Town of Oro Valley Community Academy

Town Finances and Budget

October 18, 2022

Town of Oro Valley

Purpose of a Budget

- The Town's budget serves four main purposes, as identified by the Government Finance Officers Association (GFOA):
  - Policy Document
  - Operations Guide
  - Financial Plan
  - Communications Device

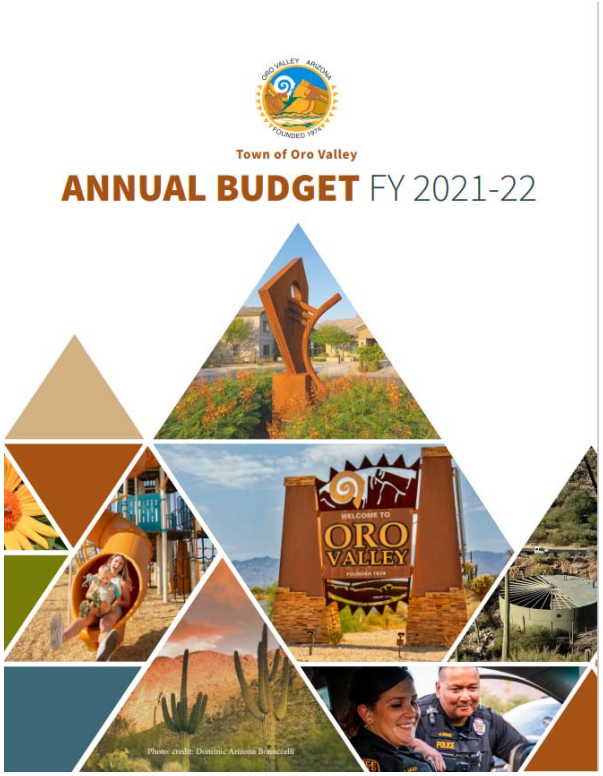
Budget Priority Guidance

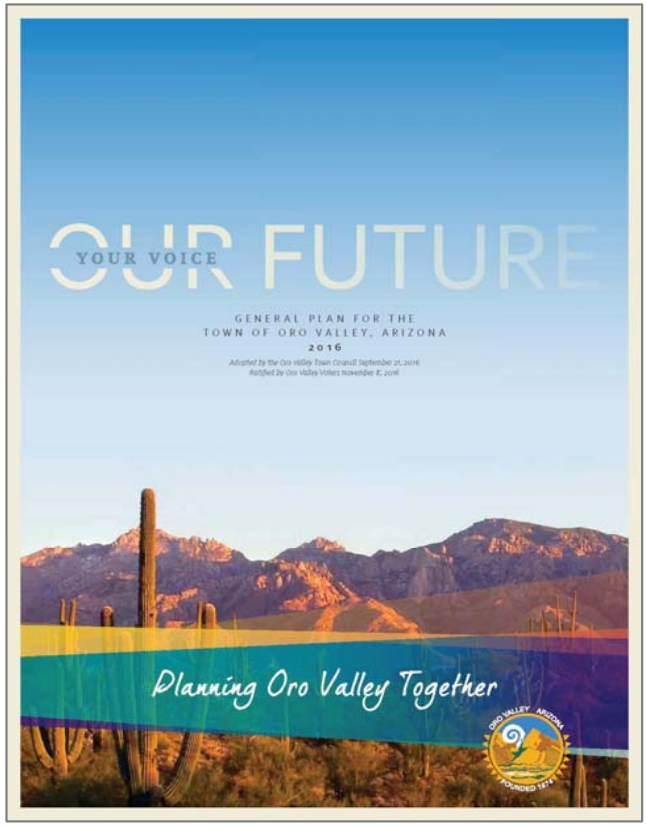
Town of Oro Valley

Town Strategic Plan

Budget

