planning and economic development	668,097	-	-	-
Capital outlay	-	-	-	-
Total expenditures	726,337	-	-	-
Net change in fund balance	229,111	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	$ 229,111	$ -	$ -	$ -

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Home Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental revenues	$ 540,000	$ -	$ -	$ -
Expenditures				
Current:				
Planning and economic development	538,810	-	-	-
Net change in fund balance	1,190	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	$ 1,190	$ -	$ -	$ -

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Debt Service Fund
Year Ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget
Revenues				
Miscellaneous revenues	$ -	$ -	$ 53,402	$ 53,402
Expenditures				
Debt service:				
Principal retirement	234,000	234,000	234,000	-
Interest	34,999	34,999	35,000	(1)
Total expenditures	268,999	268,999	269,000	(1)
Excess (deficiency) of revenues over (under) expenditures	(268,999)	(268,999)	(215,598)	53,401
Other Financing Sources (Uses)				
Transfers in	3,649,960	3,649,960	221,734	(3,428,226)
Total other financing sources (uses)	3,649,960	3,649,960	221,734	(3,428,226)
Net change in fund balance	3,380,961	3,380,961	6,136	(3,374,825)
Fund Balance, Beginning	9,671	9,671	9,671	-
Fund Balance, Ending	$ 3,390,632	$ 3,390,632	$ 15,807	$ (3,374,825)

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Obligation Bond Debt Service Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Property taxes	$ 1,941,155	$ 1,941,155	$ 1,904,321	$ (36,834)
Investment earnings	93,845	93,845	253,524	159,679
Total revenues	2,035,000	2,035,000	2,157,845	122,845
Expenditures				
Debt service:				
Principal retirement	1,625,000	1,625,000	1,625,000	-
Interest and fiscal charges	853,750	853,750	854,350	(600)
Total expenditures	2,478,750	2,478,750	2,479,350	(600)
Excess (deficiency) of revenues over (under) expenditures	(443,750)	(443,750)	(321,505)	122,245
Other Financing Sources (Uses)				
Transfers in	-	-	325,000	325,000
Transfers out	-	-	-	-
Issuance of debt				-
Gain on early debt extinguishments				-
Payment to escrow agent	-	-	-	-
Total other financing uses	-	-	325,000	325,000
Net change in fund balance	(443,750)	(443,750)	3,495	447,245
Fund Balance, Beginning	2,538,294	2,538,294	2,538,294	-
Fund Balance, Ending	$ 2,094,544	$ 2,094,544	$ 2,541,789	$ 447,245

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Excise Tax Debt Service Fund
Year Ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget
Revenues				
Investment earnings	$ 10,000	$ 10,000	$ 119,247	$ 109,247
Expenditures				
Current:				
General government:	-	-	2,000	(2,000)
Debt service:				
Principal retirement	4,460,000	4,460,000	4,460,000	-
Interest	1,300,909	1,300,909	1,305,909	(5,000)
Total expenditures	5,760,909	5,760,909	5,767,909	(7,000)
Excess (deficiency) of revenues over (under) expenditures	(5,750,909)	(5,750,909)	(5,648,662)	102,247
Other Financing Sources (Uses)				
Transfers in	1,948,226	1,948,226	6,606,748	4,658,522
Total other financing sources (uses)	1,948,226	1,948,226	6,606,748	4,658,522
Net change in fund balance	(3,802,683)	(3,802,683)	958,086	4,760,769
Fund Balance, Beginning	2,144,909	2,144,909	2,144,909	-
Fund Balance, Ending	$ (1,657,774)	$ (1,657,774)	$ 3,102,995	$ 4,760,769

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Airport Improvement Capital Projects Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental revenues	$ 575,411	$ 575,411	$ 46,166	$ (529,245)
Rental and sale of city property	-	-	4,029,793	4,029,793
Total revenues	575,411	575,411	4,075,959	3,500,548
Expenditures				
Capital outlay	6,385,127	6,408,155	327,061	6,081,094
Total expenditures	6,385,127	6,408,155	327,061	6,081,094
Excess (deficiency) of revenues over (under) expenditures	(5,809,716)	(5,832,744)	3,748,898	9,581,642
Other Financing Sources				
Transfers in	5,000,000	5,000,000	5,000,000	-
Total other financing sources	5,000,000	5,000,000	5,000,000	-
Net change in fund balance	(809,716)	(832,744)	8,748,898	9,581,642
Fund Balance, Beginning	312,716	312,716	312,716	-
Fund Balance, Ending	$ (497,000)	$ (520,028)	$ 9,061,614	$ 9,581,642

City of Casa Grande, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Community Facilities Districts - Capital Projects
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Property tax	$ -	$ 1,384,615	$ 751,649	$ (632,966)
Total revenues	-	1,384,615	751,649	(632,966)
Expenditures				
Current:				
General government	356,055	-	4,010	(4,010)
Capital outlay	5,200,000	-	-	-
Debt service:				
Principal retirement	-	-	185,000	(185,000)
Interest	-	-	341,965	(341,965)
Total expenditures	5,556,055	-	530,975	(530,975)
Excess (deficiency) of revenues over (under) expenditures	(5,556,055)	1,384,615	220,674	(1,163,941)
Other Financing Sources (Uses)				
Transfers out	-	-	(207,062)	(207,062)
Net change in fund balance	(5,556,055)	1,384,615	13,612	(1,371,003)
Fund Balance, Beginning	1,248,824	1,248,824	1,595,671	(346,847)
Fund Balance, Ending	$ (4,307,231)	$ 2,633,439	$ 1,609,283	$ (1,024,156)

Financial Section

Supplementary Information

Budgetary Comparison Schedules

Proprietary Funds

City of Casa Grande, Arizona

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Wastewater/Development Enterprise Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Operating Revenues				
Service fees	$ 16,592,948	$ 16,592,948	$ 14,609,407	$ (1,983,541)
Miscellaneous	-	-	7,098	7,098
Total operating revenues	16,592,948	16,592,948	14,616,505	(1,976,443)
Operating Expenses				
Personnel services	1,668,798	1,668,798	1,518,920	149,878
Contractual	9,121,918	24,098,994	3,412,997	20,685,997
Materials and supplies	1,795,700	1,795,700	1,297,374	498,326
Depreciation	363,954	363,954	3,571,552	(3,207,598)
Other expense	-	-	10,052	(10,052)
Total operating expenses	12,950,370	27,927,446	9,810,895	18,116,551
Operating income (expense)	3,642,578	(11,334,498)	4,805,610	16,140,108
Nonoperating Revenues (Expenses)				
Investment earnings	156,230	156,230	1,086,697	930,467
Interest expense	(784,750)	(784,750)	(761,623)	23,127
Gain (loss) on sale of assets	-	-	-	-
Total nonoperating revenue (expense)	(628,520)	(628,520)	325,074	953,594
Income (loss) before developer developer fees, contributions and transfers	3,014,058	(11,963,018)	5,130,684	17,093,702
Developer Fees	6,930,630	6,930,630	4,184,371	(2,746,259)
Capital Contributions	-	-	34,038	34,038
Transfers In	-	-	4,420,983	4,420,983
Transfers Out	(156,879)	-	(517,352)	(517,352)
Net change in net position	9,787,809	(5,032,388)	13,252,724	18,285,112
Net Position, Beginning	107,667,811	107,667,811	107,667,811	-
Net Position, Ending	$ 117,455,620	$ 102,635,423	$ 120,920,535	$ 18,285,112

