



City of Sierra Vista, ***Arizona*** **Annual Comprehensive** **Financial Report**



Fiscal Year Ended June 30, 2023

**Annual Comprehensive
Financial Report
Fiscal Year Ended June 30, 2023**



**Issued By:
CITY OF SIERRA VISTA, ARIZONA**

**City Manager Department
Finance Division**

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**CITY OF SIERRA VISTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2023**

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INTRODUCTORY SECTION

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City of Sierra Vista

1011 N Coronado Drive, Sierra Vista, Arizona 85635
520/458-3315 • fax 520/417-6932 • www.ci.sierra-vista.az.us

June 26, 2024

Honorable Mayor and City Council
City of Sierra Vista
1011 North Coronado Drive
Sierra Vista, Arizona 85635

State law mandates that cities publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Sierra Vista, Arizona for the fiscal year ended June 30, 2023.

This report consists of management's representations concerning the finances of the City of Sierra Vista, Arizona. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Sierra Vista, Arizona's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Sierra Vista, Arizona's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Sierra Vista, Arizona for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Sierra Vista, Arizona's financial statements for the fiscal year ended June 30, 2023, and are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Sierra Vista, Arizona was part of a broader, federally mandated "Single Audit" as required by the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance), designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Sierra Vista, Arizona's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY

The City of Sierra Vista is located in the southeastern part of Arizona. Included within the city limits is Fort Huachuca. To the east of the City lies the San Pedro River and to the southwest lie the Huachuca Mountains. Sierra Vista serves as a regional hub for Cochise County. Retail services serve as a major economic factor within the City.

The City's Council is organized under Section 9-101 of the Arizona Revised Statutes (A.R.S.). Management of the City is independent of other state or local governments. The County Treasurer collects property taxes for the City but exercises no control over its expenditures/expenses.

The City uses the Council-Manager form of government with the mayor and six council members elected at-large by the public.

The 2020 census indicated the City population grew 1,420 people, an average rate of 0.32% per year, from 2010. Fort Huachuca was not on the 2005 BRAC base closure list. The final results of the realignment have the Fort gaining a nominal number of positions.

The annual operating budget serves as the foundation for the City's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual operating budget approved by the City Council. The City's proposed operating budget is presented to the City Council for review throughout the budget cycle starting in January and tentatively approved in June or July. The City Council is required to hold a public hearing on the proposed budget and to adopt the final budget by no later than the second Monday in August. The City has adopted budgets in accordance with A.R.S. requirements for the General, Special Revenue, Capital and Debt Service Funds. Expenditures may not legally exceed appropriations at the individual fund level.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates and the City's financial policy.

Local Economy. Sierra Vista is the economic and retail hub for Cochise County. Fort Huachuca continues to be the major employer in the area. Local privilege tax revenues have increased for the past eight years.

AWARDS AND ACKNOWLEDGEMENTS

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sierra Vista for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such Annual Comprehensive Financial Reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Sierra Vista has received a Certificate of Achievement for the last thirty five consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments. The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Division. We would like to express our appreciation to all members of this Division who assisted and contributed to its preparation. We would also like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Charles P. Potucek
City Manager

David J. Felix, CPA
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Sierra Vista
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

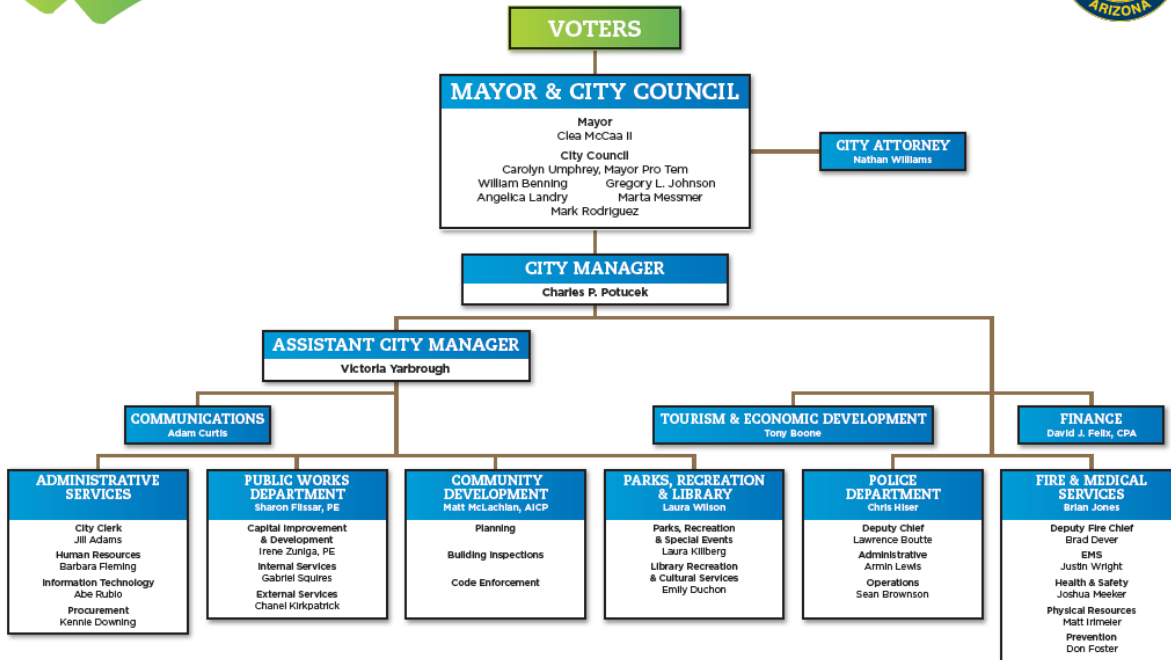
Christopher P. Morill

Executive Director/CEO



CITY OF SIERRA VISTA

CHART OF ORGANIZATION



City of Sierra Vista Officials

Mayor

Clea McCaa II

City Council

Carolyn Umphrey Mayor Pro Tem

William Benning

Gregory Johnson

Angelica Landry

Marta Messmer

Mark Rodriguez

City Manager

Charles P. Potucek

Assistant City Manager

Victoria Yarbrough

City Clerk

Jill Adams

City Attorney

Nathan Williams

FINANCIAL SECTION

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Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Sierra Vista, Arizona

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sierra Vista, Arizona (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sierra Vista, Arizona, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of City of Sierra Vista, Arizona, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1, the City implemented the provisions of the GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, net pension liability information, and other postemployment benefit plan information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024, on our consideration of the City of Sierra Vista, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Sierra Vista, Arizona's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Sierra Vista, Arizona's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
June 26, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

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**CITY OF SIERRA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

As management of the City of Sierra Vista, Arizona, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. The management's discussion and analysis is presented as required supplementary information to the basic financial statements. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

The financial statements which follow the Management's Discussion and Analysis provide those significant key financial highlights for 2023 as follows.

- The City's total net position of governmental activities increased \$14.3 million to \$83.2 million and business-type activities decreased \$0.3 million to \$30.2 million representing 73.4 percent and 26.6 percent respectively, of the total net position of \$113.5 million.
- General revenues from governmental activities accounted for \$52.0 million in revenue, or 69.9 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$22.4 million or 30.1 percent of total governmental activities revenues.
- The City had \$60.1 million in expenses related to governmental activities; of which \$22.4 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$52.0 million were sufficient to provide for the remaining costs of these programs. The City had \$9.1 million in expenses related to business-type activities. These expenses were offset by program specific revenues in the form of charges for services and grants and contributions of \$8.8 million.
- The General Fund had \$53.5 million in revenues, which primarily consisted of taxes, intergovernmental revenues and charges for services. The total expenditures of the General Fund were \$47.3 million. The General Fund's fund balance increased to \$9.8 million.
- Net position for the Internal Service Funds increased \$0.1 million from the prior year. Operating revenues of \$4.8 million did not exceed operating expenses of \$4.9 million but investment income of \$0.2 million exceeded the operating loss.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

The statement of net position presents information on all of the City's assets, liabilities and deferred inflows and outflows of resources, with the difference reported as net position. Over

**CITY OF SIERRA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

In the government-wide financial statements the City's activities are presented in the following categories.

- **Governmental activities** – Governmental activities include most of the City's basic services, such as general government, public safety, public works, culture and recreation, and community development. Sales taxes, municipal and State taxes, intergovernmental revenues and charges for services finance most of these activities.
- **Business type activities** – Business-type activities include the services provided by the City, which are sewer and refuse services. The services are financed through user fees and charges.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds. The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for sewer and refuse services. The proprietary fund provides the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides additional information for the Sewer and Refuse Funds, which are considered to be major funds of the City. The internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account

**CITY OF SIERRA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

for its self-insurance funds. Because these activities predominantly benefit governmental functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs.

Notes to the financial statements. The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the City's budget process and pension plans. The City adopts an annual budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balance – budget to actual has been provided for the General Fund as required supplementary information. Schedules for the pension plans and other postemployment benefit plans have been provided as required supplementary information.

Combining statements for non-major governmental funds, internal service and the custodial funds are presented immediately following the required supplemental information on budgets.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$113.5 million as of June 30, 2023, an increase of \$14.0 million from June 30, 2022.

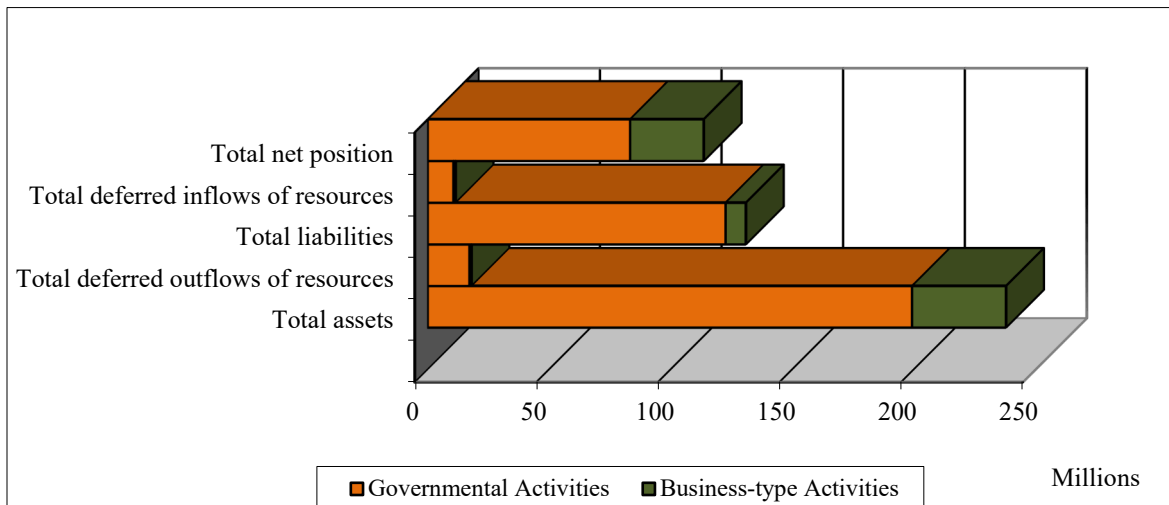
A portion of the City's net position reflects its investment in capital assets (e.g., land, infrastructure, buildings and improvements, vehicles, furniture, and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens, consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**CITY OF SIERRA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2023 and 2022.

