

Community Academy: Town Finances and Budget



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





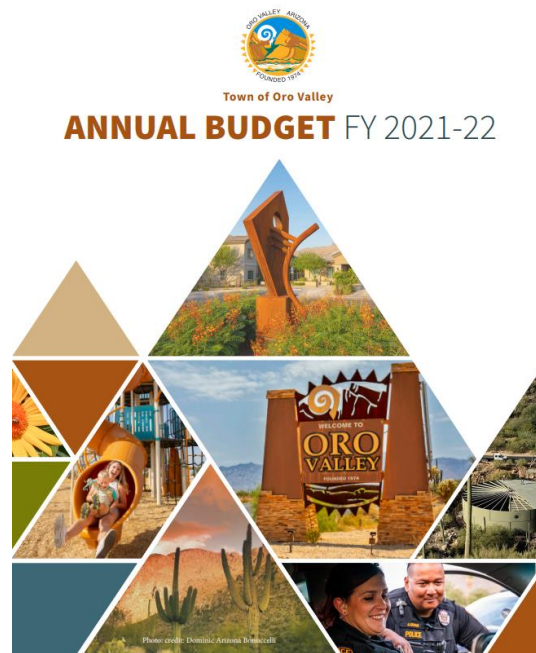
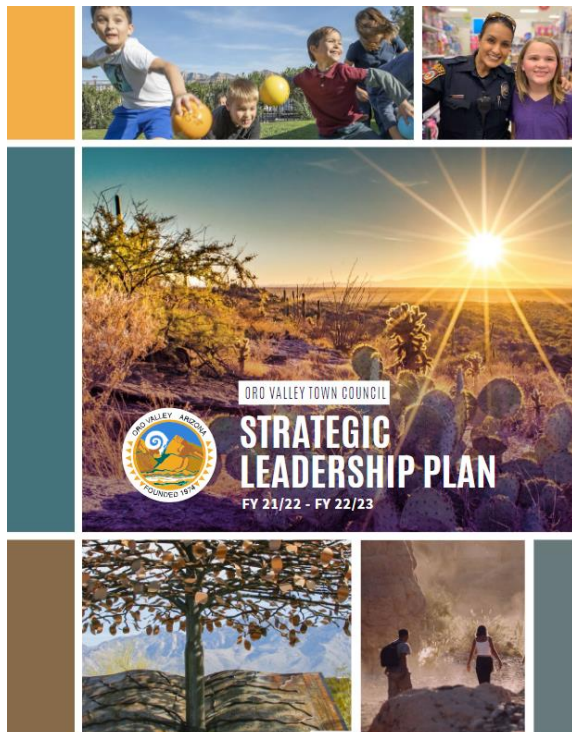
Town of Oro Valley