City of Casa Grande, Arizona

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Sanitation Enterprise Fund
Year Ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget
Operating Revenues				
Service fees	$ 9,377,036	$ 9,377,036	$ 8,655,774	$ (721,262)
Miscellaneous	157,496	157,496	6,384	(151,112)
Total operating revenues	9,534,532	9,534,532	8,662,158	(872,374)
Operating Expenses				
Personnel services	2,865,701	2,981,107	2,984,518	(3,411)
Contractual	1,781,113	1,781,113	1,536,815	244,298
Materials and supplies	1,847,947	1,847,947	1,187,125	660,822
Depreciation	840,211	840,211	1,775,798	(935,587)
Closure and postclosure costs	-	-	586,170	(586,170)
Total operating expenses	7,334,972	7,450,378	8,070,426	(620,048)
Operating income (expense)	2,199,560	2,084,154	591,732	(1,492,422)
Nonoperating Revenues (Expenses)				
Investment earnings	327,875	327,875	1,056,593	728,718
Total nonoperating revenue (expense)	327,875	327,875	1,056,593	728,718
Income (loss) before transfers	2,527,435	2,412,029	1,648,325	(763,704)
Transfers Out	(1,022,641)	-	-	-
Net change in net position	1,504,794	2,412,029	1,648,325	(763,704)
Net Position, Beginning	17,384,516	17,384,516	17,384,516	-
Net Position, Ending	$ 18,889,310	$ 19,796,545	$ 19,032,841	$ (763,704)

City of Casa Grande, Arizona

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Water Enterprise Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Operating Revenues				
Service fees	$ 298,298	$ 298,298	$ 257,451	$ (40,847)
Miscellaneous	-	-	192	192
Total operating revenues	298,298	298,298	257,643	(40,655)
Operating Expenses				
Personnel services	15,000	15,000	113,348	(98,348)
Contractual	374,815	374,815	185,010	189,805
Materials and supplies	84,500	84,500	108,402	(23,902)
Depreciation	150,913	150,913	34,541	116,372
Total operating expenses	625,228	625,228	441,301	183,927
Operating income (expense)	(326,930)	(326,930)	(183,658)	143,272
Transfers Out	2,535	-	-	-
Net change in net position	(324,395)	(326,930)	(183,658)	143,272
Net Position, Beginning	(57,582)	(57,582)	(57,582)	-
Net Position, Ending	$ (381,977)	$ (384,512)	$ (241,240)	$ 143,272

City of Casa Grande, Arizona

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Golf Course Enterprise Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Operating Revenues				
Service fees	$ 360,607	$ 360,607	$ 368,627	$ 8,020
Rental	368,383	368,383	340,848	(27,535)
Green fees	1,212,404	1,212,404	1,184,381	(28,023)
Miscellaneous	3,584	3,584	4,525	941
Total operating revenues	1,944,978	1,944,978	1,898,381	(46,597)
Operating Expenses				
Personnel services	374,251	444,747	406,831	37,916
Contractual	992,398	1,081,098	959,660	121,438
Materials and supplies	219,500	282,800	227,044	55,756
Depreciation	-	-	282,113	(282,113)
Total operating expenses	1,586,149	1,808,645	1,875,648	(67,003)
Operating income (expense)	358,829	136,333	22,733	(113,600)
Nonoperating Revenues (Expenses)				
Investment earnings	-	-	5,281	(5,281)
City sales tax	38,590	38,590	31,812	(6,778)
Gain (loss) on sale of equipment	-	-	(1,667)	(1,667)
Total nonoperating revenue	38,590	38,590	35,426	(13,726)
Income (loss) before transfers	397,419	174,923	58,159	(116,764)
Transfers Out	53,860	-	-	-
Net change in net position	451,279	174,923	58,159	(116,764)
Net Position, Beginning	2,595,984	2,595,984	2,595,984	-
Net Position, Ending	$ 3,047,263	$ 2,770,907	$ 2,654,143	$ (116,764)

Statistical Section

Contents	Pages

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

City of Casa Grande, Arizona

Net Position by Component
Schedule 1
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in capital assets	$ 111,804,545	$ 125,561,739	$ 108,270,856	$ 134,649,294	$ 129,469,237	$ 121,637,501	$ 118,760,028	$ 130,561,386	$ 142,010,084	$ 166,662,214
Restricted	38,094,808	35,874,477	40,267,225	31,931,243	54,145,595	66,985,350	77,491,775	90,317,609	106,047,147	125,113,238
Unrestricted	26,141,879	5,910,563	13,909,387	4,155,348	686,821	13,278,839	39,377,982	51,532,614	80,182,956	88,758,077
Total governmental activities net position	$ 176,041,232	$ 167,346,779	$ 162,447,468	$ 170,735,885	$ 184,301,653	$ 201,901,690	$ 235,629,785	$ 272,411,609	$ 328,240,187	$ 380,533,529
Business-Type Activities										
Net investment in capital assets	$ 49,202,991	$ 49,611,489	$ 51,297,595	$ 52,921,972	$ 54,578,295	$ 58,472,223	$ 59,816,453	$ 69,913,713	$ 91,186,161	$ 122,006,278
Restricted	6,575,857	6,970,069	6,403,618	6,660,007	12,096,729	19,754,821	24,746,871	24,395,311	28,398,419	24,315,875
Unrestricted	151,635	939,248	1,769,103	5,563,303	5,267,351	6,059,078	9,173,390	20,002,017	8,006,149	(3,955,874)
Total business-type activities net position	$ 55,930,483	$ 57,520,806	$ 59,470,316	$ 65,145,282	$ 71,942,375	$ 84,286,122	$ 93,736,714	$ 114,311,041	$ 127,590,729	$ 142,366,279
Primary Government										
Net investment in capital assets	$ 161,007,536	$ 175,173,228	$ 159,568,451	$ 187,571,266	$ 184,047,532	$ 180,109,724	$ 178,576,481	$ 200,475,099	$ 233,196,245	$ 288,668,492
Restricted	44,670,665	42,844,546	46,670,843	38,591,250	66,242,324	86,740,171	102,238,646	114,712,920	134,445,566	149,429,113
Unrestricted	26,293,514	6,849,811	15,678,490	9,718,651	5,954,172	19,337,917	48,551,372	71,534,631	88,189,105	84,802,203
Total primary government net position	$ 231,971,715	$ 224,867,585	$ 221,917,784	$ 235,881,167	$ 256,244,028	$ 286,187,812	$ 329,366,499	$ 386,722,650	$ 455,830,916	$ 522,899,808

