



Town of Fountain Hills Fiscal Year 2023 Popular Annual Financial Report





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COMMUNITY INFORMATION





CFO Message

David Pock, Chief Financial Officer

The Town of Fountain Hills is pleased to present its Popular Annual Financial Report for the fiscal year ended June 30, 2023. This report is intended to present an accessible overview of the Town's financial position and policies, and its commitment to providing responsive services and programs in a fiscally responsible manner.

We share with you details of how the Town's revenue is generated, where the dollars are spent, and how the local economy impacts Fountain Hills' overall financial status. Above all, our goal is to provide you with an opportunity to better understand the many financial aspects that affect your local government.

The financial information provided here is drawn from detailed information found within the fiscal year 2022-2023 Annual Comprehensive Financial Report (ACFR). The financial statements were prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) and audited by an independent accounting firm, receiving an unmodified (or clean) opinion. The numbers contained within the ACFR were obtained by utilizing the basis of accounting as prescribed by the Governmental Accounting Standards Board (GASB).

While the numbers in this Popular Annual Financial Report come from an audited source, they are presented in an abridged, unaudited, non-GAAP format. Citizens who wish to review audited GAAP-basis financial statements can refer to the Town's 2022-2023 ACFR, which is available on the [Financial Reports & Budgets](#) page of the Town's website at [fountainhillsaz.gov](https://www.fountainhillsaz.gov).

Members of the Finance Division, and staff across the organization, are proud to serve the community. We hope that the 2022-2023 Popular Annual Financial Report serves its purpose and helps assure you that every effort is made to manage the community's resources wisely and for the benefit of all.

Respectfully,

David J. Pock, CPA, CGFM
Chief Financial Officer



Mayor & Town Council

The Town of Fountain Hills is an Arizona Municipal Corporation, acting as a general law town as prescribed in the Arizona Revised Statutes. The Town was incorporated on December 5, 1989, with the governmental and administrative affairs of the Town operating under the Council-Manager form of government. The Mayor is a member of the Town Council who is directly elected by the voters for a two-year term and chairs the Town Council meetings. The members of the Council are elected at large and serve four-year overlapping terms. The Town Council is responsible for the adoption and revision of local ordinances, adopting an annual budget, appointment of residents to citizen advisory committees, and hiring the Town Manager. The Town Manager is responsible for implementation of the policies of the Town Council and overall management of the Town through approximately 68 FTE employees. The Presiding Judge, Town Attorney, and Town Prosecutor are under the direction of the Town Council.



Town Government

The Town provides or administers a full range of services including public safety (law enforcement, fire, animal control); development services (planning, zoning, code enforcement); public works (engineering, construction, and maintenance of streets and infrastructure); community services (parks, recreational activities, community center, senior services, and cultural events); municipal court, and administrative services (town manager, town clerk, town attorney, human resources, procurement, information technology, and finance). The Town does not maintain or operate any utilities or other operations that would require the establishment of enterprise funds.

The financial reporting entity (the Town) includes all the funds of the primary government (i.e. the Town of Fountain Hills as legally defined) as well as all of its component units. Component units consist of legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Cottonwoods Maintenance District, the Eagle Mountain Community Facilities District, and the Fountain Hills Municipal Property Corporation are included in the financial report of the Town.

The annual budget serves as the foundation for the Town of Fountain Hills' financial planning and control. The Town Council formally adopts the budget and appropriates funding for the General Fund, Excise Tax Funds, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. Therefore, these funds have appropriated budgets.

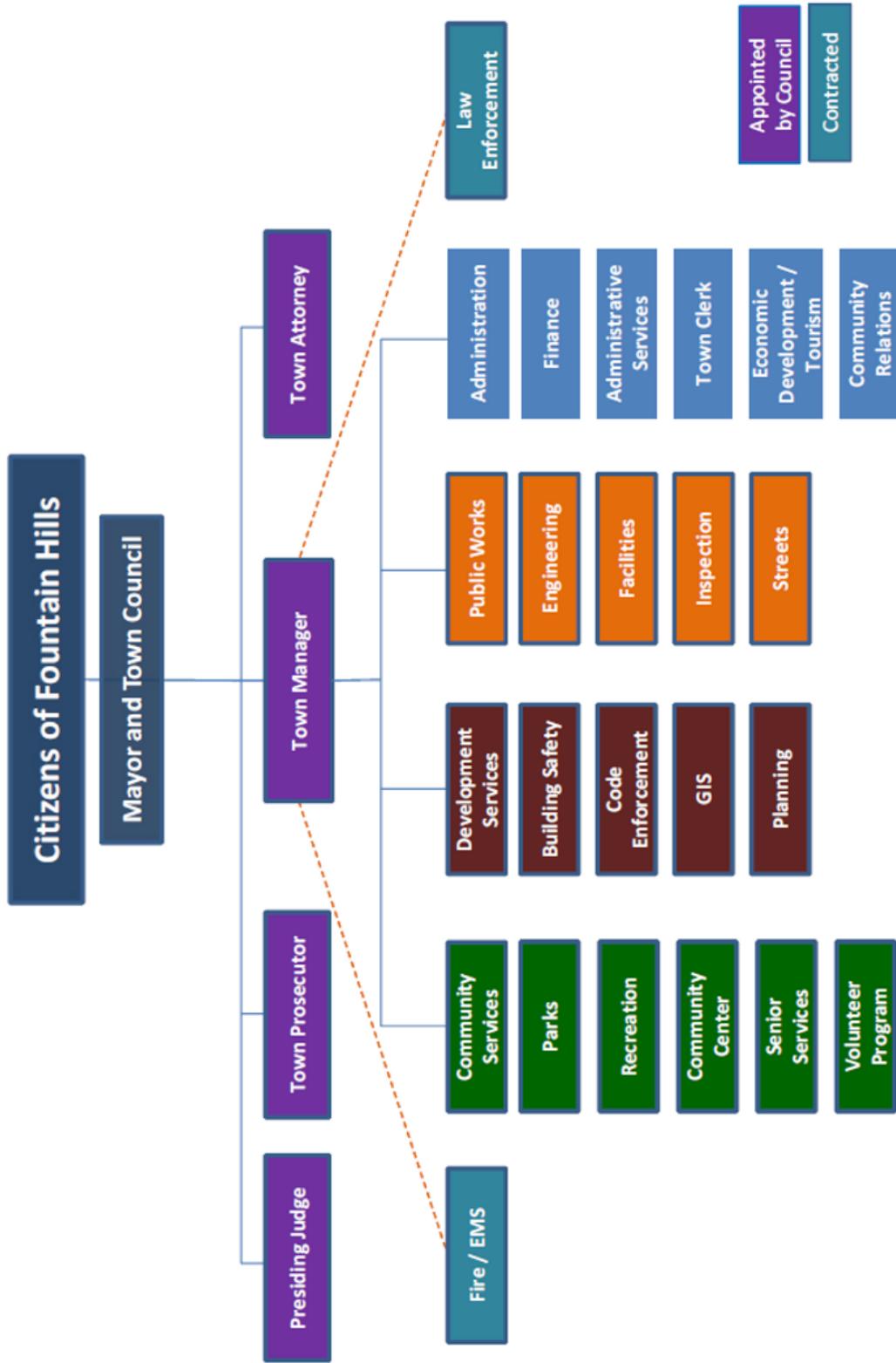
On or before the second Town Council meeting in April, the Town Manager submits to the Town Council a proposed budget for the fiscal year commencing the following July 1st. The budget includes proposed expenditures and the means of financing them. The Town Council is then required to adopt a tentative budget, which sets the maximum budget amount for the coming year, and then hold a public hearing and adopt a final budget by June 30, the close of the Town's fiscal year. The budget is legally enacted through the adoption of a resolution, and the budget is controlled at the fund level. However, since additional detail is desired, the budget is prepared by fund, department and division.

The resolution sets the limit for total expenditures during the fiscal year. The Town Manager may authorize transfers between departments, including those within personnel and from operating capital to services or supplies. If necessitated by a natural or man-made disaster, additional expenditures may be authorized for expenditures as prescribed in the State Constitution, Article 9, Section 20.

More information may be found at fountainhillsaz.gov.



Town of Fountain Hills Organization



Summary Budget Schedule

Each year, the budget is developed by the Finance Division based on the Town Council's priorities, departmental requests, and the Town Manager's recommendations. After meeting with each department, a balanced proposed town-wide budget is prepared for review by the Town Council and public in April. Any suggested changes from that meeting are incorporated into the Tentative Budget that is adopted by Council in May with the Final budget approved in June. For a detailed schedule, click [here](#).



Financial and Related Policies

Financial policies are established and updated by resolutions passed and adopted by the Town Council, as necessary, to ensure the Town's financial security. The following policies provide a foundation of sound financial principles and internal controls for the safeguarding of the Town's financial resources. For the full resolution and associated policy, click on the blue hyperlinks below. Visit fountainhillsaz.gov for more Town information, historical budgets, and annual financial reports.