Budget Priority Guidance

**Town
Strategic
Plan**

**Voter-Approved
General Plan**

Budget



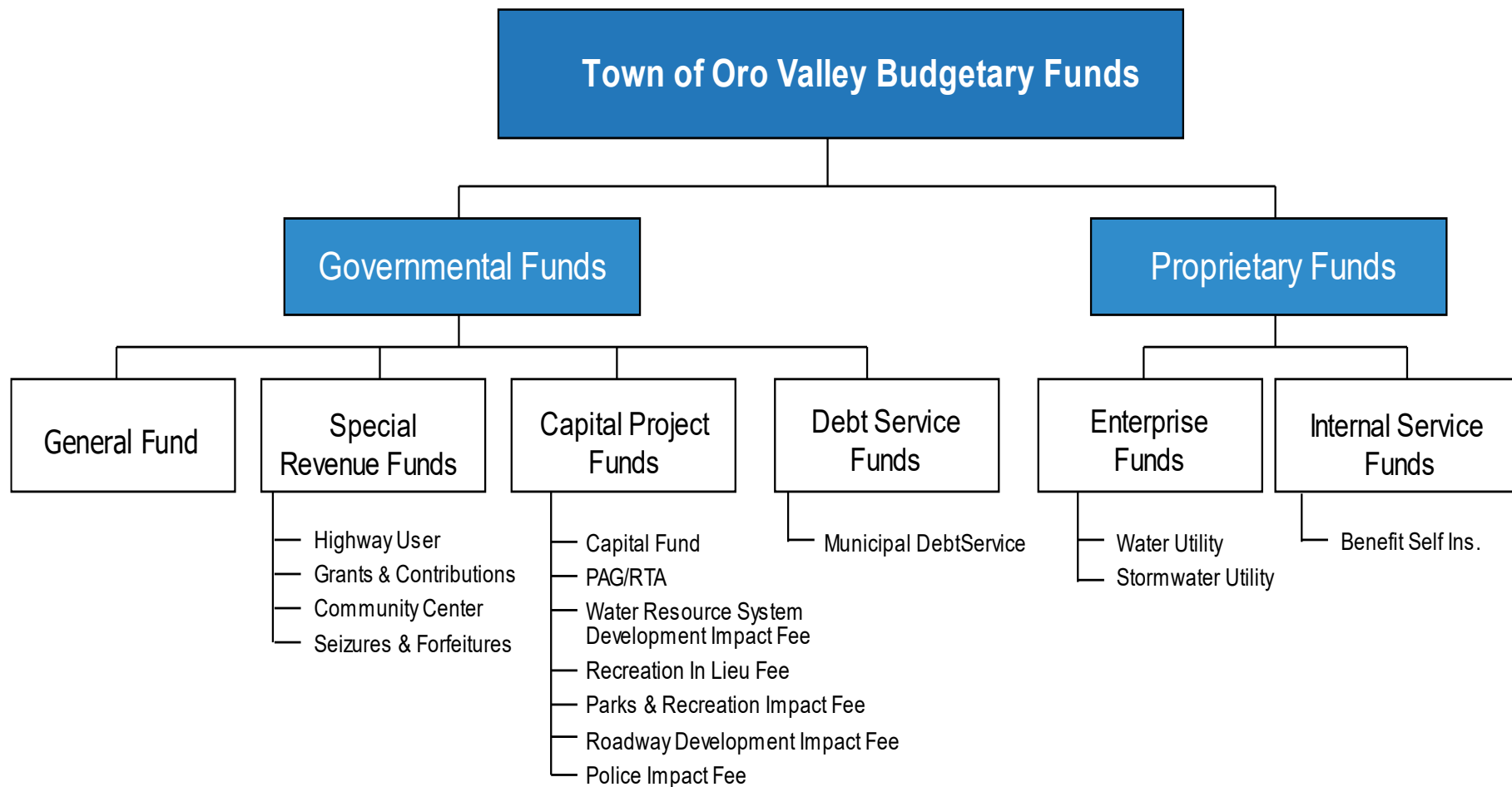


Primary Types of Funds

- ▶ 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