City of Casa Grande, Arizona

Changes in Net Position - Governmental Activities
Schedule 2
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Expenses:										
General government	$ 11,103,379	$ 8,951,427	$ 9,203,693	$ 6,211,501	$ 8,985,376	$ 11,604,796	$ 10,356,216	$ 11,763,795	$ 19,982,414	$ 30,761,607
Public safety	23,893,064	31,694,293	31,273,684	31,268,662	32,331,599	33,789,441	34,718,144	36,103,269	37,803,539	30,842,152
Streets/Transportation	12,823,511	12,159,682	5,042,379	3,187,209	4,936,659	3,108,249	5,994,902	5,321,190	139,769	1,139,933
Public works	7,723,880	5,944,648	9,664,687	11,612,371	10,776,751	14,547,249	10,869,184	8,933,147	5,211,602	12,939,144
Culture and recreation	7,805,438	7,994,626	7,696,620	10,140,746	9,210,516	7,339,659	10,607,102	11,305,153	11,380,008	10,820,031
Economic development	2,350,547	2,573,276	3,909,504	3,032,017	4,006,477	2,955,078	4,869,721	5,885,104	12,836,783	4,165,782
Interest on long-term debt	2,424,163	2,571,381	3,118,414	3,255,720	411,944	1,968,299	1,920,661	2,648,668	2,871,865	1,994,417
Total expenses	68,123,982	71,889,333	69,908,981	68,708,226	70,659,322	75,312,771	79,335,930	81,960,326	90,225,980	93,663,066
Program revenues:										
Charges for services:										
General government	1,388,172	824,576	460,030	394,210	298,032	240,515	373,267	289,754	938,071	1,255,589
Public safety	1,487,150	1,608,334	1,388,042	1,544,494	1,079,211	1,251,053	1,175,524	1,174,294	1,299,878	4,365,316
Streets/Transportation	-	-	-		-	-	-	-	-	-
Public works	3,476,748	3,944,961	909,437	874,890	989,335	1,805,395	1,813,678	730,105	459,677	1,668,650
Culture and recreation	1,035,225	741,249	691,224	951,399	1,232,935	1,538,436	1,314,897	1,717,695	1,617,378	1,392,029
Development fees	110,678	783,045	251,681	-	-	-	-	-	-	-
Building permits	1,314,910	777,911	1,027,288	1,948,462	1,700,990	3,865,170	3,823,439	3,396,365	3,668,460	2,874,389
Other economic development	96,668	238,566	65,718	124,015	1,210,920	1,817,567	1,441,623	2,997,662	4,898,999	1,300,159
Operating grants and contributions	4,945,110	5,752,093	6,155,986	6,435,375	12,643,572	8,171,777	20,279,239	8,987,700	10,444,548	11,030,259
Capital grants and contributions	1,451,669	805,309	1,802,175	4,960,817	5,477,699	9,230,238	6,946,282	13,731,199	6,210,663	3,536,890
Total program revenues	15,306,330	15,476,044	12,751,581	17,233,662	24,632,694	27,920,151	37,167,949	33,024,774	29,537,674	27,423,281
Total governmental activities net program expense	(52,817,652)	(56,413,289)	(57,157,400)	(51,474,564)	(46,026,628)	(47,392,620)	(42,167,981)	(48,935,552)	(60,688,306)	(65,239,785)
General revenues and other changes in net position:										
Property taxes	6,410,163	6,472,519	6,970,676	6,862,999	5,847,793	6,113,399	7,731,777	6,823,496	7,989,521	8,418,696
Sales taxes	22,909,814	23,402,408	25,292,113	27,193,495	30,674,410	36,505,308	47,852,821	57,180,180	63,486,422	62,996,727
Franchise taxes	2,388,109	2,449,704	2,502,845	2,343,033	2,326,462	2,447,297	2,665,583	2,917,682	3,259,503	3,375,880
Shared revenues:										
State sales taxes	4,602,342	4,734,258	5,246,154	5,595,095	5,923,694	6,804,724	7,672,107	8,529,119	9,133,560	9,842,921
Urban revenue sharing	5,847,942	6,295,760	6,754,555	6,718,257	7,400,926	8,379,332	7,172,180	10,945,590	15,907,972	13,559,917
Auto-in-lieu	2,638,312	2,666,254	3,172,178	3,378,251	3,572,877	4,242,113	4,239,122	4,273,816	4,349,678	4,876,521
Investment earnings	775,075	444,399	746,889	4,388,415	3,033,946	248,917	(2,828,231)	4,548,705	12,167,777	13,824,468
Gain on early debt extinguishment	-	-	-	106,940	-	-	-	-	-	-
Gain on sales of assets	-	-	-	-	-	-	202,205	266,428	-	4,049,476
Miscellaneous	329,338	665,351	380,656	456,445	770,281	247,611	1,188,512	337,360	222,451	526,190
Transfers	1,297,300	1,371,224	1,192,023	1,444,610	42,007	3,956	-	(10,105,000)	-	(3,937,669)
Total general revenues and other changes in net position	47,198,395	48,501,877	52,258,089	58,487,540	59,592,396	64,992,657	75,896,076	85,717,376	116,516,884	117,533,127
Total governmental activities change in net position	$ (5,619,257)	$ (7,911,412)	$ (4,899,311)	$ 7,012,976	$ 13,565,768	$ 17,600,037	$ 33,728,095	$ 36,781,824	$ 55,828,578	$ 52,293,342

