

# Arizona Municipal Finance Report

## A Comprehensive Analysis of Local Government Fiscal Health

Alt-30 Consulting

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## Executive Summary

This report presents a comprehensive analysis of municipal finances across 91 Arizona municipalities for fiscal year 2022. Drawing on data from the U.S. Census Bureau's Annual Survey of State and Local Government Finances, this analysis examines revenue patterns, expenditure trends, fiscal health indicators, and debt management practices across the state's diverse local governments.

## Key Findings

Statewide Financial Snapshot - FY 2022	
<b>Total Municipal Revenue</b>	\$14,643,815,000
<b>Total Municipal Expenditure</b>	\$12,834,012,000
<b>Average Operating Ratio</b>	1.34 (Median: 1.178)
<b>Municipalities in Surplus</b>	80.2%
<b>Average Own-Source Revenue</b>	68.7%
<b>Average Debt-to-Revenue Ratio</b>	0.49

## Report Highlights

**Fiscal Health:** The statewide median operating ratio of 1.178 indicates that the typical Arizona municipality generates sufficient revenue to cover expenditures. However, significant variation exists across the state, with 19.8% of municipalities operating at a deficit.

**Revenue Structure:** Arizona municipalities derive an average of 68.7% of their revenues from local sources, with sales taxes serving as the dominant revenue stream (30.1% of total revenue on average). Property tax dependence varies significantly by region and municipality size.

**Regional Patterns:** Maricopa County municipalities represent the largest share of both population and fiscal activity, but rural counties face distinct challenges related to revenue capacity and service demands.

**Strategic Recommendations:** This report identifies opportunities for revenue diversification, expenditure optimization, and debt management improvements across various municipality types.

## 1 Introduction

### 1.1 Purpose and Scope

This annual report provides a comprehensive assessment of fiscal conditions across Arizona's municipal governments. It serves multiple purposes:

1. **Benchmarking:** Enabling municipalities to compare their fiscal performance against peers
2. **Trend Analysis:** Tracking fiscal health indicators over time
3. **Policy Insights:** Identifying structural patterns that inform local government decision-making
4. **Transparency:** Providing accessible financial information to citizens, elected officials, and researchers

### 1.2 Data Sources and Methodology

#### 1.2.1 Primary Data Sources

- **U.S. Census Bureau Annual Survey of State and Local Government Finances:** The primary source for revenue, expenditure, and debt data
- **American Community Survey (ACS):** Demographic and economic context data
- **Arizona State Data Center:** Population estimates and projections

#### 1.2.2 Analytical Framework

Our analysis employs a multi-dimensional approach to fiscal health assessment:

**Table 1: Fiscal Health Assessment Framework**

Dimension	Key Metrics	Weight
Revenue Strength	Revenue per capita, own-source percentage	25%
Fiscal Balance	Operating ratio (revenue/expenditure)	35%
Debt Position	Debt-to-revenue ratio, debt per capita	25%
Operational Efficiency	Expenditure efficiency, service costs	15%

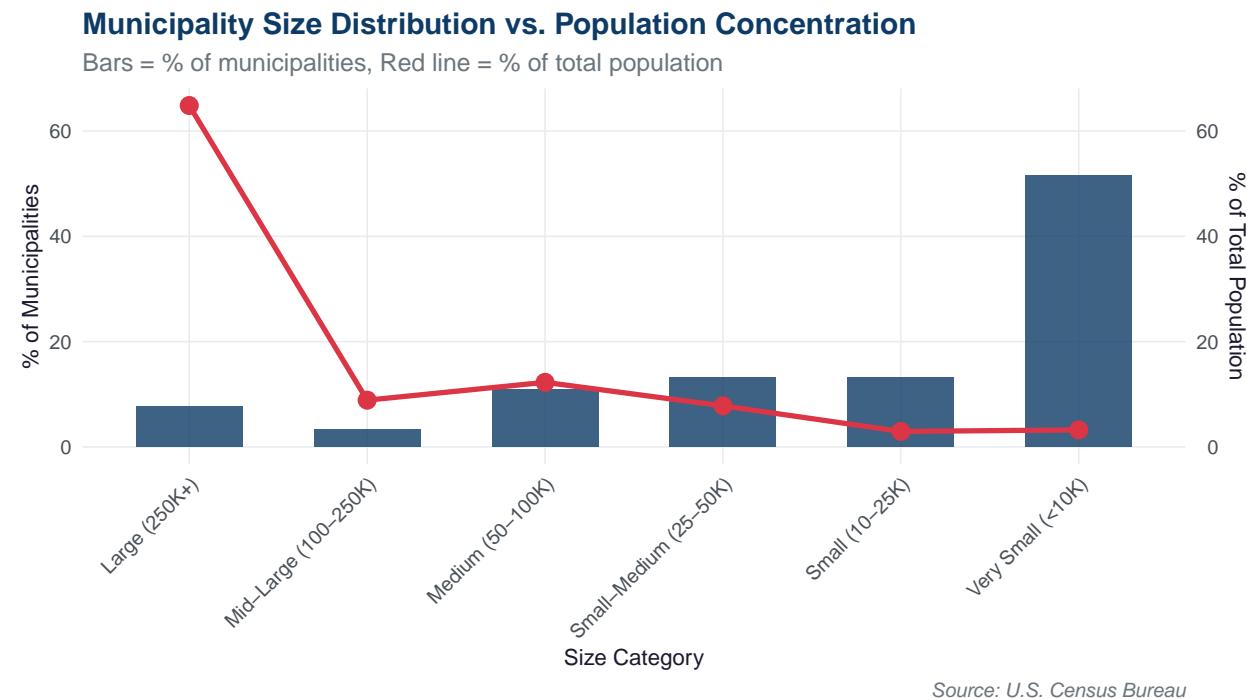
#### 1.2.3 Limitations

- Data reflects a specific fiscal year and may not capture intra-year variations
- Accounting practices may vary slightly between municipalities
- Some smaller municipalities may have incomplete data for certain metrics

## 2 Statewide Overview

### 2.1 Population and Geographic Distribution

Arizona's 91 municipalities range dramatically in size, from Phoenix (population 1,708,127) to the state's smallest incorporated places. This size distribution has profound implications for fiscal capacity and service delivery.



**Figure 1:** Distribution of Arizona Municipalities by Population Size

### 2.2 Regional Distribution by County

**Table 2:** Top 10 Counties by Municipal Population

County	Municipalities	Total Population	Total Revenue	Avg. Op. Ratio	Avg. Own-Source %	Avg. Rev/Capita
Maricopa	24	4,251,049	\$10,748,794,000	1.181	77.7%	\$2,809
Pima	5	678,682	\$1,676,953,000	1.775	62%	\$2,026
Pinal	9	225,703	\$338,287,000	1.548	66.3%	\$1,601
Yuma	4	155,932	\$292,300,000	1.092	61%	\$1,737
Yavapai	9	149,130	\$434,085,000	1.295	68.7%	\$2,493
Mohave	4	135,700	\$301,802,000	1.165	64.7%	\$2,000
Coconino	5	86,622	\$322,533,000	1.470	73.4%	\$6,963
Cochise	7	77,002	\$176,458,000	1.204	77.5%	\$3,099

Navajo	6	41,320	\$116,586,000	1.054	69.1%	\$2,641
Gila	6	28,433	\$76,806,000	1.467	54.2%	\$2,416

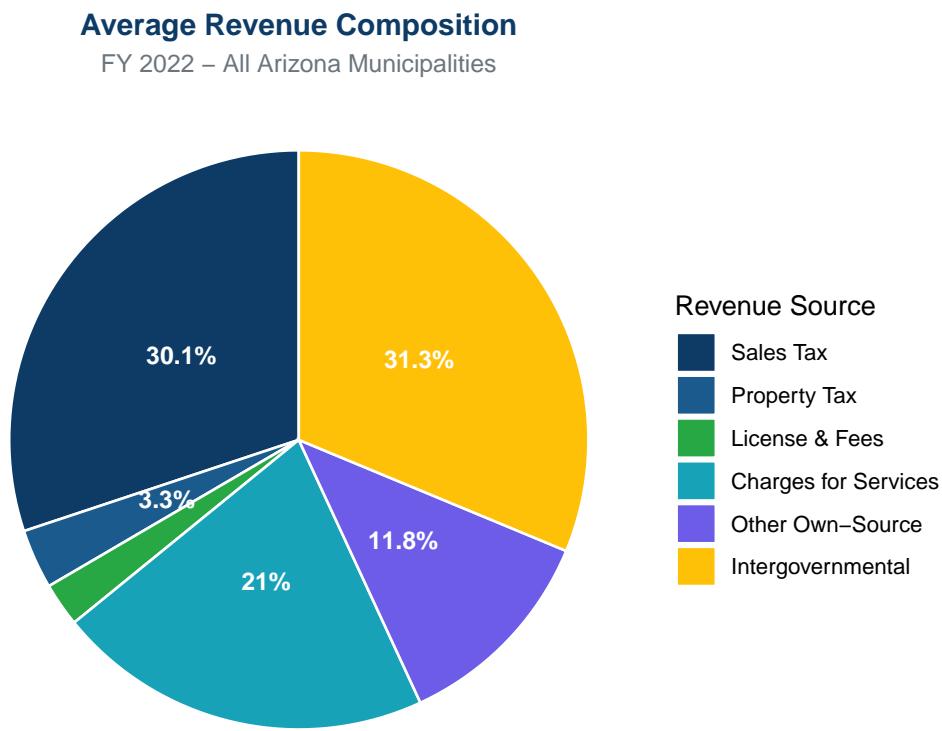
## 3 Revenue Analysis

### 3.1 Statewide Revenue Overview

Arizona municipalities collectively generated \$14,643,815,000 in total revenue during FY 2022. The average revenue per capita was \$2,714, though this figure masks significant variation across municipalities of different sizes and types.

### 3.2 Revenue Composition

Understanding how Arizona municipalities fund their operations is critical for fiscal planning. The following analysis breaks down revenue sources into six major categories.



**Figure 2:** Detailed Revenue Composition Across Arizona Municipalities

**Table 3:** Statewide Average Revenue Breakdown

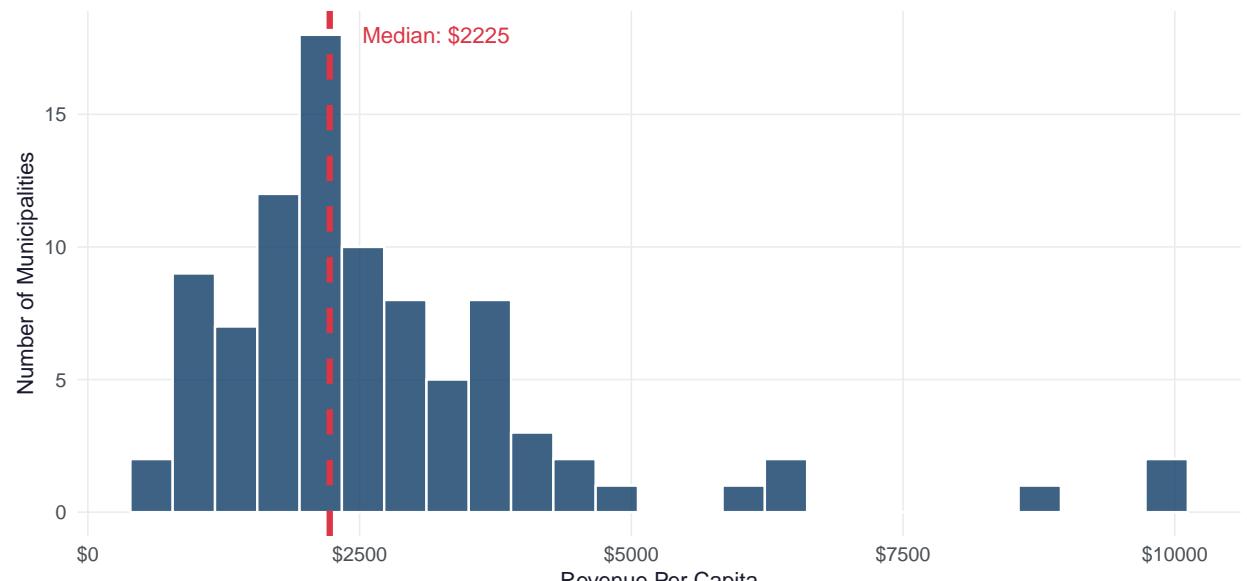
Revenue Source	Avg. % of Total	Classification
Sales Tax	30.1	Own-Source
Property Tax	3.3	Own-Source
License & Permit Fees	2.4	Own-Source

Charges for Services	21.0	Own-Source
Other Own-Source	11.8	Own-Source
Intergovernmental	31.3	External
<b>TOTAL</b>	<b>100.0</b>	