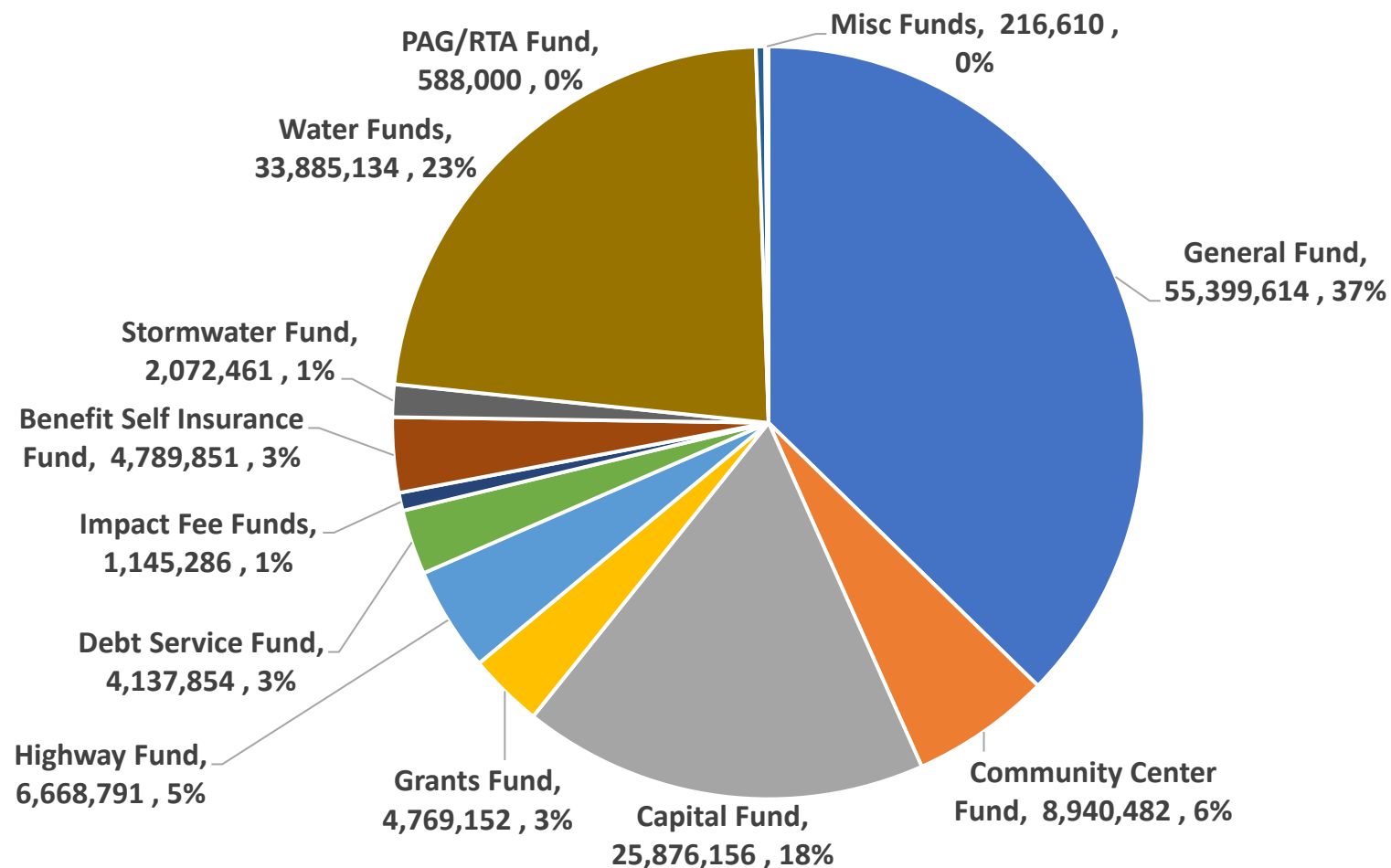
Fund Structure





FY 23/24 Budget by Fund - \$148.5 million

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





Town of Oro Valley - Main Revenue Sources