City of Casa Grande, Arizona

Changes in Net Position - Business-Type Activities
Schedule 3
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-Type Activities										
Expenses:										
Water	$ 224,960	$ 589,929	$ 285,818	$ 313,388	$ 373,484	$ 384,921	$ 293,197	$ 380,454	$ 362,269	$ 441,301
Golf course	924,469	1,263,373	1,407,351	1,348,139	1,351,902	1,262,574	1,413,141	1,841,425	1,756,361	1,877,315
Wastewater	10,661,238	10,077,363	9,542,082	9,064,782	9,319,191	9,388,670	9,362,609	10,188,646	9,884,938	10,572,518
Sanitation	5,311,875	5,726,011	5,570,376	5,141,643	5,454,263	5,257,913	6,045,171	7,089,753	7,251,935	8,070,426
Total expenses	17,122,542	17,656,676	16,805,627	15,867,952	16,498,840	16,294,078	17,114,118	19,500,278	19,255,503	20,961,560
Revenues:										
Charges for services:										
Water	219,824	236,862	229,111	210,924	235,920	250,818	449,525	236,236	249,144	257,643
Golf course	1,115,852	1,257,615	1,359,502	1,406,657	1,473,150	1,541,451	1,741,329	1,834,564	1,899,461	1,898,381
Wastewater	10,241,967	11,105,175	10,754,316	11,121,564	10,896,978	11,462,017	11,853,656	13,447,311	14,472,192	14,616,505
Sanitation	7,388,211	7,432,237	6,840,168	7,309,243	6,973,937	7,229,849	7,792,109	8,570,230	8,460,054	8,662,158
Sales taxes	30,345	28,892	26,156	-	17,036	22,083	52,161	29,268	36,275	31,812
Investment earnings	26,041	81,578	158,238	268,994	608,678	144,413	(432,625)	244,213	1,824,831	2,148,571
Miscellaneous	4,021	29,977	-	-	-	346,802	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	1,403,498	-	-
Capital grants and contributions	670,238	445,883	579,670	2,670,146	3,132,241	7,644,348	5,108,555	4,204,285	5,593,234	4,184,371
Total revenues	19,696,499	20,618,219	19,947,161	22,987,528	23,337,940	28,641,781	26,564,710	29,969,605	32,535,191	31,799,441
Total business-type activities net program expense	2,573,957	2,961,543	3,141,534	7,119,576	6,839,100	12,347,703	9,450,592	10,469,327	13,279,688	10,837,881
Other changes in net position:										
Transfers	(78,030)	(1,371,224)	(1,192,023)	(1,444,610)	(42,007)	(3,956)	-	10,105,000	-	3,937,669
Total business-type activities change in net position	$ 2,495,927	$ 1,590,319	$ 1,949,511	$ 5,674,966	$ 6,797,093	$ 12,343,747	$ 9,450,592	$ 20,574,327	$ 13,279,688	$ 14,775,550
Total primary government change in net position	$ (3,123,330)	$ (6,321,093)	$ (2,949,800)	$ 12,687,942	$ 20,362,861	$ 29,943,784	$ 43,178,687	$ 57,356,151	$ 69,108,266	$ 67,068,892

City of Casa Grande, Arizona

Fund Balances of Governmental Funds
Schedule 4
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 2,063	$ -	$ 1,006,102	$ 2,063,308	$ 3,359,483	$ 1,654,063	$ 1,496,470	$ 1,391,441	$ 904,143	$ 943,091
Restricted	-	1,670,016	1,482,581	1,568,371	1,568,371	1,568,371	-	-	-	-
Committed	-	4,654,417	5,232,779	5,611,482	6,265,454	6,728,180	12,168,076	12,795,781	14,177,539	15,780,589
Assigned	20,453,537	20,494,239	13,094,976	14,870,455	13,269,260	18,347,591	54,564,183	16,913,296	16,868,194	16,009,518
Unassigned	9,911,709	5,343,256	13,667,378	19,094,967	32,924,395	39,978,151	27,521,491	75,074,878	92,325,496	110,576,399
Total general fund	$ 30,367,309	$ 32,161,928	$ 34,483,816	$ 43,208,583	$ 57,386,963	$ 68,276,356	$ 95,750,220	$106,175,396	$124,275,372	$143,309,597
All Other Governmental Funds										
Nonspendable	$ 59,867	$ 40,286	$ 170,140	$ 45,123	$ 362,008	$ 28,975	$ -	$ 1,606,149	$ 1,358,032	$ 499,903
Restricted	37,376,941	36,647,161	38,784,644	30,362,872	52,577,224	65,491,244	77,491,775	90,317,609	106,047,147	125,113,238
Committed	-	1,164,600	-	1,989,707	2,135,495	2,418,880	2,763,117	3,423,975	4,211,352	4,528,720
Assigned	45,538,029	42,075,694	39,202,559	22,507,732	2,169,694	6,602,047	4,878,780	8,808,867	18,908,526	10,187,589
Unassigned	(635,129)	(750,466)	(531,017)	(1,080,079)	(1,404,901)	(1,284,259)	(1,322,531)	(1,339,671)	(1,399,236)	(1,731,699)
Total all other governmental funds	$ 82,339,708	$ 79,177,275	$ 77,626,326	$ 53,825,355	$ 55,839,520	$ 73,256,887	$ 83,811,141	$102,816,929	$129,125,821	$138,597,751