### 3.3 Revenue Per Capita Distribution

#### Revenue Per Capita Distribution

Significant variation in fiscal capacity across municipalities

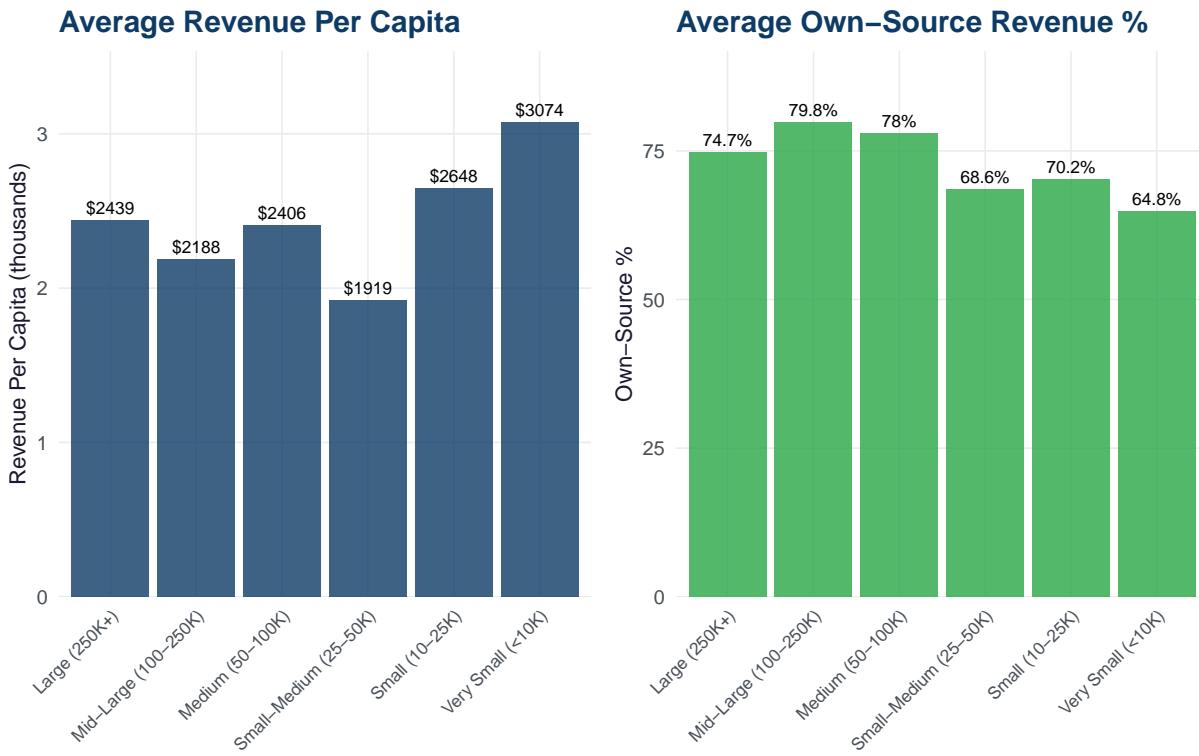


Source: U.S. Census Bureau Annual Survey of State and Local Government Finances

**Figure 3:** Distribution of Revenue Per Capita Across Municipalities

### 3.4 Revenue by Municipality Size

#### Revenue Characteristics by Municipality Size

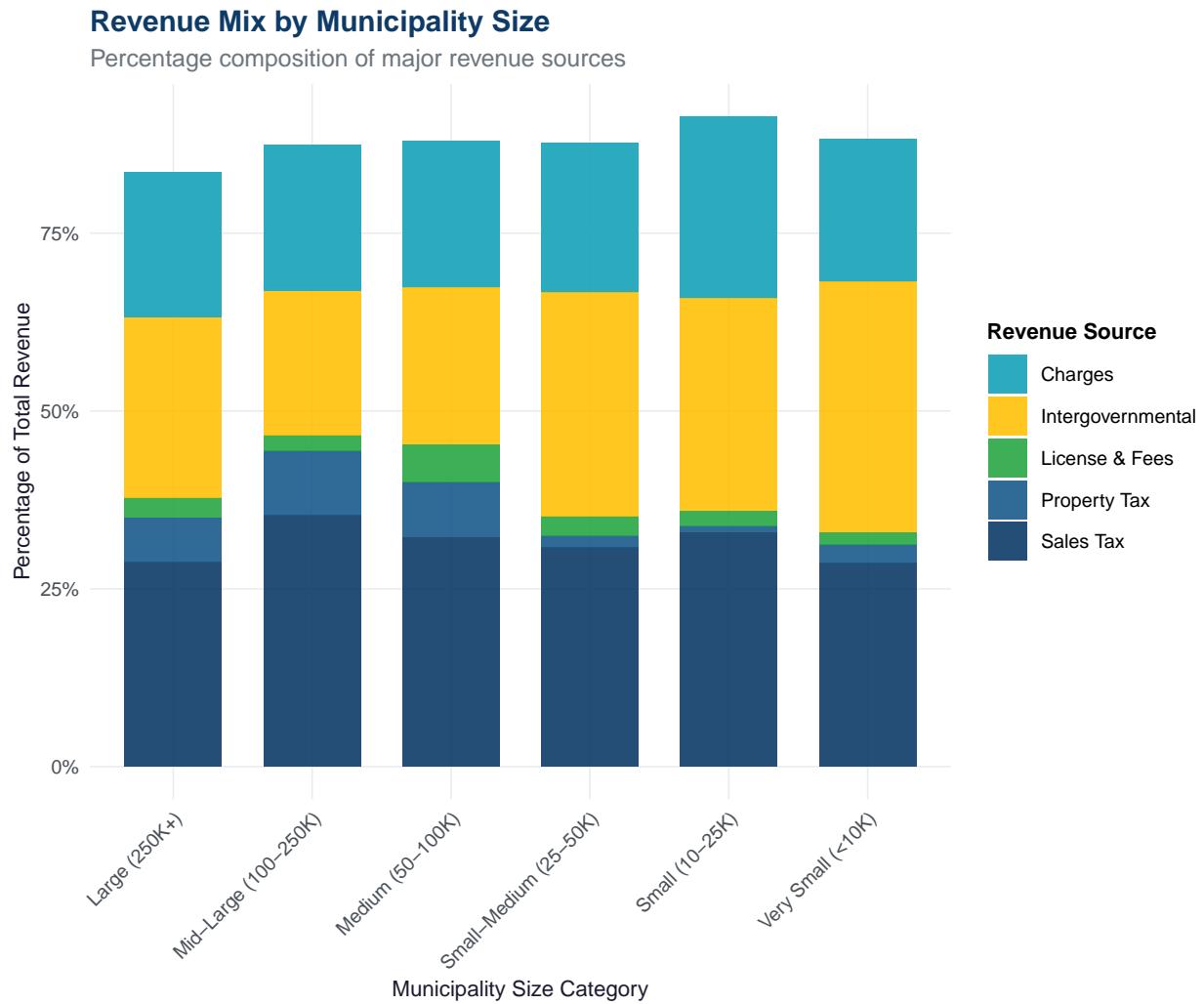


Source: U.S. Census Bureau

**Figure 4:** Revenue Metrics by Municipality Size Category

### 3.5 Detailed Revenue Source Comparison

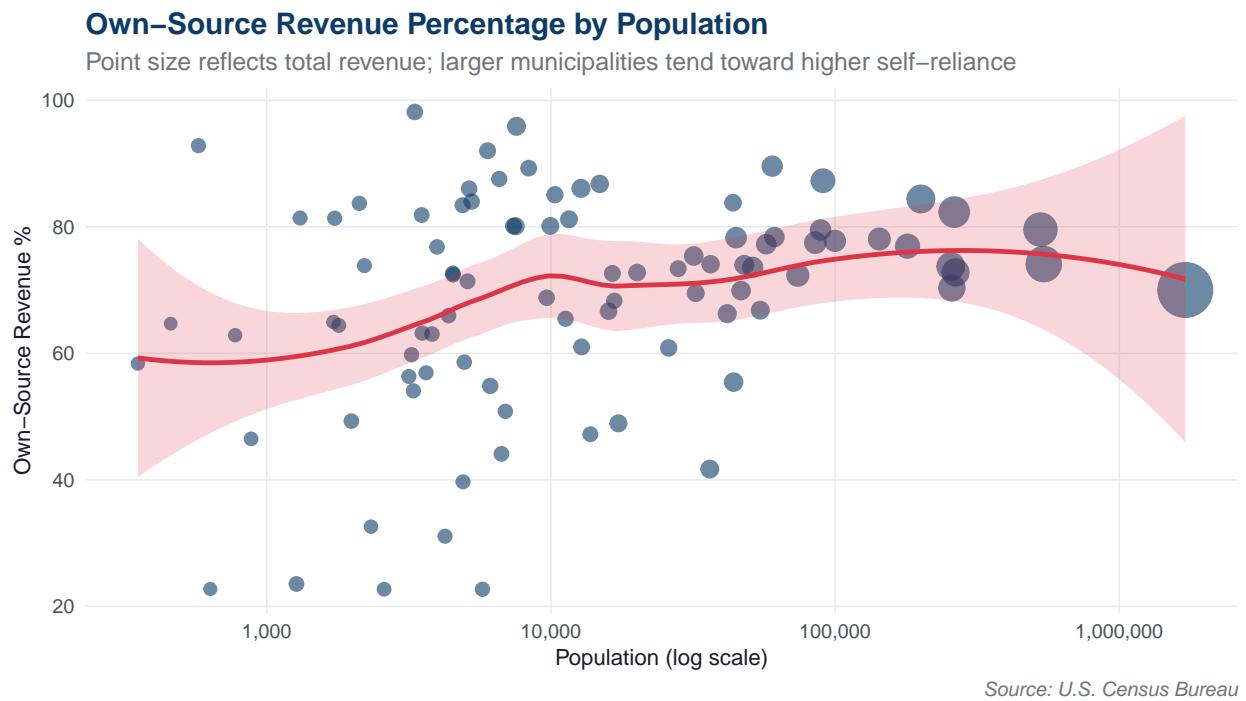
This section allows municipalities to compare their revenue mix against statewide averages and peer groups.



**Figure 5:** Revenue Source Comparison by Municipality Size

### 3.6 Own-Source Revenue Analysis

The ability to generate revenue from local sources reflects both economic vitality and fiscal autonomy.



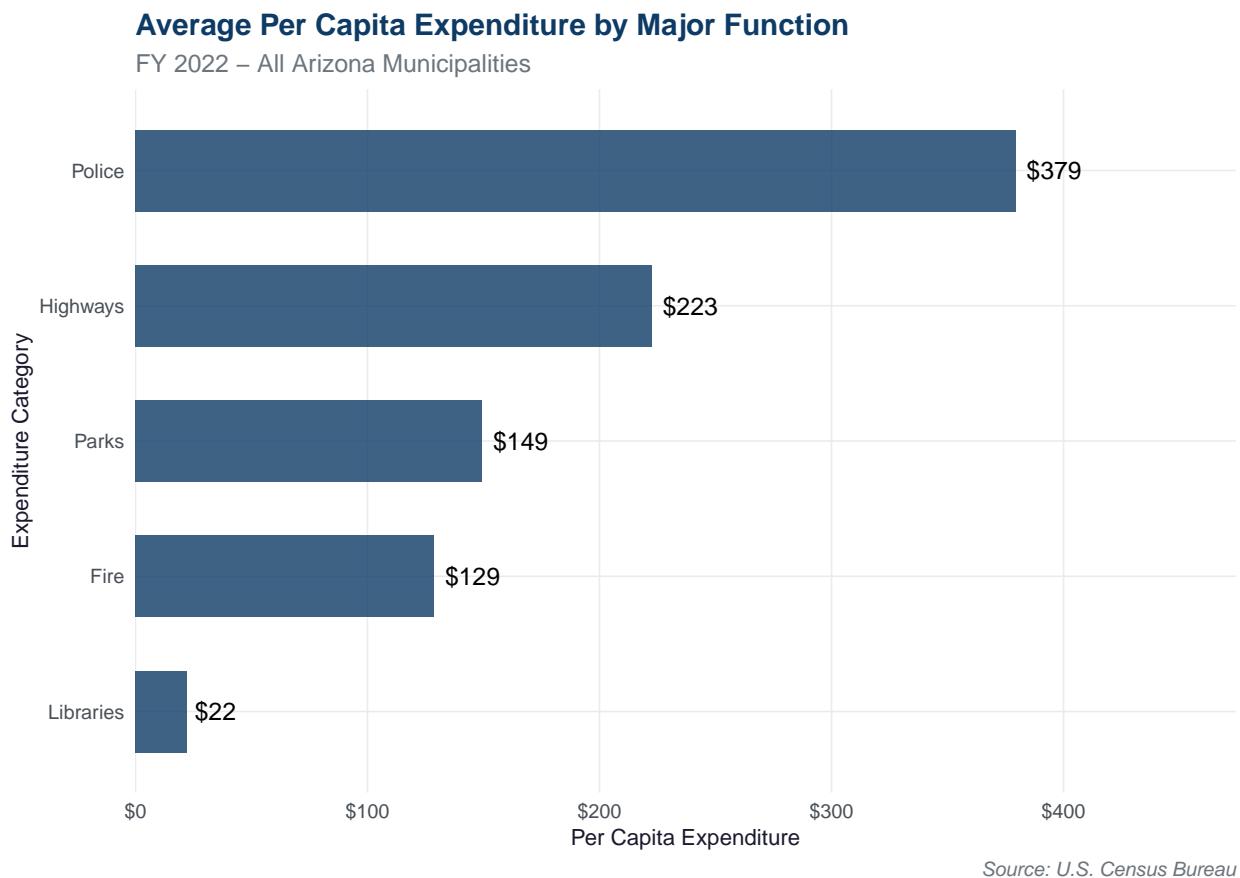
**Figure 6:** *Own-Source Revenue Percentage vs. Population*

## 4 Expenditure Analysis

### 4.1 Statewide Expenditure Overview

Total municipal expenditures across Arizona reached \$12,834,012,000 in FY 2022. The average expenditure per capita was \$2,254, reflecting the costs of providing municipal services ranging from public safety to infrastructure maintenance.

