



PINAL COUNTY BUDGET DOCUMENT GLOSSARY

Pinal County, Arizona designed the Annual Budget to offer citizens and staff an understandable and meaningful budget document. This glossary provides assistance to those unfamiliar with budgeting terms and specific terms related to the County's financial planning process.

AHCCCS: Arizona Health Care Cost Containment System.

ALTCS: Arizona Long Term Care System.

ADOPTION: A formal action taken by the Board of Supervisors which sets the spending limits for the fiscal year.

APPROPRIATION: An authorization made by the Board of Supervisors which permits the county to incur obligations and expend resources.

ASSESSED VALUATION: A valuation placed upon real estate or other property by the County Assessor and the State as a basis for levying taxes.

BASE BUDGET: Ongoing expenses for personnel, contractual services and the replacement of supplies and equipment to maintain service levels for each program as authorized by the Board of Supervisors.

CERTIFICATES OF PARTICIPATION: Commonly known as COPS, these are financing instruments that are similar to G.O. Bonds, but pledge an annual budget appropriation rather than a property tax for the annual debt service.

CARRY OVER APPROPRIATIONS: Amount budgeted in the current fiscal year for an expenditure that was budgeted in the previous fiscal year and for which an obligation has been incurred and cannot be met by the end of the previous fiscal year

CAPTIAL PROJECTS FUND: Used to account for financial resources to be used for the acquisition or construction of major capital facilities.

CDBG: Community Development Block Grant. Housing and Urban Development block grant funds to be used for increasing available housing stock and to assist in the physical improvement of low and moderate income communities.

CIP: Capital Improvement Projects. Includes all new equipment, new personnel, new vehicle, and facilities projects over \$1,000.



COLA: Cost of Living Adjustment. An adjustment of the compensation rates of regular County employees who are not elected officials. The frequency is determined by the Board of Supervisors, as is the manner in which the COLA is applied.

CONTINGENCY: Funds reserved by the Board of Supervisors for services or programs which the board may release for departments to use during the course of the fiscal year.

DEBT RATIO: Total debt divided by total assets. Computed by Finance and Budget & Research staff to assess fiscal health, internal controls, etc.

DEBT SERVICE FUND: A fund used to account for the accumulation of resources for and payment of general obligation, special assessment and certificates of participation.

DEPARTMENT: An organizational unit headed by a Director or Elected Official.

ENCUMBERANCE: The formal accounting recognition of commitments to expend resources in the future.

ENTERPRISE FUND: Used to account for operations that are financed and operated in a manner similar to private enterprise. Typically, enterprise funds provide goods and services to the general public on a continuing basis with the costs being financed primarily through user charges.

EXPENDITURE: Represents a decrease in fund resources.

FTG - FILL THE GAP: A funding mechanism enacted by the state in 1999 to provide counties with resources to improve criminal case processing. A state appropriation in addition to a seven percent surcharge on court fines and forfeitures, as well as a five percent contribution of court collections by each county to its Local Courts Assistance Fund, provides funding for this program.

FISCAL YEAR: The period designated by the county for the beginning and ending of financial transactions. The fiscal year for Pinal County begins July 1 and ends June 30.

FTE: Full-Time Equivalent Position. 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 equivalent to a 0.5 FTE.

FUND: A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources.

FUND ACCOUNTING: Financial systems that are segmented into separate accounting and reporting entities (funds) on the basis of their objectives and restrictions on their operations and resources.



FUND BALANCE: A balance or carry over that occurs when actual revenues exceed budgeted revenues and/or when actual expenditures are less than budgeted expenditures.

GAAP: Generally Accepted Accounting Principles.

GENERAL FUND: A fund accounting for all financial resources of the County, except those required to be accounted for in other funds, and serves as the County's primary operating fund.

GOAL: A general and timeless statement created with a purpose based on the needs of the community.

GRANTS: Contributions from other government units to be used for a specific purpose, activity, or facility.

HIDTA – High Density Drug Trafficking Area: Investigation and enforcement efforts involving complex drug related activities in high drug trafficking areas.

HURF – Highway User Revenue Funds: Funds allocated by the state to fund the construction and maintenance of the County's highway and street system. This is the primary funding source for the Public Works department.

INFRASTRUCTURE: Facilities that support the continuance and growth of a community. Examples include roads, water lines, sewers, public buildings, parks, and airports.

LEVY: Imposition of taxes and/or special assessments for the support of government activities.

MANDATED PROGRAMS: Programs that are imposed by law or another authority.

MUNICIPAL PROPERTY CORPORATION: A not-for-profit corporation created by the Pinal County Board of Supervisors to assist in the development of the County. This corporation acquires, constructs, and improves any facility, including real and personal property or improvements, for use by the County.

OBJECTIVE: A measurable output that an organization strives to achieve within a designated time frame. The achievement of the objective advances an organization toward a corresponding goal.

OPERATING BUDGET: Day-to-day costs of delivering county services.

PAYMENTS IN LIEU OF TAXES: Payments by one governmental unit to another for revenues lost because governments cannot tax each other. Also, similar payments from a government's enterprise fund to its other tax-supported funds.



PROPERTY TAX: The total property tax levied by a municipality. Arizona's property tax system is divided into a primary and secondary rate.

Primary Tax: Arizona statute limits the primary property tax levy amount and municipalities may use this tax for any purpose.

Secondary 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 bond debt.

RESOURCES: Total amounts available for appropriation including estimated revenues, fund transfers and beginning fund balances.

REVENUE: Financial resources received from taxes, user charges and other levels of government.

Actual vs. Budgeted: Difference between the amount 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.

SPECIAL ASSESSMENT LEVIES: Governments finance public improvements that benefit a limited group of property owners through special taxes levied against these residents. The more common types of special assessments include installing street lights or sewer lines.

SPECIAL REVENUE FUNDS: Used to account for proceeds from specific revenue sources that are legally restricted to specified purposes.

STATE SHARED REVENUE: Includes the county's portion of state sales tax revenues and Motor Vehicle In-Lieu taxes.

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.

TRANSFER: Movement of resources between two funds. Example: An interfund transfer would include the transfer of operating resources from the General Fund to a Special Revenue fund.

TRIAD: 1) Seniors, 2) Criminal Justice, and 3) Law Enforcement, working together to resolve issues that are related to seniors in our communities. Examples of issues: Block watch, Health Study committees, the program differs from community to community, and is sponsored by the Sheriff's Dept and AARP.



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James D. Throop
Budget Director