Voter-Approved General Plan





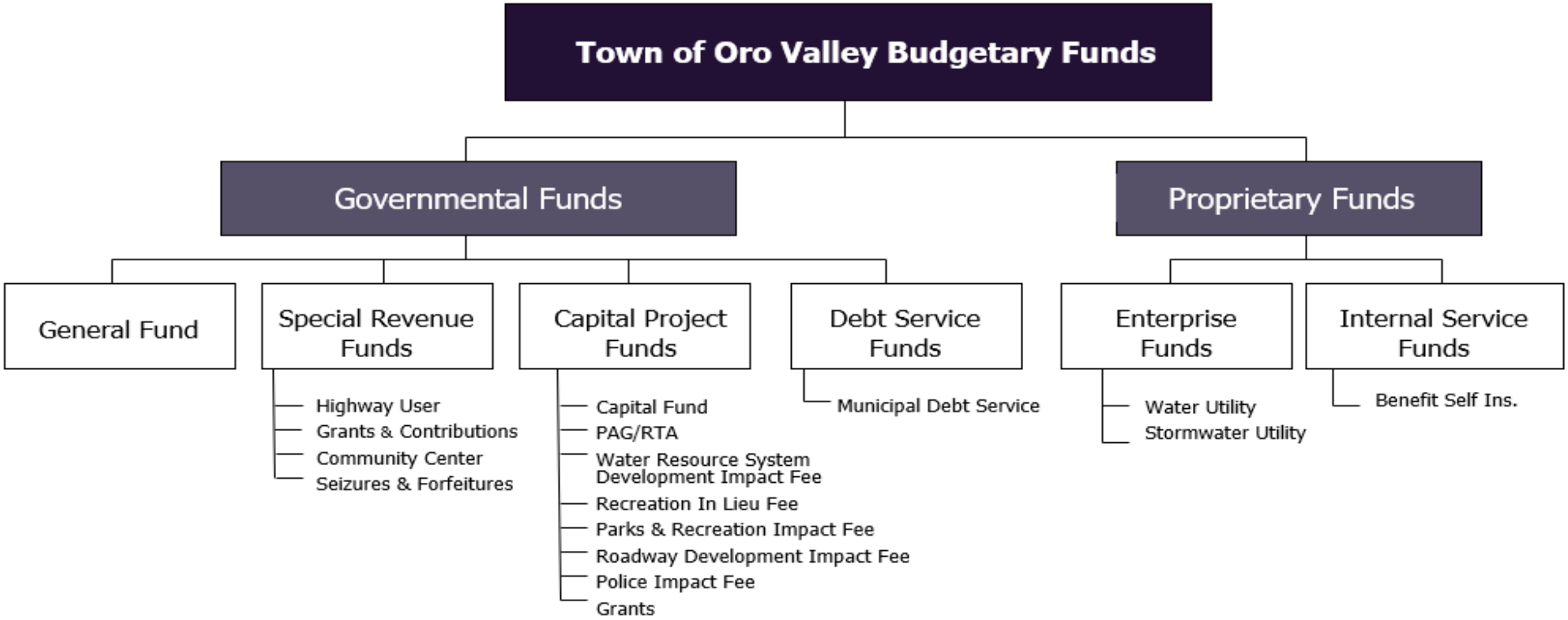
Primary Types of Funds

Town of Oro Valley

- General Fund (primary operating fund)
- Enterprise Funds (self-supported, similar to business)
  - Water
  - Stormwater
- Capital Project Funds (restricted infrastructure project funds)
  - Impact Fees
- Special Revenue Funds (restricted/dedicated sources of revenue)
  - Highway Fund
  - Community Center Fund
- Internal Service Funds (services provided internally)
  - Benefit Self Insurance