Financial Policies

[Resolution 2020-16](#) adopted by Town Council on May 5, 2020

The Mayor and Town Council of the Town of Fountain Hills understands that principles of sound financial management establish the framework for overall fiscal planning and management. The principles set forth guidelines for both current activities and long range planning. Following these principles will enhance the Town's financial health as well as its image and credibility with its citizens, the public in general, bond rating agencies and investors. The policies will be reviewed periodically to assure the highest standards of fiscal management. Policy changes will be needed as the Town continues to grow and becomes more diverse and complex in the services it provides, as well as the organization under which it operates, to provide these services to its citizens.

Capital Asset Policy

[Resolution 2015-41](#) adopted by Town Council on August 6, 2015

The purpose of this Capital Asset Policy is to establish policies and procedures for the Town of Fountain Hills, Arizona regarding the treatment of all long-lived tangible resources, whether capitalized or expensed. This Policy enumerates specific types of long-lived resources and particular activities that may affect, or may be required for, all types of long-lived tangible resources.

Procurement Policy

[Resolution 2016-36](#) adopted by Town Council on December 1, 2016

It is the policy of the Town of Fountain Hills to promote and facilitate economical and timely acquisitions from sources of supplies, equipment and services necessary for Town Departments to accomplish their assigned responsibilities, while ensuring a fair and open process that maximizes competition. It is the policy of the Town that the acquisition process is carried out in compliance with the Town Procurement Code, which is set forth in Article 3-3 of the Fountain Hills Town Code (the "Procurement Code") and ordinances and the administrative policies and procedures set forth herein (the Procurement Policy").

Grant Administration Policy

[Resolution 2016-19](#) adopted by Town Council on August 18, 2016

The purpose of this grant administration policy is to establish uniform policies and procedures throughout the Town of Fountain Hills to be used when applying for, accepting and administering federal, state, county, private foundation and corporate grants, sponsorships and donations.

Issuance and Post-Issuance Compliance

[Resolution 2014-03](#) adopted by Town Council on March 20, 2014

Many conditions, restrictions and requirements must be complied with to permit and preserve the tax-exempt, tax credit or direct federal subsidy treatment of general obligation bonds, revenue bonds, lease-purchase agreements, and other tax-exempt financings by the Town of Fountain Hills, Arizona (the "Town").



Community Profile

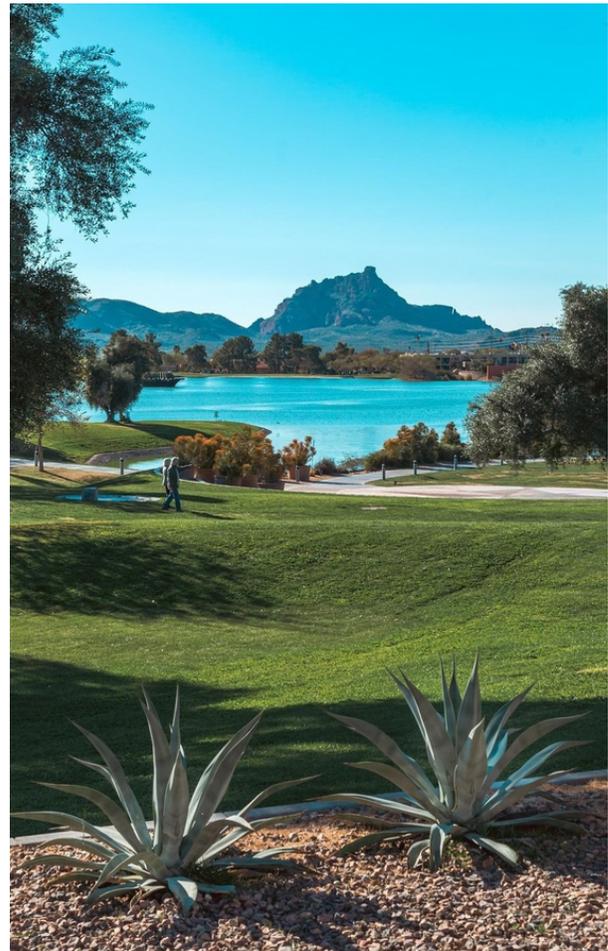


The Town of Fountain Hills is a master planned community established in 1970 by McCulloch Properties (now MCO Properties, Inc.). Prior to 1970, the area was a cattle ranch and was part of one of the largest land and cattle holdings in Arizona. The land was purchased by Robert McCulloch in the late 1960s, and the community was designed by Charles Wood, Jr. (designer of Disneyland in southern California). The centerpiece of Fountain Hills is one of the world's tallest man-made fountains, a focal point that attracts thousands of visitors each year.

Located on 13,006 acres of land, Fountain Hills is surrounded by the McDowell Mountains and Scottsdale on the west, the Fort McDowell Yavapai Nation on the east, the Salt River Pima-Maricopa Indian Community on the south, and by the McDowell Mountain Regional Park on the north. The elevation is 1,520 feet at the fountain, 2,460 feet at the Adero Canyon Trailhead, and is approximately 500 feet above Phoenix.

Over the past thirty years, Fountain Hills has grown from 10,030 residents to a town of 23,820 in 2020. In 2006, the Town of Fountain Hills became twenty square miles and about ten percent larger by annexing 1,300 acres of State Trust Land. The process to annex the State Trust Land occurred over a two and one-half year period and will be developed in the years to come. Annexing this property into the Town ensures that its future development will be of the highest quality under Town standards, such as the cut-and-fill ordinance and strict zoning regulations.

The Town offers a wide range of living accommodations, from small condominium complexes to large custom homes. Fountain Hills also offers recreational and cultural programs and services that contribute to a high quality of life for its residents. The community consists of primarily residential property and open space. Of the total 20.32 square miles of land, only 2.5% of the total is zoned commercial and/or industrial, 23.3% is preserved as open space, and 51.0% is residential.



One of the many features that make the Town of Fountain Hills so unique is the vast municipally-owned public art collection. More than 150 pieces of art comprise the collection that is located throughout the Town for all to enjoy. The collection includes sculptures, bronzes, murals, paintings, photography, and more. The Fountain Hills Cultural and Civic Association offers regularly scheduled art walks to introduce the collection to residents and visitors.

Fountain Hills has dedicated itself to providing award-winning community service programs for residents of all ages. With numerous parks, fields, courts, meeting rooms, and conference facilities, everyone is sure to find an activity that is right for them. The Town also hosts various special events throughout the year, including celebrations for St. Patrick's Day, the Fourth of July, Thanksgiving, and Christmas.

The Town of Fountain Hills encourages involvement in government through volunteerism. Many community members volunteer their time and efforts to the Town of Fountain Hills and thereby enrich the community every day. Volunteers work within the Town to reduce the cost of delivering services to its residents all while having fun, meeting others and enjoying new challenges. Annually, Volunteers are recognized at the Volunteer of the Year Awards Ceremony. Visit fountainhillsaz.gov for more information about the community.



Population Overview



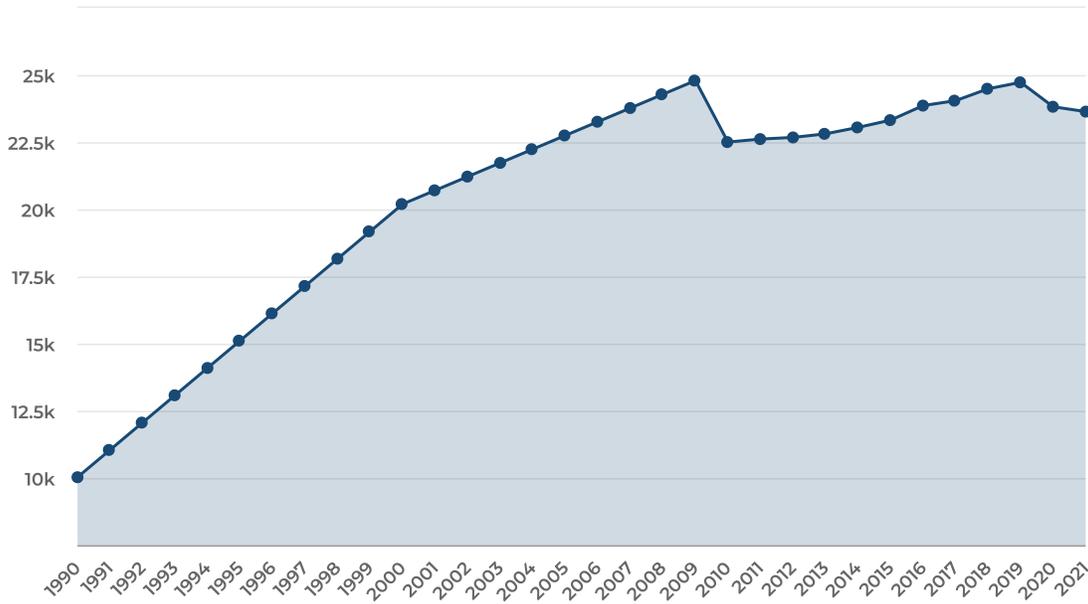
TOTAL POPULATION

23,639

▼ **.8%**
vs. 2020

GROWTH RANK

43 out of **91**
Municipalities in Arizona



* Data Source: U.S. Census Bureau American Community Survey 5-year Data and the 2020, 2010, 2000, and 1990 Decennial Censuses