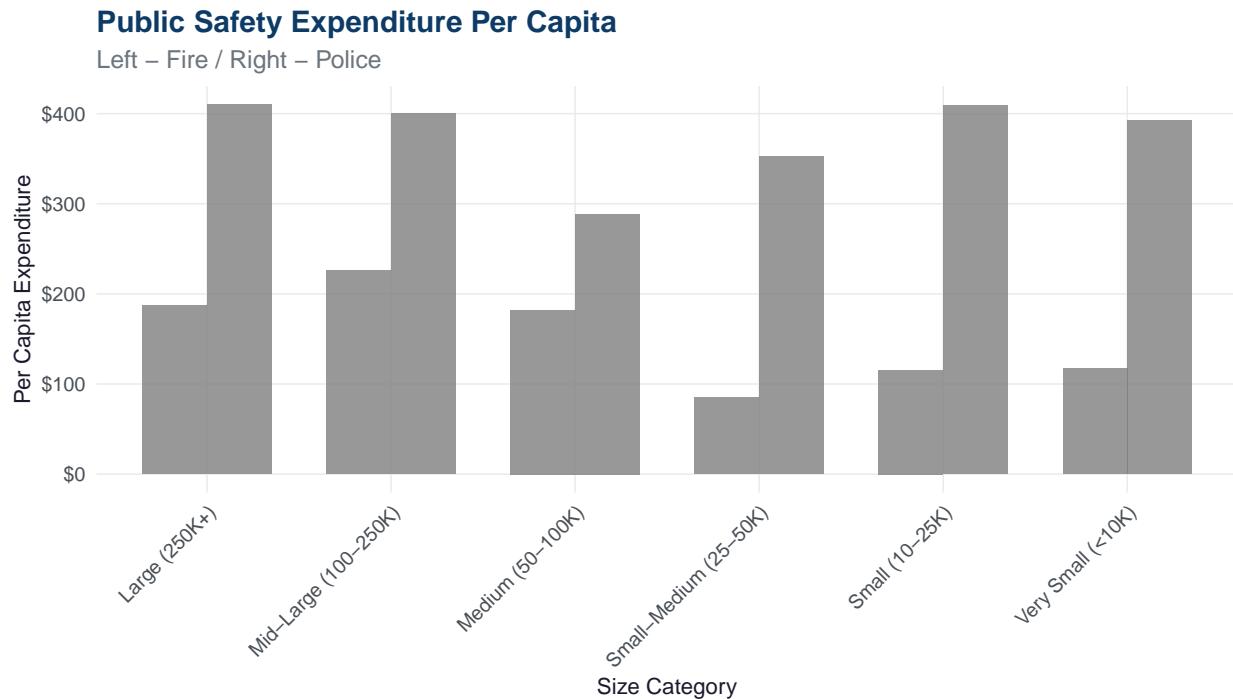
### 4.2 Expenditure by Function



**Figure 7:** *Per Capita Expenditure by Major Function*

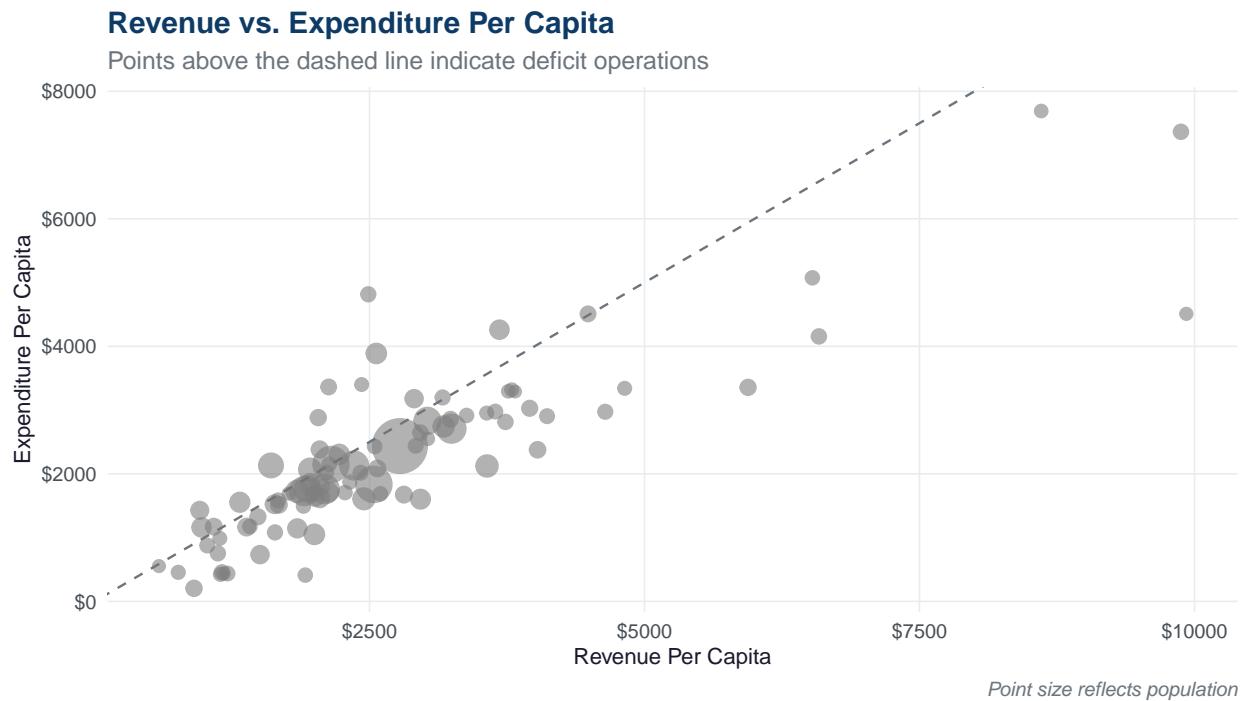
### 4.3 Public Safety Expenditures

Public safety (police and fire services) represents the largest expenditure category for most municipalities.



**Figure 8:** Public Safety Expenditure Per Capita by Municipality Size

#### 4.4 Expenditure Efficiency



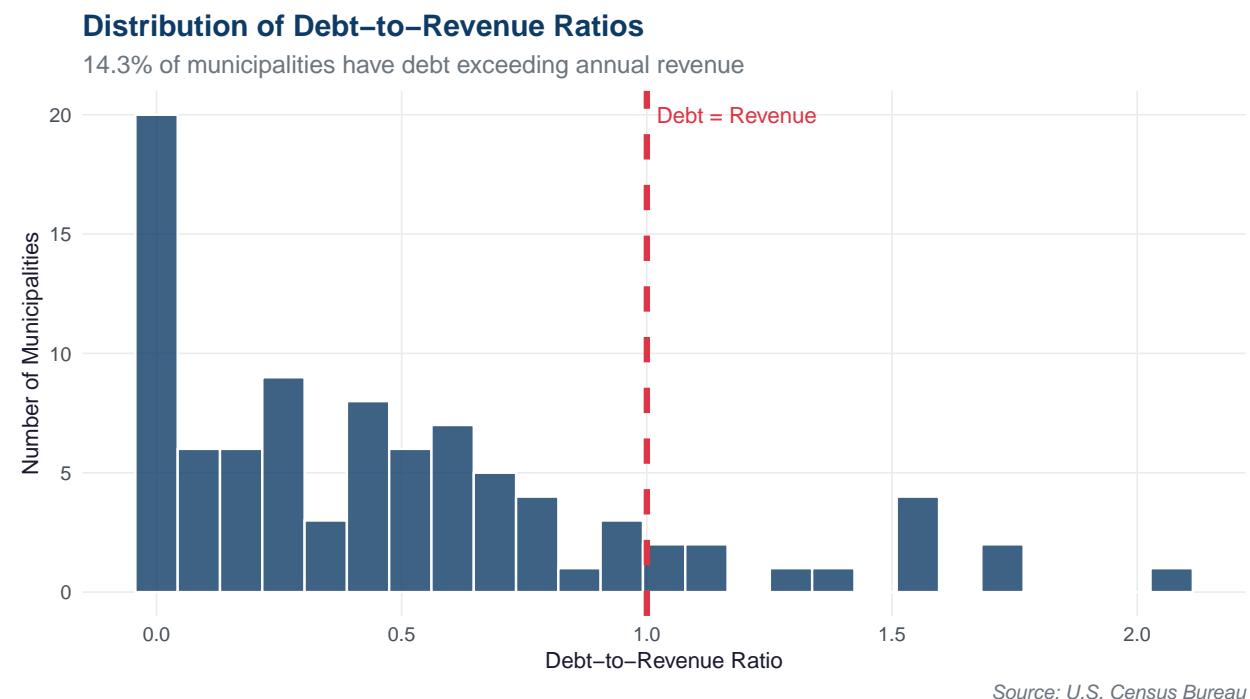
**Figure 9:** Revenue vs. Expenditure Per Capita

## 5 Debt Analysis

### 5.1 Statewide Debt Overview

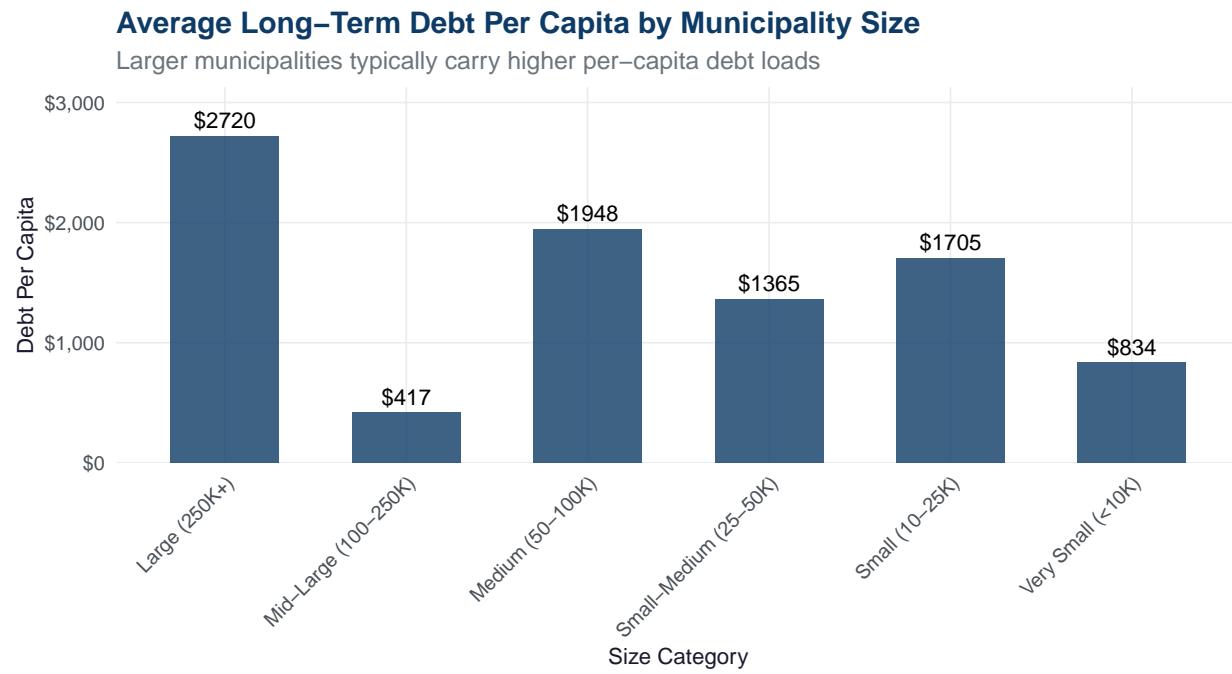
Municipal debt serves as a tool for financing capital investments and infrastructure. However, excessive debt relative to revenue capacity can strain fiscal health. Across Arizona municipalities, the average long-term debt per capita is \$1,273, with significant variation based on capital investment needs and fiscal capacity.

### 5.2 Debt-to-Revenue Distribution



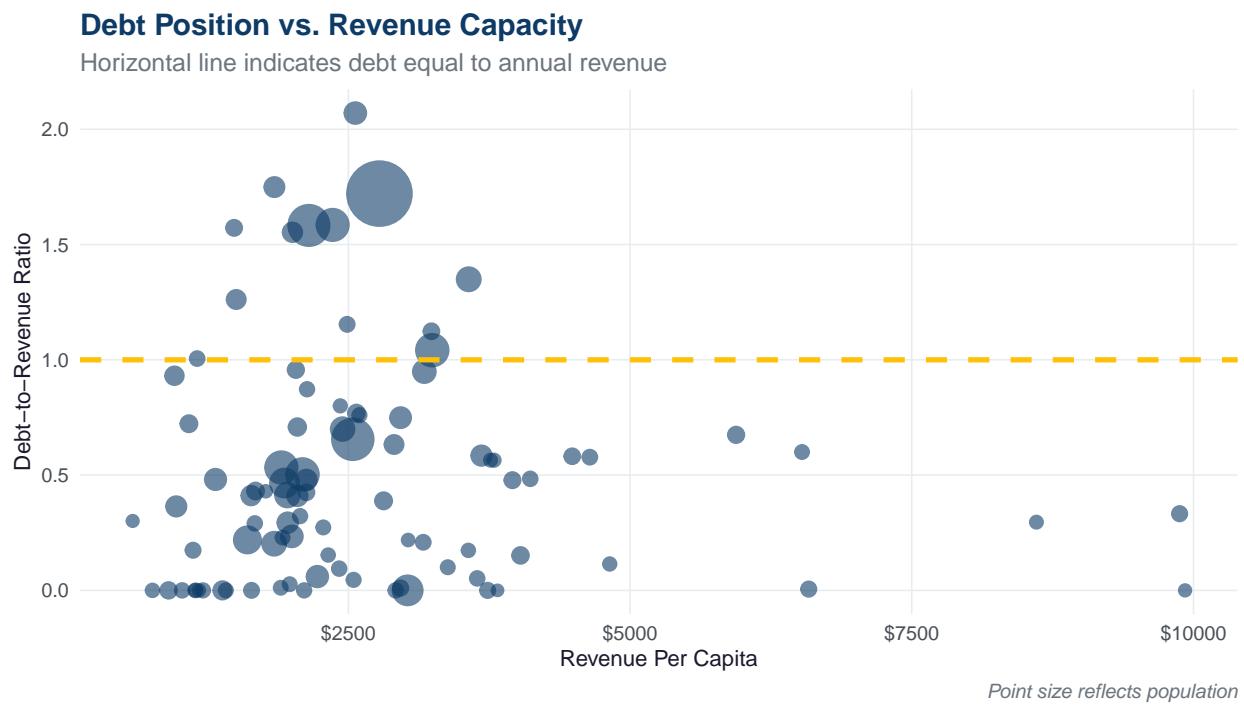
**Figure 10:** Distribution of Debt-to-Revenue Ratios

## 5.3 Debt by Municipality Size



**Figure 11:** *Debt Metrics by Municipality Size*

## 5.4 Debt Capacity Analysis

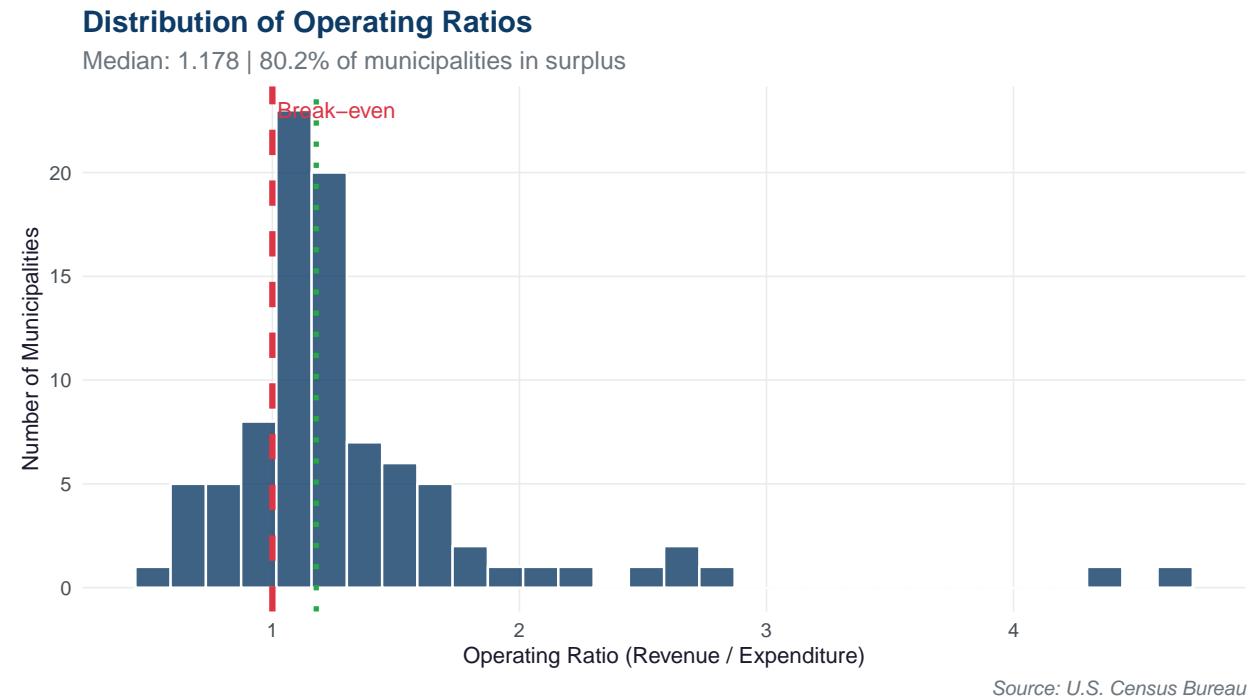


**Figure 12:** *Debt Position vs. Fiscal Capacity*

## 6 Fiscal Health Analysis

### 6.1 Operating Ratio Analysis

The operating ratio—total revenue divided by total expenditure—is a fundamental measure of fiscal health. A ratio above 1.0 indicates surplus operations, while values below 1.0 suggest deficit spending.