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 1/2 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)

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.



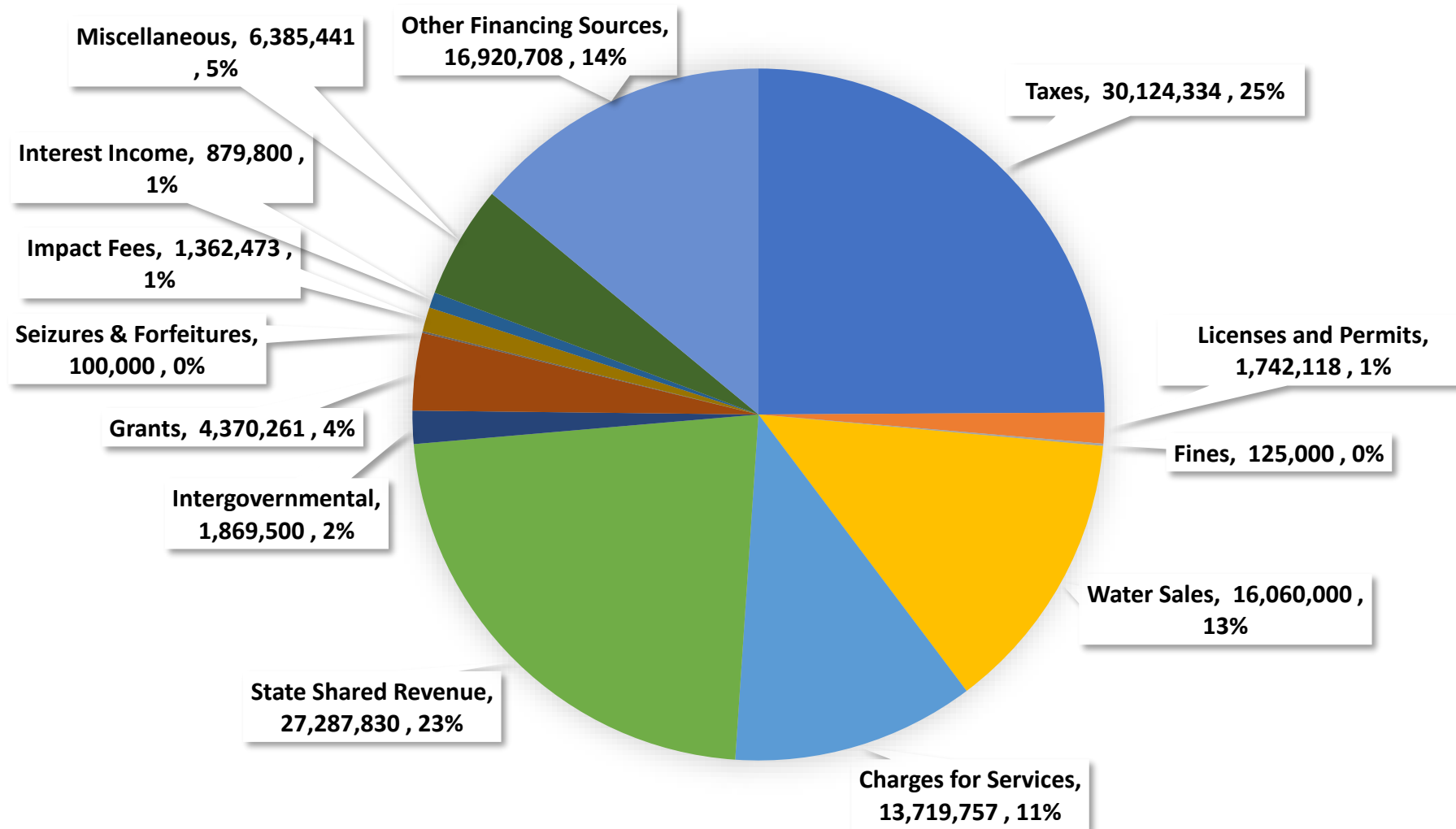
Council-Approved vs. Voter-Approved Revenues