Fund Structure

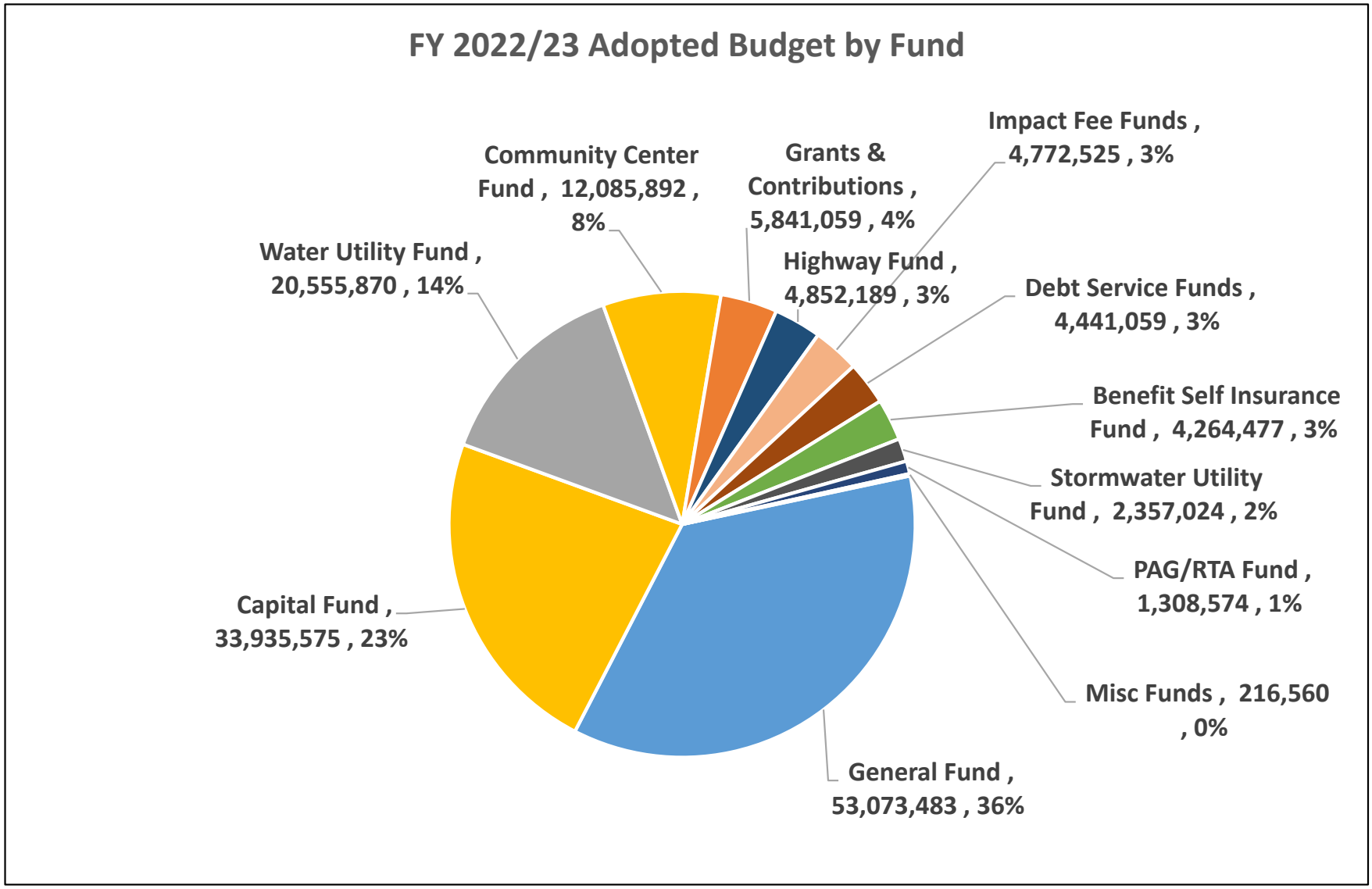
Town of Oro Valley



FY 22/23 Budget by Fund - $147.7 million

Town of Oro Valley

Funds are like separate checking accounts; more than half are restricted



Town of Oro Valley - Main Revenue Sources

Town of Oro Valley

Revenue Source	Description
Local Sales Tax	Includes retail sales taxes, construction tax, hotel/motel tax, restaurant/bar tax and utility tax
State Sales Tax	The Town receives its share of State shared sales tax (5.6%) based on population.
State Income Tax	Amount is based on income tax collections from two years prior to the fiscal year in which the Town receives these funds.
Gas Tax	Cities and towns receive 27.5% of all gas taxes. Of this 27.5%, 1/2 is distributed based on population, other ½ based on proportion of gas sales in County.
Vehicle License Tax	Approximately 20% of revenues for licensing of motor vehicles is distributed to incorporated cities and towns.
Cable Franchise Fee	5% on provision of cable service from Comcast Cable.

Main Revenue Sources (Continued)

Town of Oro Valley

Revenue Source	Description
User Fees	Collected from residents for Town facilities and services including park lighting, aquatics, and recreation fees.
Grants	Received from Federal and State agencies to assist in funding projects such as roadway improvements, public safety and community services.
Building Permit Fees	Revenues from this source come from residential building and commercial development.
Court Fines	Revenue comes from traffic violations and other fines paid for the violation of Town ordinances.
Development Impact Fees	Revenues come from residential and commercial development to finance new construction or expansion of capital infrastructure due to growth.
Water Sales	Revenues come from the sale of water to residents and businesses.

