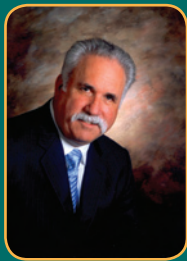




2011 Annual Report

A Report to Our Citizens
Fiscal Year Ending June 30, 2011

FROM THE MAYOR



This year we decided to give the Annual Report a different look. We are entering the fourth year of the worst economic downturn since the great depression. Certainly the City of Casa Grande has been impacted like every-

one else, but we have managed our resources very well. It has been a combined effort of the Council and the staff that has allowed us to continue offering great service during a time of declining revenues.

A majority of our general fund (property taxes, sales taxes and state shared revenues) is dedicated to funding our police and fire personnel. During the past four years we have been able to construct a new Public Safety Facility and a new Fire Station using a combination of voter approved bonds and development impact fees. The new Public Safety Facility should meet our needs for the next several decades and the new Fire Station provides needed service to the northeast portion of Casa Grande.

We will continue to provide excellent service to our community while being fiscally responsible at the same time. Our city staff has continued to help the Council make tough decisions and the sacrifices needed in these poor economic times.

We are starting to see some rise in local sales tax revenue. This should help the City continue to provide needed services to all of you. We have worked hard during the past few years to bring new industry and jobs into the community and feel that 2012 will be the beginning of a strong local economy.

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About Casa Grande, Arizona

Founded in 1879, Casa Grande was named for the famous Hohokam Indian Ruins 20 miles to the northeast. Midway between Phoenix and Tucson, today Casa Grande has an estimated 48,571 residents and is the largest city in Pinal County. Its planning boundaries encompass an area of approximately 274 square miles.

Casa Grande is the retail center for western Pinal County's 91,000 consumers. It is home to multiple internationally recognized industries including Abbott Laboratories, Frito-Lay, Daisy Brand, Monsanto, and Wal-Mart Distribution and is the North American Headquarters for ACO Polymer.

Casa Grande's location, mild climate, and scenic attractions make it a destination spot for tourists and winter visitors. The city averages 328 days of sunshine year round.

Casa Grande operates under the council-manager form of government. It is governed by a Mayor, six Council members and a City Manager. The Council meets the first and third Monday of each month at 7 p.m. in the City Council Chambers located at 510 E. Florence Blvd., Casa Grande, AZ 85122.

Mayor

Robert M. Jackson

Mayor Pro Tempore

Matt Herman

Council Members

Dick Powell

Steve Miller

Mary Kortsen

Karl Montoya

Lisa Fitzgibbons

City Manager

Jim Thompson

Deputy City Manager

Larry Rains

Finance Director

Diane Archer

Major Accomplishments

Renovated and expanded the Len Colla Recreation Center (LCRC) to include a new gymnasium equipped with 20 solar tube skylights, new kitchen area, a computer resource room, a new entry area, storage area, and new rest rooms. As a result of the added space, more programs are offered at the LCRC.

Completed construction and opened the new public safety facility located at 373 E. Val Vista Blvd. The new building includes many energy-saving features, prisoner holding areas and the City's emergency operations center.

Completed construction of Fire Station 504 located at 1637 E. McCartney Road. This fourth fire station will reduce fire and emergency medical response times in north Casa Grande.

Refurbished existing odor control system and added a new solids handling facility at the water reclamation plant as part of the Waste Water Master Plan.

Completed Cottonwood Lane widening.

Treated wastewater at an average rate of 5 million gallons per day.

Cleaned and inspected 225k linear feet of sewer pipeline to improve the functionality and overall quality of the waste water collection system.

Obtained more than \$200K in grants for economic development and redevelopment efforts.

The Municipal Court implemented a home detention program to hold offenders accountable and reduce jail expenses.

Expanded K9 program to include use of patrol service dogs.

Adopted new ordinances and new programs to help combat graffiti. (Adopt-a-Wall Program)

Installed 3 video detection systems for traffic signals on McMurray Blvd.