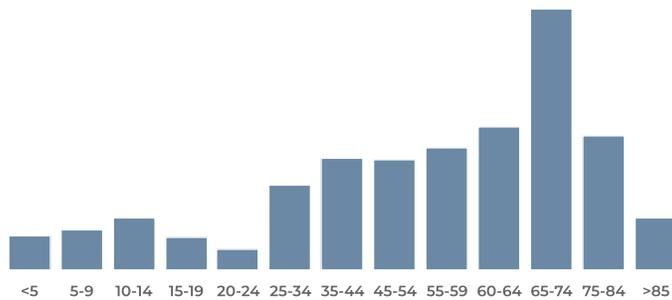
DAYTIME POPULATION

20,467

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

* Data Source: American Community Survey 5-year estimates

POPULATION BY AGE GROUP



Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.

* Data Source: American Community Survey 5-year estimates

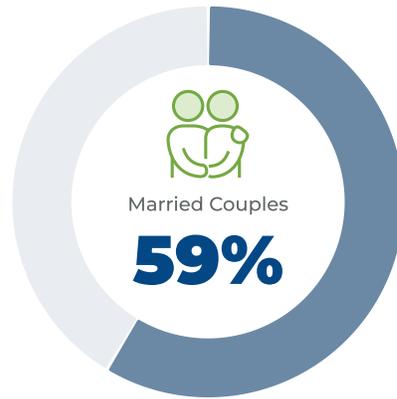
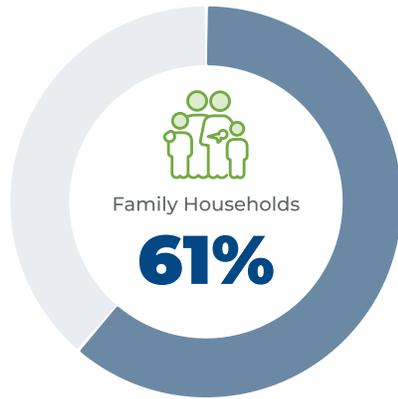


Household Analysis

TOTAL HOUSEHOLDS

10,971

Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.



▲ 24%

higher than state average



▲ 9%

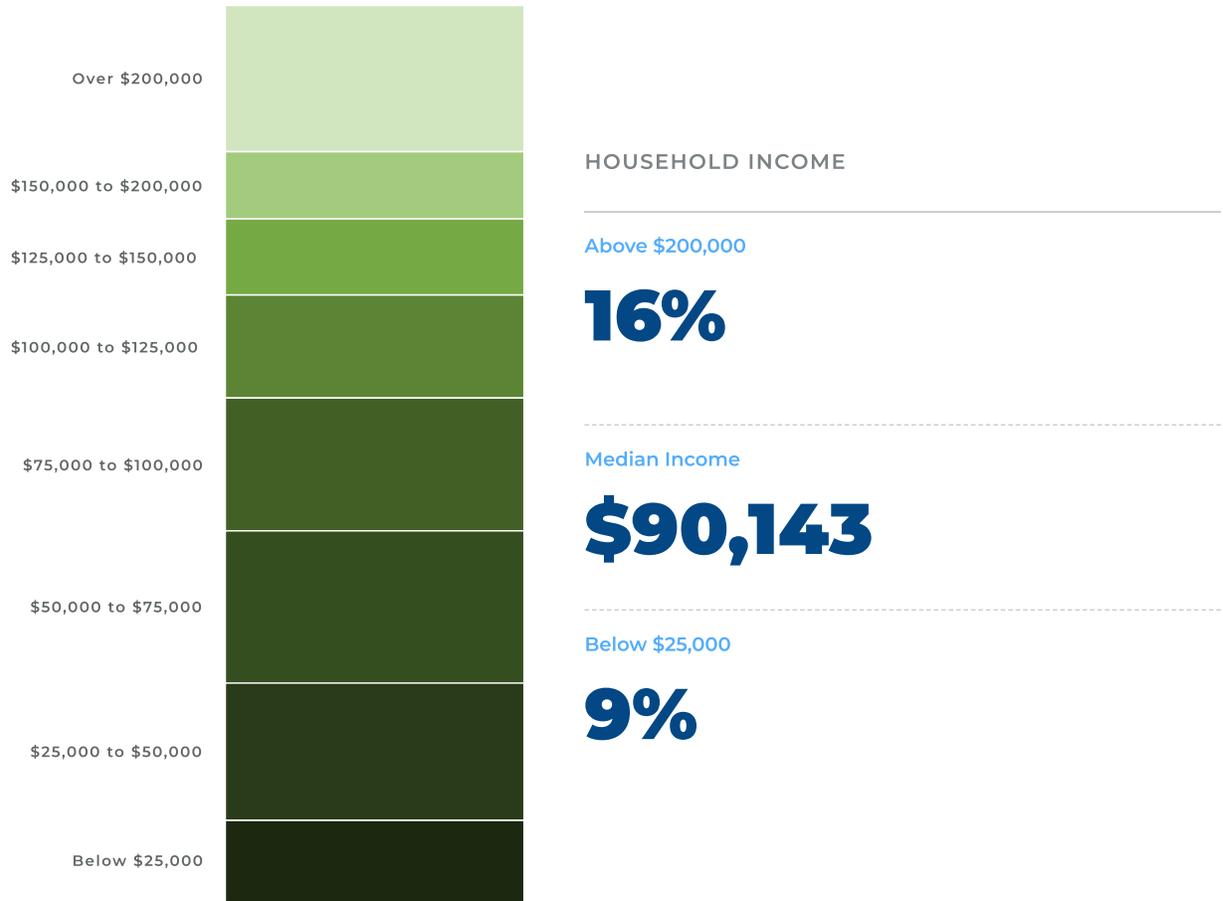
higher than state average

** Data Source: American Community Survey 5-year estimates*



Economic Analysis

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



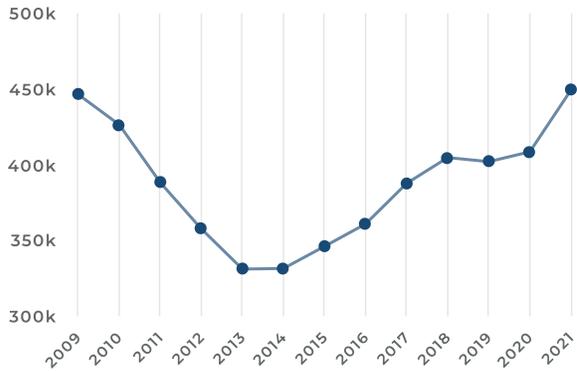
* Data Source: American Community Survey 5-year estimates



Housing Overview



2021 MEDIAN HOME VALUE
\$449,300



* Data Source: 2021 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

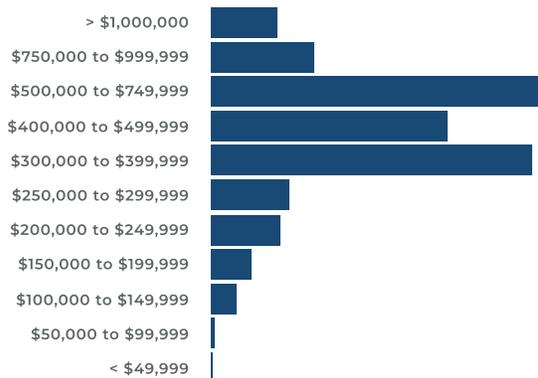
HOME OWNERS VS RENTERS

Fountain Hills State Avg.