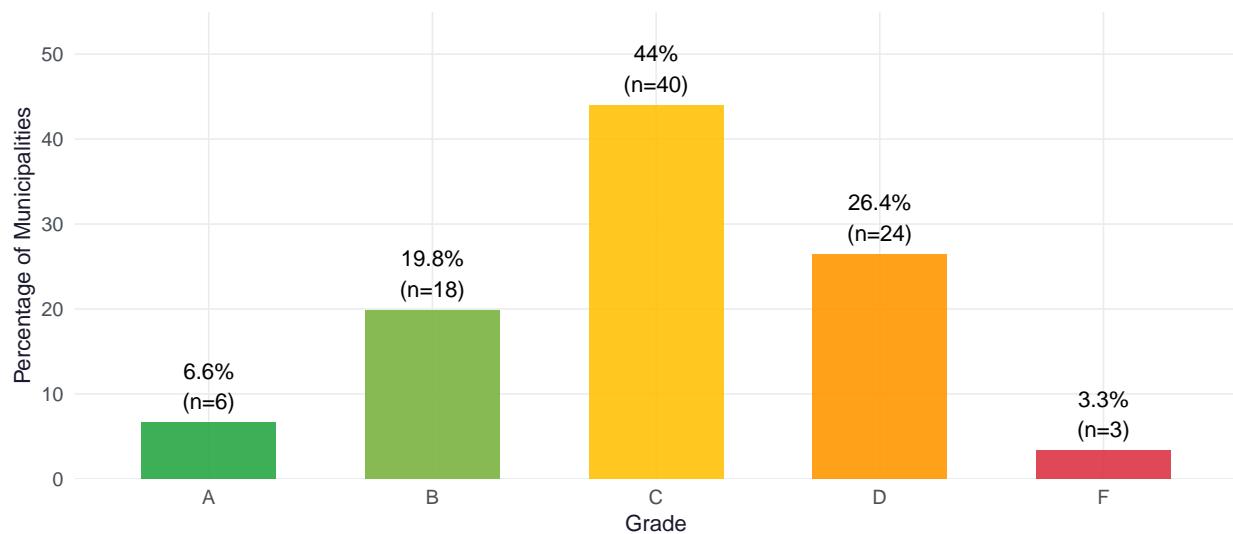
**Figure 13:** Distribution of Operating Ratios

### 6.2 Fiscal Health Grades

Using our composite scoring methodology, we assign fiscal health grades to each municipality based on their percentile rankings across multiple dimensions.

## Distribution of Fiscal Health Grades

FY 2022 | Based on composite scoring methodology



**Figure 14:** Distribution of Fiscal Health Grades

### 6.3 Top and Bottom Performers

**Table 4:** Top 10 Municipalities by Fiscal Health Score

Municipality	County	Population	Op. Ratio	Own-Source %	Score	Grade
Tusayan	Coconino	575	2.201	92.8%	97.1	A
Paradise Valley	Maricopa	14,851	1.694	86.8%	86.4	A
Page	Coconino	7,516	1.585	80.1%	83.6	A
Tolleson	Maricopa	7,564	1.341	95.9%	82.7	A
Cottonwood	Yavapai	12,762	1.770	86.1%	81.2	A
Cave Creek	Maricopa	5,986	1.561	92%	80.6	A
Globe	Gila	7,382	1.328	80.1%	78.9	B
Williams	Coconino	3,320	1.286	98.2%	77.1	B
Bisbee	Cochise	5,154	1.416	86%	76.6	B
Goodyear	Maricopa	90,622	1.680	87.3%	74.6	B

**Table 5:** Bottom 10 Municipalities by Fiscal Health Score

Municipality	County	Population	Op. Ratio	Own-Source %	Score	Grade
Florence	Pinal	28,049	0.670	73.4%	17.8	F
Somerton	Yuma	16,716	0.926	68.3%	19.6	F
Chino Valley	Yavapai	12,819	0.706	61%	19.8	F
Maricopa	Pinal	54,539	0.850	66.8%	22.2	D

Jerome	Yavapai	459	1.059	64.7%	25.1	D
Miami	Gila	1,792	0.714	64.4%	26.2	D
Camp Verde	Yavapai	11,259	1.120	65.5%	26.8	D
Duncan	Greenlee	774	1.045	62.9%	27.7	D
Eagar	Apache	4,956	1.054	58.6%	28.8	D
Winslow	Navajo	9,659	0.633	68.8%	29.1	D

## 7 Regional Comparisons

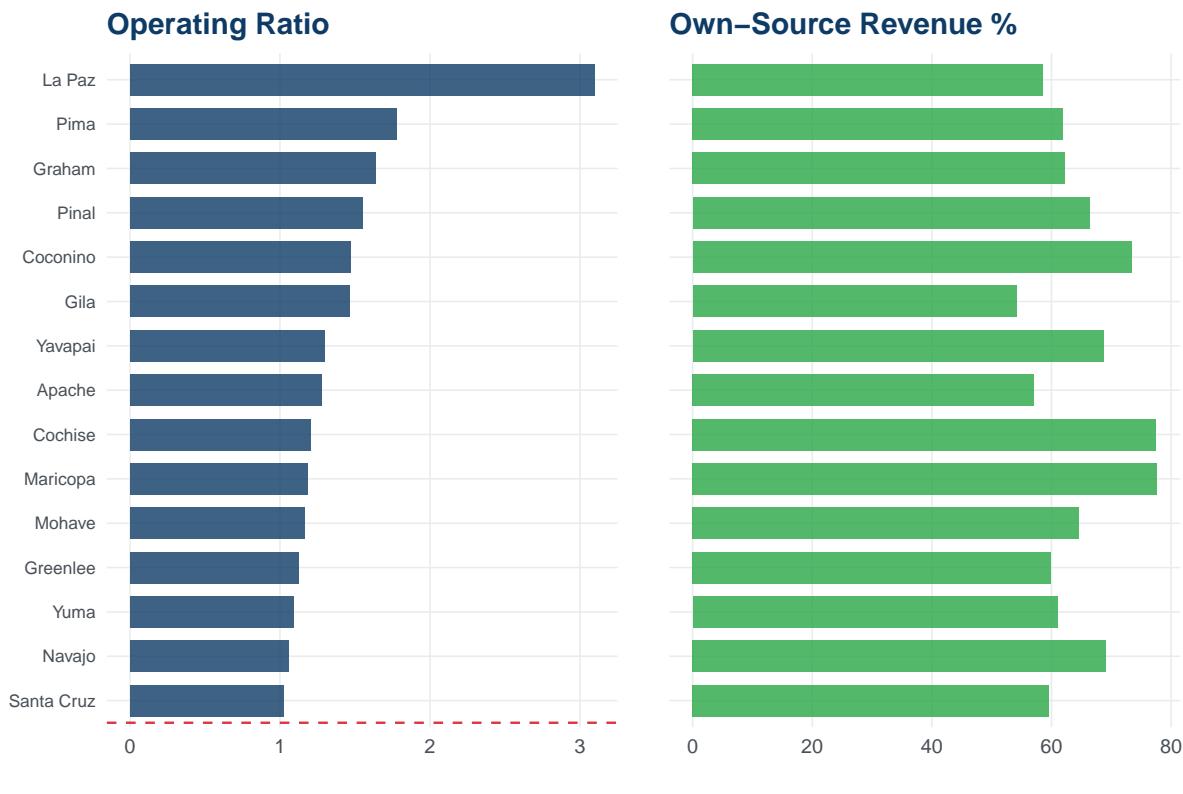
### 7.1 County-Level Fiscal Profiles

**Table 6: Fiscal Profile by County (Counties with 2+ Municipalities)**

County	Cities	Avg. Pop.	Avg. Rev/Cap	Avg. Op. Ratio	Avg. Debt/Rev	Avg. Own-Source %
La Paz	2	3,548	\$2,258	3.097	0.49	58.6%
Pima	5	135,736	\$2,026	1.775	0.79	62%
Graham	3	5,934	\$3,092	1.639	0.21	62.3%
Pinol	9	25,078	\$1,601	1.548	0.29	66.3%
Coconino	5	17,324	\$6,963	1.470	0.37	73.4%
Gila	6	4,739	\$2,416	1.467	0.26	54.2%
Yavapai	9	16,570	\$2,493	1.295	0.73	68.7%
Apache	3	3,489	\$2,922	1.277	0.23	57%
Cochise	7	11,000	\$3,099	1.204	0.36	77.5%
Maricopa	24	177,127	\$2,809	1.181	0.63	77.7%
Mohave	4	33,925	\$2,000	1.165	0.61	64.7%
Greenlee	2	2,205	\$1,590	1.124	0.21	59.9%
Yuma	4	38,983	\$1,737	1.092	0.68	61%
Navajo	6	6,887	\$2,641	1.054	0.25	69.1%
Santa Cruz	2	10,494	\$2,539	1.024	0.46	59.6%

## 7.2 Regional Patterns

### Key Fiscal Indicators by County



Counties with 2+ municipalities shown

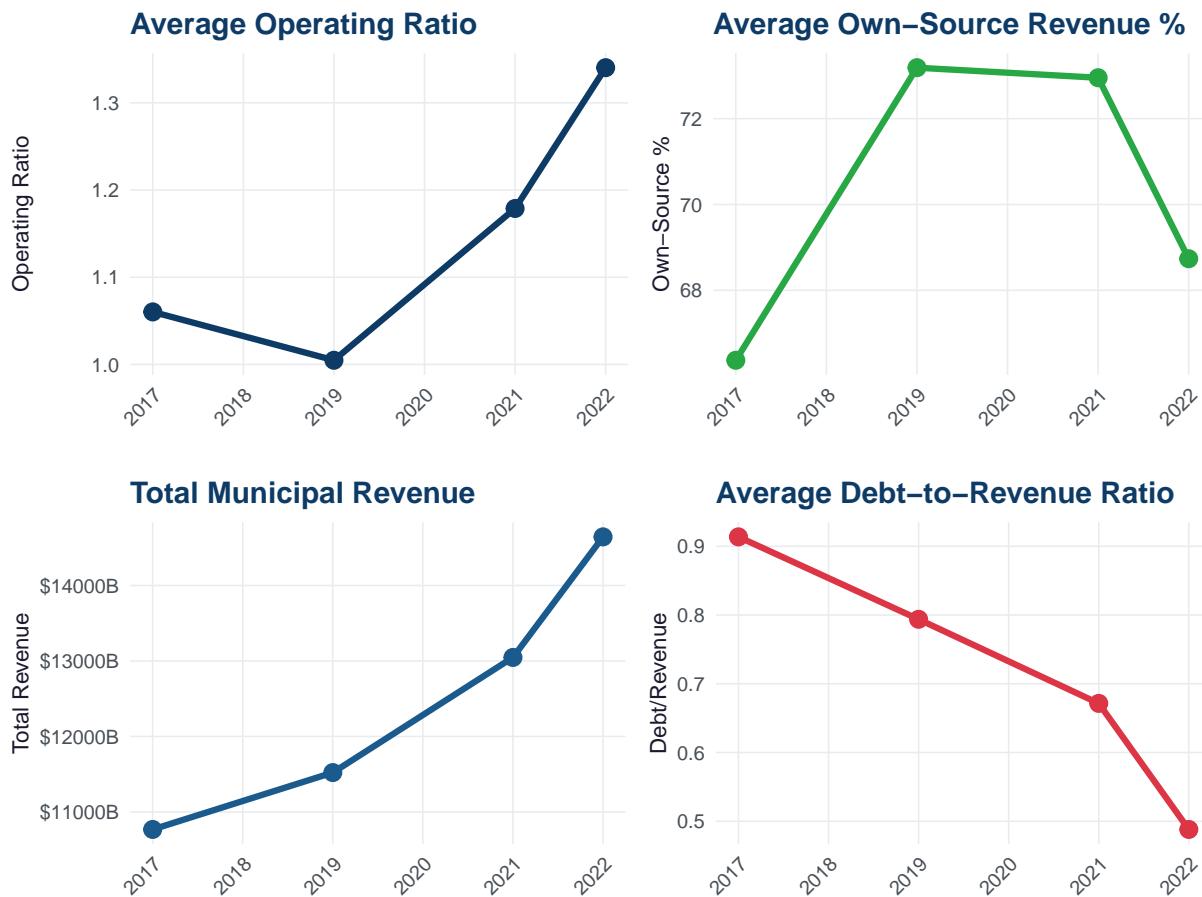
**Figure 15:** *Fiscal Health Indicators by County*

## 8 Trend Analysis

### 8.1 Statewide Trends

#### Statewide Fiscal Trends

FY 2017 – FY 2022



Source: U.S. Census Bureau Annual Survey of State and Local Government Finances

**Figure 16:** Key Fiscal Indicators Over Time

### 8.2 Year-over-Year Changes

**Table 7:** Year-over-Year Changes in Key Metrics

Fiscal Year	Revenue Change	Expenditure Change	Op. Ratio Change	Own-Source Change
2019	+7%	+11.3%	-0.055	+6.8 pp
2021	+13.2%	+4%	+0.174	-0.2 pp

2022	+12.2%	+4.5%	+0.161	-4.2 pp
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## 9 Key Findings and Recommendations

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### 9.1 Summary of Findings

Based on our comprehensive analysis of Arizona municipal finances for FY 2022, we identify the following key findings:

#### 9.1.1 Fiscal Health

1. **Overall Stability:** The statewide median operating ratio of 1.178 indicates that most Arizona municipalities maintain balanced budgets. However, 19.8% operate at a deficit, highlighting pockets of fiscal stress.
2. **Revenue Concentration:** Arizona municipalities are heavily dependent on sales tax revenue, averaging 30.1% of total revenues. This creates vulnerability to economic downturns and shifts in consumer behavior.
3. **Size Matters:** Larger municipalities generally demonstrate stronger fiscal positions, with higher own-source revenue percentages and greater operational efficiency. Smaller municipalities face challenges in maintaining service levels with limited revenue bases.