	2023 Governmental Activities	2022 Governmental Activities	2023 Business- type Activities	2022 Business- type Activities	2023 Total	2022 Total
Current and other assets	\$54,579,030	\$61,403,534	\$212,270	\$581,912	\$54,791,300	\$61,985,446
Capital assets, net	<u>145,363,420</u>	<u>122,722,771</u>	<u>38,343,254</u>	<u>38,519,067</u>	<u>183,706,674</u>	<u>161,241,838</u>
Total assets	<u>199,942,450</u>	<u>184,126,305</u>	<u>38,555,524</u>	<u>39,100,979</u>	<u>238,497,974</u>	<u>223,227,284</u>
Deferred outflow s of resourcesa	<u>16,339,996</u>	<u>14,194,526</u>	<u>775,558</u>	<u>979,984</u>	<u>17,115,554</u>	<u>15,174,510</u>
Total deferred outflow s of	<u>16,339,996</u>	<u>14,194,526</u>	<u>775,558</u>	<u>979,984</u>	<u>17,115,554</u>	<u>15,174,510</u>
Current liabilities	16,822,415	10,527,064	2,081,162	1,311,344	18,903,577	11,838,408
Non-current liabilities	<u>105,660,277</u>	<u>95,024,919</u>	<u>6,201,178</u>	<u>6,307,316</u>	<u>111,861,455</u>	<u>101,332,235</u>
Total liabilities	<u>122,482,692</u>	<u>105,551,983</u>	<u>8,282,340</u>	<u>7,618,660</u>	<u>130,765,032</u>	<u>113,170,643</u>
Deferred inflow s of resources	<u>10,561,344</u>	<u>23,822,625</u>	<u>836,204</u>	<u>1,952,581</u>	<u>11,397,548</u>	<u>25,775,206</u>
Total deferred inflow s of	<u>10,561,344</u>	<u>23,822,625</u>	<u>836,204</u>	<u>1,952,581</u>	<u>11,397,548</u>	<u>25,775,206</u>
Net position						
Net investment in capital assets	121,987,509	112,241,329	35,849,642	35,294,180	157,837,151	147,535,509
Restricted	16,666,643	16,044,367	101,923		16,768,566	16,044,367
Unrestricted	<u>(55,415,742)</u>	<u>(59,339,473)</u>	<u>(5,739,027)</u>	<u>(4,784,458)</u>	<u>(61,154,769)</u>	<u>(64,123,931)</u>
Total net position	<u>\$83,238,410</u>	<u>\$68,946,223</u>	<u>\$30,212,538</u>	<u>\$30,509,722</u>	<u>\$113,450,948</u>	<u>\$99,455,945</u>



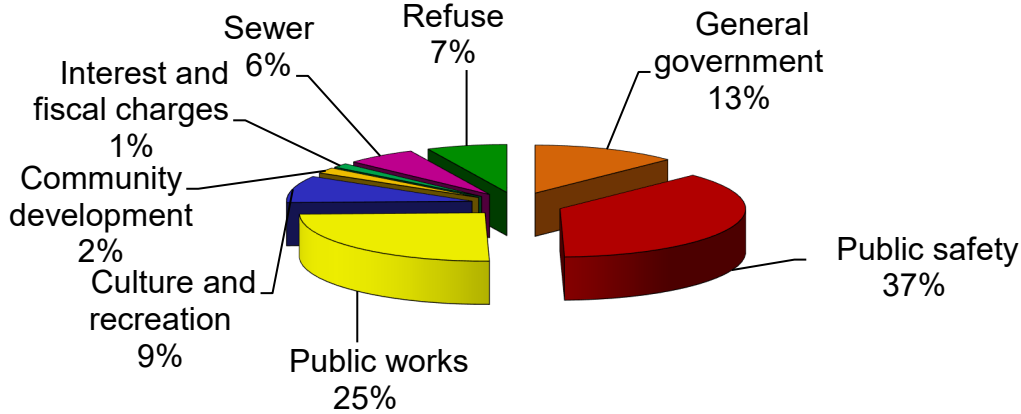
**CITY OF SIERRA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

Changes in net position. The City's total revenues for the fiscal year ended June 30, 2023, were \$83.2 million. The total cost of all programs and services was \$69.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2023 and 2022.

	2023 Governmental Activities	2022 Governmental Activities	2023 Business-type Activities	2022 Business-type Activities	2023 Total	2022 Total
Revenues:						
Program revenues:						
Charges for services	\$ 10,473,384	\$ 10,885,825	\$ 8,526,236	\$ 8,594,168	\$ 18,999,620	\$ 19,479,993
Operating grants and contributions	8,822,040	8,964,979		125,000	8,822,040	9,089,979
Capital grants and contributions	3,077,081	3,996,799	247,029	622,162	3,324,110	4,618,961
General revenues:						
Property taxes	386,286	368,131			386,286	368,131
Sales taxes	27,302,381	25,331,979			27,302,381	25,331,979
State shared revenues	22,719,476	19,270,550			22,719,476	19,270,550
Other revenues	480,858	1,120,566	5,800		486,658	1,120,566
Investment income	<u>1,122,910</u>	<u>48,935</u>	<u>587</u>	<u>10,647</u>	<u>1,123,497</u>	<u>59,582</u>
Total revenues	<u>\$74,384,416</u>	<u>\$69,987,764</u>	<u>\$8,779,652</u>	<u>\$9,351,977</u>	<u>\$83,164,068</u>	<u>\$79,339,741</u>
	2023 Governmental Activities	2022 Governmental Activities	2023 Business-type Activities	2022 Business-type Activities	2023 Total	2022 Total
Expenses:						
General government	\$ 8,794,094	\$ 7,592,570	\$	\$	\$ 8,794,094	\$ 7,592,570
Public safety	25,546,021	21,329,588			25,546,021	21,329,588
Public works	17,206,469	15,440,774			17,206,469	15,440,774
Culture and recreation	6,249,878	5,191,172			6,249,878	5,191,172
Community development	1,299,194	994,437			1,299,194	994,437
Interest and fiscal charges	996,573	497,432			996,573	497,432
Sewer			4,234,176	3,889,950	4,234,176	3,889,950
Refuse			<u>4,842,660</u>	<u>4,639,708</u>	<u>4,842,660</u>	<u>4,639,708</u>
Total expenses	<u>60,092,229</u>	<u>51,045,973</u>	<u>9,076,836</u>	<u>8,529,658</u>	<u>69,169,065</u>	<u>59,575,631</u>
Increase (decrease) in net position	<u>\$ 14,292,187</u>	<u>\$ 18,941,791</u>	<u>\$ (297,184)</u>	<u>\$ 822,319</u>	<u>\$ 13,995,003</u>	<u>\$ 19,764,110</u>
Net position, beginning of year	<u>68,946,223</u>	<u>\$ 50,004,432</u>	<u>\$30,509,722</u>	<u>\$29,687,403</u>	<u>\$99,455,945</u>	<u>\$79,691,835</u>
Net position, end of year	<u>\$ 83,238,410</u>	<u>\$ 68,946,223</u>	<u>\$30,212,538</u>	<u>\$30,509,722</u>	<u>\$113,450,948</u>	<u>\$99,455,945</u>

**CITY OF SIERRA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

EXPENSES



The following table presents the cost of the City's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and City's taxpayers by each of these functions.

	2023		2022	
	Total Expenses	Net (Expense)/Revenue	Total Expenses	Net (Expense)/Revenue
Governmental Activities:				
General government	\$ 8,794,094	\$ (3,533,798)	\$ 7,592,570	\$ (2,355,835)
Public safety	25,546,021	(18,947,609)	21,329,588	(13,697,174)
Public works	17,206,469	(10,620,650)	15,440,774	(6,928,426)
Culture and recreation	6,249,878	(3,228,537)	5,191,172	(3,585,763)
Community development	1,299,194	(392,557)	994,437	(133,740)
Interest and fiscal charges	996,573	(996,573)	497,432	(497,432)
Total expenses	\$ 60,092,229	\$ (37,719,724)	\$ 51,045,973	\$ (27,198,370)
Business-Type Activities:				
Sewer	\$4,234,176	(197,730)	\$3,889,950	665,628
Refuse	4,842,660	(105,841)	4,639,708	146,044
Total expenses	\$9,076,836	\$(303,571)	\$8,529,658	\$811,672

FINANCIAL ANALYSIS

Overall. The City had two items that account for most of the revenue growth.

The first item is local shopping continues to increase as retail tax revenues are up \$0.3 million, or 3%, and food for home consumption are up \$0.4 million, or 14% over FY22

Second, Overall State Shared Revenues are up \$3.4 million, or 8%, over FY22.

**CITY OF SIERRA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$33.1 million, a decrease of \$13.4 million.

The General Fund is the principal operating fund of the City. The increase in fund balance in the General Fund for the fiscal year was \$2.6 million. The main reason is due to an 8% overall growth in City Privilege Taxes, with details about certain classifications mentioned above, and a 22% increase in State Shared Revenues.

In June 2022, the City issued \$24.0 million of Municipal Facilities Revenue Bonds from the Capital Improvements Fund. The proceeds are going to be used for phase 2 of the City's energy savings project and additional parks and facilities upgrades. \$22.6 million of the project was completed in 2023.

Proprietary funds. Net position of the enterprise funds at the end of the year amounted to \$30.2 million. This is a decrease of \$0.3 million from 2022. The main reason for the decrease was increased pension costs.

BUDGETARY HIGHLIGHTS

The City's budget policy calls for conservative revenue and expenditure estimates. This conservative approach is the main reason the General Fund Tax and State Shared revenue amounts are \$3.0 million above budget. On the expenditure side, the two largest contributors to the budget variance were the delay in the construction of the expansion to the City Animal Care Center and delivery delays on two ambulances.

The City amended the General Fund budget at the end of the year to transfer some above budget tax revenues to the HURF and Capital Improvements Funds. The City conducts a mid-year budget review which provides an opportunity to adjust the fiscal year budget. The fiscal year 2022 mid-year review focused on maintaining the General Fund ending fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2023, the City had a net investment of \$183.7 million in capital assets, including buildings, facilities, vehicles, computers, equipment, infrastructure, and construction in progress assets. Total depreciation expense for the year was \$9.5 million.

**CITY OF SIERRA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

The following schedule presents capital asset balances for the fiscal years ended June 30, 2023 and 2022.

	2023		2022	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Land	\$10,501,705	\$1,488,882	\$10,501,705	\$1,488,882
Infrastructure	175,437,853	44,848,520	165,097,322	44,551,583
Buildings and improvements	63,443,782	9,575,707	62,786,930	9,575,707
Machinery and equipment	35,180,401	8,615,182	31,804,678	7,966,805
Construction in progress	34,516,336	346,149	19,161,583	346,149
Accumulated depreciation	<u>(173,716,657)</u>	<u>(26,531,186)</u>	<u>(166,629,447)</u>	<u>(25,410,059)</u>
Total	<u>\$145,363,420</u>	<u>\$38,343,254</u>	<u>\$122,722,771</u>	<u>\$38,519,067</u>

For additional information on the City's capital assets, see the capital asset section in the footnotes, starting on page 51.

Debt Administration. At year-end, the City had \$34.5 million in long-term debt outstanding with \$2.9 million due within one year. The following table presents a summary of the City's outstanding long-term debt for the fiscal years ended June 30, 2023 and 2022.

	2023		2022	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Revenue Bonds	\$31,928,000	\$2,195,000	\$34,179,000	\$2,685,000
Financed purchases payable	<u> </u>	<u>360,298</u>	<u>162,442</u>	<u>616,995</u>
Total	<u>\$31,928,000</u>	<u>\$ 2,555,298</u>	<u>\$34,341,442</u>	<u>\$ 3,301,995</u>

State statutes currently limit the amount of general obligation debt a city may issue. The City currently has no general obligation debt outstanding. For additional information on the City's debt, see the debt section in the footnotes, starting on page 53.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Many factors were considered by the City's officials during the process of developing the fiscal year 2023-2024 budget. The priorities set for the fiscal year 2024 budget include the following:

- Extra conservative revenue forecasting due to uncertainty of COVID-19 recovery
- Maintaining the General Fund reserve level
- Completing objectives on the City Council's adopted strategic plan