* Data Source: 2021 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

HOME VALUE DISTRIBUTION



* Data Source: 2021 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

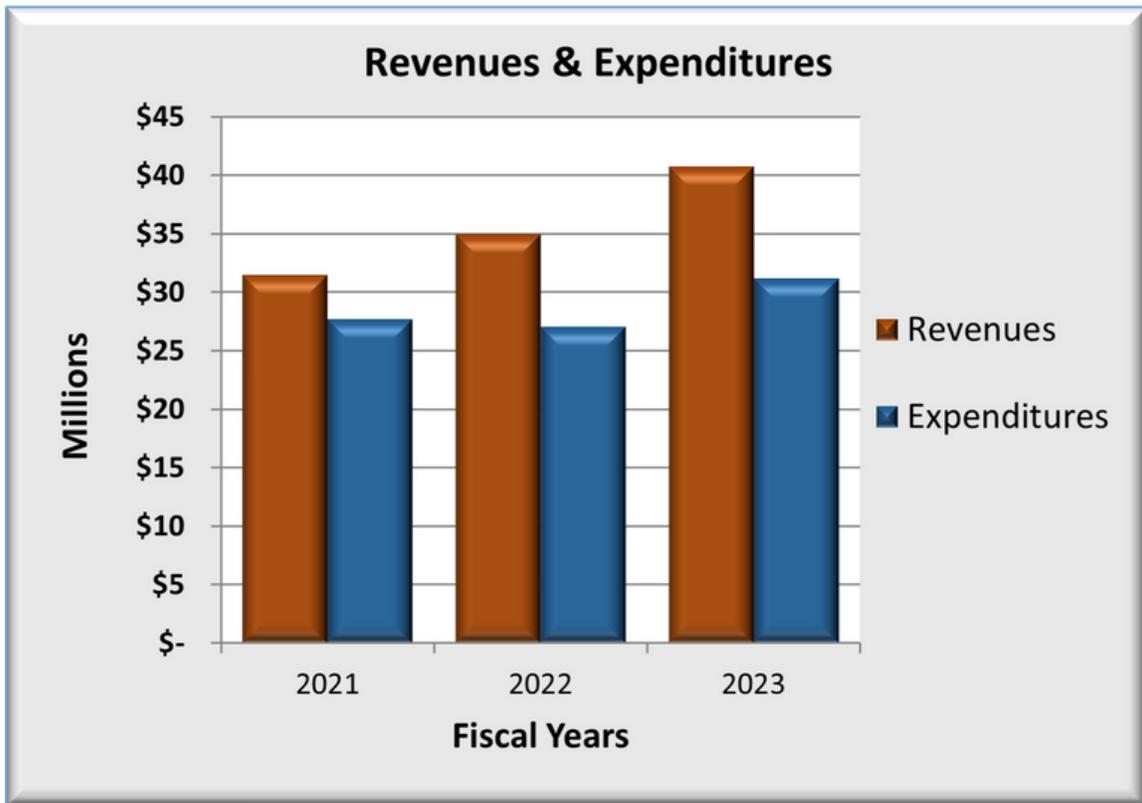


FINANCIAL INFORMATION



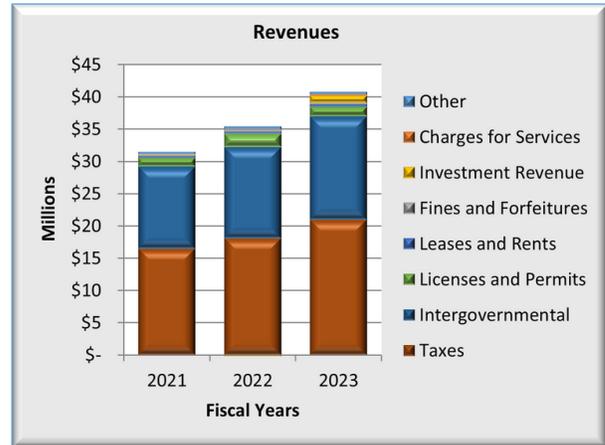
Summary of Revenues and Expenditures

In this section, we present an overview of revenues in and expenditures out for the Town of Fountain Hills for the fiscal year ended June 30, 2023.



Revenues

As a governmental entity, the Town uses fund accounting that is segregated for specific activities. Governmental funds are used to account for tax-supported activities, and the Town receives the funding it needs to provide services to the community from a variety of sources. The table to the right presents a summary of governmental revenues by primary type for the past three fiscal years. Transaction Privilege Tax, commonly referred to as sales tax, revenue and intergovernmental revenues contributed to an overall increase in revenues of \$5.8 million, or 16.5%, compared to 2022.



REVENUE TYPE DEFINITIONS

- **Taxes:**

Sales - the Town charges a local sales tax of 2.9% on most goods purchased in the Town. This tax is in addition to the State of Arizona rate of 5.6% and the Maricopa County rate of 0.7%, for a total sales tax rate of 9.2%.

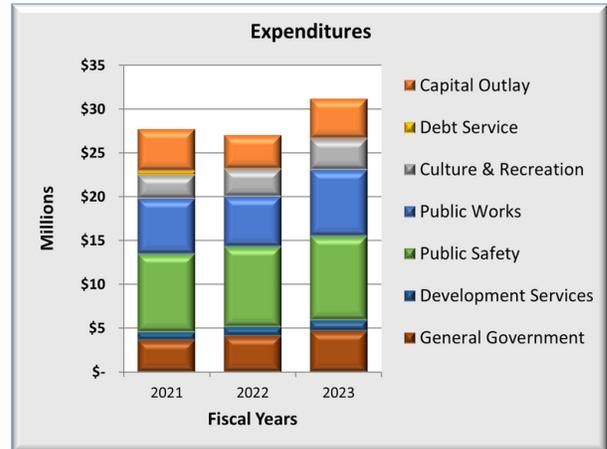
Property - the Town does not assess a primary property tax. A secondary property tax may be assessed for debt repayment of voter approved bonds. If no bonds are outstanding, the secondary property tax is not assessed.

Franchise - revenue received from utility (telecommunications) companies for the right to operate within the Town.

- **Licenses and Permits** - includes building permit fees, business license fees, fire inspections, etc..
- **Leases and Rents** - rental fees for use of the Town facilities as well as fees from leases for wireless communication towers.
- **Intergovernmental** - these are revenues received from other governments or entities, including state shared sales tax, state shared income tax, fire insurance premium tax, vehicle license tax, federal grants, and state grants.
- **Charges for Services** - these are revenues received from services and/or programs provided by the Town such as recreation programs.
- **Other** - these are revenues that do not fit under another classification.
- **Fines and Forfeitures** - these are revenues received from court fines.
- **Investment Earnings** - revenue received from interest on invested monies.

Expenditures

The three-year comparison, shown in the table to the right, includes the Town’s operational expenditures by function. Overall, 2023 total Governmental Fund expenditures increased compared to those of 2022 by \$4.1M, or 15.2%. The Town contracts for law enforcement and fire and emergency medical services. These contracts include negotiated increases which are reflected in the Public Safety category and make up 31% of total Governmental Funds. The second largest expenditure by function for the fiscal year was Public Works. This department is responsible for maintaining streets and facilities, a primary focus of the Mayor and Town Council. Debt Service includes the annual principal and interest payment for outstanding bonds; however, the Town did not have any outstanding debt in fiscal year 2023.



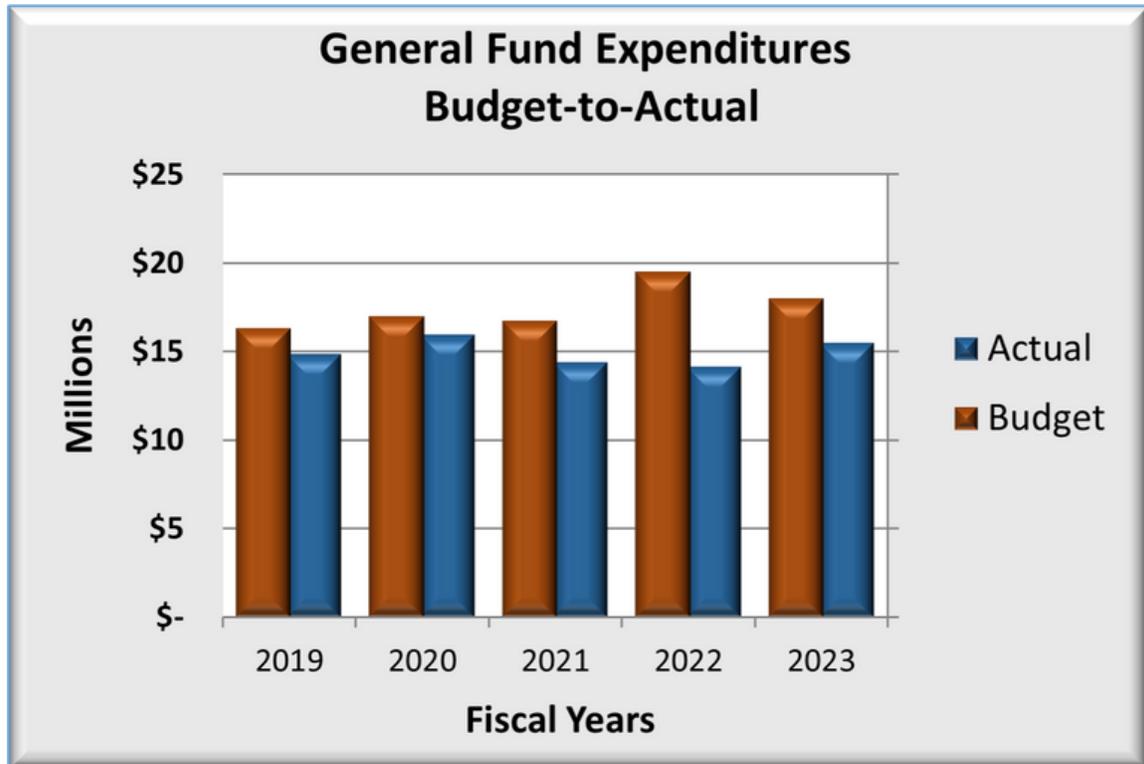
Governmental Funds			
Three Year Expenditures Summary by Type			
Expenditures	2021	2022	2023
General Government	\$ 3,620,293	\$ 4,105,257	\$ 4,697,681
Development Services	954,667	1,041,531	1,210,967
Public Safety	8,906,428	9,180,108	9,612,993
Public Works	6,321,814	5,712,452	7,542,736
Culture & Recreation	2,726,748	3,166,526	3,583,471
Debt Service	407,544	598	98
Capital Outlay	4,758,067	3,828,699	4,498,734
Total Expenditures	\$ 27,695,561	\$ 27,035,171	\$ 31,146,680