Council-Approved vs. Voter-Approved Revenues

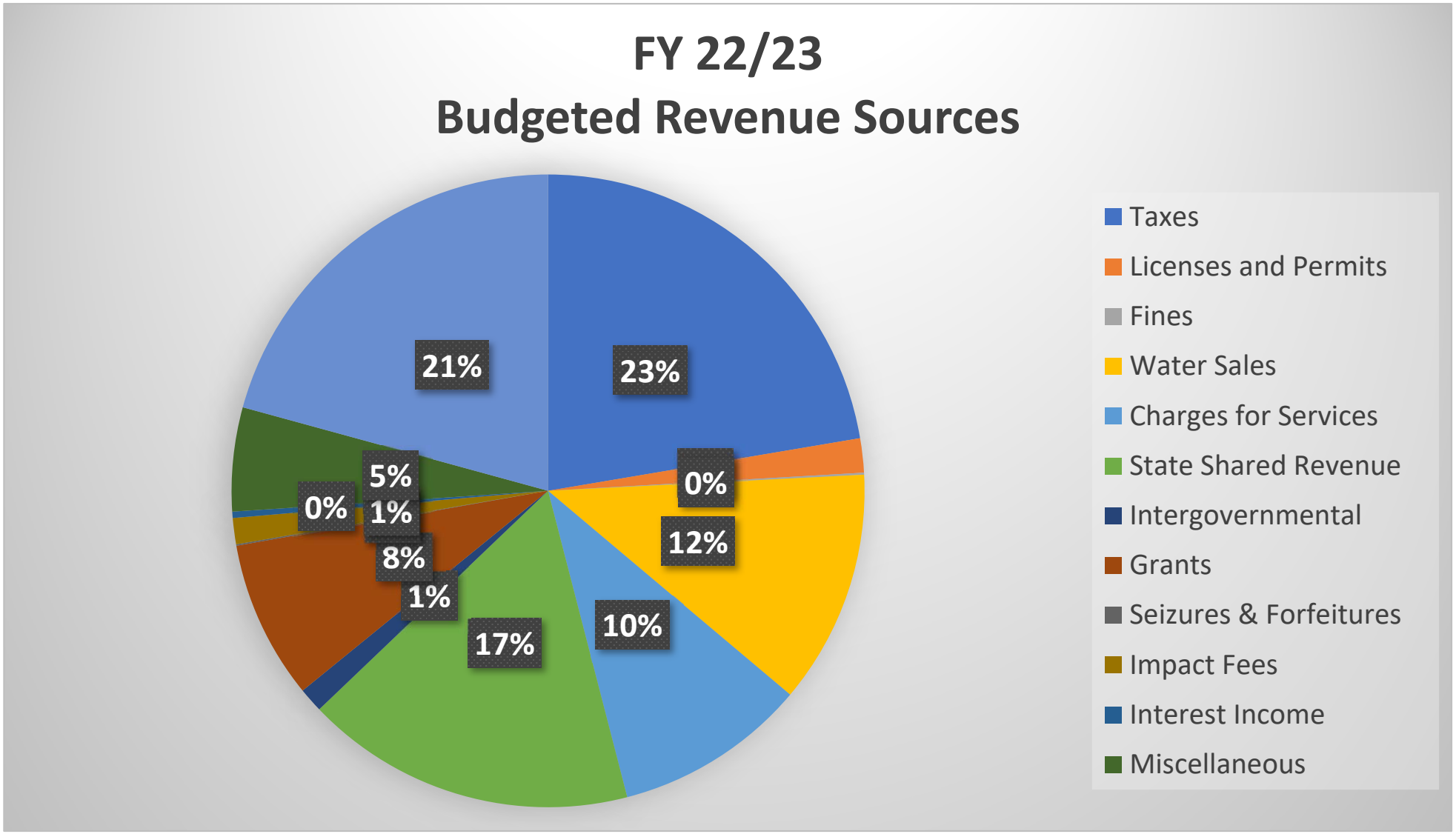
Town of Oro Valley

Council-Approved Revenues	Currently in place?
Local Sales Taxes	Yes
License & Permit Fees	Yes
Charges for Services	Yes
Impact Fees	Yes
Water Rates	Yes
Use Tax	No
Commercial Rental Taxes	Yes

Voter-Approved Revenues	Currently in place?
Property Taxes (Town of Oro Valley)	No
Residential Rental Taxes	Yes
Electric/Gas Franchise Fees	No