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the Finance Department, City of Sierra Vista, 1101 Coronado Drive, Sierra Vista, AZ 85635.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Sierra Vista
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 44,803,561	\$ 436,515	\$ 45,240,076
Intergovernmental receivable	6,279,554	-	6,279,554
Accounts receivable	467,183	221,671	688,854
Interfund balances	1,352,287	(1,352,287)	-
Due from custodial funds	102,169	-	102,169
Leases receivable	17,729	-	17,729
Notes receivable	40,564	96,850	137,414
Inventory	297,033	-	297,033
Total current assets	<u>53,360,080</u>	<u>(597,251)</u>	<u>52,762,829</u>
Noncurrent assets:			
Leases receivable	\$ 374,239	\$ -	\$ 374,239
Notes receivable	334,065	707,598	1,041,663
Net OPEB asset	510,646	101,923	612,569
Land and improvements	10,501,705	1,488,882	11,990,587
Buildings and improvements	63,443,782	9,575,707	73,019,489
Infrastructure	175,437,853	44,848,520	220,286,373
Machinery and equipment	35,180,401	8,615,182	43,795,583
Construction in progress	34,516,336	346,149	34,862,485
Accumulated depreciation	<u>(173,716,657)</u>	<u>(26,531,186)</u>	<u>(200,247,843)</u>
Total noncurrent assets	<u>146,582,370</u>	<u>39,152,775</u>	<u>185,735,145</u>
Total assets	<u>199,942,450</u>	<u>38,555,524</u>	<u>238,497,974</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan and other post employment items	\$ 16,339,996	\$ 713,872	\$ 17,053,868
Charges on bond refinancing	-	61,686	61,686
Total deferred outflows of resources	<u>16,339,996</u>	<u>775,558</u>	<u>17,115,554</u>
Total assets and deferred outflows of resources	<u>216,282,446</u>	<u>39,331,082</u>	<u>255,613,528</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 10,479,318	\$ 1,065,783	\$ 11,545,101
Compensated absences payable	1,683,820	106,991	1,790,811
Claims payable	277,206	-	277,206
Accrued salaries and employee benefits	1,221,786	85,365	1,307,151
OPEB liability	725,577	52,825	778,402
Unearned revenue	-	141,683	141,683
Revenue bonds payable	2,315,000	510,000	2,825,000
Financed purchases payable	-	118,515	118,515
Other liabilities	94,142	-	94,142
Customer deposits	25,566	-	25,566
Total current liabilities	<u>16,822,415</u>	<u>2,081,162</u>	<u>18,903,577</u>
Noncurrent liabilities:			
Net OPEB liability	\$ 17,564,434	\$ 1,278,767	\$ 18,843,201
Net pension liability	57,379,747	2,992,246	60,371,993
Compensated absences payable	1,103,096	3,382	1,106,478
Revenue bonds payable	29,613,000	1,685,000	31,298,000
Financed purchases payable	-	241,783	241,783
Total noncurrent liabilities	<u>105,660,277</u>	<u>6,201,178</u>	<u>111,861,455</u>
Total liabilities	<u>122,482,692</u>	<u>8,282,340</u>	<u>130,765,032</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan and other post employment items	\$ 10,177,612	\$ 836,204	\$ 11,013,816
Leases	383,732	-	383,732
Total deferred inflows of resources	<u>10,561,344</u>	<u>836,204</u>	<u>11,397,548</u>
Total liabilities and deferred inflows of resources	<u>133,044,036</u>	<u>9,118,544</u>	<u>142,162,580</u>
NET POSITION			
Net investment in capital assets	\$ 121,987,509	\$ 35,849,642	\$ 157,837,151
Restricted for:			
Airport	3,030,188	-	3,030,188
Capital projects	8,715,530	-	8,715,530
Development fees	385,469	-	385,469
Donations	419,092	-	419,092
OPEB	510,646	101,923	612,569
Other	1,088,600	-	1,088,600
Police special programs	252,447	-	252,447
Streets	2,264,671	-	2,264,671
Unrestricted	<u>(55,415,742)</u>	<u>(5,739,027)</u>	<u>(61,154,769)</u>
Total net position	<u>\$ 83,238,410</u>	<u>\$ 30,212,538</u>	<u>\$ 113,450,948</u>

The notes to financial statements are an integral part of this statement.

City of Sierra Vista
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	\$ 8,794,094	\$ 2,033,891	\$ 3,226,405
Public safety	25,546,021	2,809,232	3,584,837
Public works	17,206,469	3,610,450	1,673,553
Culture and recreation	6,249,878	1,119,220	331,199
Community development	1,299,194	900,591	6,046
Interest and fiscal charges	996,573	-	-
Total governmental activities	<u>60,092,229</u>	<u>10,473,384</u>	<u>8,822,040</u>
Business-type activities:			
Sewer	4,234,176	3,789,417	-
Refuse	4,842,660	4,736,819	-
Total business-type activities	<u>9,076,836</u>	<u>8,526,236</u>	<u>-</u>
Total primary government	<u>\$ 69,169,065</u>	<u>\$ 18,999,620</u>	<u>\$ 8,822,040</u>

General revenues:
Property taxes
Sales taxes
Unrestricted state shared revenues
Investment income
Other revenues
Total general revenues
Change in net position
Net position - beginning
Net position - ending

The notes to financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ -	\$ (3,533,798)	\$ -	\$ (3,533,798)
204,343	(18,947,609)	-	(18,947,609)
1,301,816	(10,620,650)	-	(10,620,650)
1,570,922	(3,228,537)	-	(3,228,537)
-	(392,557)	-	(392,557)
-	(996,573)	-	(996,573)
<u>3,077,081</u>	<u>(37,719,724)</u>	<u>-</u>	<u>(37,719,724)</u>
247,029	-	(197,730)	(197,730)
-	-	(105,841)	(105,841)
<u>247,029</u>	<u>-</u>	<u>(303,571)</u>	<u>(303,571)</u>
<u>\$ 3,324,110</u>	<u>\$ (37,719,724)</u>	<u>\$ (303,571)</u>	<u>\$ (38,023,295)</u>
	386,286	-	386,286
	27,302,381	-	27,302,381
	22,719,476	-	22,719,476
	1,122,910	587	1,123,497
	<u>480,858</u>	<u>5,800</u>	<u>486,658</u>
	<u>52,011,911</u>	<u>6,387</u>	<u>52,018,298</u>
	14,292,187	(297,184)	13,995,003
	68,946,223	30,509,722	99,455,945
	<u>\$ 83,238,410</u>	<u>\$ 30,212,538</u>	<u>\$ 113,450,948</u>

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FUND FINANCIAL STATEMENTS

City of Sierra Vista
Balance Sheet
Governmental Funds
June 30, 2023

	General
ASSETS	
Cash and investments	\$ 7,679,878
Intergovernmental receivable	4,036,173
Accounts receivable	380,221
Due from other funds	308,613
Inventory	90,660
Leases receivable	-
Notes receivable	-
Total assets	\$ 12,495,545
LIABILITIES	
Accounts payable	\$ 1,701,463
Due to other funds	-
Accrued salaries and employee benefits	983,226
Other liabilities	22,396
Customer deposits	18,738
Total liabilities	2,725,823
DEFERRED INFLOWS	
Unavailable revenues	\$ -
Leases	-
Total deferred inflows of resources	-
Total liabilities and deferred inflows of resources	2,725,823
FUND BALANCES (DEFICITS)	
Nonspendable	\$ 90,660
Restricted	
Capital Projects	-
Other Projects	
Street Projects	-
Unassigned	9,679,062
Total fund balances (deficits)	\$ 9,769,722
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 12,495,545

The notes to financial statements are an integral part of this statement.

<u>Capital Improvements</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ 23,078,509	\$ 7,848,120	\$ 38,606,507
810,647	1,432,734	6,279,554
46,641	38,071	464,933
165,559	-	474,172
-	206,373	297,033
-	391,968	391,968
374,629	-	374,629
<u>\$ 24,475,985</u>	<u>\$ 9,917,266</u>	<u>\$ 46,888,796</u>
\$ 7,208,366	\$ 1,569,489	\$ 10,479,318
-	372,003	372,003
-	238,560	1,221,786
-	71,746	94,142
-	6,828	25,566
<u>7,208,366</u>	<u>2,258,626</u>	<u>12,192,815</u>
\$ 1,185,276	\$ -	\$ 1,185,276
-	383,732	383,732
<u>1,185,276</u>	<u>383,732</u>	<u>1,569,008</u>
<u>8,393,642</u>	<u>2,642,358</u>	<u>13,761,823</u>
\$ -	\$ 206,373	\$ 297,033
16,082,343	-	16,082,343
-	4,811,492	4,811,492
-	2,422,602	2,422,602
-	(165,559)	9,513,503
<u>\$ 16,082,343</u>	<u>\$ 7,274,908</u>	<u>\$ 33,126,973</u>
<u>\$ 24,475,985</u>	<u>\$ 9,917,266</u>	<u>\$ 46,888,796</u>

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**City of Sierra Vista
Reconciliation of Balance Sheet
To the Statement of Net Position
June 30, 2023**

Fund balances of governmental funds		33,126,973
Amounts reported for governmental activities in the statement of net position are different because:		
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Governmental capital assets	319,080,077	
Less accumulated depreciation	<u>(173,716,657)</u>	145,363,420
Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable resources in the funds		
Intergovernmental receivable	810,647	
Notes receivable	<u>374,629</u>	1,185,276
Long term assets are not due and receivable in the current period therefore are not reported in the funds.		
Long term OPEB asset	<u>510,646</u>	510,646
Long term liabilities are not due and payable in the current period therefore are not reported in the funds.		
Revenue bonds payable	(31,928,000)	
Net OPEB liability	(18,290,011)	
Net pension liability	(57,379,747)	
Compensated absences payable	<u>(2,786,916)</u>	(110,384,674)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred pension/OPEB plan inflows	(10,177,612)	
Deferred pension/OPEB plan outflows	<u>16,339,996</u>	6,162,384
Internal service funds are used by management to charge the cost of certain activities to the individual funds. The assets and liabilities of the funds are included in the Statement of Net Position.		
Health and Accident Fund	7,083,893	
Unemployment Insurance Fund	79,097	
Self-Insured Retention Fund	<u>111,395</u>	7,274,385
Net position of governmental activities		<u><u>83,238,410</u></u>

The notes to financial statements are an integral part of this statement.

City of Sierra Vista
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Capital Improvements
REVENUES		
Taxes	\$ 21,765,454	\$ 5,923,213
Licenses and permits	2,509,293	-
Intergovernmental	22,733,383	689,353
Charges for services	5,924,578	-
Fines	5,645	-
Investment income	271,697	765,820
Contributions	-	-
Other revenues	261,856	40,573
Total revenues	53,471,906	7,418,959
EXPENDITURES		
Current:		
General government	8,361,147	-
Public safety	22,881,906	-
Public works	6,705,055	-
Culture and recreation	5,129,877	-
Community development	1,062,440	-
Capital	3,065,596	22,575,246
Debt service:		
Interest and fiscal charges	2,183	-
Principal	119,150	-
Total expenditures	47,327,354	22,575,246
Excess (deficiency) of revenues over expenditures	6,144,552	(15,156,287)
OTHER FINANCING SOURCES (USES)		
Transfers out	(3,549,359)	(3,244,597)
Transfers in	-	1,000,000
Total other financing sources (uses)	(3,549,359)	(2,244,597)
Net change in fund balances	2,595,193	(17,400,884)
Fund balances - beginning	7,174,529	33,483,227
Fund balances - ending	\$ 9,769,722	\$ 16,082,343

The notes to financial statements are an integral part of this statement.

<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 27,688,667
-	2,509,293
9,016,667	32,439,403
1,937,570	7,862,148
19	5,664
85,393	1,122,910
1,377,192	1,377,192
169,784	472,213
<u>12,586,625</u>	<u>73,477,490</u>
10,579	8,371,726
2,582,167	25,464,073
4,604,847	11,309,902
173,439	5,303,316
226,016	1,288,456
6,041,104	31,681,946
994,390	996,573
<u>2,294,292</u>	<u>2,413,442</u>
<u>16,926,834</u>	<u>86,829,434</u>
<u>(4,340,209)</u>	<u>(13,351,944)</u>
-	(6,793,956)
<u>5,793,956</u>	<u>6,793,956</u>
<u>5,793,956</u>	<u>-</u>
1,453,747	(13,351,944)
5,821,161	46,478,917
<u>\$ 7,274,908</u>	<u>\$ 33,126,973</u>

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City of Sierra Vista
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities
For the Year Ended June 30, 2023

Net change in fund balances - total government funds		(13,351,944)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.</p>		
Expenditures for capital assets	30,856,856	
Current year depreciation	(8,179,166)	
		22,677,690
<p>The gains and losses on the disposal of capital assets are not include as revenues or expenditures in governmental funds.</p>		
Gain/loss on sale of capital asset	(37,041)	
		(37,041)
<p>Governmental Funds report principal payment received on notes receivable as revenues whereas the Statement of Activities does not recognize them as revenue.</p>		
Notes receivable revenues	(39,633)	
		(39,633)
<p>Governmental Funds report revenues received more than 60 days after the end of the fiscal year as as unavailable revenues whereas the Statement of Activities recognizes them as current year revenue.</p>		
Unavailable revenue	810,647	
		810,647
<p>Governmental funds report debt principal payments as expenditures and note proceeds as revenues whereas the Statement of Activities does not recognize note proceeds as income, nor principal payments as expenditures.</p>		
Debt principal payments	2,413,442	
		2,413,442
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>		
Pension and OPEB liability expenses	(6,205,872)	
Compensated absences	(23,441)	
		(6,229,313)
<p>Government funds report pension and OPEB contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position</p>		
		7,912,425
<p>Internal service funds are used by management to charge the cost of certain activities to the individual funds. The changes in net position of the internal service funds are included in the Statement of Activities.</p>		
Health and Accident Fund	148,563	
Unemployment Insurance Fund	-	
Self-Insured Retention Fund	(12,649)	
		135,914
Change in net position of governmental activities		14,292,187

The notes to financial statements are an integral part of this statement.