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	No

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

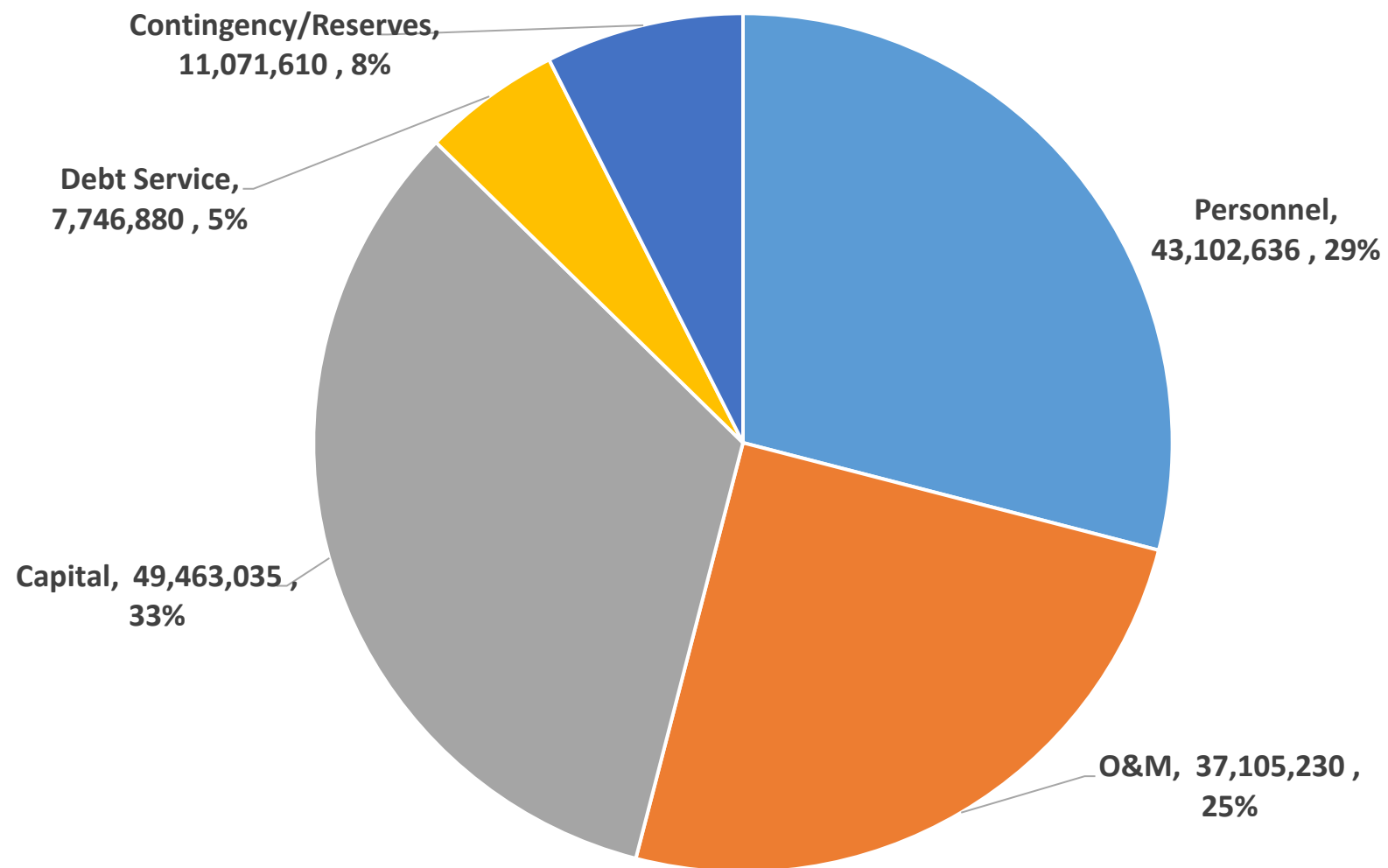


FY 2023/24 Revenue Sources





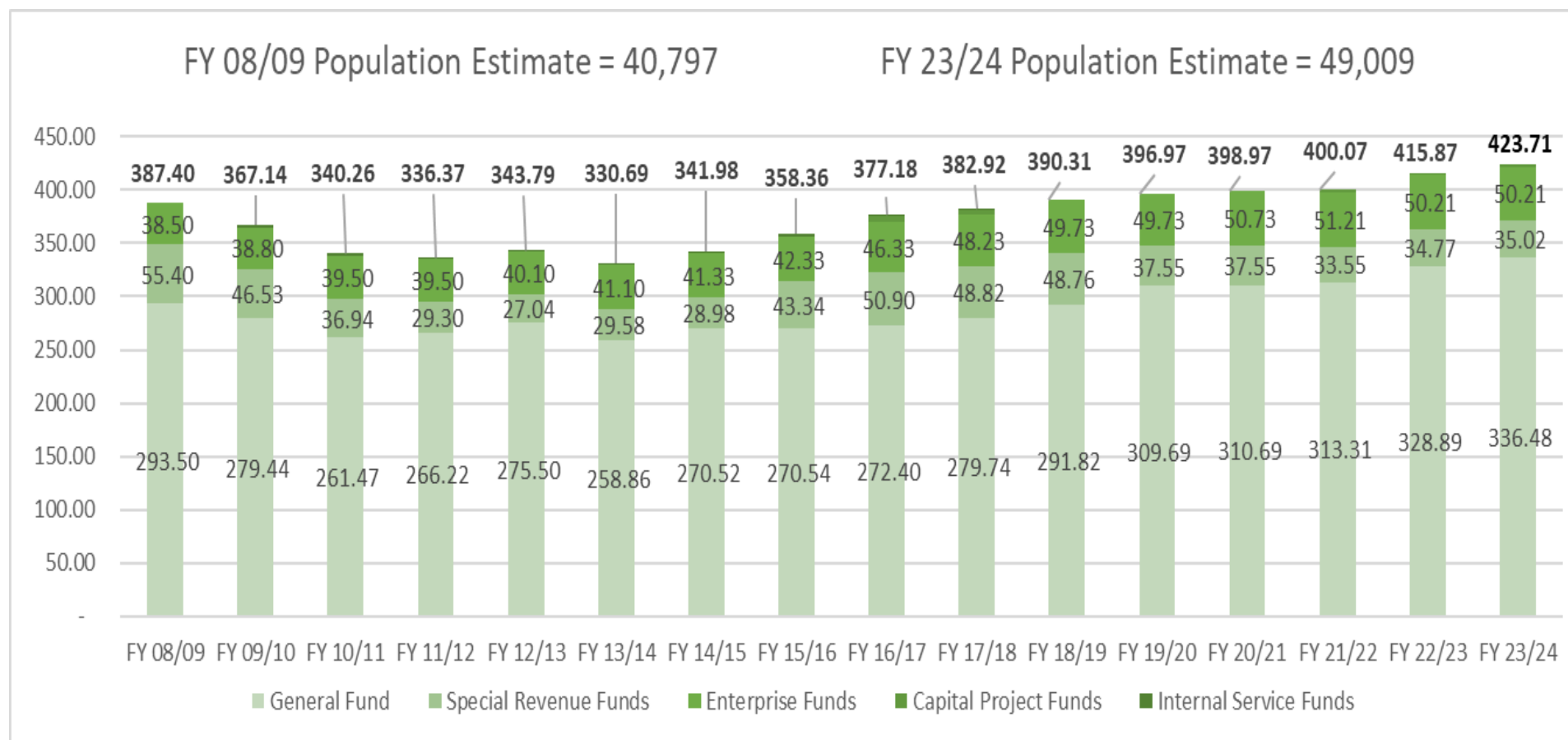