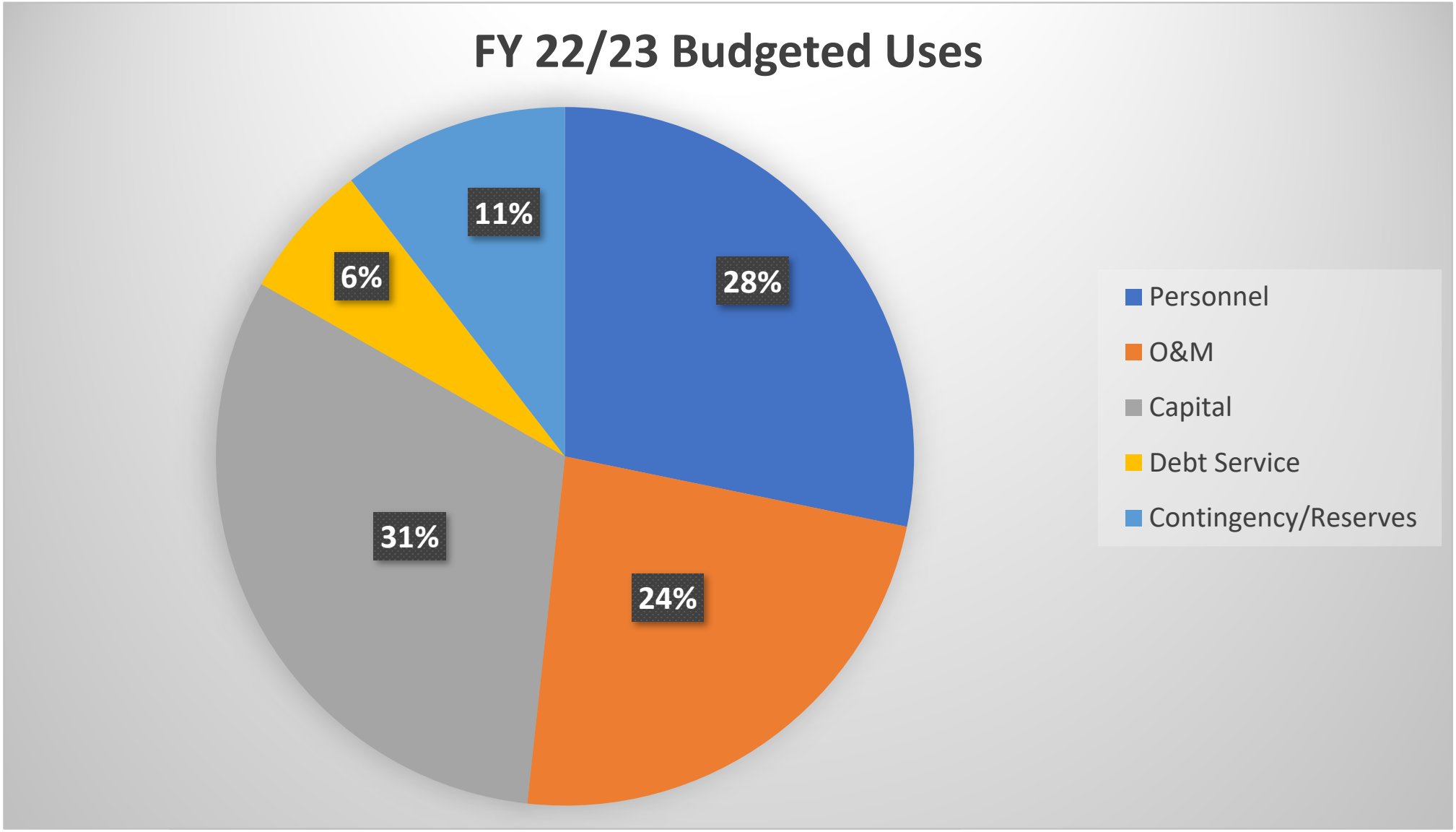
FY 2022/23 Revenue Sources

Town of Oro Valley



FY 2022/23 Expenditure Categories

Town of Oro Valley



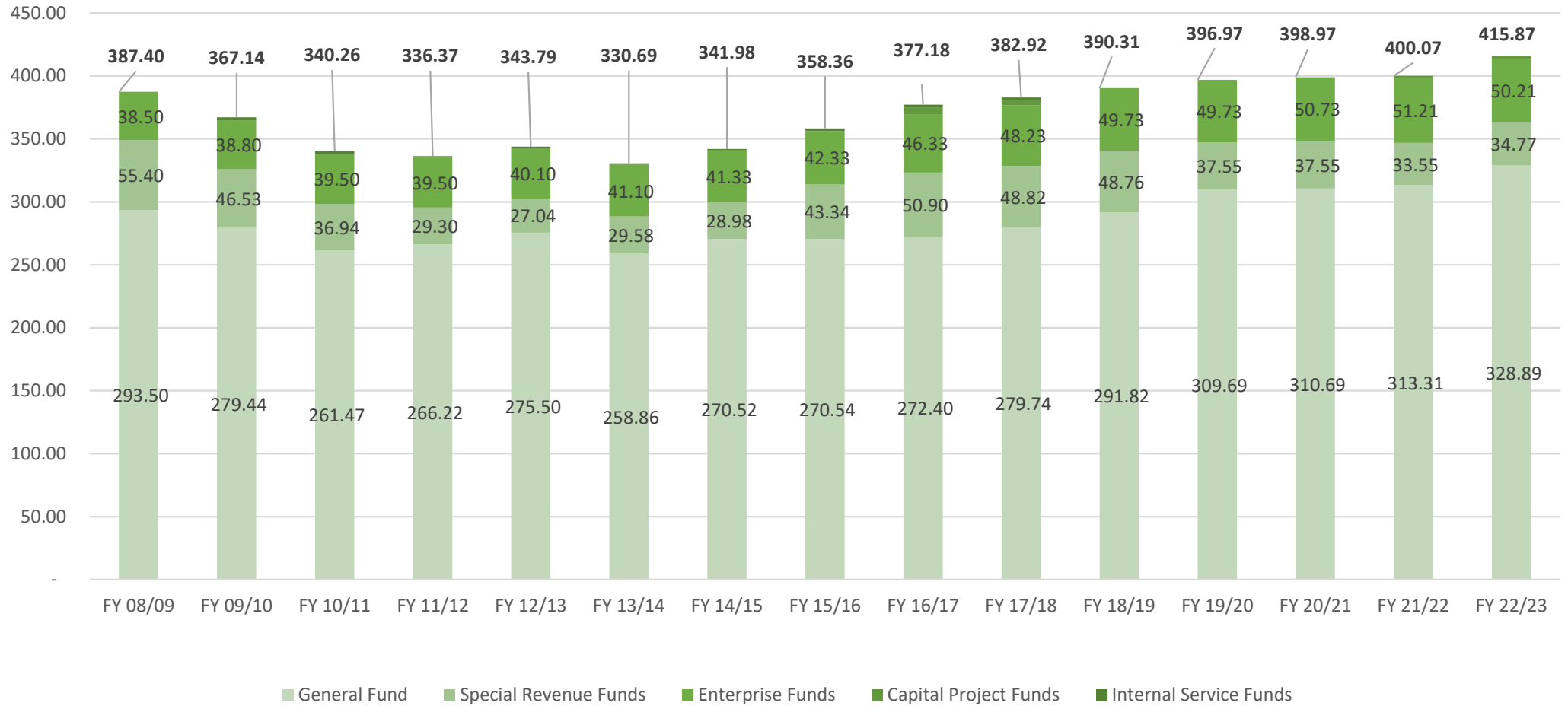
Budgeted FTEs by Fiscal Year