- EXPENDITURE TYPE DEFINITIONS**
- **General Government** - functions serving Town operations as a whole, including Town Council, Town Manager, Town Clerk, Finance, Administrative Services, Information Technology, Town Attorney, and Town Prosecutor.
 - **Public Safety** - contracted services for Law Enforcement and Fire and Emergency Medical Services.
 - **Public Works** - represents the Street and Facilities divisions, as well as Engineering.
 - **Culture and Recreation** - encompasses the services, programs and facilities provided by Parks & Recreation, Community Center and Senior Services.
 - **Development Services** - includes Planning, Building Safety, Code Compliance, and Mapping and Graphics divisions.
 - **Capital Outlay** - expenditures on the Town’s Capital Improvement Program projects and Facilities Replacement.
 - **Debt Service** - principal, interest, and other related costs affiliated with the Town’s issuance of debt to support various capital improvement activities.



General Fund Expenditures

Budget-to-Actual comparisons for the past five years are presented below for the Town's main operating fund. For FY23, General Fund expenditures were \$2.5M less than budgeted amounts and \$1.6M more than FY22. The Town received \$4.2 million in FY22 and another \$4.2M in FY23 of American Rescue Plan Act (ARPA) funding from the federal government, all of which was used to partially pay for the Town's Law Enforcement and Fire Services annual contracts. These expenditures are normally made from the General Fund; however, using the ARPA revenues from the Special Revenue (Grants) Fund resulted in General Fund savings of \$8.4 million over the last two fiscal years. Town Council authorized a transfer of these savings to the Streets Fund for pavement maintenance.



Statement of Net Position

The Statement of Net Position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Net position is broken-down into three categories: Net Investment in Capital Assets, Restricted, and Unrestricted. These categories focus on the accessibility of the underlying assets.

ASSETS represent what the Town owns. Current and other assets include cash, investments, and receivables (money due to the Town). Capital assets are land, buildings, infrastructure, vehicles, machinery, and equipment. Capital assets are either non-depreciable (land, art, and construction in progress) or depreciable (all other capital assets). These assets are shown net of accumulated depreciation.

LIABILITIES represent what the Town owes. Current and other liabilities consist of payables (money due from the Town) that are due within one year. Long-term liabilities represent debt that the Town must pay back over multiple years. If any portion of long-term debt is due within one year, that portion is reported in current liabilities.

NET POSITION is the residual amount remaining after liabilities are subtracted from assets. The changes reported in net position may be used to evaluate the Town's financial condition; however, attention should be paid to the movement within categories as well. The Town's largest category (71%) reflects investment in capital assets (land, buildings, infrastructure, vehicles, machinery and equipment), less any outstanding related debt used to acquire those assets. The restricted category (7%) of the Town's net position represents resources that must be used for specific purposes. These legal restrictions are imposed by outside entities such as federal or state governments. An example of such a restriction is the State's requirement that revenues from the gasoline tax be used only for expenditure on street projects. Portions of net assets are also restricted to pay debt service and fund capital projects. The remaining 22% is unrestricted as to how it may be used.

Government-Wide Financials			
Statements of Net Position			
	2021	2022	2023
ASSETS			
Current and Other Assets	\$ 25,980,153	\$ 37,056,421	\$ 46,708,494
Capital Assets, net	<u>103,822,185</u>	<u>102,346,737</u>	<u>101,838,463</u>
Total Assets	<u>129,802,338</u>	<u>139,403,158</u>	<u>148,546,957</u>
LIABILITIES			
Current and Other Liabilities	1,861,024	2,873,943	3,087,313
Long-Term Liabilities	<u>190,600</u>	<u>297,878</u>	<u>284,016</u>
Total Liabilities	<u>2,051,624</u>	<u>3,171,821</u>	<u>3,371,329</u>
NET POSITION			
Net Investment in Capital Assets	103,822,185	102,346,737	101,838,463
Restricted	2,610,178	5,749,726	9,646,597
Unrestricted	<u>21,318,351</u>	<u>26,010,477</u>	<u>31,955,871</u>
Total Net Position	<u>\$ 127,750,714</u>	<u>\$ 134,106,940</u>	<u>\$ 143,440,931</u>

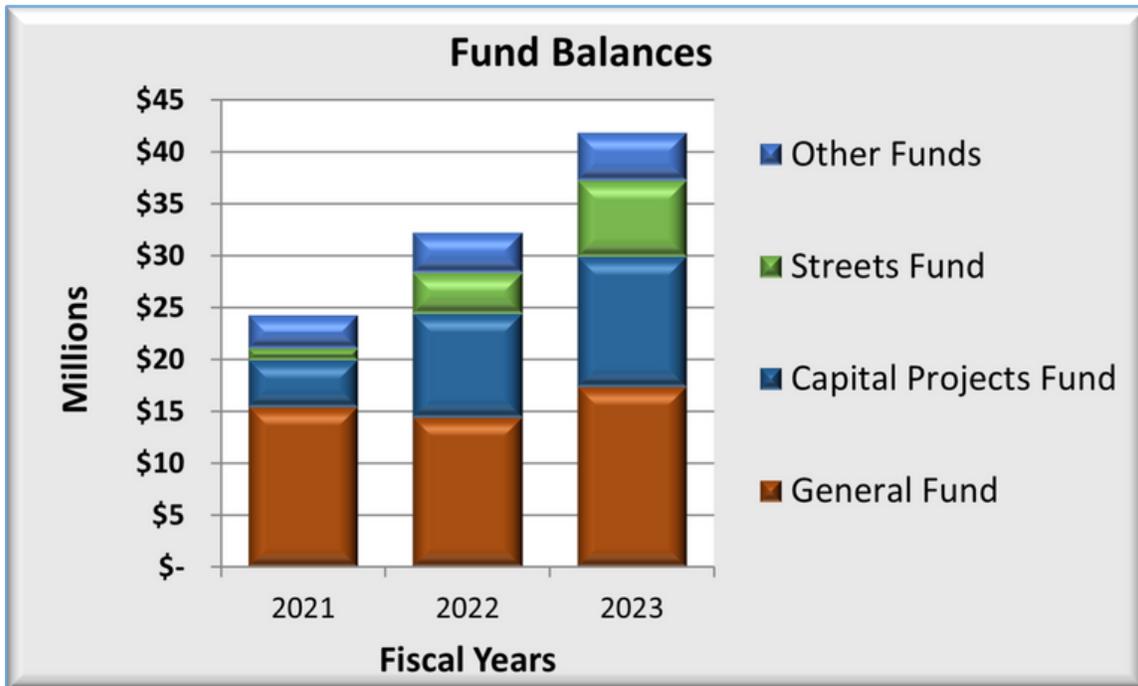


Fund Accounting

Fund Balance

State and local governments, such as the Town, employ a system called fund accounting. This system groups assets and liabilities according to the purpose for which they are to be used. Each grouping, or fund, operates as a separate self-balancing set of accounts. The General Fund is the chief operating fund of the Town and accounts for 42% of the total fund balance. The Streets Fund is used exclusively for those governmental activities related to street repair and maintenance and makes up 18% of the total fund balance. Capital project funds account for the acquisition or construction of major capital facilities, as well as facilities replacement. These funds contain 30% of all fund balances, with the remaining 10% in all other non-major funds. Status of other governmental fund purposes can be determined by reviewing the fund balances of the other individual funds in the Town's Annual Comprehensive Financial Report (ACFR) located on the town's website www.fountainhillsaz.gov.