City of Casa Grande, Arizona

Changes in Fund Balances of Governmental Funds
Schedule 5
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$ 29,707,719	$ 30,324,120	$ 32,272,000	$ 33,953,688	$ 36,243,848	$ 41,906,190	$ 54,626,403	$ 62,841,677	$ 69,925,147	$ 69,076,374
Licenses and permits	198,289	981,525	1,211,872	1,845,897	1,882,269	4,686,392	3,823,439	3,396,365	3,668,460	5,052,672
Intergovernmental revenues	20,210,255	21,520,997	23,349,174	24,300,942	32,478,962	30,953,733	42,045,773	36,996,314	45,452,718	45,212,634
Charges for services	4,580,524	2,695,209	3,674,172	6,699,921	6,789,552	13,073,103	11,614,627	19,066,534	11,543,845	9,026,059
Fines	589,589	1,012,427	873,169	723,082	644,422	651,732	597,158	641,342	600,565	689,458
Investment earnings	774,775	434,393	729,980	4,363,910	3,033,946	248,916	(2,828,231)	4,548,705	12,167,777	13,824,468
Rental income	763,824	608,524	622,603	566,569	638,269	593,628	896,638	1,000,146	764,171	849,682
Other revenues	654,851	639,115	372,027	652,845	760,083	425,802	1,931,876	462,265	324,247	643,696
Total revenues	57,479,826	58,216,310	63,104,997	73,106,854	82,471,351	92,539,496	112,707,683	128,953,348	144,446,930	144,375,043
Expenditures										
General government	7,591,059	9,242,859	7,946,956	8,639,803	8,769,698	8,291,910	9,857,265	9,792,218	11,114,331	12,767,827
Public safety	23,899,172	23,008,996	25,620,207	26,185,872	26,815,785	28,700,688	90,944,176	28,292,257	31,142,028	34,963,267
Streets/Transportation	3,070,601	2,759,357	4,432,747	3,113,727	4,248,751	4,629,054	4,203,686	4,857,138	6,396,163	5,710,231
Public works	1,286,448	1,159,563	1,111,264	1,039,146	1,043,362	1,034,562	1,792,507	1,238,917	1,299,385	2,588,072
Culture and recreation	6,547,379	6,677,105	6,627,298	6,707,765	7,356,101	6,537,800	7,845,395	8,638,631	8,926,037	9,835,663
Planning and economic development	2,860,992	3,017,753	3,354,879	3,051,499	3,515,430	3,954,128	5,268,977	4,952,620	5,388,324	4,122,515
Capital outlay	6,342,445	9,933,106	9,127,478	33,402,748	10,604,705	8,606,907	11,314,959	24,365,266	26,757,481	35,178,955
Debt service:										
Principal	2,771,539	3,084,158	3,596,214	5,251,754	3,324,478	5,175,607	4,131,862	5,611,393	8,725,808	6,504,000
Interest	2,281,741	2,248,255	2,388,463	2,386,183	2,025,034	1,889,129	2,382,812	2,720,263	2,587,832	2,554,203
Bond issuance costs	(531,270)	-	169,890	41,393	66,924	207,967	798,540	-	250,673	-
Total expenditures	56,120,106	61,131,152	64,375,396	89,819,890	67,770,268	69,027,752	138,540,179	90,468,703	102,588,062	114,224,733
Other Financing Sources (Uses)										
Transfers in	13,931,824	8,129,320	8,250,363	15,753,858	3,124,333	11,879,547	5,534,914	13,549,692	27,670,750	24,396,044
Transfers out	(12,261,624)	(6,582,296)	(6,423,156)	(13,732,058)	(3,902,444)	(11,739,814)	(4,934,300)	(24,480,692)	(29,370,750)	(30,089,675)
Sale of assets	-	-	-	-	-	-	-	-	-	4,049,476
Subscription payables issued	-	-	-	-	-	-	-	1,877,319	-	-
Bond issuance	37,675,240	-	7,710,000	-	-	4,655,283	63,260,000	-	4,250,000	-
Payment to escrow agent	(20,657,479)	-	(7,531,828)	-	-	-	-	-	-	-
Total other financing sources (uses)	18,687,961	1,547,024	2,005,379	2,021,800	(778,111)	4,795,016	63,860,614	(9,053,681)	2,550,000	(1,644,155)
Net change in fund balances	$ 20,047,681	$ (1,367,818)	$ 734,980	$ (14,691,236)	$ 13,922,972	$ 28,306,760	$ 38,028,118	$ 29,430,964	$ 44,408,868	$ 28,506,155
Debt Service as a Percentage of Noncapital Expenditures	10.15%	10.42%	10.83%	13.54%	9.36%	11.69%	5.12%	12.75%	14.54%	11.41%

City of Casa Grande, Arizona

Sales Tax Revenue by Industry
Schedule 6
Fiscal Years 2018- 2025
(Unaudited)

	Fiscal Year 2018		Fiscal Year 2019		Fiscal Year 2020		Fiscal Year 2021		Fiscal Year 2022		Fiscal Year 2023		Fiscal Year 2024	
	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total	Tax Paid	Percentage of Total
Construction	$ 2,321,209	10.28 %	$ 2,982,855	12.16 %	$ 4,601,108	16.06 %	$ 6,324,701	18.25 %	$12,052,233	26.43 %	$22,530,538	37.45 %	$21,507,734	34.98 %
Manufacture	706,092	3.13	583,874	2.38	545,779	1.90	609,678	1.76	772,091	1.69	908,615	1.51	932,954	1.52
Transportation/communication/ utilities	2,383,915	10.56	2,357,393	9.61	2,341,655	8.17	2,530,577	7.30	2,702,708	5.93	2,995,705	4.98	3,274,057	5.32
Wholesale trade	369,291	1.64	423,087	1.73	606,842	2.12	653,606	1.89	856,130	1.88	1,000,210	1.66	1,026,112	1.67
Retail trade	10,852,085	48.08	11,159,883	45.51	12,905,093	45.04	15,099,338	43.57	17,065,503	37.42	19,140,771	31.82	19,765,057	32.14
Restaurants/bars	1,785,801	7.91	1,954,939	7.97	2,044,973	7.14	2,382,999	6.88	2,943,763	6.46	3,488,144	5.80	3,647,755	5.93
Insurance/real estate	2,020,226	8.95	2,689,023	10.97	2,943,659	10.27	3,407,775	9.83	4,652,979	10.20	5,806,648	9.65	6,008,374	9.77
Hotels/lodging	565,681	2.51	615,273	2.51	619,448	2.16	790,475	2.28	1,033,978	2.27	1,548,811	2.57	1,965,690	3.20
Services	868,557	3.85	1,081,410	4.41	1,477,076	5.16	2,408,535	6.95	2,879,189	6.31	2,049,493	3.41	2,475,606	4.03
All other	696,035	3.08	674,652	2.75	564,936	1.97	446,726	1.29	643,156	1.41	689,569	1.15	888,528	1.44
Total	$ 22,568,892	100.00 %	$24,522,389	100.00 %	$28,650,569	100.00 %	$34,654,410	100.00 %	$45,601,730	100.00 %	$60,158,504	100.00 %	$61,491,867	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.

City of Casa Grande, Arizona

Direct and Overlapping Sales Tax Rates
Schedule 7
Year Ended June 30, 2025
(Unaudited)

	Rates					
Type of Tax	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	
Retail, marijuana adult use	2.0		6.7		8.7	
Hotel/motel	5.0		6.7		11.7	
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		$0.0366/gal		N/A	
Real property rental:						
Commercial	1.8		0.5		2.3	
Residential	1.8		-		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.