Town of Oro Valley

FTE = Full Time Equivalent; 40-hour/week employee = 1.0 FTE

FY 08/09 Population Estimate = 40,797

FY 22/23 Population Estimate = 48,231

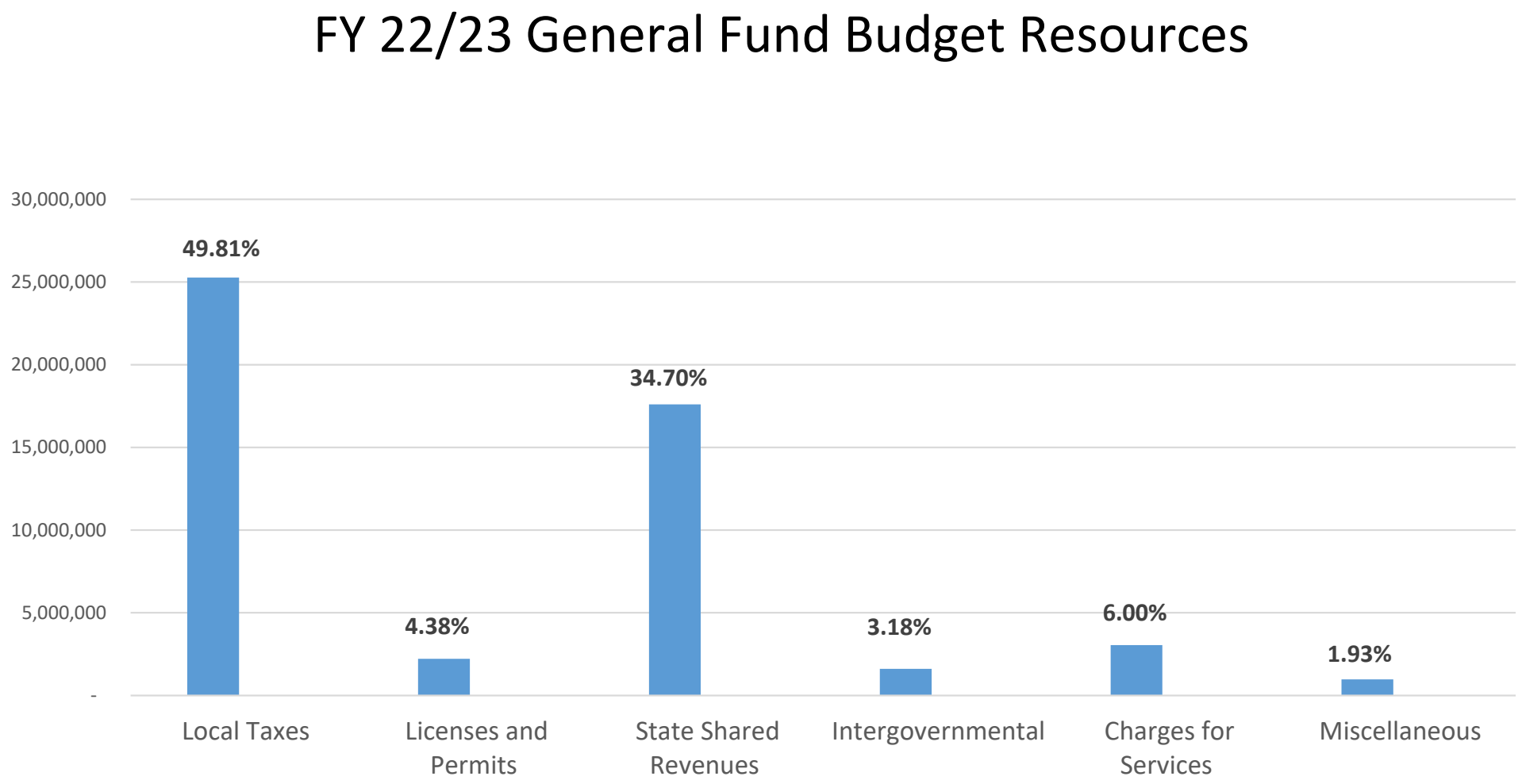


GENERAL FUND
(Main Operating Fund)