The Fire Department, with the help of 350 volunteers, installed 1,200 smoke detectors in 331 homes as part of the annual Smoke Detector Installation Program.

More accomplishments are included in the FY 2011/12 Budget available at www.casagrandeaz.gov

How Are We Doing?



A Performance Report on Key Services

SERVICE	FY 2008/09	FY 2009/10	FY 2010/11
Number of participants in recreation activities	295,545	329,105	335,517
Number of library visits (Main & Vista)	287,638	318,009	364,760
Number of public nuisance violations abated	390	434	677
Responses by the Fire Department to calls for emergency services	5,998	6,193	6,397
Homes serviced by residential refuse collection	13,990	14,200	14,122
Total crimes per thousand (Casa Grande Uniform Crime Report, Part 1)	64	68	66
Average response time by the Police Department to emergency calls (in minutes)	5.1	5.1	5.2
Business licenses issued (new & renewals)	2,655	2,847	2,627
Number of animals adopted	97	204	263
Building permits issued (new construction)	287	237	175

Additional performance measures are available in the FY 2010/11 Budget and the FY 2010/11 Comprehensive Annual Financial Report.

Awards & Recognitions

Government Finance Officers Association (GFOA) Awards:
 Distinguished Budget Presentation Award - 14 Years
 Award for Excellence in Financial Reporting - 15 Years

National Arbor Day Foundation Award:
 Tree City USA (3rd Year)

Playful City USA Designation by Kaboom! (2nd Year)

Arizona Parks & Recreation Association Awards:
 Outstanding Aquatics Program/Doggie Dive In

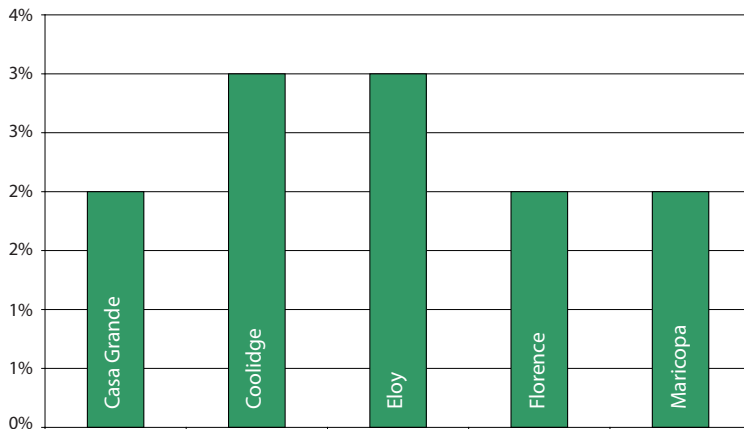
Local Taxes

Pinal County assesses the taxable value, collects and distributes all property tax. The primary property tax rate increased in FY 2011 to \$0.8110 per \$100 of assessed valuation from \$0.7135. The increase was required to raise additional revenue due to State shared revenue declines and to maintain the existing dollar levels based on valuation decreases. The secondary property tax, approved by voters in 2007 as a General Obligation Debt, remained unchanged at \$0.6308 based on \$100 of assessed valuation.

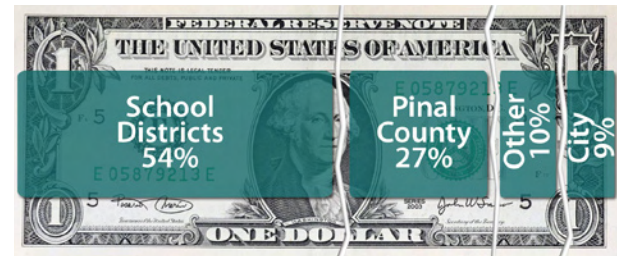
In 2011, sales tax collections totaled \$19,002,210, down from \$19,802,659 in 2010. Local sales tax revenue represented approximately 31% and 28% of the City's total revenue in 2011 and 2010, respectively. The top five industries generating sales tax for the City are retail, rental/leasing properties, utilities, telecommunications and food service.