City of Casa Grande, Arizona

Real and Personal Property Tax Levies and Collections
Schedule 8
Collected to June 30, 2025
(Unaudited)

Fiscal Year	Tax Levy	Collections		Taxes Receivable	Percent of Tax Levy	Adjustments
2015	$ 5,351,592	$ 5,347,903		$ 3,689	99.93 %	$ (26,966)
2016	5,487,409	5,481,241		6,168	99.89	(23,491)
2017	5,563,565	5,555,481		8,084	99.85	(11,814)
2018	5,636,188	5,526,226		109,962	98.05	(8,678)
2019	6,013,399	5,844,411		168,988	97.19	(1,559)
2020	5,113,550	4,987,873		125,677	97.54	1,994
2021	4,267,000	4,190,467		76,533	98.21	(6,082)
2022	6,858,417	6,686,435		171,982	97.49	20,220
2023	6,438,628	6,271,136		167,492	97.40	(149,299)
2024	7,188,167	7,020,788	(a)	167,379	97.67	(179,318)
2025	7,455,936	7,259,799		196,138	97.37	(416,897)

(a) Reflects collections made through June 30, 2024, 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

City of Casa Grande, Arizona

Tax Rate Data
Schedule 9
Last Ten Fiscal Years
(Unaudited)

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
2016	0.9999	0.6308	1.6307
2017	0.9999	0.6308	1.6307
2018	0.9999	0.6565	1.6564
2019	0.9905	0.6010	1.5915
2020	1.0606	0.2752	1.3358
2021	1.0598	0.2752	1.3350
2022	1.0148	0.5702	1.5850
2023	0.9643	0.3993	1.3636
2024	0.9643	0.4197	1.3840
2025	0.9643	0.3184	1.2827

Source: City of Casa Grande

City of Casa Grande, Arizona

Estimated Net Secondary Assessed Valuation of Major Taxpayers
Schedule 10
(Unaudited)

Taxpayers (a)(b)	Type of Business/Property	Estimated 2024-25 Net Secondary Assessed Valuation	As Percent of City's 2023-24 Net Secondary Assessed Valuation
LUCID USA INC	Manufacturing	$ 24,970,203	2.76 %
ARIZONA PUBLIC SERVICE COMPANY	Electric Utility	17,859,862	1.98
KOHLER CO	Manufacturing	21,967,798	2.43
LUCID USA INC (FKA ATIEVA USA INC)	Manufacturing	12,462,206	1.38
WAL-MART STORES EAST LP	Retailer	9,044,487	1.00
SOUTHWEST GAS CORPORATION	Gas Utility	6,535,538	0.72
ABBOTT MANUFACTURING	Manufacturing	7,160,510	0.79
FRITO LAY SALES INC	Manufacturing	5,437,241	0.60
ARIZONA WATER COMPANY	Water Utility	5,302,612	0.59
HEXCEL CORPORATION	Manufacturing	3,974,302	0.44
BVKV CASA GRANDE OWNER LLC	Real Estate Management	4,720,000	0.52
TRACTOR SUPPLY COMPANY #1808	Retail Distribution Center	4,560,579	0.50
CADC PARTNERS LLC	Real Estate Management	4,530,854	0.50
PALM CREEK HOLDINGS LLC	Real Estate Management	6,267,789	0.69
SKY CASA GRANDE LLC	Real Estate Management	3,518,912	0.39
DAISY BRAND LLC	Dairy Product Manufacturing	2,878,933	0.32
FRITO-LAY INC	Real Estate Management	4,309,897	0.48
WRIGHT ASPHALT PRODUCTS COMPANY LLC	Manufacturing	3,136,051	0.35
PROMENADE CG HOLDINGS LLC	Retailer	5,511,378	0.61
DAISY BRAND LP	Dairy Product Manufacturing	3,300,071	0.37
	Total	$ 157,449,223	17.42 %

(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 nongovernmental 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

City of Casa Grande, Arizona

Ratios of Outstanding Debt by Type
Schedule 11
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities						Business-Type Activities		Business-Type Activities				
Fiscal Year	General Obligation Bonds	Excise Tax Revenue Obligations	Premium on Debt Payable	Special Assessment Bonds	Subscriptions Payable	Leases Payable	General Obligation Bonds	Excise Tax/ GO Bond Revenue Obligations	Leases Payable	Notes Payable	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2016	$ 44,193,352	$ 15,351,500	$ 3,105,241	$ -	$ -	$ 7,537,984	$ -	$ 9,495,085	$ -	$ 43,736,724	$ 123,419,886	10.77	2,260.88
2017	43,139,478	14,462,000	2,924,478	-	-	6,960,225	-	8,250,541	-	41,106,899	116,843,621	10.14	2,142.58
2018	38,375,000	13,981,900	2,745,187	-	-	6,342,211	-	6,068,100	-	38,371,116	105,883,514	8.19	1,879.82
2019	33,890,000	12,927,300	2,620,430	-	-	5,691,985	-	4,577,700	-	35,525,109	95,232,524	5.57	1,707.53
2020	32,370,000	11,806,700	2,437,506	-	-	5,006,106	-	3,018,300	-	32,564,435	87,203,047	4.76	1,530.90
2021	33,225,000	12,020,000	2,479,865	-	-	4,585,107	-	1,407,600	-	29,484,476	83,202,048	2.89	1,419.06
2022	31,770,000	71,635,000	2,285,677	-	-	4,149,237	-	-	-	26,280,426	136,120,340	4.98	2,182.26
2023	30,235,000	68,675,000	2,104,557	-	1,226,571	3,683,591	-	-	-	22,947,284	128,872,003	4.67	2,146.72
2024	32,850,000	64,960,000	1,923,477	-	653,355	881,000	-	-	-	21,332,002	122,599,834	3.86	1,923.35
2025	31,040,000	60,500,000	1,562,150		64,563	647,000				22,711,300	116,525,013	3.27	1,660.94

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.

City of Casa Grande, Arizona

Ratio of General Bonded Debt Outstanding
Schedule 12
Last Ten Fiscal Years
(Unaudited)

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
2016	3,195,000	(1)	307,634,017	1.04 %	604	125,000
2016	37,930,000	(2)	3,018,493,334	1.26	737	1,505,000
2017	3,070,000	(1)	324,524,692	0.95	328	125,000
2017	37,145,000	(2)	3,142,528,380	1.18	619	1,505,000
2018	2,940,000	(1)	349,336,106	0.84	314	135,000
2018	35,435,000	(2)	3,232,315,699	1.1	590	1,795,000
2019	2,805,000	(1)	367,212,764	0.76	300	410,000
2019	31,085,000	(2)	3,460,059,401	0.9	518	1,105,000
2020	2,390,000	(1)	411,172,201	0.58	255	2,390,000
2020	29,980,000	(2)	3,625,019,073	0.83	499	1,185,000
2021	4,430,000	(3)	178,518,348	2.48	473	185,000
2021	28,795,000	(2)	3,919,684,300	0.73	480	1,270,000
2022	4,245,000	(3)	206,614,267	2.05	453	175,000
2022	27,525,000	(2)	4,231,783,757	0.65	459	1,360,000
2023	4,070,000	(3)	207,449,701	1.96	435	175,000
2023	26,165,000	(2)	4,731,723,844	0.55	436	1,460,000
2024	3,895,000	(4)	621,086,078	0.63	387	185,000
2024	24,705,000	(2)	5,638,561,608	0.44	352	1,625,000
2025	7,960,000	(4)	668,828,493	1.19	792	335,000
2025	23,080,000	(2)	6,093,710,948	0.38	329	1,950,000

(a) Source: Pinal County Assessor's records

(b) Estimated population of Mission Royale CFD 6/30/21	6,403
Estimated population of Villago CFD 6/30/21	3,649
Population of Casa Grande	70,156

Source: City of Casa Grande Development Center

(1) General obligation bonds were issued by the Mission Royale Community Facilities District in 2005 and 2025 and the Facilities District in 2006, 2008, 2010, and 2020. These bonds will be repaid by the property owners within the CFDs and are obligations of the districts only.