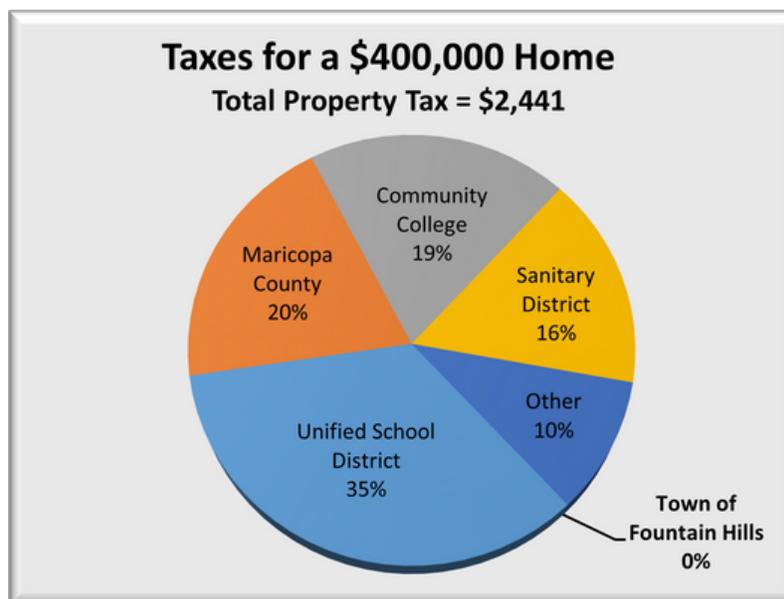
The fund balance is an important component of fiscal planning and factors into the Town's debt rating. The Town's most recent debt rating (Aa2 as rated by Moody's) was maintained due to the Town Council's commitment to fund on-going services with on-going revenues. The Town does not currently have any outstanding debt issued and, as a result, does not have a current debt rating.



Property Taxes

Property taxes paid by Fountain Hills residents are collected by the [Maricopa County Treasurer](#) and are based on the property's value (ad valorem) as determined by the [Maricopa County Assessor](#). As the charts below indicate, the Town did not receive any property taxes paid in FY 2022-23 since there were no outstanding town-wide bonds for the fiscal year. Property taxes collected by the County Treasurer went to support Maricopa County, the Community College district, and other legally separate entities that provide services to the residents of the Town, including [Fountain Hills Unified School District](#) and [Fountain Hills Sanitary District](#). However, both of those Districts are governed independently by board members elected by the residents.

Property taxes are calculated by Maricopa County using the assessed value of all property located within the Town. For residential property, the tax is calculated using 10% of the assessed valuation of the real property, dividing by 100 and then multiplying by the total tax rate. The total tax rate was \$6.1013 for tax year 2023. For example, a residential property with an assessed value of \$400,000 would have paid approximately \$2,441 in taxes for 2023 (\$400,000 times 10% divided by 100 times \$6.1013).



Capital Investments & Debt

How Capital Investments are Funded

The Town's capital outlay consists of investments in our roads, equipment, public facilities, and parks. Every year, the Town prepares and adopts an on-going Five-Year Capital Improvement Plan that provides for an annual amount of infrastructure improvement projects. Town Council and staff review and update the plan each year as part of the budget process. The projects are funded using a combination of grants, existing funds and, if required, bonded debt or short-term loans.

Debt Policy

The Town's Financial Policies provide a set of criteria to help determine when it is best to fund capital projects using existing revenues, issuing bonds and/or seeking short-term loans. The Town had an Aa2 bond rating from Moody's Investors Service for its last issue of general obligation bonds. This rating allows the Town to receive very competitive interest rates when issuing debt. In fiscal year 2023, the Town did not have any outstanding debt.

Repayment of Outstanding Debt

The repayment of debt is funded using either secondary property taxes (General Obligation Bonds), pledged revenue sources (Revenue Bonds), or from operating revenues (Short-Term Loans). The Town did not charge a secondary property tax for FY 2022-2023 since there was not any outstanding debt.

Debt Margin

The State imposes certain debt limitations of 20% and 6% of the net assessed secondary valuation of the Town. For projects involving water, sewer, artificial lighting, parks, open space, recreation facility improvements, public safety, law enforcement, fire and emergency facilities, and street and transportation facilities, the Town can issue General Obligation (GO) bonds up to 20% of that valuation. For any other general purpose improvements, the Town may issue bonds up to the 6% limit.

Town of Fountain Hills, Arizona Calculation of Legal Debt Margin as of June 30, 2023

Net full cash assessed valuation		670,644,516
<p>Water, Sewer, Artificial Lighting, Parks, Open Space, Recreational Facility Improvements, Public Safety, Law Enforcement, Fire and Emergency Facilities, Street and Transportation Facilities</p> <hr/>		
Debt limit - 20% of net full cash assessed valuation	\$	134,128,903
Net debt applicable to limit		<u>-</u>
20% legal debt margin		<u>134,128,903</u>
<p><u>All Other General Obligation Bonds</u></p> <hr/>		
Debt limit - 6% of net full cash assessed valuation		40,238,671
Net debt applicable to limit		<u>-</u>
6% legal debt margin		<u>40,238,671</u>
 Total legal debt margin	 \$	 <u><u>174,367,574</u></u>



Annual Comprehensive Financial Report (FY22)

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Fountain Hills for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022.



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Town of Fountain Hills
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



Popular Annual Financial Report (FY22)

In addition, the GFOA recognized the Town for its Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2022. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. The requirements are based on an evaluation of creativity, presentation, understandability, and reader appeal.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**Town of Fountain Hills
Arizona**

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



Adopted Budget (FY23)

Finally, the Town also received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning July 1, 2022. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**Town of Fountain Hills
Arizona**

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morill

Executive Director



ADDITIONAL INFORMATION



Contact Information

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Mayor & Town Council

(as of publication)

Mayor Ginny Dickey

Vice Mayor Sharron Grzybowski

Councilmember Gerry Friedel

Councilmember Brenda Kalivianakis

Councilmember Peggy McMahon

Councilmember Allen Skillicorn

Councilmember Hannah Toth

Town Manager

Rachael Goodwin

Deputy Town Manager

David Trimble

Department Directors

Administrative Services	David Trimble
Community Relations	Bo Larsen
Community Services	Kevin Snipes
Development Services	John Wesley
Economic Development	Amanda Jacobs
Finance	David Pock
Fire Chief	David Ott
MCSO District Commander	Larry Kratzer
Presiding Judge	Robert Melton
Public Works	Justin Weldy
Town Attorney	Aaron Arnson
Town Clerk	Linda Mendenhall
Town Prosecutor	Mark Iacovino



Acronyms

ACFR -Annual Comprehensive Financial Report	GO -General Obligation
ARPA -American Rescue Plan Act	GPEC -Greater Phoenix Economic Council
ARS -Arizona Revised Statutes	HDM -Home Delivered Meals
AZDOR -Arizona Department of Revenue	HPE -Hillside Protection Easement
AZDOT -Arizona Department of Transportation	HURF -Highway User Revenue Fund
CARES -Coronavirus Aid, Relief, and Economic Security Act	IGA -Intergovernmental Agreement
CCEF -Court Collection Enhancement fund	IIP -Infrastructure Improvement Plan
CFD -Community Facilities District	IT -Information Technology
CIP -Capital Improvement Program	JCEF -Judicial Court Enhancement Fund
EMCFD -Eagle Mountain Community Facilities District	LTAf -Local Transportation Assistance Fund
EMMA -Electronic Municipal Market Access	MAG -Maricopa Association of Governments
EOC -Emergency Operations Center	MCFCD -Maricopa County Flood Control District
FEMA -Federal Emergency Management Administration	MCSO -Maricopa County Sheriff's Office
FHUSD -Fountain Hills Unified School District	MPC -Municipal Property Corporation
FIT -Fountain Hills Integrated Trails	MSRB -Municipal Securities Rulemaking Board
FTE -Full Time Equivalent	NRPA -National Recreation and Park Association
FY -Fiscal Year	RFP -Request for Proposal
GAAP -Generally Accepted Accounting Principles	RFQ -Request for Quotation
GASB -Governmental Accounting Standards Board	RPTA -Regional Public Transit Agency
GFOA -Government Finance Officers Association	VRF -Vehicle Replacement Fund
GIS -Geographical Information System	



Glossary

Account

A separate financial reporting unit for budgeting, management or accounting purposes. All budgetary transactions, whether revenue or expenditure, are recorded in accounts. Several related accounts may be grouped together in a fund. A list of accounts is called a chart of accounts.

Accounting Standards

The generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) that guide the recording and reporting of financial information by state and local governments.

Accrual Basis of Accounting

The basis of accounting under which transactions are recognized at the time they are incurred, as opposed to when cash is received or sent. Expenses are recorded at the time liabilities are incurred and revenues are recorded when earned. Unbilled services are recorded as receivables at year end.

Actual vs. Budgeted

Difference between the amounts projected (budgeted) in revenues or expenditures at the beginning of the fiscal year and the actual receipts or expenses, which are incurred by the end of the fiscal year.