City of Sierra Vista
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities	
	Sewer	Refuse
ASSETS		
Current assets:		
Cash and investments	\$ -	\$ 436,515
Accounts receivable, net	89,592	132,079
Notes receivable	96,850	
Due from other funds	-	-
Total current assets	<u>186,442</u>	<u>568,594</u>
Noncurrent assets:		
Notes receivable	707,598	
Net OPEB asset	47,477	54,446
Capital assets (net of accumulated depreciation)	35,431,486	2,911,768
Total noncurrent assets	<u>36,186,561</u>	<u>2,966,214</u>
Total assets	<u>36,373,003</u>	<u>3,534,808</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension and other post employment benefit	323,766	390,106
Charges on Bond Refinancing	61,686	-
Total deferred outflows of resources	<u>385,452</u>	<u>390,106</u>
Total assets and deferred outflows of resources	<u>\$ 36,758,455</u>	<u>\$ 3,924,914</u>
LIABILITIES		
Current liabilities:		
Accounts payable	193,690	872,093
Compensated absences payable	40,449	66,542
Claims payable	-	-
OPEB liability	22,642	30,183
Unearned revenue	-	141,683
Due to other funds	1,352,287	-
Accrued salaries and employee benefits	35,604	49,761
Revenue bonds payable	510,000	-
Financed purchases payable	-	118,515
Total current liabilities	<u>2,154,672</u>	<u>1,278,777</u>
Noncurrent liabilities:		
Net OPEB liability	548,103	730,664
Compensated absences payable	1,302	2,080
Net Pension liability	1,393,829	1,598,417
Revenue bonds payable	1,685,000	-
Financed purchases payable	-	241,783
Total noncurrent liabilities	<u>3,628,234</u>	<u>2,572,944</u>
Total liabilities	<u>5,782,906</u>	<u>3,851,721</u>
DEFERRED INFLOWS OF RESOURCES		
Pension and other post employment benefit	365,771	470,433
Total deferred inflows of resources	<u>365,771</u>	<u>470,433</u>
Total liabilities and deferred inflows of resources	<u>6,148,677</u>	<u>4,322,154</u>
NET POSITION		
Net investment in capital assets	33,298,172	2,551,470
Restricted - OPEB	47,477	54,446
Unrestricted	(2,735,871)	(3,003,156)
Total net position	<u>\$ 30,609,778</u>	<u>\$ (397,240)</u>

The notes to financial statements are an integral part of this statement.

		Governmental Activities	
<u>Total Enterprise Funds</u>		<u>Internal Service Funds</u>	
\$	436,515	\$	6,197,054
	221,671		2,250
	96,850		-
	-		1,352,287
	<u>755,036</u>		<u>7,551,591</u>
	707,598		-
	101,923		-
	<u>38,343,254</u>		<u>-</u>
	<u>39,152,775</u>		<u>-</u>
	<u>39,907,811</u>		<u>7,551,591</u>
	713,872		-
	61,686		-
	<u>775,558</u>		<u>-</u>
\$	<u>40,683,369</u>	\$	<u>7,551,591</u>
	1,065,783		-
	106,991		-
	-		277,206
	52,825		-
	141,683		-
	1,352,287		-
	85,365		-
	510,000		-
	118,515		-
	<u>3,433,449</u>		<u>277,206</u>
	1,278,767		-
	3,382		-
	2,992,246		-
	1,685,000		-
	<u>241,783</u>		<u>-</u>
	<u>6,201,178</u>		<u>-</u>
	<u>9,634,627</u>		<u>277,206</u>
	836,204		-
	836,204		-
	<u>10,470,831</u>		<u>277,206</u>
	35,849,642		-
	101,923		-
	<u>(5,739,027)</u>		<u>7,274,385</u>
\$	<u>30,212,538</u>	\$	<u>7,274,385</u>

City of Sierra Vista
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities	
	Sewer	Refuse
OPERATING REVENUES		
Charges for services	\$ 3,671,944	\$ 4,673,510
Contributions	-	-
Other revenues	117,473	63,309
Total operating revenues	<u>3,789,417</u>	<u>4,736,819</u>
OPERATING EXPENSES		
Salaries, wages and related expenses	1,529,972	1,590,049
Operations and maintenance	1,640,829	2,899,925
Depreciation	999,517	345,925
Benefits paid	-	-
Premiums paid	-	-
Total operating expenses	<u>4,170,318</u>	<u>4,835,899</u>
Operating income (loss)	<u>(380,901)</u>	<u>(99,080)</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	587	-
Gain on sale of capital assets	5,800	-
Interest and fiscal charges	(63,858)	(6,761)
Total nonoperating revenues (expenses)	<u>(57,471)</u>	<u>(6,761)</u>
Income (loss) before contributions	<u>(438,372)</u>	<u>(105,841)</u>
CAPITAL CONTRIBUTIONS		
Connection income	247,029	-
Total capital contributions	<u>247,029</u>	<u>-</u>
Change in net position	(191,343)	(105,841)
Total net position - beginning	<u>\$ 30,801,121</u>	<u>\$ (291,399)</u>
Total net position - ending	<u>\$ 30,609,778</u>	<u>\$ (397,240)</u>

The notes to financial statements are an integral part of this statement.

		Governmental Activities	
<u>Total Enterprise Funds</u>		<u>Internal Service Funds</u>	
\$	8,345,454	\$	-
	-		4,015,114
	180,782		800,897
	<u>8,526,236</u>		<u>4,816,011</u>
	3,120,021		-
	4,540,754		348,271
	1,345,442		-
	-		3,928,198
	-		645,323
	<u>9,006,217</u>		<u>4,921,792</u>
	<u>(479,981)</u>		<u>(105,781)</u>
	587		241,695
	5,800		-
	<u>(70,619)</u>		<u>-</u>
	<u>(64,232)</u>		<u>241,695</u>
	<u>(544,213)</u>		<u>135,914</u>
	247,029		-
	<u>247,029</u>		<u>-</u>
	(297,184)		135,914
\$	<u>30,509,722</u>	\$	<u>7,138,471</u>
\$	<u>30,212,538</u>	\$	<u>7,274,385</u>

City of Sierra Vista
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Funds	
	Sewer	Refuse
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 3,681,826	\$ 4,651,796
Cash paid to suppliers for goods and services	(1,589,425)	(2,124,063)
Cash paid to employees for services	(1,602,815)	(1,849,719)
Other operating revenues	213,298	63,309
Net cash provided (used) by operating activities	702,884	741,323
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Change in intrafund borrowing	36,198	-
Net cash provided (used) by noncapital financing activities	36,198	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest paid on financed purchases and bonds	(48,436)	(6,761)
Acquisition of capital assets	(369,977)	(799,652)
Sale of capital assets	5,801	-
Principal paid on financed purchases and bonds	(574,086)	(172,611)
Connection fees	247,029	-
Net cash provided (used) by capital and related financing activities	(739,669)	(979,024)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	587	-
Net cash provided (used) by investing activities	587	-
Net increase (decrease) in cash and cash equivalents	-	(237,701)
Balances - beginning of year	-	674,216
Balances - end of the year	\$ -	\$ 436,515

The notes to financial statements are an integral part of this statement.

		Governmental Activities	
<u>Total Enterprise Funds</u>		<u>Internal Service Funds</u>	
\$	8,333,622	\$	4,020,271
	(3,713,488)		(4,859,051)
	(3,452,534)		-
	276,607		800,897
	<u>1,444,207</u>		<u>(37,883)</u>
	36,198		(36,198)
	<u>36,198</u>		<u>(36,198)</u>
	(55,197)		-
	(1,169,629)		-
	5,801		-
	(746,697)		-
	247,029		-
	<u>(1,718,693)</u>		<u>-</u>
	587		241,695
	<u>587</u>		<u>241,695</u>
	(237,701)		167,614
	674,216		6,029,440
\$	<u>436,515</u>	\$	<u>6,197,054</u>

City of Sierra Vista
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Funds	
	Sewer	Refuse
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income	\$ (380,901)	\$ (99,080)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	999,517	345,925
Changes in assets and liabilities:		
Increase (decrease) in uncollectible accounts	(90,209)	(81,333)
Decrease (increase) in gross accounts receivable	100,088	79,399
Increase (decrease) in operating portion of accounts payable	51,404	775,862
Increase (decrease) in accrued salaries	5,101	14,614
Increase (decrease) in compensated absences	(1,308)	6,036
Decrease (increase) in notes receivable	95,827	-
Increase (decrease) in unearned revenue	-	(19,780)
Increase (decrease) in OPEB liability	114,471	1,468
Increase (decrease) in net pension liability	188,474	274,035
Increase (decrease) in pension and OPEB inflows	(458,541)	(657,836)
Decrease (increase) in pension and OPEB outflows	81,700	107,304
Decrease (increase) in net OPEB asset	(2,739)	(5,291)
Net cash provided (used) by operating activities	<u>\$ 702,884</u>	<u>\$ 741,323</u>

Non-cash capital and related financing activities:
Amortization of deferred bond charges \$ 15,422

The notes to the financial statements are an integral part of this statement.

	<u>Governmental Activities</u>	
<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>	
\$ (479,981)	\$	(105,781)
1,345,442		-
(171,542)		-
179,487		5,157
827,266		62,741
19,715		-
4,728		-
95,827		-
(19,780)		-
115,939		-
462,509		-
(1,116,377)		-
189,004		-
(8,030)		-
<u>\$ 1,444,207</u>	<u>\$</u>	<u>(37,883)</u>

City of Sierra Vista
Statement of Fiduciary Net Position
June 30, 2023

	Custodial Funds
ASSETS	
Cash and investments	\$ 384,056
Intergovernmental receivable	143,891
Total assets	527,947
 LIABILITIES	
Accounts payable	78,569
Due to City	102,169
Total liabilities	180,738
 NET POSITION	
Restricted for:	
Other agencies	347,209
Total net position	\$ 347,209

The notes to the financial statements are an integral part of this statement.

City of Sierra Vista
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	Custodial Funds
ADDITIONS	
Intergovernmental	\$ 920,086
Abandon property	10,213
Investment earnings	34
Total additions	930,333
 DEDUCTIONS	
Payments to vendors	964,153
Payments to State	9,665
Total deductions	973,818
 Net increase (decrease) in fiduciary net position	 (43,485)
 Net Position, beginning of year	 390,694
 Net Position, end of year	 \$ 347,209

The notes to the financial statements are an integral part of this statement.

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**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. Summary of Significant Accounting Policies

The financial statements of City of Sierra Vista (City) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

For the fiscal year ended June 30, 2023, the City implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which establishes guidance on the accounting and reporting for subscription-based technology arrangements (SBITAs) for government end users (governments). The objective of this statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. Under this Statement, a government generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed in service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government’s incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent reporting periods. The City’s analysis of SBITAs in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

The more significant of the City’s accounting policies are described below.

A. Reporting Entity

The City is a municipal entity governed by an elected mayor and council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the City, the primary government.

Blended Component Units. The Sierra Vista Municipal Planning Organization (SVMPO) has been included in the accompanying financial statements as a blended component unit. The Sierra Vista Municipal Planning Organization was established per Federal regulations because the Sierra Vista metropolitan area has a population in excess of 50,000 people. Although a separate legal entity, three of the five board members of the organization are city council members so the City can therefore significantly influence the SVMPO’s operations. In addition, per the agreement between the City and the SVMPO, all employees of the SVMPO are employees of the City as well. The SVMPO has a June 30 year end, and separate financial statements are not prepared on a stand-alone basis.