#### 9.1.2 Regional Variations

4. **Urban-Rural Divide:** Maricopa County municipalities benefit from robust economic activity and diversified tax bases. Rural counties face structural challenges related to population density, economic development, and service delivery costs.
5. **Growth Management:** Rapidly growing municipalities face unique challenges balancing capital investment needs with ongoing operational demands.

#### 9.1.3 Debt Management

6. **Varied Debt Levels:** Debt-to-revenue ratios vary significantly, with 14.3% of municipalities carrying debt exceeding annual revenue. While debt can be appropriate for capital financing, elevated levels constrain future flexibility.

## 9.2 Strategic Recommendations

### Recommendations for Municipal Leaders

1. **Diversify Revenue Sources:** Reduce reliance on sales tax by exploring alternative revenue mechanisms where legally available
2. **Build Reserves:** Maintain adequate fund balances to weather economic downturns and unexpected expenditures
3. **Monitor Debt Capacity:** Develop formal debt policies that establish limits relative to revenue and population growth
4. **Benchmark Performance:** Regularly compare fiscal metrics against peer municipalities to identify improvement opportunities
5. **Plan for Growth:** Ensure that capital investment and staffing plans align with projected population and service demand changes

## 10 Appendix A: Complete Municipal Data

**Table 8:** Complete Municipal Finance Data with Fiscal Health Grades - FY 2022

Municipality	County	Population	Total Revenue	Total Expenditure	Op. Ratio	Debt/Rev	Own-Source %	Sales Tax %	Property Tax %	Score	Grade
Phoenix	Maricopa	1,708,127	\$4,742,268,000	\$4,160,933,000	1.140	1.72	70%	21.8%	6.1%	41.3	C
Tucson	Pima	542,629	\$1,378,028,000	\$995,674,000	1.384	0.66	74.1%	21.1%	5.2%	59.6	C
Mesa	Maricopa	528,159	\$1,135,622,000	\$1,134,485,000	1.001	1.58	79.6%	26.6%	4.6%	37.9	D
Chandler	Maricopa	265,398	\$555,527,000	\$466,683,000	1.190	0.50	72.8%	32.8%	7.1%	48.2	C
Scottsdale	Maricopa	262,647	\$852,237,000	\$711,523,000	1.198	1.04	82.3%	33.6%	8.6%	60.7	B
Gilbert	Maricopa	257,658	\$490,975,000	\$445,499,000	1.102	0.53	70.3%	29.1%	6.2%	35.4	D
Glendale	Maricopa	255,307	\$602,734,000	\$543,923,000	1.108	1.59	73.8%	36.2%	6%	39.8	D
Tempe	Maricopa	200,402	\$606,539,000	\$567,551,000	1.069	0.00	84.4%	37.4%	11.4%	64.6	B
Peoria	Maricopa	179,872	\$347,951,000	\$317,442,000	1.096	0.47	76.9%	36.1%	9%	41.3	C
Surprise	Maricopa	143,148	\$229,667,000	\$305,164,000	0.753	0.22	78.1%	32.5%	6.9%	33.8	D
Yuma	Yuma	99,811	\$195,523,000	\$206,458,000	0.947	0.41	77.8%	30.8%	11.2%	37.2	D
Goodyear	Maricopa	90,622	\$323,366,000	\$192,445,000	1.680	1.35	87.3%	42.1%	8.7%	74.6	B
Avondale	Maricopa	88,914	\$163,735,000	\$153,399,000	1.067	0.20	79.5%	42.3%	5.8%	44.2	C
Buckeye	Maricopa	85,224	\$208,705,000	\$137,085,000	1.522	0.70	77.5%	30%	5.2%	62.0	B
Flagstaff	Coconino	73,939	\$234,716,000	\$202,822,000	1.157	0.95	72.3%	26.9%	6.4%	48.6	C
Casa Grande	Pinal	61,183	\$122,297,000	\$64,322,000	1.901	0.23	78.4%	30.8%	5.6%	67.7	B
Queen Creek	Maricopa	60,097	\$153,978,000	\$233,667,000	0.659	2.07	89.6%	32.9%	0%	39.9	D
Lake Havasu City	Mohave	57,246	\$127,387,000	\$132,032,000	0.965	0.06	77.3%	31%	4.5%	45.4	C
Maricopa	Pinal	54,539	\$72,068,000	\$84,784,000	0.850	0.48	66.8%	21.5%	29.1%	22.2	D
Marana	Pima	51,306	\$152,052,000	\$82,236,000	1.849	0.75	73.6%	34.3%	1.1%	65.9	B
Prescott Valley	Yavapai	47,901	\$101,898,000	\$82,012,000	1.242	0.48	74%	34.7%	2%	54.6	C
Oro Valley	Pima	46,678	\$91,569,000	\$86,411,000	1.060	0.29	69.9%	33.4%	0%	37.2	D
Prescott	Yavapai	44,837	\$165,069,000	\$191,051,000	0.864	0.58	78.3%	38.3%	1.1%	46.3	C
Sierra Vista	Cochise	43,948	\$90,016,000	\$71,270,000	1.263	0.41	55.5%	28.1%	0.4%	45.2	C
Apache Junction	Pinal	43,729	\$42,550,000	\$50,718,000	0.839	0.36	83.8%	51.2%	0%	32.8	D
Bullhead City	Mohave	41,733	\$76,949,000	\$47,787,000	1.610	1.75	66.3%	26.8%	0%	45.2	C
El Mirage	Maricopa	36,481	\$59,728,000	\$55,577,000	1.075	0.41	74.1%	24.6%	7.8%	37.8	D
San Luis	Yuma	36,242	\$72,628,000	\$59,418,000	1.222	1.55	41.7%	16.5%	0.8%	33.4	D
Sahuarita	Pima	32,327	\$48,652,000	\$23,703,000	2.053	1.26	69.5%	28%	2.8%	48.6	C

**Table 8:** Complete Municipal Finance Data with Fiscal Health Grades - FY 2022 continued...

Municipality	County	Population	Total Revenue	Total Expenditure	Op. Ratio	Debt/Rev	Own-Source %	Sales Tax %	Property Tax %	Score	Grade
Kingman	Mohave	31,815	\$92,437,000	\$101,154,000	0.914	0.63	75.4%	21.2%	0%	40.6	C
Florence	Pinal	28,049	\$26,842,000	\$40,064,000	0.670	0.93	73.4%	17.3%	4.9%	17.8	F
Fountain Hills	Maricopa	25,960	\$35,907,000	\$30,267,000	1.186	0.00	60.9%	49.2%	0%	42.9	C
Nogales	Santa Cruz	20,107	\$41,169,000	\$47,898,000	0.860	0.71	72.8%	28.9%	0%	29.9	D
Eloy	Pinal	17,279	\$48,598,000	\$28,937,000	1.679	0.39	48.9%	20.6%	2.6%	57.1	C
Somerton	Yuma	16,716	\$18,139,000	\$19,586,000	0.926	0.72	68.3%	18.9%	4%	19.6	F
Douglas	Cochise	16,458	\$27,588,000	\$24,923,000	1.107	0.43	72.6%	33.4%	2.3%	36.7	D
Payson	Gila	15,947	\$41,011,000	\$33,252,000	1.233	0.77	66.7%	35.1%	1.7%	49.5	C
Paradise Valley	Maricopa	14,851	\$59,817,000	\$35,308,000	1.694	0.15	86.8%	50.9%	0%	86.4	A
Coolidge	Pinal	13,769	\$12,456,000	\$2,818,000	4.420	0.00	47.2%	0%	0%	52.9	C
Chino Valley	Yavapai	12,819	\$26,077,000	\$36,945,000	0.706	0.96	61%	40.7%	0%	19.8	F
Cottonwood	Yavapai	12,762	\$75,821,000	\$42,837,000	1.770	0.67	86.1%	31.6%	0%	81.2	A
Show Low	Navajo	11,578	\$45,805,000	\$35,062,000	1.306	0.48	81.2%	40.6%	0%	71.6	B
Camp Verde	Yavapai	11,259	\$16,732,000	\$14,940,000	1.120	1.57	65.5%	41.9%	0%	26.8	D
Sedona	Yavapai	10,328	\$33,433,000	\$29,500,000	1.133	1.12	85.1%	53%	0%	56.1	C
Safford	Graham	9,951	\$44,648,000	\$44,865,000	0.995	0.58	80.1%	19.9%	0.6%	53.1	C
Winslow	Navajo	9,659	\$20,562,000	\$32,482,000	0.633	0.43	68.8%	31.2%	2.2%	29.1	D
Wickenburg	Maricopa	8,351	\$24,743,000	\$22,107,000	1.119	0.01	89.3%	31.5%	2.2%	65.8	B
Tolleson	Maricopa	7,564	\$74,708,000	\$55,706,000	1.341	0.33	95.9%	50.9%	13.6%	82.7	A
Page	Coconino	7,516	\$49,496,000	\$31,233,000	1.585	0.01	80.1%	27.7%	0%	83.6	A
Globe	Gila	7,382	\$27,581,000	\$20,776,000	1.328	0.00	80.1%	24.8%	3.9%	78.9	B
Youngtown	Maricopa	6,913	\$7,756,000	\$5,210,000	1.489	0.17	50.8%	32.8%	4.7%	42.6	C
Guadalupe	Maricopa	6,698	\$10,991,000	\$7,247,000	1.517	0.00	44.1%	35.5%	0%	50.0	C
Litchfield Park	Maricopa	6,578	\$16,374,000	\$31,679,000	0.517	1.15	87.6%	69.7%	2.2%	39.3	D
Snowflake	Navajo	6,114	\$19,349,000	\$19,552,000	0.990	0.21	54.9%	20%	0%	38.2	D
Cave Creek	Maricopa	5,986	\$27,794,000	\$17,802,000	1.561	0.58	92%	38.2%	1.1%	80.6	A
South Tucson	Pima	5,742	\$6,652,000	\$2,628,000	2.531	1.01	22.7%	17.6%	0%	37.8	D
Thatcher	Graham	5,264	\$19,180,000	\$15,668,000	1.224	0.05	84%	24.8%	0%	74.6	B
Bisbee	Cochise	5,154	\$21,206,000	\$14,971,000	1.416	0.48	86%	17.8%	7.1%	76.6	B
Holbrook	Navajo	5,090	\$12,311,000	\$10,270,000	1.199	0.09	71.4%	37.5%	0%	56.0	C
Eagar	Apache	4,956	\$8,277,000	\$7,850,000	1.054	0.29	58.6%	16.7%	0%	28.8	D

**Table 8:** Complete Municipal Finance Data with Fiscal Health Grades - FY 2022 continued...

Municipality	County	Population	Total Revenue	Total Expenditure	Op. Ratio	Debt/Rev	Own-Source %	Sales Tax %	Property Tax %	Score	Grade
Colorado City	Mohave	4,906	\$5,029,000	\$4,300,000	1.170	0.00	39.7%	14.2%	0%	35.2	D
Benson	Cochise	4,890	\$14,277,000	\$11,931,000	1.197	0.00	83.4%	41.7%	2.9%	71.6	B
Clarkdale	Yavapai	4,525	\$9,655,000	\$9,732,000	0.992	0.87	72.4%	19.9%	10%	32.8	D
Pinetop-Lakeside	Navajo	4,516	\$9,519,000	\$9,129,000	1.043	0.00	72.7%	59%	0%	46.0	C
Taylor	Navajo	4,363	\$9,040,000	\$7,845,000	1.152	0.32	66%	24.4%	0%	42.5	C
Dewey-Humboldt	Yavapai	4,240	\$5,131,000	\$1,852,000	2.771	0.00	31.1%	25%	0%	53.7	C
Carefree	Maricopa	3,974	\$10,121,000	\$9,654,000	1.048	0.05	76.8%	58.1%	0%	50.4	C
Quartzsite	La Paz	3,814	\$9,911,000	\$6,434,000	1.540	0.76	63.1%	20.2%	0%	53.9	C
Clifton	Greenlee	3,636	\$5,138,000	\$4,271,000	1.203	0.00	56.9%	16.6%	14.6%	44.4	C
St Johns	Apache	3,526	\$8,031,000	\$6,017,000	1.335	0.27	63.2%	14.9%	0%	53.9	C
Willcox	Cochise	3,508	\$11,866,000	\$10,228,000	1.160	0.10	81.9%	28.7%	3%	66.8	B
Williams	Coconino	3,320	\$21,667,000	\$16,847,000	1.286	0.60	98.2%	32.3%	7.6%	77.1	B
Parker	La Paz	3,281	\$6,288,000	\$1,351,000	4.654	0.23	54.1%	29.6%	0%	56.0	C
Superior	Pinal	3,232	\$6,398,000	\$5,433,000	1.178	0.03	59.8%	21.6%	12.4%	44.1	C
Wellton	Yuma	3,163	\$6,010,000	\$4,727,000	1.271	0.01	56.3%	20.8%	0%	47.3	C
Pima	Graham	2,588	\$2,964,000	\$1,099,000	2.697	0.00	22.7%	17.6%	0%	51.6	C
Star Valley	Gila	2,327	\$1,773,000	\$1,061,000	1.671	0.00	32.6%	25.5%	0%	46.2	C
Kearny	Pinal	2,206	\$5,121,000	\$4,126,000	1.241	0.15	73.9%	16.6%	3.9%	59.9	C
Gila Bend	Maricopa	2,118	\$7,551,000	\$6,255,000	1.207	0.17	83.7%	47.9%	5.9%	71.5	B
Springerville	Apache	1,985	\$9,567,000	\$6,632,000	1.443	0.11	49.3%	24%	0%	63.9	B
Miami	Gila	1,792	\$4,352,000	\$6,094,000	0.714	0.80	64.4%	13.1%	7.5%	26.2	D
Huachuca City	Cochise	1,734	\$6,577,000	\$5,754,000	1.143	0.56	81.4%	29.8%	1.7%	60.9	B
Mammoth	Pinal	1,717	\$1,957,000	\$1,696,000	1.154	0.00	64.9%	20.2%	4%	40.8	C
Tombstone	Cochise	1,310	\$4,928,000	\$4,316,000	1.142	0.56	81.4%	29.8%	1.6%	60.4	B
Fredonia	Coconino	1,272	\$10,947,000	\$9,782,000	1.119	0.30	23.5%	5.3%	0%	46.2	C
Patagonia	Santa Cruz	881	\$2,670,000	\$2,245,000	1.189	0.22	46.5%	14.8%	0%	48.5	C
Duncan	Greenlee	774	\$1,368,000	\$1,309,000	1.045	0.43	62.9%	14.3%	1.5%	27.7	D
Hayden	Gila	633	\$743,000	\$276,000	2.692	0.00	22.7%	17.6%	0%	52.1	C
Tusayan	Coconino	575	\$5,707,000	\$2,593,000	2.201	0.00	92.8%	92.4%	0%	97.1	A
Jerome	Yavapai	459	\$269,000	\$254,000	1.059	0.30	64.7%	40.9%	5.9%	25.1	D
Winkelman	Gila	352	\$1,346,000	\$1,158,000	1.162	0.00	58.4%	10.9%	3.4%	58.7	C