Adopted Budget

Used in fund summaries and department and division summaries within the budget document. Represents the annual budget as approved by formal action of the Town Council, which sets the spending limits for the fiscal year.

Adoption

Formal action by the Town Council, which sets the spending limits for the fiscal year.

Ad Valorem Taxes

Commonly referred to as property taxes. The charges levied on all real, and certain personal property, according to the property's assessed value and the tax rate. Used as a source of monies to pay general obligation debt and to support the General Fund.

Allocation

A part of a lump sum appropriation which is designated for expenditure by specific organization units and/or for special purposes, activities, or subjects.

Annual Comprehensive Financial Report (ACFR)

The official annual financial report of the Town. The ACFR represents management's report to the Town Council, constituents, investors and creditors.

Appropriation

Specific amount of monies authorized by the Town Council for the purpose of incurring obligations and acquiring goods and services. An appropriation is limited in amount and time when it may be used unless it is for capital projects such as constructing roads and buildings.

Assessed Valuation

A value that is established for real and personal property for use as a basis for levying property taxes. Property values are established by the County Assessor and the State as a basis for levying taxes.

Asset

Resources and property of the Town that can be used or applied to cover liabilities. Alternatively, any owned physical object (tangible) or right (intangible) having a monetary value or an item or source of wealth expressed in terms of any cost benefitting a future period.

Attrition

A method of achieving a reduction in personnel by not refilling the positions vacated through resignation, reassignment, transfer, or retirement.

Audit Report



The report prepared by an auditor covering the audit or investigation of an entity's financial position for a given period of time, usually a year. As a general rule, the report should include: 1) a statement of the scope of the audit; 2) explanatory comments concerning exceptions from generally accepted auditing standards; 3) opinions; 4) explanatory comments concerning verification procedures; 5) financial statements and schedules; and 6) statistical tables, supplementary comments and recommendations. The auditors signature follows 3). The Town is required to have an annual audit conducted by qualified certified public accountants.

Authorized Positions

Employee positions which are authorized in the adopted budget.

Available (Unassigned) Fund Balance

Funds remaining from the prior year which are available for appropriation and expenditure in the current year.

Balanced Budget

Arizona law (Title 42-Arizona Revised Statutes) requires the Town Council to annually adopt a balanced budget by purpose of public expense. State law defines this balanced budget as "the primary property tax levy, when added together with all other available resources, must equal these expenditures." The total of proposed expenditures will not exceed the total of estimated revenues and fund balances.

Base Budget

The ongoing expense for personnel, contractual services, commodities, and the replacement of equipment to maintain service levels previously established by the Town Council.

Basis of Accounting

Defined by the Government Accounting Standards Board by Fund type as the method of accounting for various activities. The basis is determined when a transaction or event is recognized in the fund's operating statement..

Beginning Balance

The residual funds brought forward from the previous fiscal year (ending balance).

Bond

A written promise to pay a specified sum of money (called the face value or principal amount) at a specified date or dates in the future (called the maturity dates), and carrying interest at a specified rate, usually paid periodically. The difference between a bond and a note is that a bond is issued for a longer period and requires greater legal formality.

Bonds are primarily used to finance capital projects. The most common types of bonds are:

- General Obligation (GO) Bond: This type of bond is secured by the full faith, credit, and taxing power of the municipality
- Revenue Bond: This type of bond is secured by the revenues from a specific source such as gas taxes or water revenues.

Bond Rating

The measure of the quality and safety of a bond. The rating indicates the likelihood that a debt issuer will be able to meet scheduled repayments and dictates the interest rate paid.

Bond Refinancing

The payoff and re-issuance of bonds to obtain better interest rates and/or bond conditions.

Budget

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. This official public document reflects decisions, assesses service needs, establishes allocation of resources, and is the monetary plan for achieving Town goals and objectives.

Budget Amendment

A change of budget appropriation between expenditure accounts that is different from the original adopted budget. Budget amendments do not change the legal spending limit adopted by the Town Council.

Budget Calendar

The schedule of key dates which a government follows in the preparation and adoption of the budget.

Budget Document



The instrument used by the budget-making authority to present a comprehensive financial program to the Town Council.

Budget Message

The opening section of the budget document which provides the Town Council and the public with a general summary of the most important aspects of the budget, changes from the previous fiscal year, and recommendations regarding the financial policy for the upcoming period.

Budgetary Basis of Accounting

The basis of accounting used to estimate financing sources and uses in the budget. The method used to determine when revenues and expenditures are recognized for budgetary purposes. This basis generally takes one of three forms: GAAP, cash, or modified accrual.

Budgetary Control

The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Capital Assets

Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

Capital Budget

A spending plan for improvements to, or acquisition of, land, facilities and infrastructure that balances revenues and expenditures, specifies the sources of revenues, and lists each project or acquisition. Normally a capital budget must be approved by the legislative body. The capital budget and accompanying appropriation ordinance may be included in a consolidated budget document that has a section devoted to capital expenditures and another to operating expenditures. Alternatively, two separate documents may be prepared – one for the capital budget and one for the operating budget.

Capital Expenditure

A capital expenditure is made when purchasing a fixed asset having a value of \$10,000 or more and a useful life of more than one year.

Capital Improvement Program

The Capital Improvement Plan (CIP) is a comprehensive projection of capital investment projects, which identifies priorities as to need, method of financing, and project costs and revenues that will result during a five-year period. The plan is a guide for identifying current and future fiscal year requirements and becomes the basis for determining the annual capital budget. The capital plan for the ensuing year must be formally adopted during the budget process.

Capital Improvement Project

Expenditures for the construction, purchase or renovation of Town facilities or property that have a value greater than \$50,000.

Capital Outlay

Expenditures resulting in the acquisition of or addition to the Town's fixed assets with a value of \$10,000 or more and a useful economic lifetime of more than one year.

Capital Project Carryover

An approved Capital Project that was not completed in the fiscal year and, therefore, was budgeted again in the current fiscal year in order to finish the project.

Capital Projects Funds

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Cash Basis of Accounting

The basis of accounting in which transactions are recognized only when cash amounts are increased or decreased.

Cash-in-lieu



Funding for capital projects the Town requires from developers in lieu of them constructing necessary off-site improvements related to their development project.

Community Facilities District (CFD)

A separate legal entity established by the Town which allows for financing of public improvements and services.

Contingency/Reserve

An amount, a budgetary reserve/contingency, set aside as available, with Town Council approval, to cover unforeseen expenditures, emergency expenditures, or revenue shortfalls.

Contractual Services

Services such as rentals, insurance, maintenance, etc. that are purchased by the Town.

Debt Limit

Statutory or constitutional limit on the principal amount of debt that an issuer may incur (or that it may have outstanding at any one time).

Debt Ratio

Total debt divided by total assets.

Debt Service

The cost of paying principal and interest payments on outstanding bonds according to a predetermined payment schedule.

Debt Service Fund

One or more funds established to account for revenues used to repay the principal and interest on debt.

Deficit

The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Department

A major administrative portion of the Town which indicates overall management responsibility for an operation or a group of related operations.

Depreciation

An accounting transaction which spreads the acquisition value of an asset across its useful life. Alternatively, expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

Development Fees

Those fees and charges generated by building, development, and growth in the Town.

Disbursement

The expenditure of money from an account.

Distinguished Budget Presentation Awards Program

A voluntary awards program administered by the Government Finance Officers Association of the United States and Canada to encourage governments to prepare effective budget documents.

Division

A grouping of related activities within a particular Department (example, Senior Services is a Division of Community Services).

Employee (or Fringe) Benefits

Contributions made by a government to meet commitments or obligations for employee-related expenses. Included is the Town's share of costs for social security, pension plans, medical and life insurance plans.

Encumbrance



The formal accounting recognition of appropriated or committed funds to be set aside for a future expenditure. To encumber funds means to set aside or commit funds for a specified future expenditure. For budgetary purposes, encumbrances are considered expenditures.

Ending Balance

The residual funds that are spendable or available for appropriation at the end of the fiscal year.

Estimated Revenue

The amount of projected revenue to be collected during the fiscal year.

Expenditure

A net decrease in financial resources. Expenditures include operating expenses which require the use of current assets. If accounts are kept on the accrual basis, this term designates total charges incurred, whether paid or unpaid. If they are kept on the cash basis, the term covers only actual disbursements for these purposes.

Expenditure Limitation

An amendment to the Arizona State Constitution that limits annual expenditures of all municipalities. The Economic Estimates Commission, based on population growth and inflation, sets the limit. All municipalities have the option of Home Rule where the voters approve a four-year expenditure limit based on revenues received.

Expenses

Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other costs.

Fees

Charges for specific services.

Financial Plan

A summary by fund of planned revenues, expenditures, operating transfers, reserves, and fund balances.