Town of Oro Valley
www.orovalleyaz.gov

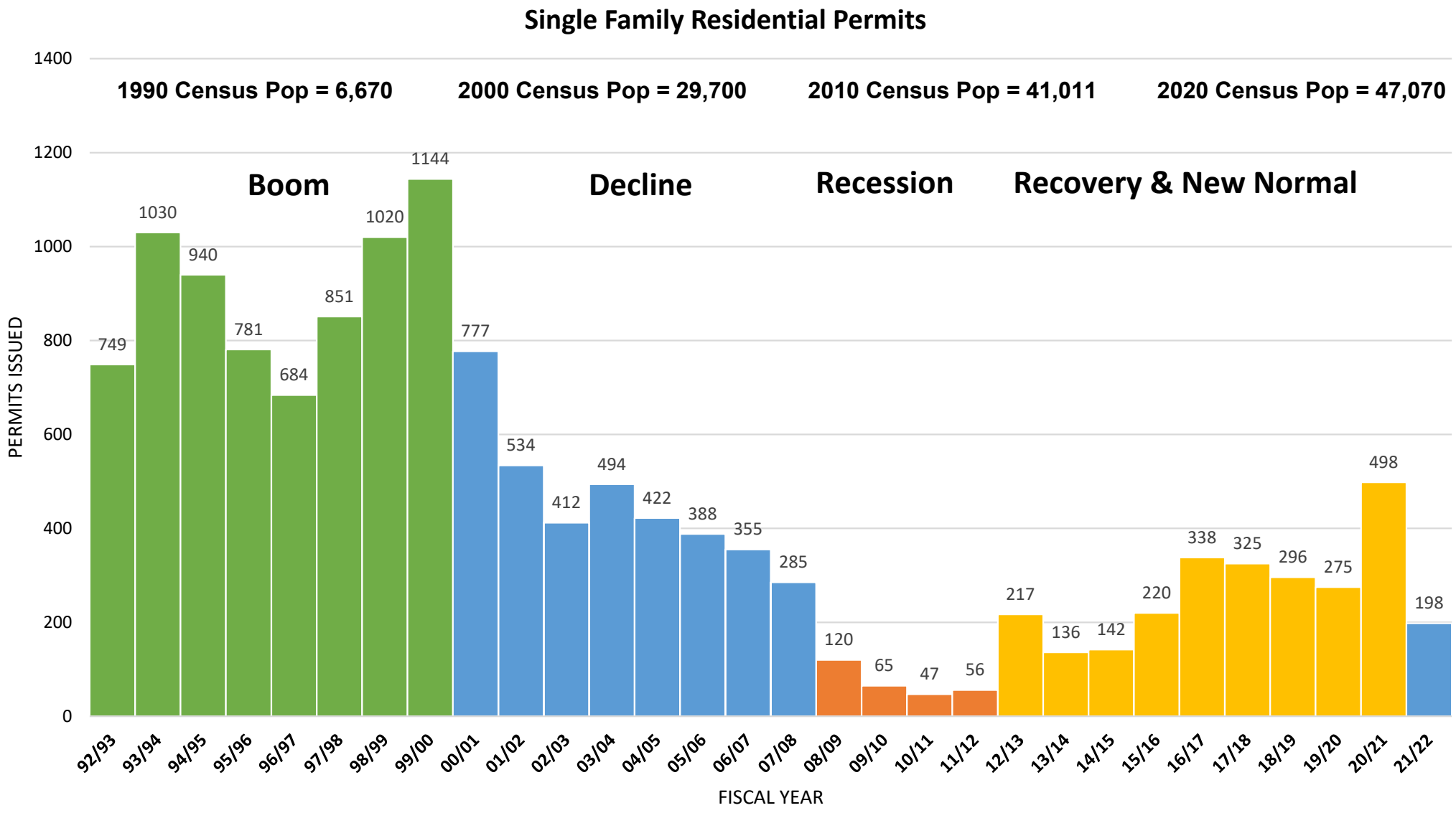
FY 22/23 General Fund Budgeted Resources