FY 2023/24 Expenditure Categories





Budgeted FTEs by Fiscal Year

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





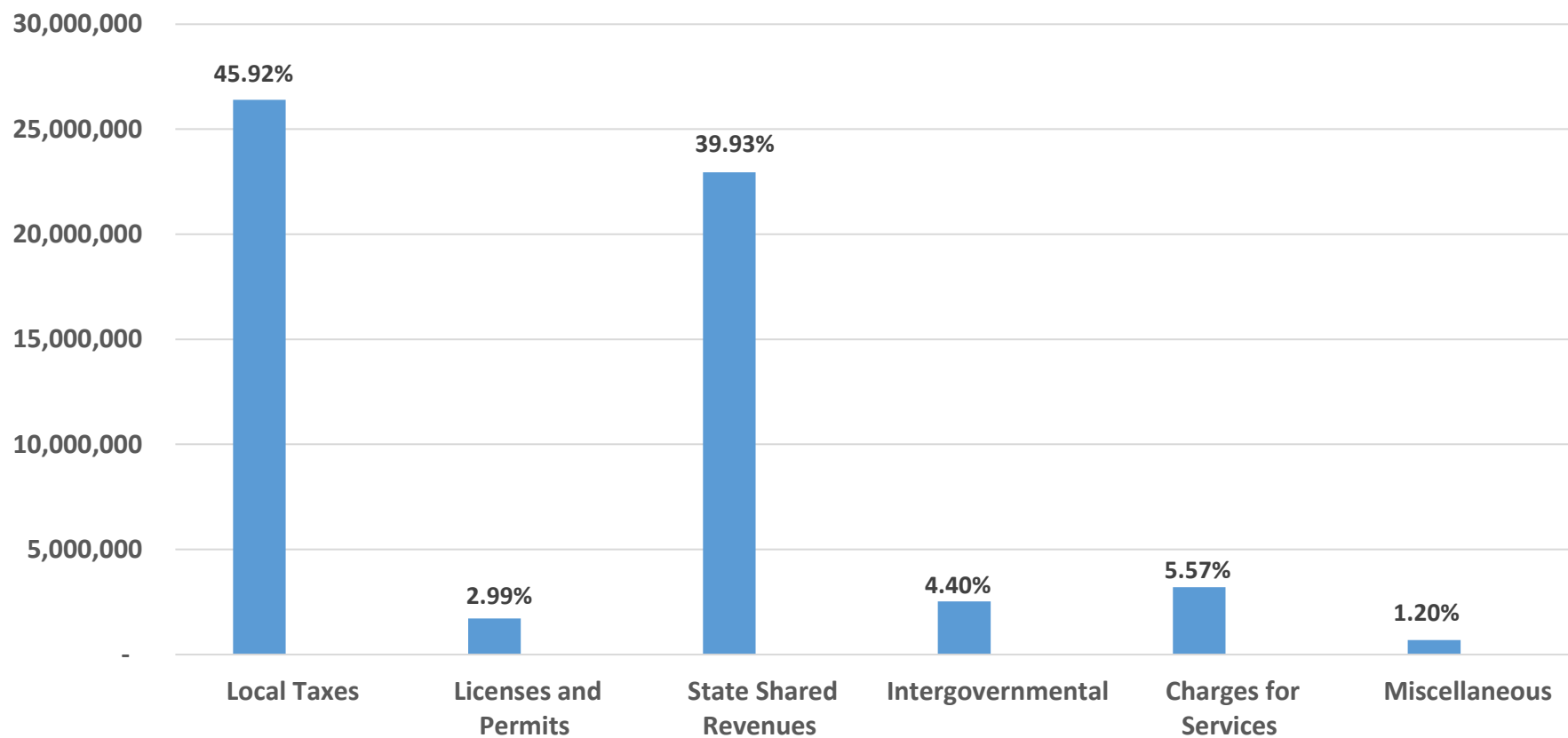
GENERAL FUND

(Main Operating Fund)