## 11 Appendix B: Revenue Breakdown by Municipality

**Table 9:** Detailed Revenue Composition by Municipality (Top 50 by Population)

Municipality	County	Rev/Capita	Sales Tax	Property Tax	License/Fees	Charges	Intergovernmental
Phoenix	Maricopa	\$2,776	21.8%	6.1%	3.2%	24.2%	30%
Tucson	Pima	\$2,540	21.1%	5.2%	2.4%	22.3%	25.9%
Mesa	Maricopa	\$2,150	26.6%	4.6%	5.3%	18.5%	20.4%
Chandler	Maricopa	\$2,093	32.8%	7.1%	1.2%	20.7%	27.2%
Scottsdale	Maricopa	\$3,245	33.6%	8.6%	2.5%	19.2%	17.7%
Gilbert	Maricopa	\$1,906	29.1%	6.2%	0.9%	22.1%	29.7%
Glendale	Maricopa	\$2,361	36.2%	6%	4.5%	16.1%	26.2%
Tempe	Maricopa	\$3,027	37.4%	11.4%	1.7%	22%	15.6%
Peoria	Maricopa	\$1,934	36.1%	9%	1.5%	14.8%	23.1%
Surprise	Maricopa	\$1,604	32.5%	6.9%	3.6%	24.6%	21.9%
Yuma	Yuma	\$1,959	30.8%	11.2%	1.6%	17.3%	22.2%
Goodyear	Maricopa	\$3,568	42.1%	8.7%	5.2%	22.8%	12.7%
Avondale	Maricopa	\$1,841	42.3%	5.8%	3.3%	16.7%	20.5%
Buckeye	Maricopa	\$2,449	30%	5.2%	9.3%	13.7%	22.5%
Flagstaff	Coconino	\$3,174	26.9%	6.4%	2.4%	22.8%	27.7%
Casa Grande	Pinal	\$1,999	30.8%	5.6%	4%	32.6%	21.6%
Queen Creek	Maricopa	\$2,562	32.9%	0%	7.7%	29.7%	10.4%
Lake Havasu City	Mohave	\$2,225	31%	4.5%	2.3%	28.8%	22.7%
Maricopa	Pinal	\$1,321	21.5%	29.1%	3.3%	10.3%	33.2%
Marana	Pima	\$2,964	34.3%	1.1%	13.8%	11.3%	26.4%
Prescott Valley	Yavapai	\$2,127	34.7%	2%	1.8%	24.4%	26%
Oro Valley	Pima	\$1,962	33.4%	0%	2.7%	11.4%	30.1%
Prescott	Yavapai	\$3,682	38.3%	1.1%	1.3%	23.2%	21.7%
Sierra Vista	Cochise	\$2,048	28.1%	0.4%	0%	26.9%	44.5%
Apache Junction	Pinal	\$973	51.2%	0%	7.2%	12.9%	16.2%
Bullhead City	Mohave	\$1,844	26.8%	0%	1.9%	24%	33.7%

**Table 9:** Detailed Revenue Composition by Municipality (Top 50 by Population) continued...

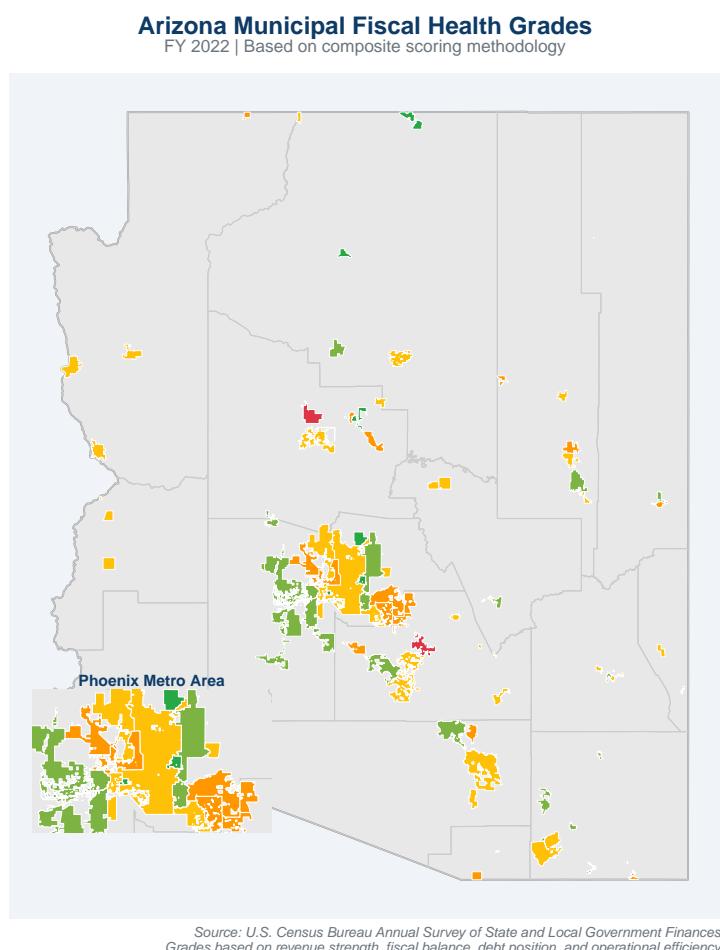
Municipality	County	Rev/Capita	Sales Tax	Property Tax	License/Fees	Charges	Intergovernmental
El Mirage	Maricopa	\$1,637	24.6%	7.8%	1.8%	18.8%	25.9%
San Luis	Yuma	\$2,004	16.5%	0.8%	1%	16.2%	58.3%
Sahuarita	Pima	\$1,505	28%	2.8%	7%	30.2%	30.5%
Kingman	Mohave	\$2,905	21.2%	0%	1.8%	30.4%	24.6%
Florence	Pinal	\$957	17.3%	4.9%	3.7%	28.9%	26.6%
Fountain Hills	Maricopa	\$1,383	49.2%	0%	3.1%	6.3%	39.1%
Nogales	Santa Cruz	\$2,047	28.9%	0%	3.6%	28.1%	27.2%
Eloy	Pinal	\$2,813	20.6%	2.6%	2.7%	16.2%	51.1%
Somerton	Yuma	\$1,085	18.9%	4%	3.9%	32%	31.7%
Douglas	Cochise	\$1,676	33.4%	2.3%	0.9%	27%	27.4%
Payson	Gila	\$2,572	35.1%	1.7%	1.6%	3.8%	33.3%
Paradise Valley	Maricopa	\$4,028	50.9%	0%	5.9%	27.6%	13.2%
Coolidge	Pinal	\$905	0%	0%	0%	47.2%	52.8%
Chino Valley	Yavapai	\$2,034	40.7%	0%	2.3%	12.8%	39%
Cottonwood	Yavapai	\$5,941	31.6%	0%	0.3%	41.6%	13.9%
Show Low	Navajo	\$3,956	40.6%	0%	1.3%	23.9%	18.8%
Camp Verde	Yavapai	\$1,486	41.9%	0%	2.1%	18.5%	34.5%
Sedona	Yavapai	\$3,237	53%	0%	1.4%	28.1%	14.9%
Safford	Graham	\$4,487	19.9%	0.6%	0.3%	17.1%	19.9%
Winslow	Navajo	\$2,129	31.2%	2.2%	0.6%	22.4%	31.2%
Wickenburg	Maricopa	\$2,963	31.5%	2.2%	6.1%	26.2%	10.7%
Tolleson	Maricopa	\$9,877	50.9%	13.6%	1.9%	18.6%	4.1%
Page	Coconino	\$6,585	27.7%	0%	0.5%	28.9%	19.9%
Globe	Gila	\$3,736	24.8%	3.9%	3.4%	31.4%	19.9%

## 12 Appendix C: Geographic Visualizations

These maps provide spatial context for understanding fiscal patterns across Arizona's municipalities. Hover or reference the data tables in previous appendices for specific municipal values.

### 12.1 Fiscal Health Grade Distribution

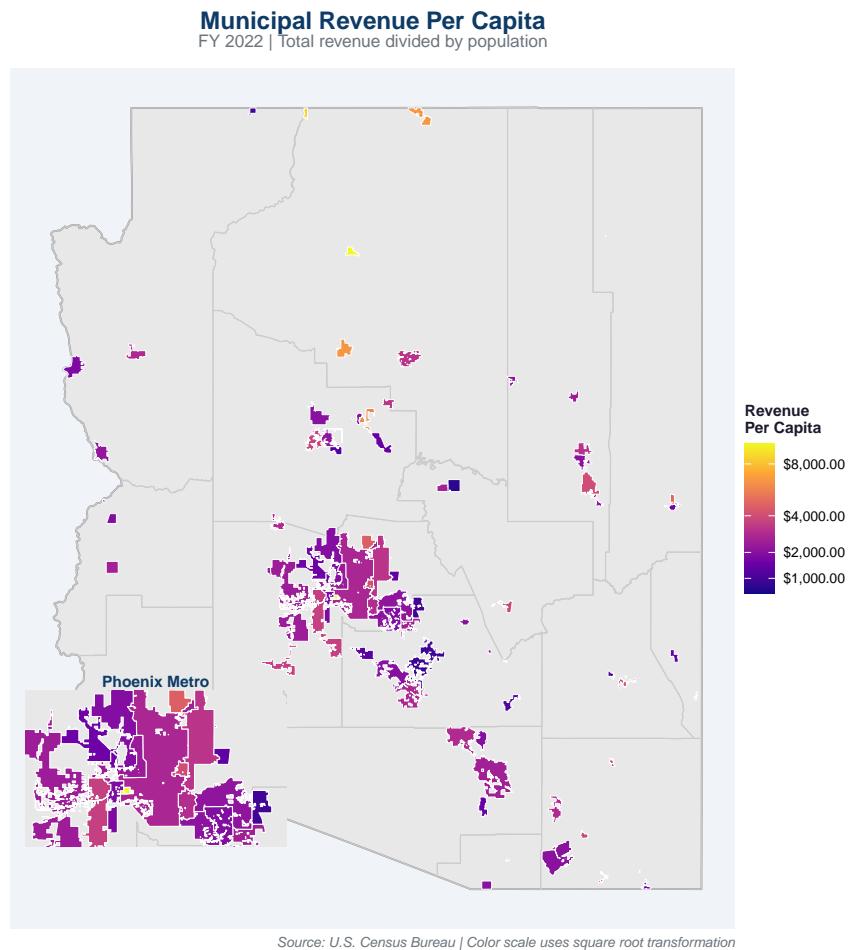
This map displays the composite fiscal health grades (A through F) for each Arizona municipality, providing an at-a-glance view of fiscal conditions across the state.



**Figure 17:** *Fiscal Health Grades by Municipality*

## 12.2 Revenue Per Capita

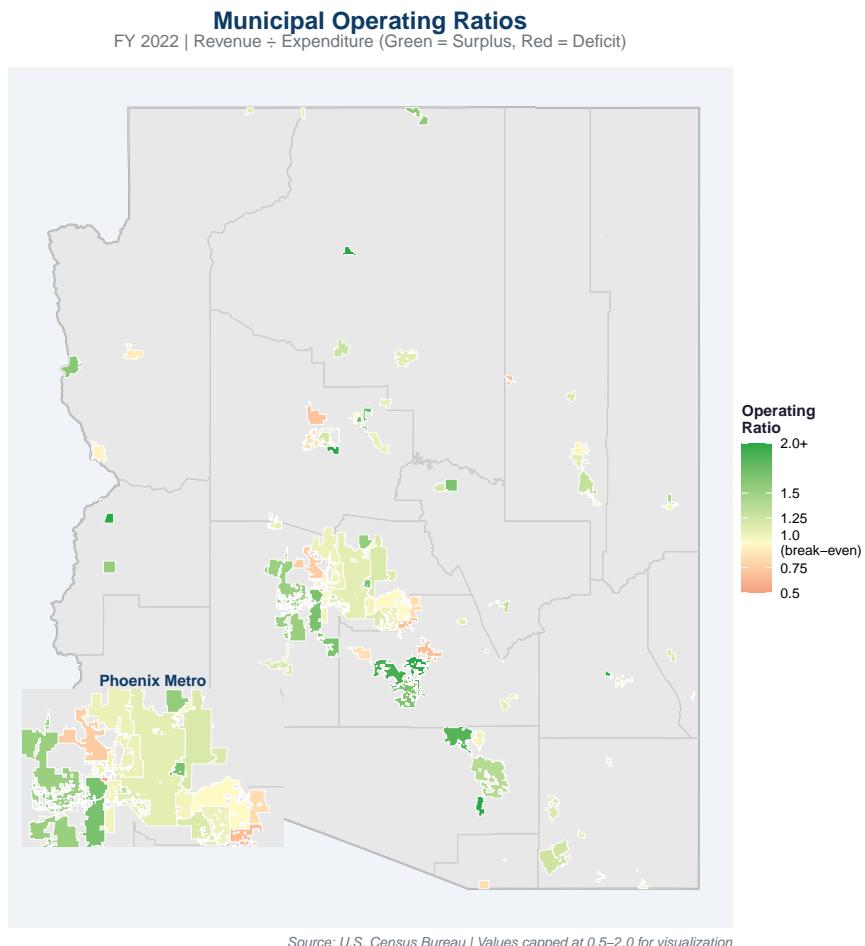
Revenue per capita reflects the fiscal capacity of each municipality—higher values indicate greater resources available for public services and infrastructure.