Town of Oro Valley



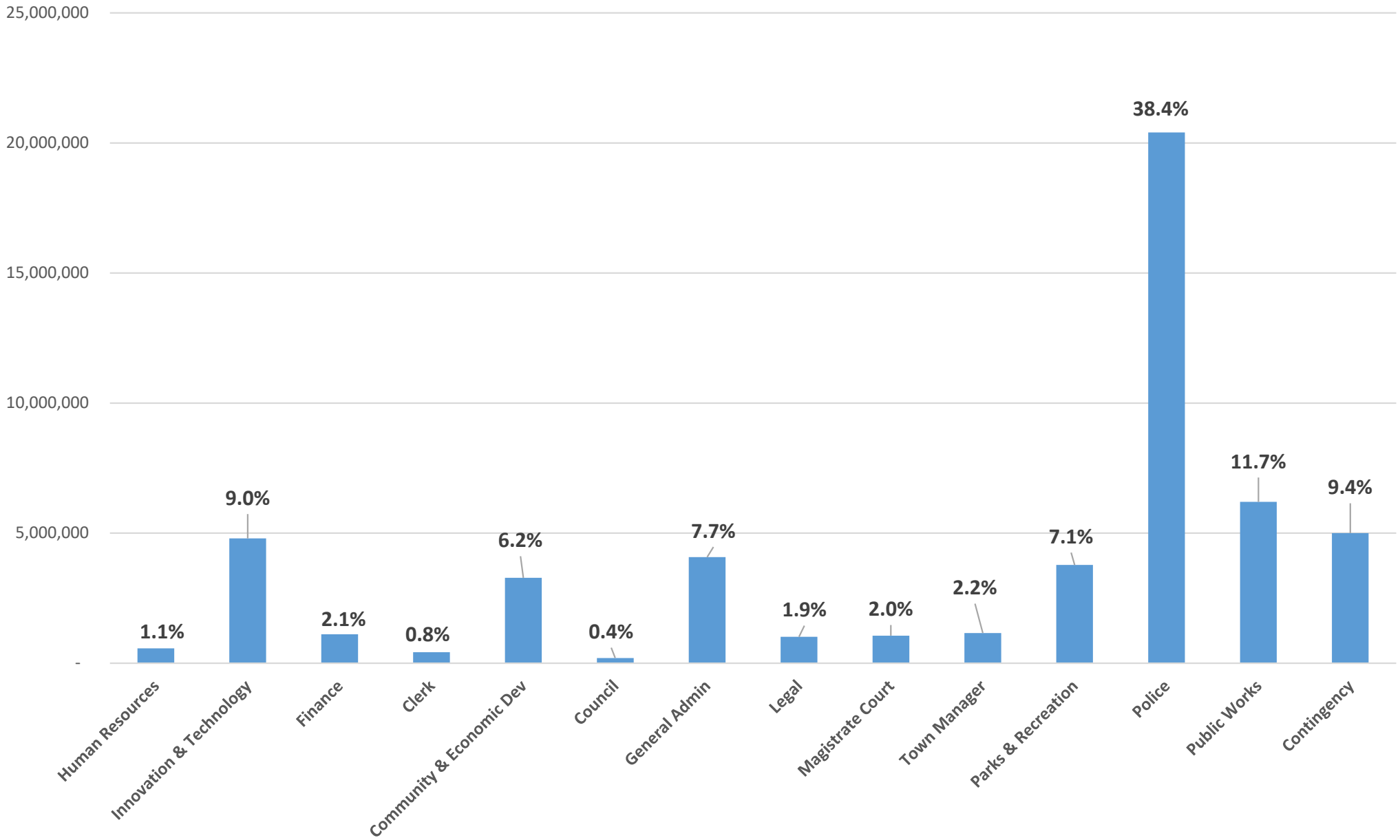
Historical Single Family Residential (SFR) Permits

Town of Oro Valley



FY 22/23 General Fund Budgeted Expenditures

Town of Oro Valley



Fiscal Management Policies and Practices

Town of Oro Valley

- Dedicate one-time revenues to one-time expenditures and recurring revenues to recurring expenditures
- Prepare monthly budget-to-actual financial reports
- Prepare 10-year Capital Improvement Plan
- Evaluate funding for capital projects – allocate minimum of 5% of excise tax collections to Capital Fund
- Prepare 5-year financial forecast
- Maintain minimum 25% contingency reserve balance in General Fund
- Excess funds allocated to capital funding and reducing PSPRS unfunded liability
- Annual independent audit by CPA firm

Awards and Accolades

Town of Oro Valley

Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award – 14th consecutive year

GFOA Certificate of Achievement for Excellence in Financial Reporting – 27th consecutive year

GFOA Popular Annual Financial Reporting (PAFR) Award – 9th consecutive year

Thank you!

Questions?

Town of Oro Valley
www.orovalleyaz.gov