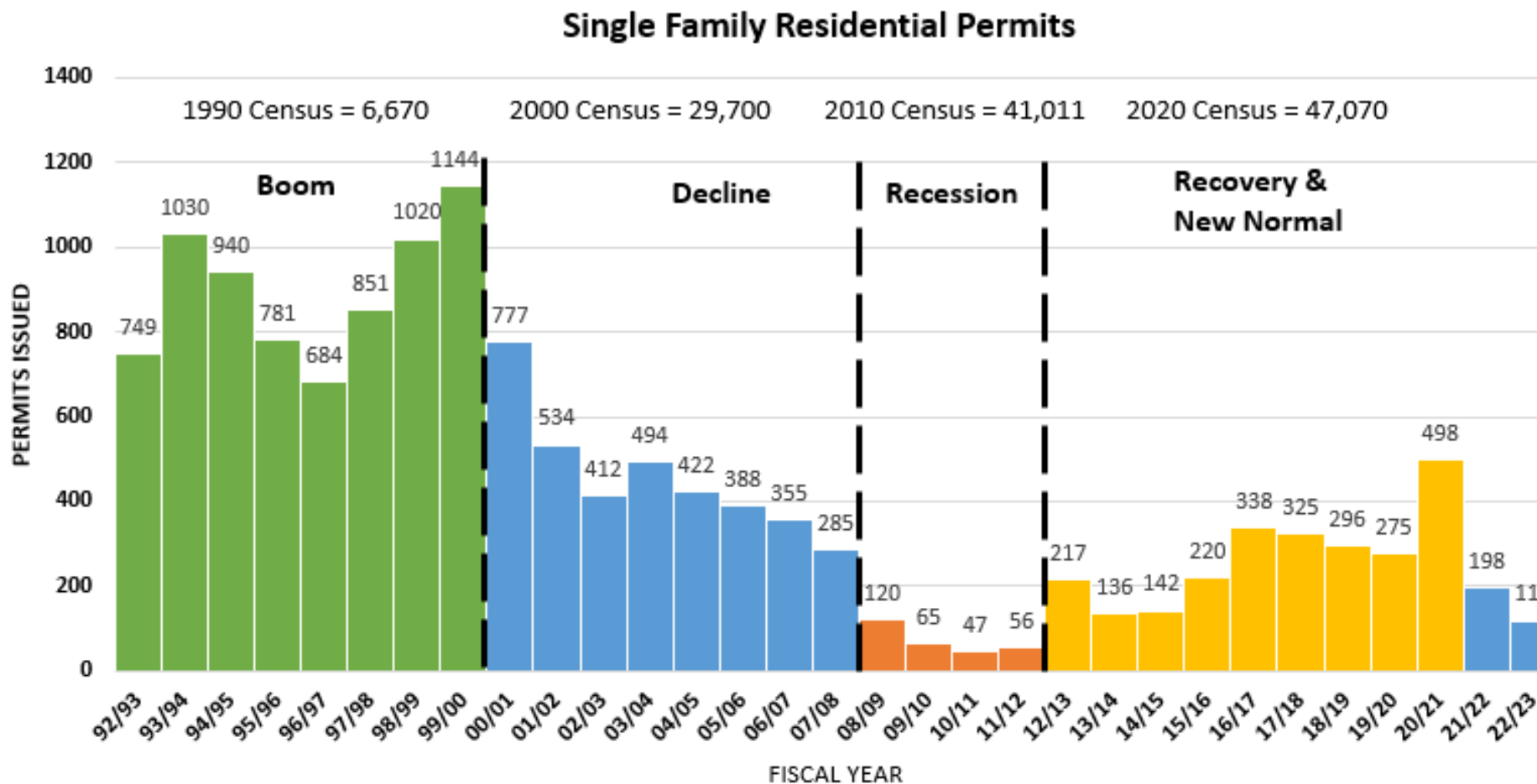


FY 23/24 General Fund Budgeted Resources





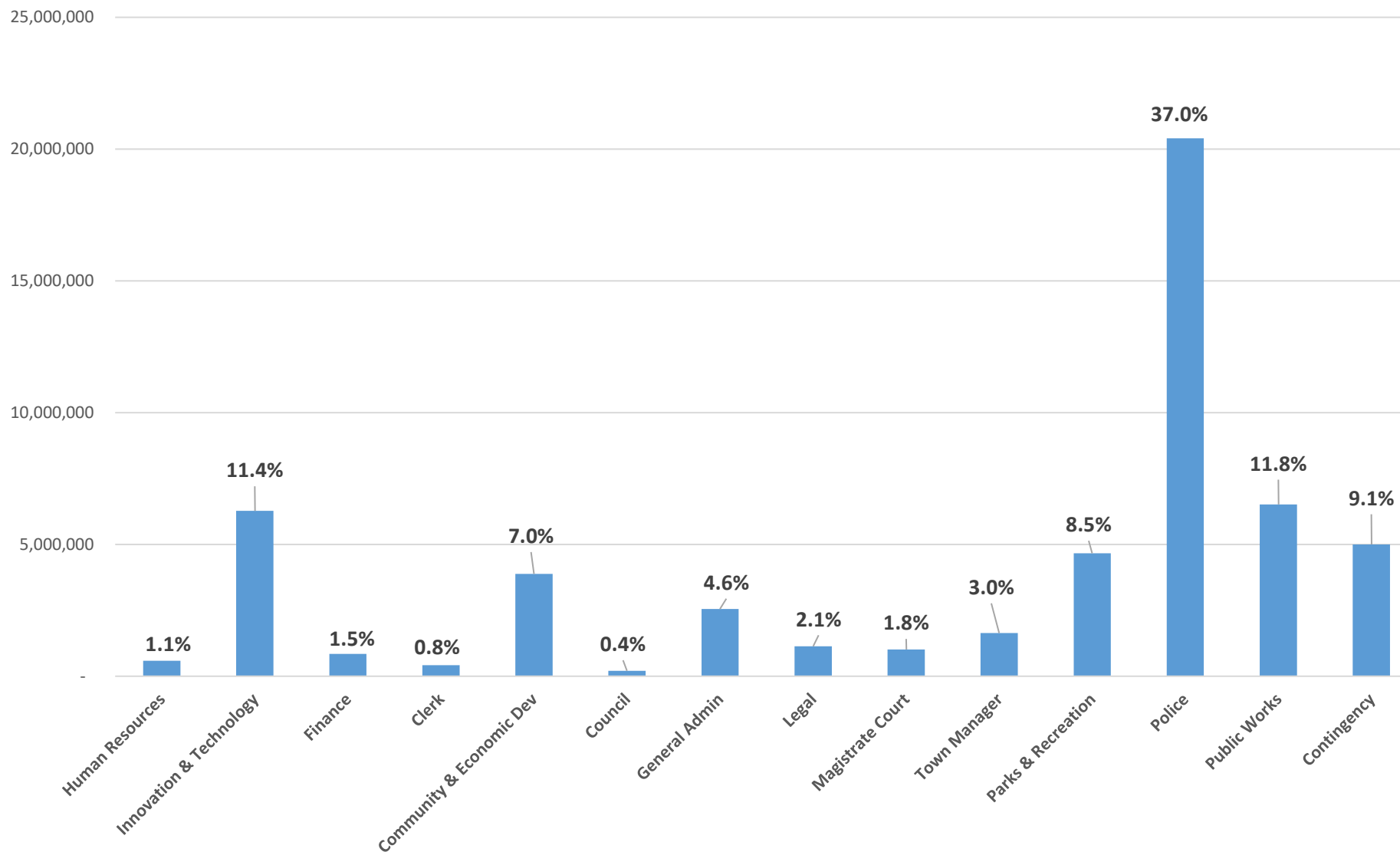
Historical Single Family Residential (SFR) Permits





Town of Oro Valley

FY 23/24 General Fund Budgeted Expenditures





Fiscal Management Policies and Practices

- ▶ 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 30% 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

Government Finance Officers Association (GFOA)
Distinguished Budget Presentation Award – 15th
consecutive year



GFOA Certificate of Achievement for Excellence in
Financial Reporting – 29th consecutive year



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





Thank you!

Questions?



Contact

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