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

B. Government-wide and Fund Financial Statements

The government-wide financial statements present financial information about the City as a whole. These statements include the Statement of Net Position and the Statement of Activities. The reported information includes all of the nonfiduciary activities of the City and its component units. Most of the internal activity has been removed from these statements to avoid duplicating information with some exceptions, such as proprietary fund to governmental fund activity for interfund services provided and used. These statements are to distinguish between the governmental and business-type activities of the City. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, investment income and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City of Sierra Vista reports the following major funds:

Governmental Funds

General Fund – This fund is the general operating fund of the City. It is used to account for all of the financial resources except those for which another fund is required or desired.

Capital Improvements Fund - To account for local transaction privilege taxes designated for capital improvements and debt service on capital improvements.

Proprietary Funds

Sewer Fund – This fund accounts for the operation of the City's sewer system.

Refuse Fund – This fund accounts for the operation of the City's refuse system.

Additionally, the City reports the following fund types:

Internal Service Funds – Internal Service Funds are established to account for financing of goods and services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The Internal Service Funds consist of the Health and Accident Insurance Fund, Unemployment Insurance Fund and the Self-Insured Retention Fund.

Fiduciary Funds – Fiduciary Funds account for assets held by the City on behalf of others and

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

include the Abandon Property Fund, Cochise County Tourism Council Deposits Fund, 911 Fund and the Upper San Pedro Partnership Deposits Fund.

C. Measurement Focus/Basis of Accounting

Government-wide, proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Revenues are recorded when earned and expenses when incurred regardless of cash flows.

Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues collected within 60 days after the end of the period to be available. Expenditures are recorded when the liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. In addition, compensated absences and claims and judgments are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, city sales taxes, and state and county shared revenues. In addition, the City follows the policy that grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sewer and refuse services. Operating expenses for these funds include salaries, operations and maintenance and depreciation expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The fiduciary funds are custodial in nature and are reported on the accrual basis of accounting. The fiduciary funds are reported by fund type.

D. Budgets and Budgetary Accounting

Arizona State Statutes establish a limitation on local government expenditures at the city-wide level. Based upon fiscal year 1979-80 amounts, this limitation restricts expenditure growth to increases in population and inflation with certain exclusions allowed.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds. All governmental fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed during the fiscal year. Encumbrances of the current year budget are reappropriated in the succeeding year. There were no significant encumbrances at year end.

F. Inventories

The City uses the First-In-First-Out (FIFO) method for expensing fuel in the Airport Fund and the average cost method of expensing fuel in the General Fund. Inventories are recorded as expenditures/expenses when consumed.

G. Capital Assets

Capital assets, which include land and improvements, buildings and improvements, vehicles, machinery, equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. General government infrastructure capital assets include only those assets acquired or constructed since July 1, 1980.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, if applicable.

Most capital assets are depreciated under the straight-line method of depreciation over the estimated useful lives of the assets as follows:

Land Improvements	5-30 years
Infrastructure	5-30 years
Building and Improvements	5-30 years
Wastewater Facility	30 years
Other Improvements	5-100 years
Equipment	5-10 years

H. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business type activities or proprietary fund type statement of net position.

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

I. Compensated Absences

The City's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Vacation benefits vest after six months at the employee's current rate of pay. All of an employee's accrued vacation, and a proportion of their sick leave, is paid to them when they end employment with the City. The amount of sick leave paid out is a ratio based on years of service. The current and long-term liabilities for accumulated vacation and sick leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. The liabilities for governmental compensated absences are generally liquidated with resources from the General Fund.

J. Statement of Cash Flows

For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at June 30, 2023 were cash in bank, cash on hand and pooled investment with the State Treasurer.

Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable federal depository insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depositor's compliance with the program.

K. Interfund Services Provided and Used

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

L. Estimates

The preparation of the financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources until that time.

N. Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension and OPEB assets and liabilities, deferred outflows of resources and deferred inflows of resources and related expenses, information about the pension and OPEB plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Net Position Flow Assumption

In the government-wide and proprietary fund financial statements the City applies restricted resources first when outlays are incurred for the purposes for which either restricted or unrestricted amounts are available.

P. Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Q. Leases

As lessor, if there are no stated rate in the lease contract (or the stated rate is not the rate the City charges the lessee and the implicit rate cannot be determined, the City uses an interest rate based on the Applicable Federal Rate as the discount rate to measure lease receivables.

2. Cash and Investments

Arizona Revised Statutes authorize the City to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona counties, cities, towns, school districts, and special districts as specified by statute. The statutes do not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the City's investments.

The captions and carrying amounts of cash and investments at June 30, 2023, consist of the following.

	Cash on hand	\$	14,365
	Cash in Bank		8,994,000
	Investments with State Treasurer		27,606,586
	Cash held by trustee		8,625,125
	Cash held as fiscal agent		384,056
Total		\$	45,624,132

The City's total cash in bank/trustee (bank balance) was entirely covered by Federal

**CITY OF SIERRA VISTA
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depository insurance, except approximately \$18.4 million of the City’s deposits were covered by collateral held by the pledging financial institution’s trust department or fiscal agent, but not in the City’s name.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted prices in active markets for identical assets

Level 2 inputs are significant other observable inputs

Level 3 inputs are significant unobservable inputs.

The State’s Treasurer’s pools are external investment pools, the Local Investment Pool (Pool 5) and the Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools are not required to register with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant’s position in the State Treasurer investment pools approximates the value of the participant’s shares in the pool and the participant’s shares are not identified with specific investments. Participants in the pool are not required to categorize the value of the shares in accordance with the fair value hierarchy.

Investments at June 30, 2023 were as follows:

	<u>Fair Value</u>	<u>Level</u>
State Treasurer’s Investment Pool 5– 44 days weighted average maturity	\$ 27,606,586	Not applicable
Total	\$ 27,606,586	

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The City has no investment policy that would further limit its investment choices. The State Treasurer’s investment pool 5 was rated AAA by Moody’s at year end.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of bank failure the City’s deposits may not be returned to the City. The City does not have a deposit policy for custodial credit risk.

Custodial Credit Risk - Investments. The City’s investment in the State Treasurer’s investment pool represents a proportionate interest in the pool’s portfolio; however the City’s portion is not identified with specific investments and are not subject to custodial credit risk. Interest earned from investments purchased with such pooled monies is allocated to each of the funds based on their average monthly balances.

3. Property Tax

Property taxes are levied and collected by the Cochise County Treasurer on behalf of the City. Property taxes are levied no later than the third Monday in August on property values assessed as of January 1 and are payable in two installments due October 1 and March 1. Taxes become delinquent after the first business day of November and May, respectively. Interest at the rate of 16 percent per annum attaches on installments following the delinquency date. Pursuant to A.R.S., a lien against property assessed attaches on the first

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day of January preceding the levy, however according to case law, an enforceable legal claim to the asset does not arise.

The State Constitution and State law specify a property tax levy limitation system. The primary tax levy is limited to an increase of two percent over the previous year's maximum allowable primary levy, plus an increased dollar amount due to a net gain in property not taxed the previous year. Also, the primary tax from all taxing jurisdictions for homeowners may not exceed one percent of the market value of the home. If the combined primary property tax (for the City, County, etc.) exceed one percent of the market value of the homes, the school districts will reduce their rate until the homeowners rate is equal to or less than the allowable one percent. The State will then subsidize the school districts for the reduced revenue. This one percent limitation applies to primary property taxes and does not affect the secondary property tax levy.

There is also a control on the assessed value of property for primary tax purposes. The base year for this tax system is fiscal year 1978-79. From this base year, two assessed values evolve. The primary assessed values are controlled by being allowed to grow or increase by no more than ten percent a year. The dollar amount of the secondary property tax levy is "unlimited" and the assessed property is used in determining the tax rate.

4. Receivables

A. Intergovernmental Receivables

Intergovernmental receivables, net of allowances for uncollectibles, as of year end for the City's individual major funds and non-major funds in the aggregate were as follows.

	General Fund	Capital Improvement Fund	Non-Major Governmental Funds
Receivables due from:			
Federal government	\$50,425	\$810,647	\$647,061
State government	3,887,858		430,333
Other governments	97,890		355,340
Total intergovernmental receivables	\$4,036,173	\$810,647	\$1,432,734

B. Notes Receivables

In November 2014 the Voters of Sierra Vista approved the sale of the King's Court property. In August 2021 the property was sold. The purchase price of \$500,000 is payable over the next 10 years at 3.5% interest and the final payment is due on August 2031. At June 30, 2023 the note receivable balance in the Capital Improvements fund is \$374,629 and the corresponding revenue has been reported as deferred inflows as it is unavailable at year end.

In December 2020 the City Council approved the financing of interest due the Sewer Fund from a 2002 development agreement for the Avenida del Sol sewer extension. The resolution financed \$995,084 over 10 years at 1.07% interest, and final payment is due on July 29, 2030. The note receivable balance in the Sewer Fund is \$804,448.

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

C. Lease Receivables

The City acts as a lessor for a cell tower agreement under the provisions of contracts classified as leases. The related receivable under the lease agreement has been recorded at the present value of the future minimum lease payments as of the inception date. Lease revenues of \$21,318 are recorded in the LTAF Fund. Future minimum lease payments to be received under the lease agreement at year end is summarized as follows:

Year ending June 30:	Principal	Interest
2024	\$ 17,729	\$ 3,841
2025	17,453	3,667
2026	19,572	3,484
2027	19,947	3,285
2028	20,147	3,085
2029-33	110,685	12,252
2034-38	128,950	6,279
2039-43	57,485	630
Total	<u>\$ 391,968</u>	<u>\$ 36,523</u>

5. Capital Assets

A summary of capital asset activity for the fiscal year ended June 30, 2023 is as follows.

Governmental activities:

	Balance <u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2023</u>
Non-depreciable assets:				
Land	\$ 10,501,705	\$	\$	\$ 10,501,705
Construction in progress	19,161,583	20,309,040	(4,954,287)	34,516,336
Depreciable assets:				
Infrastructure	165,097,322	10,340,531		175,437,853
Buildings and improvements	62,786,930	711,501	(54,649)	63,443,782
Machinery and Equipment	<u>31,804,678</u>	<u>4,450,071</u>	<u>(1,074,348)</u>	<u>35,180,401</u>
Total Capital Assets	<u>289,352,218</u>	<u>35,811,143</u>	<u>(6,083,284)</u>	<u>319,080,077</u>
Less accumulated depreciation for:				
Infrastructure	102,897,067	4,720,267		107,617,334
Buildings and improvements	39,892,179	1,697,162	(17,608)	41,571,733
Machinery and Equipment	<u>23,840,201</u>	<u>1,761,737</u>	<u>(1,074,348)</u>	<u>24,527,590</u>
Total Accumulated Depreciation	<u>166,629,447</u>	<u>8,179,166</u>	<u>(1,091,956)</u>	<u>173,716,657</u>
Total Capital Assets, Net	<u>\$122,722,771</u>	<u>\$ 27,631,977</u>	<u>\$ (4,991,328)</u>	<u>\$ 145,363,420</u>

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
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Depreciation expense was charged to governmental activities as follows:

General government	\$ 401,826
Public safety	1,836,906
Public works	4,982,825
Culture and recreation	<u>957,609</u>
Total Depreciation Expense	<u>\$ 8,179,166</u>

Business-type activities:

	Balance <u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2023</u>
Non-depreciable assets				
Land	\$ 1,488,882	\$	\$	\$ 1,488,882
Construction in progress	346,149			346,149
Depreciable assets				
Infrastructure	44,551,583	296,937		44,848,520
Buildings and improvements	9,575,707			9,575,707
Machinery and Equipment	<u>7,966,805</u>	<u>872,692</u>	<u>(224,315)</u>	<u>8,615,182</u>
Total Capital Assets	<u>63,929,126</u>	<u>1,169,629</u>	<u>(224,315)</u>	<u>64,874,440</u>
Less accumulated depreciation for:				
Infrastructure	11,774,517	754,741		12,529,258
Buildings and improvements	8,737,801	180,661		8,918,462
Machinery and Equipment	<u>4,897,741</u>	<u>410,040</u>	<u>(224,315)</u>	<u>5,083,466</u>
Total Accumulated Depreciation	<u>25,410,059</u>	<u>1,345,442</u>	<u>(224,315)</u>	<u>26,531,186</u>
Total Capital Assets, Net	<u>\$38,519,067</u>	<u>\$ (175,813)</u>	<u>\$</u>	<u>\$38,343,254</u>