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

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

(4) Villago and Mission Royale

City of Casa Grande, Arizona

Direct and Overlapping Governmental Activities Debt
Schedule 13
June 30, 2025
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Elementary School District #4	$ 32,110,000	86.26 %	$ 27,698,086
Union High School District #82	5,405,000	67.98	3,674,319
Central Arizona Community College	47,810,000	15.24	7,286,244
Mission Royale CFD	4,250,000	100.00	4,250,000
Villago CFD	3,710,000	100.00	3,710,000
Subtotal, overlapping debt			46,618,649
City Direct Debt	93,993,907	100.00	93,993,907
Total direct and overlapping debt			$ 140,612,556

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.

City of Casa Grande, Arizona

Legal Debt Margin Information
Schedule 14
Last Ten Fiscal Years
(Unaudited)

Net Secondary Assessed Valuation as of June 30, 2024 (a)	$ 903,905,708
Debt Limit (6% of Assessed Value)	54,234,342
Debt Applicable to Limit	
General obligation bonds	553,500
Legal 6% debt margin	$ 53,680,842
Debt Limit (20% of Assessed Value)	$ 180,781,142
Debt Applicable to Limit	
General obligation bonds	22,526,500
Legal 20% debt margin	$ 158,254,642

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

City of Casa Grande, Arizona

Pledged-Revenue Coverage
Schedule 15
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Transaction Privilege (Sales) Tax (a)(b)	State Shared Sales Tax	State Shared Income Tax	Franchise Tax	Licenses and Permits/Fines and Forfeitures	Debt Service Principal	Debt Service Interest	Coverage
2016	$ 19,831,193	$ 4,602,342	$ 5,847,942	$ 2,338,107	$ 2,773,868	$ 1,510,000	$ 1,279,740	12.69
2017	20,314,212	4,734,258	6,295,760	2,449,704	3,047,171	1,985,000	1,208,610	11.54
2018	22,028,873	5,246,154	6,754,555	2,502,845	2,085,041	2,445,000	1,199,500	10.60
2019	23,523,442	5,595,095	7,335,001	2,343,033	2,773,830	2,545,000	897,271	12.08
2020	23,904,130	5,923,694	7,400,926	2,326,462	2,526,691	2,680,000	762,451	12.22
2021	28,242,874	6,804,724	8,379,332	2,447,296	5,338,124	2,805,000	637,384	14.88
2022	35,045,286	7,672,107	7,172,180	2,665,583	4,420,597	3,645,000	1,137,044	11.91
2023	38,958,926	8,529,119	10,945,590	2,917,682	4,037,707	2,960,000	1,463,158	14.78
2024	45,732,007	9,133,560	15,907,972	3,259,503	4,269,025	3,715,000	1,383,954	15.36
2025	43,855,418	9,842,920	13,559,917	3,375,880	5,734,630	4,460,000	1,300,880	13.26

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

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

Fiscal Year	Amount
2016	1,119,070
2017	1,094,074
2018	1,085,209
2019	1,280,472
2020	1,273,655
2021	1,509,934
2022	1,706,550
2023	1,897,244
2024	1,976,506
2025	1,483,752

City of Casa Grande, Arizona

Demographic and Economic Statistics
Schedule 16
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population	County Per Capita Personal Income	Total Personal Income	School Enrollment	Unemploym Rate
2016	51,460	20,983	1,079,785,180	12,412	6.7
2017	54,534	21,130	1,152,303,420	12,694	5.2
2018	54,866	22,944	1,258,845,504	12,666	5.3
2019	55,772	30,644	1,709,077,168	12,100	4.8
2020	56,962	32,182	1,833,151,084	12,056	9.7
2021	58,632	49,069	2,877,013,608	12,116	5.1
2022	62,376	43,793	2,731,632,168	13,434	4.0
2023	60,032	45,950	2,758,470,400	14,307	5.0
2024	63,743	49,829	3,176,249,947	13,825	3.3
2025	70,156	50,771	3,561,890,276	14,307	4.1

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

City of Casa Grande, Arizona

Principal Employers
Schedule 17
Last Ten Fiscal Years
(Unaudited)

Employer	2025 Employees	2025 Percentage of Total City Employment	2016 Employees	2016 Percentage of Total City Employment
Lucid Motors	2,400	10.43 %	-	- %
Casa Grande Elementary School District	957	4.16	883	4.14
Wal-Mart Distribution Center	848	3.69	700	3.28
Abbott Nutrition	750	3.26	410	1.92
Banner Casa Grande Medical Center	625	2.72	721	3.38
US Customs and Border Protection	500	2.17	-	-
City of Casa Grande	433	1.88	448	2.10
Hexcel Corporation	350	1.52	520	2.44
Tractor Supply	322	1.40	-	-
Casa Grande Union High School District	318	1.38	-	-
Frito-Lay Inc.	300	1.30	370	1.74
Fry's	300	1.30	-	-
Wal-Mart Store	280	1.22	410	1.92
Kohler	270	1.17	-	-
Price Industry	270	1.17	-	-
Dillard's	200	0.87	-	-
Pinal County	200	0.87	-	-
National Vitamin Company	180	0.78	209	0.98
Lowe's	150	0.65	-	-
Kohl's	123	0.53	-	-
Casa Grande Valley Newspapers	118	0.51	-	-
Franklin Foods	-	-	200	0.94
Sam's Club	-	-	170	0.80
All Other Employers	13,106	56.98	16,276	76.35
	23,000	100.00 %	21,317	100.00 %

Sources:
City of Casa Grande
Arizona Department of Administration/Office of Employment & Population Statistics

City of Casa Grande, Arizona

Authorized City Government Employee Positions by Function/Program
Schedule 18
Last Ten Fiscal Years
(Unaudited)

	Function/Program						
Fiscal Year	**General Government**	**Police, City Attorney and Court**	**Fire**	**Culture and Recreation**	**Planning and Development**	**Public Works**	**Total**
2016	46.6	142.1	62.3	75.3	21.0	100.6	447.9
2017	47.2	142.8	62.3	68.7	21.0	101.8	443.8
2018	44.7	144.6	62.3	67.7	21.0	103.7	444.0
2019	50.0	145.8	62.0	70.6	21.0	104.5	453.9
2020	49.5	125.8	83.0	89.1	21.0	103.0	471.3
2021	50.0	121.0	74.0	66.0	19.0	99.0	429.0
2022	51.0	123.0	75.0	66.0	22.0	100.0	437.0
2023	52.0	123.0	75.0	70.0	23.0	103.0	446.0
2024	55.0	135.0	90.0	74.5	24.0	107.0	485.5
2025	53.0	135.0	98.0	76.5	24.0	107.0	493.5

Source: City Budget

Note: Information is based on authorized positions.