General Sales Tax Rate FY 2011

The sales tax rate inside the city limits of Casa Grande is 9.7 percent of retail sales. Of that, the City's portion is 2 percent.

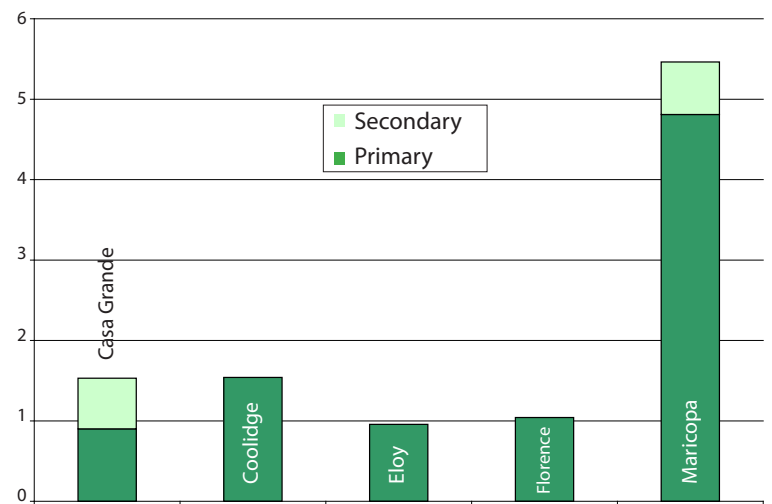


Primary Property Tax Breakdown



For every \$1 that a resident pays in primary property tax the city only receives 9 cents.

Property Tax Rate per \$100 assessed value FY 2011

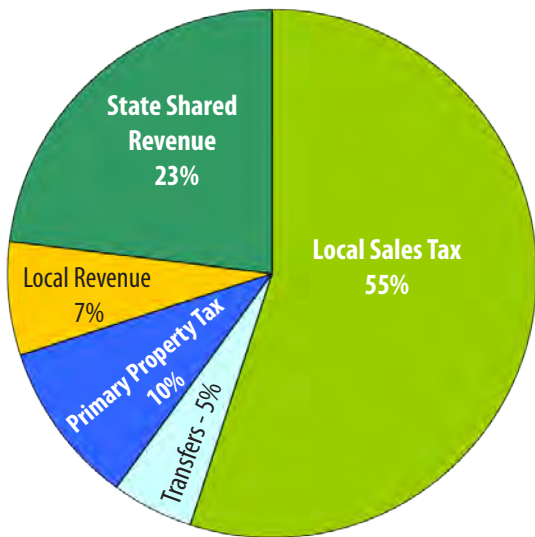




Revenues & Expenses

The total budget for the City of Casa Grande including transfers for FY 2011 was \$177,426,730. Of that total, 22% or \$37,603,955 was for General Fund use. Other governmental funds are created to account for specific activities.

Where Did the Money Come From? (General Fund FY 2011)



General Fund - \$37,603,955 FY 2011

\$40,930,630 FY 2010

The General Fund is the primary operating fund of the City. It exists to account for the resources used to pay for the services traditionally associated with local government, such as police and fire protection, parks & recreation, planning and community development and general administration of the City. The decrease from last year is attributed to the elimination of new one-time capital projects and reduction in operational costs.

Special Revenue Funds - \$16,884,683 FY 2011

\$11,891,253 FY 2010

These funds are used to account for revenues derived from specific taxes, grants or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by City ordinance, federal or state statutes. The increase from last year is due to system development transfers to the capital project funds.

Debt Service Funds - \$4,159,603 FY 2011

\$3,983,117 FY 2010

These funds are used to account for the accumulation of resources for and the payment of general obligation long-term debt principal, interest and related costs. The increase was a result of the general obligation bond of \$20,000,000 to finance construction of the public safety building that increased debt repayment expenditures. Funds also include some financial commitments for redevelopment.