Depreciation expense was charged to business-type activities as follows:

Sewer	\$ 999,517
Refuse	<u>345,925</u>
Total Depreciation Expense	<u>\$ 1,345,442</u>

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

6. <u>Long-term Debt</u>	Outstanding Principal at <u>June 30, 2023</u>
Business-type activities:	
Revenue Bonds	
A. 2017 Sierra Vista Municipal Property Corporation Lease Revenue Bonds (private placement) issued to refinance the 2012 Sewer Plant upgrades note payable, due in varying annual installments thru January 2027 at 1.84%; (paid by Sewer Fund).	\$ 2,195,000
Financed Purchases Payable	
B. Financed purchases payable in quarterly installments of \$ 30,675 including interest at 1.32% until June 2026; collateralized by specified vehicles (paid by Refuse Fund).	<u>360,298</u>
	2,555,298
Less current portion of revenue bonds	(510,000)
Less current portion of financed purchases payable	<u>(118,515)</u>
Total business-type activity long-term debt	<u>\$ 1,926,783</u>
Governmental activities:	
Revenue Bonds	
A. 2020 Municipal Facilities Revenue Bonds (private placement) issued to construct various City facilities; due in varying annual installments through January 2030 at 2.48% (paid by Debt Service Fund).	\$9,013,000
B. 2022 Municipal Facilities Revenue Bonds (private placement) issued to construct various City facilities; due in varying annual installments through July 2039 at 3.10% (paid by Debt Service Fund).	<u>\$22,915,000</u>
	31,928,000
Less current portion of revenue bonds	<u>(2,315,000)</u>
Total governmental activity long-term debt	<u>\$29,613,000</u>

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Changes in Long-term Debt-

Governmental Activities

	Balance at <u>June 30, 2022</u>	<u>Additions</u>	Repayments/ <u>Retirements</u>	Balance at <u>June 30, 2023</u>	Current <u>Portion</u>
Revenue bonds	\$ 34,179,000	\$	2,251,000	\$ 31,928,000	\$ 2,315,000
Financed purchases	162,442		162,442		
Net OPEB liability	14,395,431	3,894,580		18,290,011	725,577
Net pension liability	47,544,747	9,835,000		57,379,747	
Compensated absences	2,763,475	1,861,432	1,837,991	2,786,916	1,683,820
Total	\$ 99,045,095	\$ 15,591,012	\$ 4,251,433	\$ 110,384,674	\$ 4,724,397

Business-type Activities

	Balance at <u>June 30, 2022</u>	<u>Additions</u>	Repayments/ <u>Retirements</u>	Balance at <u>June 30, 2023</u>	Current <u>Portion</u>
Revenue Bonds	\$ 2,685,000	\$	490,000	\$ 2,195,000	\$ 510,000
Financed purchases	616,995		256,697	360,298	118,515
Net OPEB liability	1,215,653	115,939		1,331,592	52,825
Net pension liability	2,529,737	462,509		2,992,246	
Compensated absences	105,645	101,890	97,162	110,373	106,991
Total	\$ 7,153,030	\$ 680,338	\$ 843,859	\$ 6,989,509	\$ 788,331

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Debt Service Requirements to Maturity

The annual requirements to amortize all bonds and financed purchases outstanding as of June 30, 2023, is detailed below.

Year ending 30-Jun	Business-type Activities				Governmental Activities		Total
	Revenue Bonds		Financed purchases		Revenue Bonds		
	Principal	Interest	Principal	Interest	Principal	Interest	
2024	510,000	35,696	118,515	4,185	2,315,000	921,707	3,905,103
2025	535,000	26,082	120,092	2,607	2,379,000	855,295	3,918,076
2026	560,000	16,008	121,691	1,009	2,450,000	755,679	3,904,387
2027	590,000	5,428			2,516,000	719,292	3,830,720
2028					2,588,000	647,943	3,235,943
2029					2,661,000	574,527	3,235,527
2030					2,739,000	498,944	3,237,944
2031					1,395,000	438,874	1,833,874
2032					1,440,000	394,616	1,834,616
2033					1,485,000	348,863	1,833,863
2034					1,535,000	301,613	1,836,613
2035					1,580,000	252,945	1,832,945
2036					1,630,000	202,781	1,832,781
2037					1,685,000	150,964	1,835,964
2038					1,735,000	97,571	1,832,571
2039					1,795,000	42,368	1,837,368
Total	2,195,000	83,214	360,298	7,801	31,928,000	7,203,982	41,778,295

All of the outstanding bonds listed in the table above are private placement Municipal Facilities Revenue bonds. The original principal amount for the Series 2017 was \$17,435,000 and all maturities have a 1.84% coupon rate. The original principal for the Series 2020 was \$13,715,000 and all maturities have a 2.48% coupon rate. The original principal for the Series 2022 was \$24,000,000 and all maturities have a 3.10% coupon rate. All bonds are noncallable by either party. None of the bond series were issued with a premium or discount.

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Continuing Disclosure Requirements

The City has pledged its future excise tax revenues to repay outstanding municipal facilities revenue bonds. Included in the excise taxes pledged are the City's transaction privilege taxes and State shared sales and income taxes. The outstanding principal balance of these bonds as of June 30, 2023 was \$34.1 million. The following table shows the total excise taxes pledged, annual debt service and coverage ratio of excise taxes to debt service. The City is obligated, by bond indenture, to maintain a 3 times coverage ratio of prior year pledged excise tax revenues to current year debt service.

Year ending <u>30-Jun</u>	Pledged <u>Excise Taxes</u>	<u>MFRB's</u>	<u>Coverage</u>
2013	25,745,669	3,445,345	
2014	27,381,922	3,445,220	7.47
2015	28,681,141	3,436,845	7.97
2016	29,009,569	3,425,570	8.37
2017	29,294,082	3,428,376	8.46
2018	30,464,615	3,418,101	8.57
2019	31,642,292	3,294,954	9.25
2020	33,468,064	3,302,960	9.58
2021	36,627,472	4,679,518	7.15
2022	44,189,069	3,462,262	10.58
2023	50,393,246	3,775,490	11.70
2024		3,782,403	13.32
2025		3,795,377	
2026		3,781,687	
2027		3,830,720	
2028		3,235,943	
2029		3,235,527	
2030		3,237,944	
2031		1,833,874	
2032		1,834,616	
2033		1,833,863	
2034		1,836,613	
2035		1,832,945	
2036		1,832,781	
2037		1,835,964	
2038		1,832,571	
2039		1,837,368	

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

7. Pensions and Other Post Employment Benefits

The City contributes to the plans described below. The plans are component units of the State and benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. The City does not participate in the Corrections Officer Retirement Plan or the Elected Officials Retirement Plan.

Aggregate Amounts.

At June 30, 2023, the City reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net pension and OPEB assets	\$ 510,646	\$ 101,923	\$ 612,569
Net pension and OPEB liability	75,669,758	4,323,838	79,993,596
Deferred outflows of resources	16,339,996	713,872	17,053,868
Deferred inflows of resources	10,177,612	836,204	11,013,816
Pension and OPEB expense	6,205,872	(56,794)	6,149,078

The City reported \$7.9 million of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

A. Arizona State Retirement System

Plan Description

City employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

Benefits Provided

The ASRS provides retirement, health insurance premium supplement, long-term disability and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation and service credit as follows:

**CITY OF SIERRA VISTA
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	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* Any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* Any years age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%
	*With actuarially reduced benefits	

Retirement benefits for members who joined the ASRS prior to September 13, 2013 are subject to automatic cost-of-living based on excess investment earnings. Members with a membership date on or after September 13, 2013 are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a members' death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Retired and disabled members, with at least five years of credited service, are eligible to receive health insurance premium benefits. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with five to nine years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a long-term disability benefit in the event they become unable to perform their work. The monthly benefit is equal to two-thirds of their monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999 are limited to 30 years of service or the service on record as of the effective disability date, if their service is greater than 30 years.

Contributions

In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.17 percent (12.03 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the members'

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

annual covered payroll. The City's contributions for the year ended June 30, 2023 were as follow:

	Contributions
Pension	\$ 1,766,963
Health Insurance Premium	16,306
Long-Term Disability	20,753

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The City was required by statute to contribute at the actuarially determined rate of 9.68 percent (9.62 for retirement and 0.06 percent for long-term disability). ACR contributions are included in employer contributions presented above.

The City's pension and OPEB contributions are paid by the same funds as the employee's salary, with the largest component coming from the General Fund

Pension and OPEB Assets/Liability

The net pension and OPEB assets/liability were measured as of June 30, 2022. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total asset or liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022. The City's proportion of the net assets/liability was based on the City's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2022.

At June 30, 2023, the City reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2022, the City's percentage proportion for each plan and the related change from its proportion measured as of June 30, 2021 was:

	Net (Assets) Liability	City % Proportion	Increase (Decrease)
Pension	\$ 17,983,824	0.11018	(0.00256)
Health Insurance Premium	(612,569)	0.10976	(0.00309)
Long-Term Disability	10,167	0.11007	(0.00263)

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources

The City has deferred outflows and inflows of resources related to the net pension and OPEB assets/liabilities. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2023, the City recognized pension and OPEB expense as follows:

	Expense
Pension	\$ 1,846,053
Health Insurance Premium	(88,049)
Long-Term Disability	3,777

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

The City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
	Differences between expected and actual experience	\$ 153,233	\$ -
Changes of assumptions or other inputs	892,572	9,942	5,536
Difference between actual and projected earnings			
Changes in proportion and differences between contributions and proportionate share of contributions		4,339	852
Contributions subsequent to the measurement date	1,766,963	16,306	20,753
Total	\$ 2,812,768	\$ 30,587	\$ 32,432

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
	Differences between expected and actual experience	\$ -	\$ 312,620
Changes of assumptions or other inputs		16,707	24,812
Net difference between projected and actual earnings on investments	473,711	20,635	316
Changes in proportion and differences between contributions and proportionate share of contributions	333,211	97	2,210
Total	\$ 806,922	\$ 350,059	\$ 36,811

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2024	\$ 641,568	\$ (92,536)	\$ (2,208)
2025	(338,408)	(100,757)	(2,776)
2026	(822,474)	(110,551)	(5,157)
2027	758,197	(15,811)	(858)
2028		(16,123)	(5,182)
Thereafter			(8,951)

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension and OPEB liability are as follows:

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	Pension	OPEB
Actuarial valuation date	June 30, 2021	June 30, 2021
Actuarial roll forward date	June 30, 2022	June 30, 2022
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.0%	7.0%
Projected salary increases	2.9-8.4%	Not applicable
Inflation	2.3%	2.3%
Permanent base increases	Included	Not applicable
Mortality rates	2017 SRA Scale U-MP	Health Ins: 2017 SRA Scale U-MP
Recovery rate	Not applicable	LTD: 2012 GLDT
Healthcare cost trend rate	Not applicable	Not applicable

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, excluding any expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class for all ASRS plans are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	3.90%
Credit	20	5.30
Interest rate sensitive bonds	10	(0.20)
Real estate	20	6.00
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the ASRS total pension and OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

Sensitivity of the Proportionate Share of the Net Pension and OPEB Asset/Liability to

**CITY OF SIERRA VISTA
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Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension and OPEB assets/liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension and OPEB assets/liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Proportionate share of the net (assets) liability		
	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Pension	\$ 26,534,596	\$ 17,983,824	\$ 10,853,814
Health Insurance Premium	(440,470)	(612,569)	(758,591)
Long-Term Disability	16,852	10,167	3,686

Contributions payable. The City’s accrued payroll and employee benefits included \$143,481 of outstanding pension and OPEB contribution amounts payable to ASRS for the year ending June 30, 2023.