**Figure 18:** Revenue Per Capita by Municipality

### 12.3 Operating Ratio: Surplus vs. Deficit

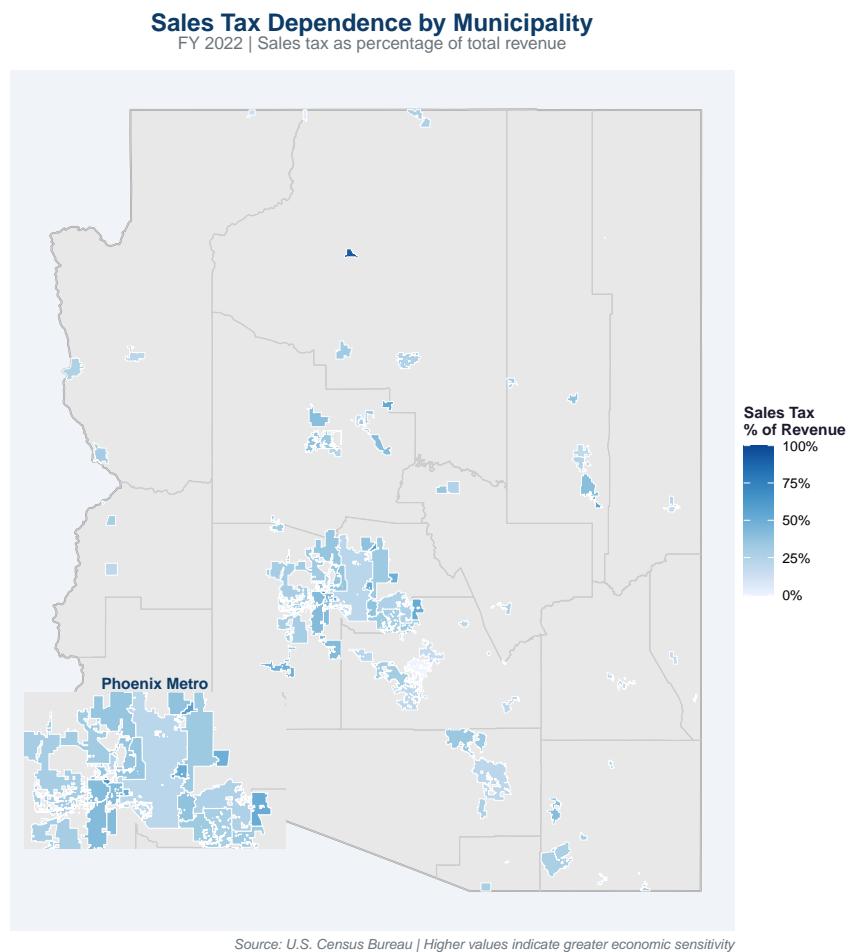
The operating ratio reveals which municipalities are running surpluses (green, ratio > 1.0) versus deficits (red, ratio < 1.0). This diverging color scale centers on the break-even point.



**Figure 19:** *Operating Ratio by Municipality*

## 12.4 Sales Tax Dependence

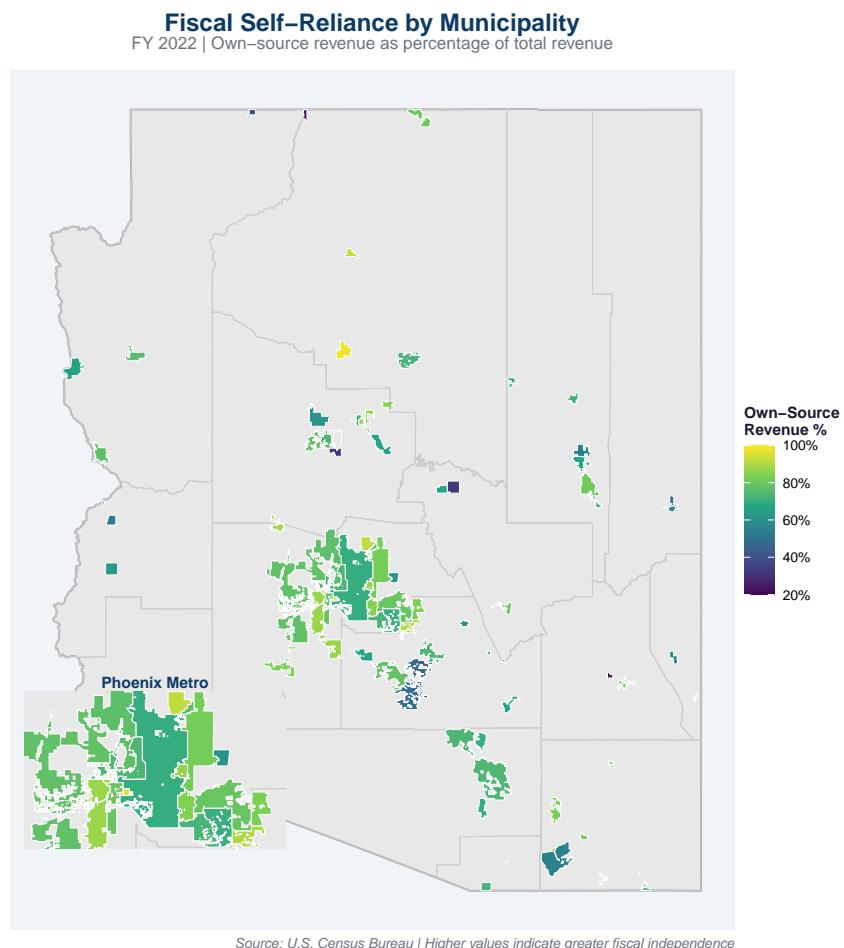
Sales tax is the dominant revenue source for Arizona municipalities. This map reveals the geographic variation in sales tax reliance—municipalities with higher percentages are more vulnerable to economic downturns.



**Figure 20: Sales Tax Dependence by Municipality**

## 12.5 Fiscal Self-Reliance

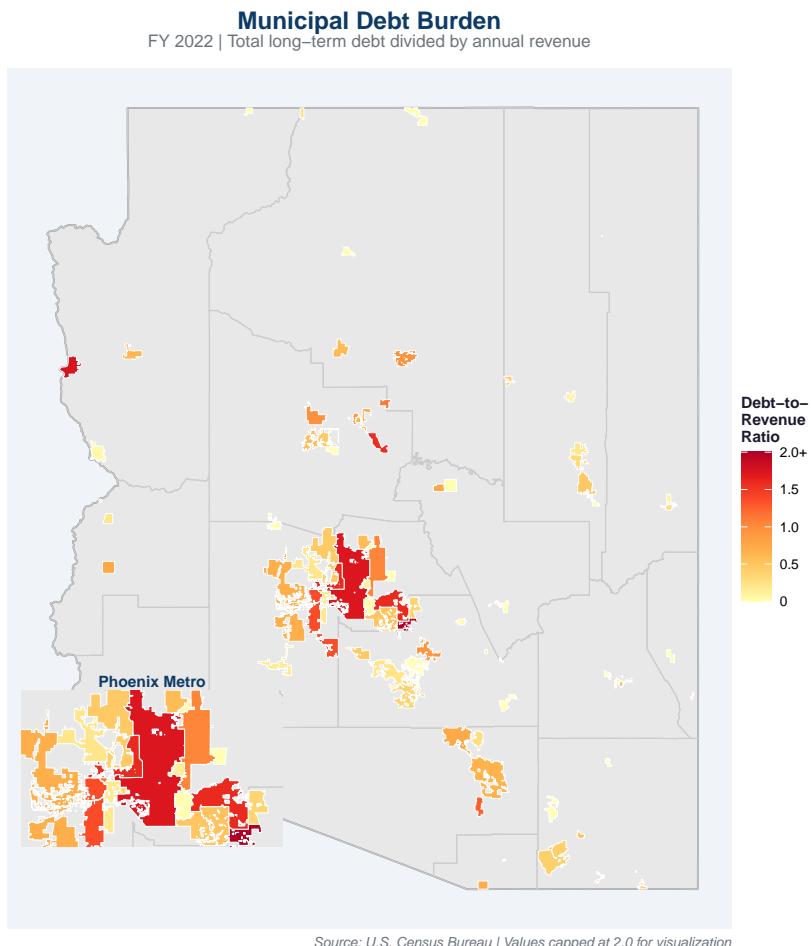
Own-source revenue percentage measures fiscal autonomy—the degree to which municipalities fund operations through local taxes and fees versus intergovernmental transfers. Higher values indicate greater independence.



**Figure 21:** *Own-Source Revenue Percentage by Municipality*

## 12.6 Debt Burden

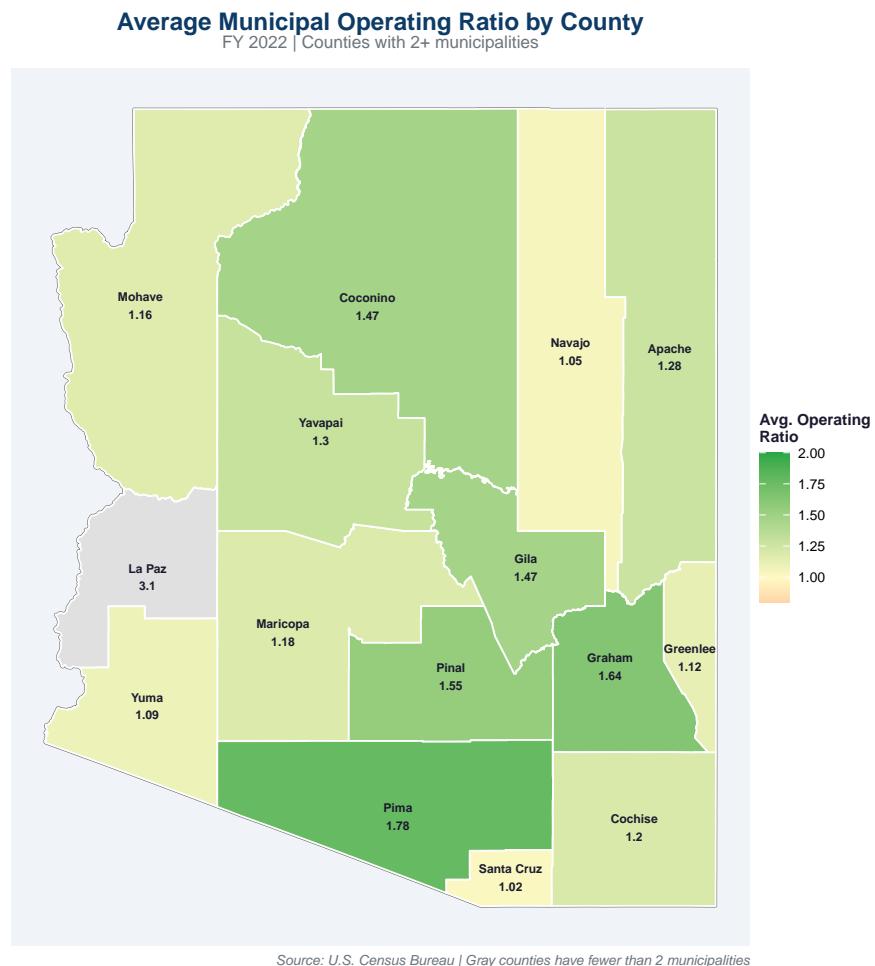
The debt-to-revenue ratio indicates long-term financial obligations relative to annual revenue capacity. Municipalities with ratios exceeding 1.0 carry debt loads greater than their annual revenue.



**Figure 22:** *Debt-to-Revenue Ratio by Municipality*

## 12.7 County-Level Fiscal Summary

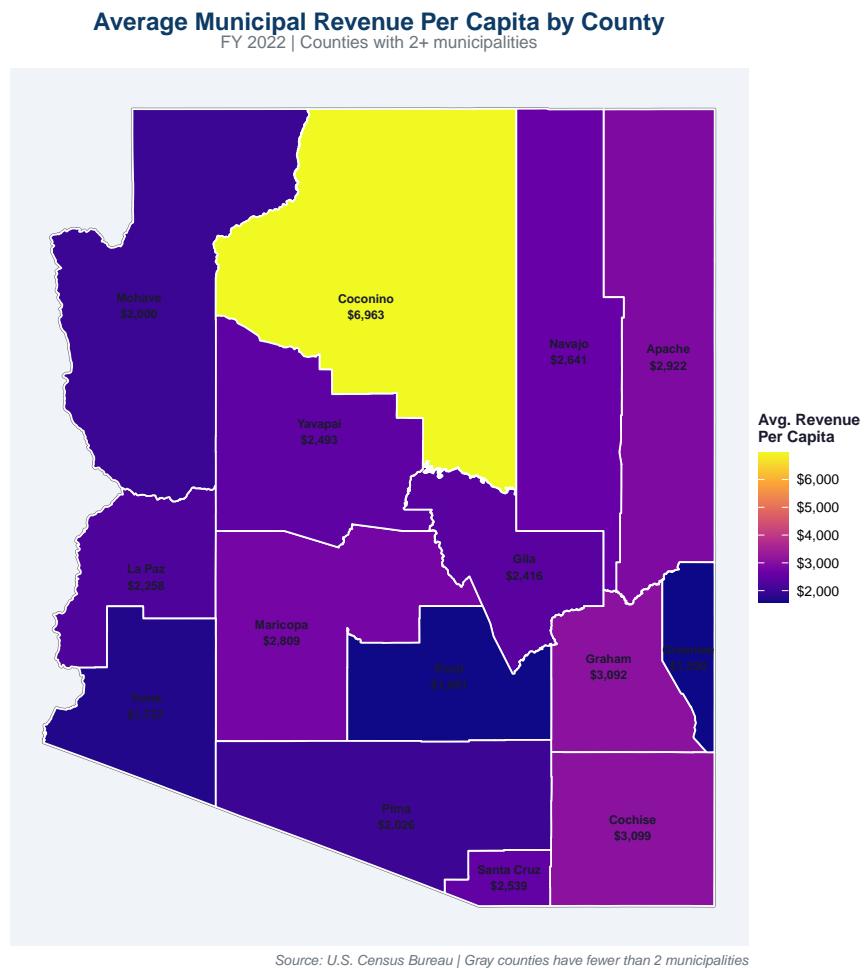
This map aggregates municipal data to the county level, showing average operating ratios by county. Counties are sized by total municipal population.



