

Glossary of Terms

BOND - A written promise to pay a specified sum of money, called the face value or principle amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

CAPITAL ASSETS - Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, and all other tangible and intangible assets that are used in operations. Capital assets must be at least \$5,000 and have a useful life of at least one year.

CAPITAL BUDGET - The first year of the 5-Year Capital Improvement Program (Year 1) that becomes the fiscal commitment to develop, design, and/or construct projects for the current year. This also includes the purchase of land or large equipment items.

CAPITAL PROJECTS - A capital project is an undertaking that has a beginning and end and is carried out to meet its established goal(s) within cost, schedule, and scope of work. Capital projects must also have assets of at least \$5,000, have a useful life of at least one year, and are permanent attachments intended to remain with the land.

CASH FLOW - A financial plan outlining how funds are proposed to be expended over a given period of time for a capital project.

CIP LIAISONS - A network of key City staff from various Departments that contribute to the capital budget (Year 1) and project planning in the 5-Year CIP.

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM - A five year plan that identifies all capital improvement projects proposed to be undertaken during a five year fiscal period with each project identified with a detailed scope, anticipated schedule, and proposed method of financing to pay for the project.

FUND - An accounting entity with a set of self-balancing accounts that records all financial transaction for a specific activity of a capital project. Designating funding sources to projects assist in the planning and scheduling of finances for each year of the five-year plan.

FUTURE PROJECT - A capital project that is not programmed in current five year CIP but is anticipated to be in the next five year planning horizon. Future projects will only have a project title with no description or recommended funding source.

GENERAL OBLIGATION (G.O.) BONDS - Bonds that are paid for from the General Fund and secured by the City's option to implement an ad valorem secondary property tax. These bonds finance a variety of capital improvement projects and equipment and require voter approval. Limitations on bonding capacity are set by State statute.

PROJECT MAPS - Maps showing locations of various capital improvement projects on City maps.

HIGHWAY USER REVENUE FUND (HURF) - Revenues that are collected in the State of Arizona from vehicle licenses, taxes, penalties, interests, and fees. Each fiscal year, the State distributes these revenues based on a defined fund distribution formula to various levels of government including incorporated cities and towns. Revenues can only be used for street transportation related activities or projects.

HURF BONDS - Bonds secured by HURF revenues. These bonds finance street transportation related activities and projects.

INFRASTRUCTURE ASSETS - Long-lived capital assets that normally are stationary and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include streets, bridges, drainage systems, water and wastewater systems, lighting systems, etc.

PROGRAMMED AMOUNT - The remaining estimated cost to complete the project that is not in the capital budget (Year 1). Programmed amounts are in Years 2 through 5. Programmed amounts may be adjusted if new and more accurate information is obtained for the project.

PROJECT CATEGORIES -A distinctive grouping of projects in the 5-Year CIP book that is used for ease of referencing and recognition when acquiring more information on a specific project. The five project categories are General Government; Parks and Recreation, Cultural and Arts, Library; Public Safety; Transportation; and Utilities.

REVENUE - Amounts estimated to be received from various sources such as taxes, intergovernmental agreements, and proceeds from City-owned utility enterprises.