Pension and OPEB Plan Fiduciary Net Position. Detailed information about the pension and OPEB plan’s fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

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B. Public Safety Personnel Retirement System

Plan Description

City public safety employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSDCRP). The PSPRS administers an agent and cost-sharing multiple-employer defined benefit pension plan and an agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and employees who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool), which is not further disclosed because of the relative insignificance to the City's financial statements.

The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information. The report is available on the PSPRS website at www.psprs.com.

Benefits Provided

The PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Initial Membership Date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
Years of service and age required to receive benefit	20 years of service, at any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Normal retirement	50% less 2.0% for each year of credited service less than 20 years or plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor benefit:		
Retired members	80% to 100% of retired member's pension benefit	
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

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Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents.

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS - Police		PSPRS - Fire	
	Pension	Health Insurance	Pension	Health Insurance
Retirees and beneficiaries	44	44	30	30
Inactive, non-retired members	17	6	12	3
Active members	34	34	33	33
Total	95	84	75	66

Contributions

State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2023, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS - Police	PSPRS - Fire
Active members – pension	7.65% to 11.65%	7.65% to 11.65%
City		
Pension	63.28%	57.94%
Health insurance	1.10%	1.28%

The contributions to the pension and OPEB plans for the year ended were:

	PSPRS – Police	PSPRS – Fire
Pension:		
Contributions made	\$ 3,776,851	\$ 2,540,812
Health insurance premium benefit:		
Contributions made	\$ 48,539	\$ 42,364

The City's pension and OPEB contributions are paid by the same funds as the employees' salary, with the largest component coming from the General Fund.

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Pension and OPEB Assets/Liabilities

At June 30, 2023, the City reported the following assets and liabilities.

	Net (Assets) Liability	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 26,656,447	\$ 15,731,722
Health insurance	336,453	276,400

The net pension and OPEB assets/liability were measured as of June 30, 2022. The total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date. The total pension liabilities as of June 30, 2022, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the five-year period ended June 30, 2021, including decreasing the discount rate from 7.3 percent to 7.2 percent, changing the wage inflation rate from 3.5 percent to a range of 3.5-14.0 percent, and increasing the cost-of-living adjustment rate from 1.75 percent to 1.85 percent.

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

	Pension	OPEB
Actuarial valuation date	June 30, 2022	June 30, 2022
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.2%	7.2%
Wage inflation	3.5-14.0%	3.5-14.0%
Price inflation	2.5%	2.5%
Cost-of-living adjustment	1.85%	1.85%
Mortality rates	PubS-2010	PubS-2010
Healthcare cost trend rate	Not applicable	For active members, 70% of retirees are expected to utilize retiree health care. Actual utilization is used for inactive

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021

The long-term expected rate of return on PSPRS plan investments was determined to be 7.20 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. public equity	24%	3.49%
International public equity	16	4.47
Global private equity	20	7.18
Other assets (capital appreciation)	7	4.83

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Core bonds	2	0.45
Private credit	20	5.10
Diversifying strategies	10	2.68
Cash - Mellon	1	(0.35)
Total	100%	

Discount Rates

At June 30, 2022, the discount rate used to measure the total pension and OPEB liability was 7.2 percent, which is lower than the discount rate of 7.3 percent used as of June 30, 2021.

The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between the actuarial determined contribution rate and the member rate. Based on these assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected payments for these plans to determine the total pension and OPEB liability.

Changes in Net Assets/Liabilities

	Pension Increase (Decrease)			Health Insurance Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net (Assets) Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net (Assets) Liability
PSPRS - Police						
Balances at June 30, 2022	\$ 51,224,962	\$28,984,091	\$ 22,240,871	\$ 1,109,508	\$ 883,620	\$ 225,888
Changes for the year						
Service cost	610,241		610,241	15,273		15,273
Interest on the total liability	3,687,802		3,687,802	79,767		79,767
Changes of benefit terms			-			-
Differences between expected and actual experience in the measurement of the liability	1,624,745		1,624,745	17,866		17,866
Changes of assumptions	840,139		840,139	11,315		11,315
Contributions – employer		3,325,029	(3,325,029)		48,041	(48,041)
Contributions – employee		277,827	(277,827)			-
Net investment income		(1,233,274)	1,233,274		(33,784)	33,784
Benefit payments, including refunds of employee contributions	(2,634,742)	(2,634,742)	-	(64,167)	(64,167)	-
Administrative expense		(22,231)	22,231		(601)	601
Other changes						0
Net changes	4,128,185	(287,391)	4,415,576	60,054	(50,511)	110,565
Adjustment to Beginning of Year					0	0
Balances at June 30, 2023	\$ 55,353,147	\$ 28,696,700	\$ 26,656,447	\$ 1,169,562	\$ 833,109	\$ 336,453

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	Pension Increase (Decrease)			Health Insurance Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net (Assets) Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net (Assets) Liability
PSPRS - Fire						
Balances at June 30, 2022	\$ 36,936,218	\$23,916,140	\$ 13,020,078	\$ 883,462	\$ 667,564	\$ 215,898
Changes for the year						
Service cost	564,858		564,858	11,746		11,746
Interest on the total liability	2,651,287		2,651,287	63,101		63,101
Changes of benefit terms			-			-
Differences between expected and actual experience in the measurement of the liability	444,243		444,243	(20,940)		(20,940)
Changes of assumptions	591,682		591,682	15,507		15,507
Contributions – employer		2,327,923	(2,327,923)		34,637	(34,637)
Contributions – employee		227,519	(227,519)			-
Net investment income		(997,036)	997,036		(25,275)	25,275
Benefit payments, including refunds of employee contributions	(2,364,140)	(2,364,140)	-	(61,624)	(61,624)	-
Administrative expense		(17,980)	17,980		(450)	450
Other changes						0
Net changes	1,887,930	(823,714)	2,711,644	7,790	(52,712)	60,502
Adjustment to Beginning of Year						0
Balances at June 30, 2023	<u>\$ 38,824,148</u>	<u>\$ 23,092,426</u>	<u>\$ 15,731,722</u>	<u>\$ 891,252</u>	<u>\$ 614,852</u>	<u>\$ 276,400</u>

Sensitivity of the Net Pension and OPEB Assets (Liability) to Changes in the Discount Rate

The following presents the City's net pension and OPEB assets (liability) calculated using the discount rates noted above, as well as what the assets (liability) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
PSPRS - Police:			
Rate	6.20%	7.20%	8.20%
Net pension (assets) liability	\$ 33,905,944	\$ 26,656,447	\$ 20,740,488
Net OPEB (assets) liability	460,318	336,453	231,953
PSPRS - Fire			
Rate	6.20%	7.20%	8.20%
Net pension (assets) liability	\$ 20,946,626	\$ 15,731,722	\$ 11,462,621
Net OPEB (assets) liability	368,175	276,400	198,651

Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued PSPRS financial report. The report is available on the PSPRS website at www.psprs.com.

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Pension and OPEB Expense

For the year ended June 30, 2023, the City recognized the following pension and OPEB expense:

	Expense	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 2,941,194	\$ 1,831,990
Health insurance	4,181	27,858

Pension and OPEB Deferred Outflows/Inflows of Resource.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Police:				
Differences between expected and actual experience	\$ 1,474,652	\$ 445,810	\$ 54,229	\$ 72,773
Changes of assumptions or other inputs	\$698,172		\$9,816	
Net difference between projected and actual earnings on plan investments	\$232,656		\$15,832	
Contributions subsequent to the measurement date	\$3,776,851		\$48,539	
Total	\$ 6,182,331	\$ 445,810	\$ 128,416	\$ 72,773
PSPRS - Fire				
Differences between expected and actual experience	\$ 660,459	\$ 143,628	\$ 31,299	\$ 48,838
Changes of assumptions or other inputs	\$942,382		\$17,023	\$754
Net difference between projected and actual earnings on plan investments	\$259,794		\$10,570	
Contributions subsequent to the measurement date	\$2,540,812		\$42,364	
Total	\$ 4,403,447	\$ 143,628	\$ 101,256	\$ 49,592

The amounts reported as deferred outflows of resources related to pension and OPEB contributions subsequent to the measurement date will be recognized as an adjustment of the net pension and OPEB assets/liabilities in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

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Year Ending June 30:	PSPRS - Police		PSPRS - Fire	
	Pension	Health Insurance	Pension	Health Insurance
2024	\$ 1,102,973	\$ (11,118)	\$ 591,064	\$ (1,205)
2025	511,652	(601)	372,667	(3,356)
2026	(331,682)	(713)	(1,757)	(7,570)
2027	676,727	19,536	757,033	21,249
2028				182
Thereafter				

Contributions Payable

The City's accrued payroll and employee benefits included \$27,538 of outstanding pension and OPEB contribution amounts payable to PSPRS for the year ended June 30, 2023.

C. Single Employer OPEB Plan

Under the authority of the governing body, the City provides postretirement insurance benefits for certain retirees and their dependents, in accordance with the Employee Benefit Trust. The plan is a single employer defined benefit OPEB plan administered by the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. To be eligible for benefits, the employee must retire normally with ASRS or PSPRS and participate in the City insurance program while an active employee. The qualified retiree remains on the City's self-funded program until they are Medicare eligible. Once the retiree is Medicare eligible, they must transfer to the State's insurance plan. For employees hired before October 25, 2009, the City will pay for the qualified retiree's State Medicare supplement. For employees hired after July 1, 2012, the City will pay the qualified retiree's State health care premium until the retiree is Medicare eligible. Part of the cost of this retirement benefit is funded by the State depending on the years of services and State funding available.

The following employees were covered as of the effective date of the OPEB valuation:

City Healthcare:	
Retirees and beneficiaries	64
Active members	<u>343</u>
Total	<u>407</u>

The City's total OPEB liability of \$18,998,583 was measured as of June 30, 2023:

Total OPEB Liability – Beginning of Year	<u>\$15,146,037</u>
Changes for the year	
Service Cost	484,639
Interest	555,885
Change of benefit terms	1,816,825
Difference between expected and actual experience of the total OPEB liability	1,257,821
Change of assumptions or other inputs	384,837
Benefit payments	<u>(647,461)</u>
Net changes	<u>3,852,546</u>
Total OPEB Liability – End of Year	<u>\$18,998,583</u>

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The total OPEB liability as of June 30, 2023, reflects changes in plan benefits made during the fiscal year to include employees hired after July 1, 2012 who retire normally with ASRS or PSPRS, and are eligible to enroll in the State's health insurance program. For these employees, the City will reimburse the retirees' health insurance premiums until they are Medicare eligible. Previously these members were not eligible for retiree health care benefits.

The plan is not accounted for as a trust fund. The City's Health and Accident Insurance fund has net position of \$7,083,893 that can be used to help fund its OPEB liability. However, the City has not elected to establish an irrevocable trust and restrict any of that net position at this time. The plan does not issue a separate financial report.

The following presents the City's net OPEB liability calculated using the discount rates noted below, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate as well as a healthcare trend that is 1 percent lower or 1 percent higher.:

Discount rate:	1% Decrease	Current Discount Rate	1% Increase
Rate	2.86%	3.86%	4.86%
Total OPEB liability	\$20,812,776	\$18,998,583	\$17,378,313
Healthcare cost:	-1.00%	Baseline	+1.0%
Rate	-1.00%	Baseline	+1.0%
Total OPEB liability	\$16,991,388	\$18,998,583	\$21,346,872

OPEB Deferred Outflows/Inflows of Resource.

For the period ended June 30, 2023, the City recognized OPEB expense of (\$417,926). At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,000,340	\$7,674,288
Changes of assumptions or other inputs	2,362,291	1,433,933
Total	<u>\$ 3,362,631</u>	<u>\$9,108,221</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	<u>City OPEB</u>
2024	\$(2,621,814)
2025	(1,977,788)
2026	(1,212,540)
2027	66,552
2028	
Thereafter	

Projections of benefits for financial reporting purposes are based on the substantive plan (the

**CITY OF SIERRA VISTA
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plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The total OPEB liability in the June 30, 2023 actuarial valuation was determined by using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date:	06/30/2023
Measurement Date	06/30/2023
Actuarial Cost Method:	Entry age
Discount rate:	3.86%
Future Payroll Increases:	2.9-14.00%
Ultimate Rate of Medical Inflation:	7.25% downgraded to 3.50%

The discount rate is based upon the estimate of expected long-term plan experience. At June 30, 2023, the discount rate used to measure the total OPEB liability was 3.86%, which was changed from 3.69 percent used as of June 30, 2022. Mortality rates were based on the following:

- ASRS Pre-retirement and Disability Retirement: Sex distinct Pub-2010 Amount Weighted
- PSPRS Pre-retirement: Sex distinct Pub-2010, scaled by a factor of 103% for male members and 108% for female members
- ASRS Retired: Sex distinct 2017 State Retirees of Arizona Mortality tables
- PSPRS Retired: Sex distinct Pub-2010, scaled by a factor of 103% for male members and 111% for female members

Termination Benefits

Upon voluntary or involuntary termination, an employee is entitled to his or her unused vacation and a percentage of his or her unused sick leave based on years of service. These costs are included in the compensated absences balance in the debt section.