Capital Project Funds - \$22,572,442 FY 2011

\$35,898,016 FY 2010

These funds are used to account for financial resources used for the acquisition or construction of major capital facilities. These funds also included budgeted expenditures for construction sales tax, capital replacement and recreation construction. Money from this fund was used to construct the new municipal courthouse during FY 2011.

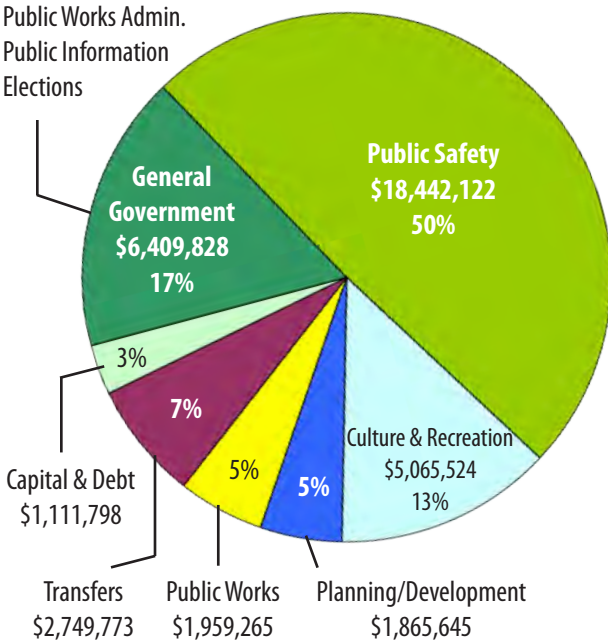
Enterprise Funds - \$39,191,789 FY 2011

\$59,942,139 FY 2010

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The costs of providing services to the public are financed or recovered primarily through user charges. Casa Grande has separate enterprise funds for Water, Wastewater, Wastewater Development Fees, Sanitation and Golf Course. The decrease from last year is due to the completion of the Water Reclamation Facility expansion during FY 2011.

How was the Money Spent? (General Fund FY 2011)

- Information Systems
- Mayor/Council
- Finance
- City Manager
- City Attorney
- Admin. Services
- City Clerk
- Public Works Admin.
- Public Information
- Elections



The City's financial statements are audited annually by an independent auditor. As of press, these figures were unaudited. Complete financial information can be found on our website, www.casagrandeaz.gov



MOVING AHEAD: FY 2012 FOCUS AREAS

Maintain a High Quality of Life through Strong Fiscal Constraint

Casa Grande must adjust to new financial realities. The City must continue to provide first class services, but must do so more efficiently. The City will further its commitment to progressive and efficient internal operations, thereby enabling itself to operate at higher levels despite having fewer available resources.

Be a Leader in Economic Development

Casa Grande has an important role as the region's economic leader. Nonetheless, in difficult economic times it becomes increasingly imperative to not only create and foster a climate that promotes retention and expansion, but to also successfully attract new business to Casa Grande. Casa Grande will expand upon its economic strength by leveraging current assets through a broad base of regional collaborations and internal development.

Public Safety

Acting as partners with the community, we will respond to, and prevent crimes and fires. We will promote safety and security while safeguarding the Constitutional Rights of all people. We will endeavor to detect and investigate criminal activity, recover stolen property, and safely regulate the movement of vehicle traffic, while maintaining the highest level of professionalism, through proper training and direction. We will provide professional fire protection and life safety to meet the needs of our community.

Community Services

We will continue to provide educational and recreational opportunities that reflect the interest of our diverse community. We strive to improve the quality of life through parks, open space and trails, equal access to a diversity of materials through library services and a variety of recreational programs and activities for the community.

Communication

We will respond to the needs of the community by promoting communication and accessibility. We will provide the most current relevant information to Casa Grande citizens via all forms of media, including print, web and video.