Fiscal Policy

A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year

Any period of twelve consecutive months establishing the beginning and the ending of financial transactions. For the Town of Fountain Hills, this period begins July 1 and ends June 30.

Fixed Assets

Assets of a long-term character which are intended to continue to be in use or kept for more than one year and of a monetary value greater than \$10,000.

Franchise Fees

Annual fees paid by utilities (e.g. cable TV) for use of Town public rights-of-way. Franchise fees are typically a set percentage of gross revenue within the Town.

Full-Time Equivalent Position (FTE)

A position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be equivalent to a 0.5 FTE.

Fund

An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and changes in these assets and liabilities.

Fund Balance

Difference between assets and liabilities reported in a government fund.

Non-spendable – Portions of fund balance that include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.



Restricted – Portion of fund balance that reflects constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. In the case of the Town, this would be the Council and Mayor.

Assigned – Amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed.

Unassigned – Residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

General Fund

The major fund in most governmental entities. While other funds tend to be restricted to a single purpose, the General Fund is a catch-all for general government purposes. The General Fund contains the activities commonly associated with municipal government, such as police and fire protection, parks and recreation.

General Obligation Bonds

This type of bond is backed by the full faith, credit and taxing power of the government. Bonds that finance a variety of public projects. The repayment of these bonds is usually made from secondary property tax revenues.

General Plan

A plan approved by the Town Council that provides the fundamental policy direction and guidance on development decisions in the Town.

Generally Accepted Accounting Principles (GAAP)

Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

Governmental Funds

Governmental Funds are those through which most governmental functions of the Town are recorded. Revenues are recognized as soon as they are both measurable and available. Expenditures generally are recorded when a liability is incurred except for unmatured interest on debt and certain similar obligations, which should be recognized when due.

Grants

A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

Highway User Revenue Fund (HURF)

A fund with revenues consisting of state taxes collected on gasoline, vehicle licenses and other transportation related fees. These funds must be used for street and highway purposes.

Indirect Cost

A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

Infrastructure

The physical assets of a government (e.g. streets, public buildings, parks, etc.).

Interfund Transfers

The movement of monies between funds of the same governmental entity.

Intergovernmental

Refers to transactions between different levels of government, e.g. city, county, state and federal.

Intergovernmental Agreement

A contract between governmental entities as authorized by State law.

Intergovernmental Revenue



Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Journal Entry

An entry into the financial system that transfers actual amounts from one account, department, or fund to another.

Lapsing Appropriation

An appropriation made for a certain period of time, generally for the budget year. At the end of the specified period, any unexpended or unencumbered balance lapses or ends, unless otherwise provided by law.

Levy

The total amount to be raised by general property taxes for purposes specified in the property tax levy motion.

Levy Rate

The amount of tax levied for each \$100 of assessed valuation.

Liability

Indebtedness of a governmental entity, such as amounts owed to vendors for services rendered or goods received, and principal and interest owed to bondholders. These amounts are debts or legal obligations which must be paid at some future date.

Line-item Budget

A budget prepared along departmental lines that focuses on what is to be bought.

Local Transportation Assistance Fund (LTAF)

Revenues are generated by the State Lottery. Distribution of these funds is based on population. Funds must be used for public transit or streets, but a small portion may be used for cultural purposes.

Long-term Debt

Debt with a maturity of more than one year after the date of issuance.

Modified Accrual Basis of Accounting

The basis of accounting used by governmental-type funds. Under this basis, revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period.

Municipal Property Corporation (MPC) Bond

Bonds that are backed by the excise taxes of the Town including local sales tax, franchise tax, State-shared sales tax, and motor vehicle in-lieu tax. The MPC is a non-profit corporation established for the purpose of issuing debt to purchase municipal facilities, which it leases to the Town.

Object Detail

An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, asphalt, and furniture.

Objectives

Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame. The achievement of the objective advances an organization toward a corresponding goal.

Obligations

Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Budget

Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing of acquisitions, spending, and service delivery activities of the Town are controlled.

Operating Expenses

The cost for personnel, materials, and equipment required for a department to function.

Operating Impacts



Operating impacts are the additional, incremental revenues or costs associated with the project—any new cost or revenue streams resulting from the project less existing expenditures and revenues where applicable. These impacts include maintenance expenses, utility and personnel expenses, revenues from project-specific construction spending and operating revenues.

Operating Revenue

Funds that the government receives as income to pay for ongoing operations. The revenue includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance

A formal legislative enactment by the governing body of a municipality. If the ordinance is not in conflict with any higher form of law, such as a state statute or a constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

Pay-as-you-go Basis

A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

Per Capita

A unit of measure that indicates the amount of some quantity per person in the Town.

Performance Based Budget

The Performance Based Budget is a customer based, performance driven, results oriented budget system based on Outcome Management. Outcome Management is a management approach that focuses on the results achieved when providing a service.

Performance Indicators

Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs. Measurement of service performance indicators that reflect the amount of money spent on services and the resulting outcomes at a specific level of services provided.

Performance Measurement

Statistical indicators that permit program evaluation to be conducted in a budgetary context.

Performance Target

Percentage or number for each program performance measure that will be the desired level of performance for the upcoming budget period.

Personal Services

The classification of all salaries, wages, and fringe benefits expenditures. Fringe benefits include FICA, retirement contributions, medical insurance, life insurance, and workers' compensation. In some cases, benefits may also include clothing allowances and education assistance.

Policy

A plan, course of action, or guiding principle, designed to set parameters for decisions and actions. A policy could also be a more precise statement of a desired course of action.

Program

A group of related activities performed by one or more divisions or departments of the Town for the purpose of accomplishing a service the Town is responsible for delivering.

Property Tax

Total property tax levied by a municipality on the assessed value of a property within Town limits. In Arizona, the property tax system is divided into primary and secondary.

Primary Property Tax – A limited tax levy used for operations based on primary assessed valuation and primary tax rate. The tax rate is restricted to a 2% annual increase. Municipalities may use this tax for any purpose.

Secondary Property Tax – An unlimited tax levy restricted to voter-approved budget overrides. The tax is based on the secondary assessed valuation and secondary tax rate.



Reserve

An account used to segregate a portion of a fund balance to indicate that it is not available for expenditure, or it is legally set aside for a specific future use.

Resolution

A special or temporary order of the Town Council. Requires less formality than an ordinance or statute.

Resources

Total amounts available for appropriation including estimated revenues, bond/loan proceeds, fund transfers, and beginning fund balances.

Revenue

Amounts received by government from sources including taxes, fines, fees, grants, or charges for services, which can be used to finance government operations or capital assets. These amounts increase the net assets of the government. For those revenues which are recorded on an accrual basis, this term designates additions to assets which (a) do not increase any liability, (b) do not represent recovery of an expenditure, and (c) do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets.

Revenue Bonds

Bonds whose principal and interest are payable exclusively from earnings of a revenue generating fund.

Secondary Property Tax Rate

Arizona statute does not limit the secondary tax levy amount and municipalities may only use this levy to retire the principal and interest or redemption charges on bonded debt.

Service Level

Services or products which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

Sinking Fund

A means of repaying funds that were borrowed through a bond issue. The issuer makes periodic payments to a trustee who retires part of the issue by purchasing the bonds in the open market.

Special Revenue Fund

Created out of receipts of specific taxes or other earmarked revenues. Such funds are authorized by statutory or charter provisions to pay for specific activities with a special form of continuing revenues.

State-shared Revenue

Includes the Town's portion of State sales tax revenues, State income tax receipts, and motor vehicle in-lieu taxes.

Strategic Plan

The Strategic Plan defines the Town's strategy (<http://en.wikipedia.org/wiki/Strategy>), or direction, and assists Town management in making decisions on the allocation of personnel and resources.

Supplemental Appropriation

An additional appropriation made by the governing body after the budget year has started.

Tax Levy

The total amount of the general property taxes collected for purposes specified in the Tax Levy Ordinance.

Tax Rate

The amount of tax levied for each \$100 of assessed valuation.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Transfer

Movement of resources between two funds. Example: An interfund transfer would include the transfer of operating resources from the General Fund to the Streets Fund.

Unassigned Fund Balance

The portion of a fund's balance that is not restricted or committed for a specific purpose and is available for general appropriation.

Unencumbered Balance

The amount of an appropriation that is neither expended nor encumbered; essentially the amount of money still available for future purposes.

Unreserved Fund Balance

The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Fees

The fee charged for the direct receipt of a public service to the party or parties who benefit from the service.

Valley

The area represented by the Greater Phoenix Metropolitan area. Phoenix is also known as the Valley of the Sun.

Variance

Comparison of actual expenditure and revenues from one year to the next and comparison of budget-to-actual in current fiscal year.

Working Capital

A financial metric which represents the amount of day-to-day operating liquidity available. Also known as operating capital, it is calculated as current assets minus current liabilities.

Working Cash

The excess of readily available assets over current liabilities.