City of Casa Grande, Arizona

Operating Indicators by Function/Program
Schedule 19
Last Ten Fiscal Years
(Unaudited)

Function/Program	2016	2017	2018		2019	2020	2021	2022		2023	2024	2025	
General Government													
Registered voters	22,959	22,959	27,110		28,982	31,784	34,090	35,499		31,703	39,135	40,131	
Ballots cast last primary election	6,651	6,651	7,336		7,336	8,414	8,414	-	**	7,698	-	9,264	**
Fire													
Medical support calls	5,840	5,612	6,594		6,603	6,711	6,953	7,969		8,241	8,008	8,321	
Total alarms	7,717	7,498	9,400		9,997	10,621	10,980	12,575		13,295	13,539	14,249	
Inspections/investigations	681	333	564	*	906	1,005	2,549	358		1,293	607	912	
Public education contacts	13,992	10,102	16,035	*	15,864	9,000	10,140	16,400		13,040	17,229	18,341	
Police													
Calls for service	37,135	31,693	30,920		28,350	25,337	32,072	34,704		47,673	48,100	28,936	
Officer initiated	28,683	25,761	43,042		24,160	26,573	27,242	24,141		16,510	15,645	14,440	
Patrolled miles	745,208	964,325	1,010,722		1,017,201	460,559	415,117	740,324		1,329,378	933,869	1,014,106	
Traffic accidents	904	812	1,181		1,021	882	953	1,104		1,246	1,284	1,188	
Traffic citations	5,953	7,353	6,979		7,947	4,867	4,631	3,638		3,892	3,684	4,285	
Arrests (adult and juvenile)	4,335	3,164	3,563		3,384	3,166	3,209	3,057		3,283	3,502	3,385	
Culture And Recreation - Library (a) (b) (c)													
Items in collections	350,182	269,535	92,821		339,022	327,927	366,678	378,890		332,794	266,947	328,999	
Total circulation transactions	346,667	341,354	283,101		364,201	369,409	241,479	320,502		340,889	367,658	357,738	
Economic Development													
Building permits, commercial	75	58	78		81	90	85	22		22	35	140	
Building permits, residential	761	523	631		730	749	1,788	1,230		1,720	1,672	483	
Housing rehabilitations	11	4	12		4	5	3	3		4	5	7	
Code enforcement cases	1,448	2,162	2,305		4,589	5,753	4,365	3,781		2,381	2,752	2,897	
Planning cases	100	124	117		106	115	174	240		293	209	171	

Sources: Various City departments
* Data through 12-31-16
Note: (a) Effective 2007 Library circulation transactions includes information transactions
(b) Effective 2013 Library data includes both print and digital media (including digital books available through the Greater Phoenix Digital Library)
(c) Circulation transactions and items were recalculated in 2014.
** No primary election in FY22 and FY24.

City of Casa Grande, Arizona

Capital Asset Statistics by Function/Program
Schedule 20
Last Ten Fiscal Years
(Unaudited)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fire Stations	4	4	4	4	4	4	4	4	4	4
Parks and Recreation										
Park areas	27	27	27	27	27	27	29	29	29	29
Parkland acreage	1,611	1,611	1,611	1,625	1,625	1,625	2,000	2,000	2,000	2,000
Community centers	5	5	5	6	5	5	5	5	5	5
Golf courses	1	1	1	1	1	1	1	1	1	1
Playgrounds	26	26	26	26	26	26	24	24	24	24
Other maintenance areas	98	98	98	98	98	98	98	98	98	98
Airport										
T-hangars	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**	3,996	3,996	3,770	3,884	3,714	3,886	3,936	4,258	4,258	4,258
Miles of streets (centerline)**	401	406	410	410	428	432	361	374	355	355
Number of signalized intersections*	45	45	45	45	48	49	50	51	52	53
Miles of sewer**	290	291	288	295	314	286	289	320	321	321
Number of lift stations	7	7	7	7	8	7	7	7	7	7

* Includes ADOT signalized intersections
**Enhanced GIS information utilized beginning in FY2013

Sources: Various City departments

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

THE INFORMATION PROVIDED IN THIS APPENDIX E – "BOOK-ENTRY-ONLY SYSTEM" HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE CITY, BOND COUNSEL, COUNSEL TO THE UNDERWRITER, OR THE UNDERWRITER AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

The Depository Trust Company ("DTC") will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2026 Bond will be issued for each maturity of the Series 2026 Bonds in the aggregate principal amount of the Series 2026 Bonds and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of beneficial interests in the Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of a beneficial interest in a Series 2026 Bond ("Beneficial Owner") is in turn to be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of beneficial ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2026 Bonds such as redemptions, defaults, and proposed amendments to the Bond Resolution. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and Paying Agent and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Series 2026 Bonds to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will, if applicable, consent or vote with respect to the Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments represented by the Series 2026 Bonds will be made by the Bond Registrar and Paying Agent to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Bond Registrar and Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar and Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar and Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the Bond Registrar and Paying Agent or the City. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2026 Bonds are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2026 Bonds will be printed and delivered.

NEITHER THE CITY NOR THE BOND REGISTRAR AND PAYING AGENT WILL HAVE RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS OR TO INDIRECT PARTICIPANTS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (2) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2026 BONDS UNDER THE BOND RESOLUTION; (3) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2026 BONDS; (4) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE SERIES 2026 BONDS; (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF SERIES 2026 BONDS; OR (6) ANY OTHER MATTERS.

So long as Cede & Co. is the registered Owner of the Series 2026 Bonds, as nominee for DTC, references herein to "Owner" or registered owners of the Series 2026 Bonds (other than under the caption "TAX EXEMPTION") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of such Series 2026 Bonds.

1.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City or the Bond Registrar and Paying Agent to DTC only.

CITY OF
CASA GRANDE
STRONGER UNITED

CITY OF CASA GRANDE, ARIZONA • GENERAL OBLIGATION BONDS SERIES 2026A AND REFUNDING SERIES 2026B

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