Revitalize and Redevelop Historic Casa Grande

Casa Grande's culture and history are valuable, and should be protected. The City will strive to have a strong presence and positive impact in the City's historic neighborhoods. Efforts will be made to reduce crime and blight in these areas. Parks, services, and infrastructure will be expanded in these areas to show the City's allegiance to its past. The City will entice businesses to locate or expand in these areas of Casa Grande.

Enhance Transportation Routes

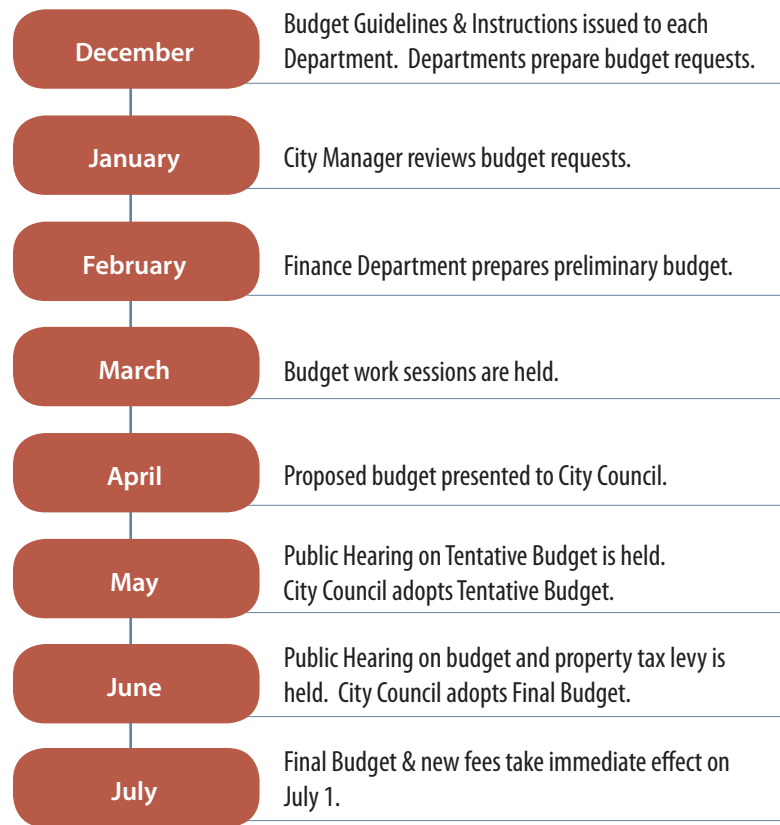
Despite reductions in funding availability, Casa Grande will strive to enhance the quality of transportation infrastructure in Casa Grande. Street upgrades and repairs will take high priority as funding becomes available.

BUDGET PROCESS & TIMELINE

The City's budget is an ongoing process combining citizen input, Council desires and direction, and staff recommendations to meet community needs. Casa Grande citizens have many opportunities to participate in the budget process. A Citizen Survey is conducted regularly to measure performance, effectiveness, and citizen satisfaction with services. It also serves as a valuable tool for the City in making policy decisions.

Additionally, citizens are encouraged to attend public meetings, including the Public Hearings on the annual budget each spring. These are outstanding opportunities to discuss services, projects and other issues with Council face-to-face. This dialogue often serves as the basis for Council-staff discussions during the budget planning process and can pave the way toward enhancing a current service or funding a new project.

Individuals and organizations who would like more information on the budget process or a copy of the budget document are encouraged to contact the Finance Department at (520) 421-8601.



This report is a summary of the financial activities for the City of Casa Grande and was drawn from the 2011 Comprehensive Annual Financial Report (CAFR) and Annual Budget. It contains information only from selected funds. The financial information presented here does not replace the City's CAFR. The CAFR outlines the City's financial position and operating activities each year. The CAFR, Annual Budget and Annual Report are available at City Hall, 510 E. Florence Blvd., Casa Grande, AZ 85122 and the City's website, www.casagrandeaz.gov