**Figure 23: County-Level Fiscal Summary**

## 12.8 County Revenue Capacity

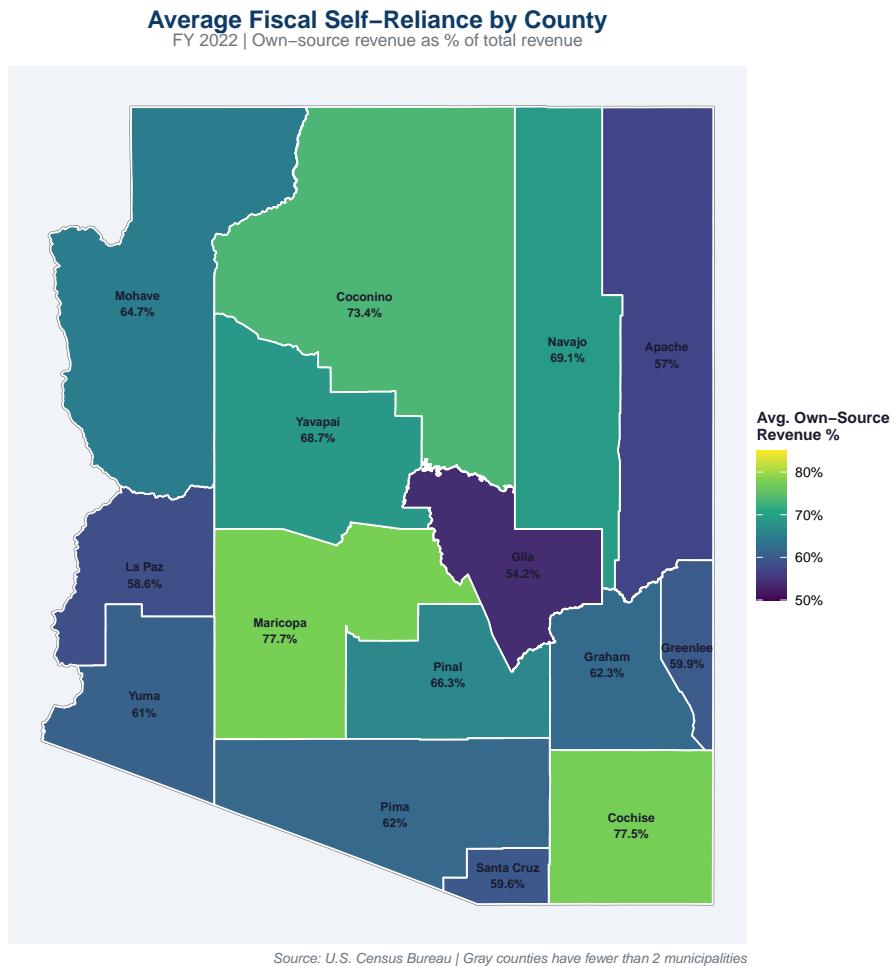
Average revenue per capita by county reveals the fiscal capacity disparities across Arizona's regions. Higher values indicate greater resources available per resident.



**Figure 24:** Average Revenue Per Capita by County

## 12.9 County Fiscal Independence

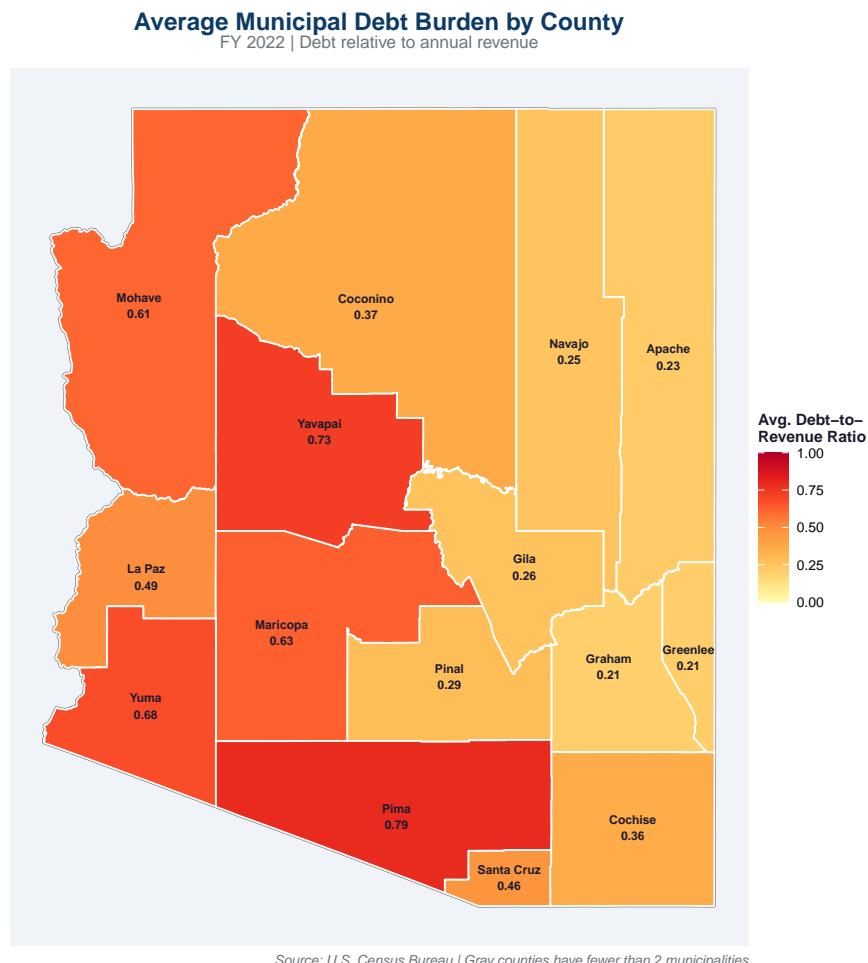
Own-source revenue percentage by county shows which regions have municipalities that are more fiscally independent versus those relying more heavily on intergovernmental transfers.



**Figure 25: Average Own-Source Revenue by County**

## 12.10 County Debt Burden

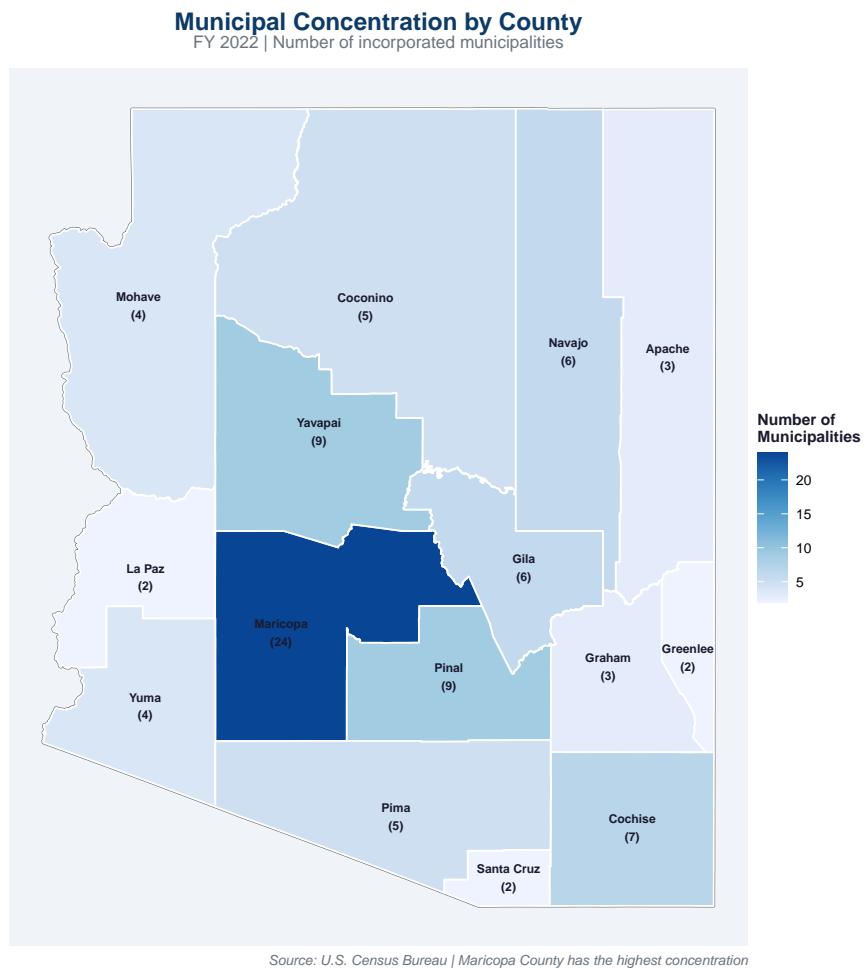
Average debt-to-revenue ratio by county highlights regional differences in municipal debt levels relative to fiscal capacity.



**Figure 26:** Average Debt-to-Revenue Ratio by County

## 12.11 Municipal Concentration by County

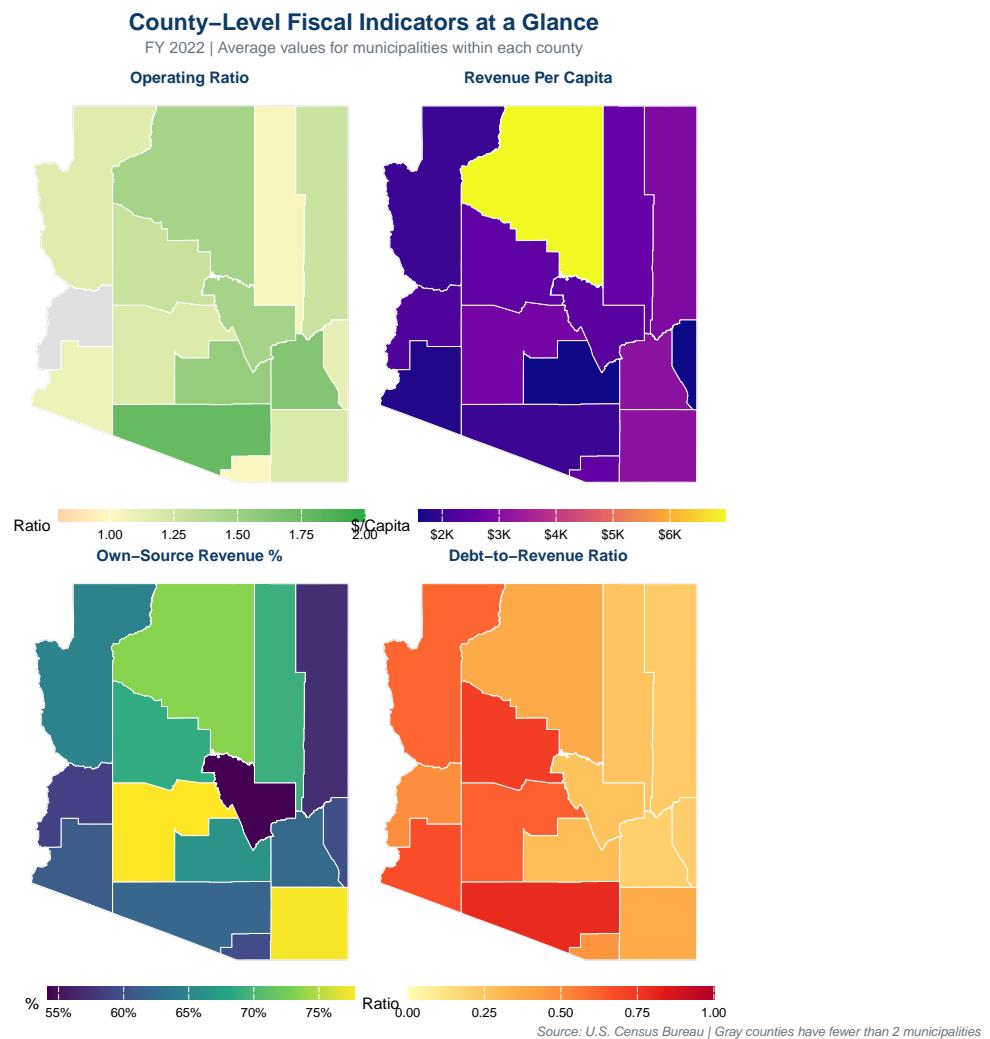
This map shows the number of incorporated municipalities in each county, revealing the geographic distribution of local governments across Arizona.



**Figure 27: Number of Municipalities by County**

## 12.12 County-Level Comparative Dashboard

This multi-panel view allows side-by-side comparison of key fiscal metrics across Arizona's counties.



**Figure 28:** County Fiscal Dashboard

## 13 Appendix D: Methodology Details

### 13.1 Fiscal Health Score Calculation

The composite fiscal health score is calculated as a weighted average of four component scores, each based on percentile rankings among all Arizona municipalities:

$$\text{Fiscal Health Score} = 0.25 \times R + 0.25 \times S + 0.35 \times O + 0.15 \times D$$

Where:

- $R$  = Revenue strength score (revenue per capita percentile)
- $S$  = Self-reliance score (own-source revenue percentage percentile)
- $O$  = Operating balance score (operating ratio percentile)
- $D$  = Debt management score (inverse debt-to-revenue percentile)

### 13.2 Grade Assignment

Score Range	Grade	Interpretation
80-100	A	Excellent fiscal health
60-79	B	Good fiscal health
40-59	C	Adequate fiscal health
20-39	D	Below average fiscal health
0-19	F	Concerning fiscal health

### 13.3 Revenue Category Definitions

Category	Description
Sales Tax	General and selective sales taxes including transaction privilege taxes
Property Tax	Primary and secondary property taxes levied on real and personal property
License & Fees	Business licenses, permits, and regulatory fees
Charges for Services	User fees for specific services (parks, utilities, etc.)
Intergovernmental	State shared revenues, federal grants, and transfers from other governments

### 13.4 Data Limitations

- Some municipalities may have incomplete data for certain metrics
- Accounting practices may vary slightly between jurisdictions
- Population estimates are subject to revision
- Enterprise fund activities are included in total figures but not separately reported

## 14 Appendix E: Glossary of Terms

**Debt-to-Revenue Ratio:** Total long-term debt divided by total annual revenue. Indicates the debt burden relative to revenue capacity.

**Intergovernmental Revenue:** Funds received from other governments (federal, state, county) including grants, shared revenues, and aid payments.

**Long-Term Debt:** Debt obligations with maturities greater than one year, including general obligation bonds, revenue bonds, and capital leases.

**Operating Ratio:** Total revenue divided by total expenditure. Values above 1.0 indicate surplus operations; values below 1.0 indicate deficit operations.

**Own-Source Revenue:** Revenue generated from local sources including taxes, fees, charges, and licenses, excluding intergovernmental transfers.

**Per Capita Metrics:** Financial measures divided by population, allowing meaningful comparison across municipalities of different sizes.

**Revenue Per Capita:** Total revenue (in thousands) divided by population, expressed in dollars per resident.

**Sales Tax (Transaction Privilege Tax):** Arizona's primary consumption-based tax, levied on businesses for the privilege of conducting business in the state.

**Property Tax:** Taxes levied on real and personal property, typically based on assessed valuation.

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### About Alt-30 Consulting

Alt-30 Consulting provides data-driven analysis and visualization tools for state and local governments. Our mission is to transform complex public finance data into actionable insights that support better decision-making.

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