8. Construction Commitments

At June 30, 2023, the City had \$5,133,868 in unperformed construction contracts and commitments outstanding.

General	\$130,731
HURF	189,099
Capital Improvements	3,884,294
Sewer	929,744

9. Stewardship, Compliance and Accountability

Negative Fund Balances/Net Positions

The Police Development Fee and Fire Development Fee Funds had negative fund balances, and the Refuse Fund had a negative Net Position on June 30, 2023. The negative balances in the development fee funds are due to prior years' bond payment transfers to the Debt Service Fund. Future impact fee revenues are expected to remove the development fee funds' negative fund balances. A rate increase in the Refuse Fund will address the negative net position.

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10. Fund Balances

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact.

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The table below provides detail of the major components of the City’s fund balance classifications at year end.

	Major Funds		Non-Major Funds	Total Funds
	General	Capital		
Fund Balances:				
Nonspendable	\$ 90,660	\$	\$ 206,373	\$ 297,033
Restricted for:				
Street Projects			2,422,602	2,422,602
Capital projects		16,082,343		16,082,343
Other Projects			4,811,492	4,811,492
Unassigned:	9,679,062		(165,559)	9,513,503
Total fund balances	\$ 9,769,722	\$ 16,082,343	\$7,274,908	\$ 33,126,973

11. Contingencies

The City is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations. At June 30, 2023, it is the opinion of City management, based on the advice of the City Attorney, that there is not any pending litigation that would have a material effect on the City's financial position.

12. Risk Management

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City was unable to obtain general property and liability insurance at a cost it considered to be economically justifiable. Therefore, the City established the following self-insurance funds.

The City established the Self-Insured Retention Fund, an Internal Service Fund, to account for and finance its uninsured risks of loss related to property and liability claims. Under this program, the Self-Insured Retention Fund provides coverage for up to a maximum of \$10,000 for each property claim and general liability claim. The City has a contract with The Travelers Property and Casualty Insurance Company to provide coverage for amounts over \$10,000.

The City established the Health and Accident Insurance Fund, an Internal Service Fund, to account for and finance its uninsured risks of loss related to employee health and accidents. Under this program, the Health and Accident Insurance Fund provides coverage for up to a maximum of \$100,000 for each employee health and accident claim. The City purchases commercial insurance for claims in excess of coverage provided by the Fund and for risks of loss for workers' compensation claims. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The City also established the Unemployment Insurance Fund, an Internal Service Fund, to account for and finance its risks of loss related to unemployment claims. The City has fully assumed the liability risk associated with this program.

The City has designated the \$79,097 net position of the Unemployment Insurance Fund as future catastrophe loss reserves. The Self Insured Retention Fund received restitution payments of \$149,635 during the year. Employees paid from the General, Special Revenue and Enterprise Funds participate in the Health and Accident Insurance Fund and make payments based on historical experience estimates of the amounts needed to pay prior and current year claims.

The claims liabilities reported in the Funds at June 30, 2023 are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Changes in the claims liability amounts in fiscal years 2021-2022 and 2022-2023 were:

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claim Payments <u>Payments</u>	Balance at Fiscal Year End <u>Year End</u>
Health and Accident Insurance:				
2021-22	\$153,660	\$3,162,040	\$3,172,978	\$142,722
2022-23	\$142,722	\$3,765,914	\$3,631,430	\$277,206
Unemployment Insurance:				
2021-22	-0-	-0-	-0-	-0-
2022-23	-0-	-0-	-0-	-0-
Self-Insured Retention:				
2021-22	-0-	\$171,477	\$169,571	\$1,906
2022-23	\$1,906	\$162,284	\$164,190	-0-

The City continues to carry commercial insurance for worker's compensation and airport liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

13. Interfund Balances and Transfers

Individual interfund balances for due to/ from to other funds at June 30, 2023 are as follows.

<u>Fund</u>	<u>Due to other funds</u>	<u>Due from other funds</u>
General	\$	\$ 308,613
Capital Improvements		165,559
Health & Accident		1,352,287
Sewer	1,352,287	
LTAF	196,973	
Grants	9,471	
911	102,169	
Police Development	77,827	
Fire Development	87,732	
Total	<u>\$ 1,826,459</u>	<u>\$ 1,826,459</u>

All of the due to other funds is for cash balancing purposes. The LTAF, 911 and Grants Funds will repay during the following fiscal year from cash inflows into the funds. The two development fee funds will repay as development fees are received. The sewer fund will repay as connection fees are received.

**CITY OF SIERRA VISTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Individual interfund transfers for Fiscal Year 2023 were:

<u>Fund</u>	Individual Fund Transfer	Total Fund <u>Transfer out</u>	Individual Fund Transfer	Total Fund <u>Transfer In</u>
General	\$	3,549,359	\$	\$
HURF	2,000,000			
LTAF	300,000			
Grants	249,359			
Capital Improvements	1,000,000			
Capital Improvements		3,244,597		
Debt Service	3,244,597			
HURF				2,000,000
General			2,000,000	
LTAF				300,000
General			300,000	
Grants				249,359
General			249,359	
Debt Service				3,244,597
Capital Improvements			3,244,597	
Capital Improvements				1,000,000
General			1,000,000	
Total Transfers		<u>\$6,793,956</u>		<u>\$6,793,956</u>

The transfer to the Debt Service Fund is to cover debt service payments. The transfer to the HURF Fund from the General Fund is for a future HURF project. The Transfer to the Capital Improvements fund is for a future project. The transfer to the LTAF and Grants Funds are to cover grant match requirements.

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REQUIRED SUPPLEMENTARY INFORMATION

City of Sierra Vista
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 20,027,332	\$ 20,027,332	\$ 21,765,454	\$ 1,738,122
Licenses and permits	2,105,000	2,105,000	2,509,293	404,293
Intergovernmental	21,505,043	21,505,043	22,733,383	1,228,340
Charges for services	4,927,257	4,927,257	5,924,578	997,321
Fines	-	-	5,645	5,645
Investment income	5,000	5,000	271,697	266,697
Contributions	61,000	61,000	-	(61,000)
Other revenues	537,916	537,916	261,856	(276,060)
Total revenues	49,168,548	49,168,548	53,471,906	4,303,358
EXPENDITURES				
Current:				
General government	8,537,557	8,537,557	8,361,147	176,410
Public safety	22,300,596	22,300,596	22,881,906	(581,310)
Public works	5,832,685	5,832,685	6,705,055	(872,370)
Culture and recreation	5,663,160	5,663,160	5,129,877	533,283
Community development	1,341,853	1,341,853	1,062,440	279,413
Capital	6,705,199	6,705,199	3,065,596	3,639,603
Total current	50,381,050	50,381,050	47,206,021	3,175,029
Debt service:				
Interest and fiscal charges	2,183	2,183	2,183	-
Principal	119,150	119,150	119,150	-
Total debt service	121,333	121,333	121,333	-
Total expenditures	50,502,383	50,502,383	47,327,354	3,175,029
Excess (deficiency) of revenues over expenditures	(1,333,835)	(1,333,835)	6,144,552	7,478,387
OTHER FINANCING SOURCES (USES)				
Transfers out	(387,831)	(3,387,831)	(3,549,359)	(161,528)
Transfers in	1,721,666	1,721,666	-	(1,721,666)
Issuance of installment purchase	-	-	-	-
Total other financing sources (uses)	1,333,835	(1,666,165)	(3,549,359)	(1,883,194)
Net change in fund balances	-	(3,000,000)	2,595,193	5,595,193
Fund balances - beginning	-	-	7,174,529	7,174,529
Fund balances - ending	\$ -	\$ (3,000,000)	\$ 9,769,722	\$ 12,769,722

See accompanying notes to this schedule

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**CITY OF SIERRA VISTA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST NINE FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020
City's proportion of the net pension liability (asset)	0.11%	0.11%	0.11%
City's proportionate share of the net pension liability (asset)	\$ 17,983,824	\$ 14,813,535	\$ 19,797,282
City's covered payroll	\$ 13,162,340	\$ 12,707,047	\$ 12,555,231
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	136.63%	116.58%	157.68%
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%

See accompanying notes to this schedule.

The pension schedule in the required supplementary information is intended to show information for 10 years, and additional information will be displayed as it becomes available.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.11%	0.11%	0.11%	0.11%	0.11%	0.11%
\$ 16,533,033	\$ 15,710,712	\$ 17,182,590	\$ 18,263,547	\$ 17,080,214	\$ 16,494,189
\$ 12,033,184	\$ 11,246,193	\$ 10,791,929	\$ 10,623,940	\$ 10,107,190	\$ 10,047,088
137.40%	139.70%	159.22%	171.91%	168.99%	164.17%
73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

**CITY OF SIERRA VISTA
SCHEDULE OF CONTRIBUTIONS
ALL PENSION PLANS
LAST NINE FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Arizona State Retirement System:			
Actuarially determined contribution	\$ 1,766,963	\$ 1,580,798	\$ 1,480,372
Contributions in relation to the actuarially determined contribution	<u>1,766,963</u>	<u>1,580,798</u>	<u>1,480,372</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 14,823,507	\$ 13,162,348	\$ 12,707,047
Contributions as a percentage of covered payroll	11.92%	12.01%	11.65%
 Public Safety Personnel Retirement System - Police:			
Actuarially determined contribution	\$ 2,792,323	\$ 2,453,804	\$ 2,752,345
Contributions in relation to the actual contribution	<u>3,776,851</u>	<u>3,294,662</u>	<u>3,196,653</u>
Contribution deficiency (excess)	<u>\$ (984,528)</u>	<u>\$ (840,858)</u>	<u>\$ (444,308)</u>
City's covered payroll	\$ 4,412,647	\$ 4,097,869	\$ 4,337,817
Contributions as a percentage of covered payroll	63.28%	59.88%	63.45%
 Public Safety Personnel Retirement System - Fire:			
Actuarially determined contribution	\$ 1,917,639	\$ 1,745,345	\$ 1,783,799
Contributions in relation to the actuarially determined contribution	<u>2,540,812</u>	<u>2,236,468</u>	<u>2,049,257</u>
Contribution deficiency (excess)	<u>\$ (623,173)</u>	<u>\$ (491,123)</u>	<u>\$ (265,458)</u>
City's covered payroll	\$ 3,309,698	\$ 3,051,302	\$ 2,932,433
Contributions as a percentage of covered payroll	57.94%	57.20%	60.83%

See accompanying notes to this schedule.

The pension schedule in the required supplementary information is intended to show information for 10 years, and additional information will be displayed as it becomes available.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,437,575	\$ 1,345,310	\$ 1,225,909	\$ 1,163,370	\$ 1,152,589	\$ 1,100,673
<u>1,437,575</u>	<u>1,345,310</u>	<u>1,225,909</u>	<u>1,163,370</u>	<u>1,152,589</u>	<u>1,100,673</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 12,555,231	\$ 12,033,184	\$ 11,246,193	\$ 10,791,929	\$ 10,622,940	\$ 10,107,190
11.45%	11.18%	10.90%	10.78%	10.85%	10.89%
\$ 2,461,018	\$ 2,301,287	\$ 2,080,895	\$ 2,148,783	\$ 1,905,744	\$ 1,243,188
<u>2,962,243</u>	<u>2,873,218</u>	<u>2,330,895</u>	<u>2,148,783</u>	<u>1,905,744</u>	<u>1,243,188</u>
<u>\$ (501,225)</u>	<u>\$ (571,931)</u>	<u>\$ (250,000)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 4,186,829	\$ 4,105,775	\$ 4,164,656	\$ 4,721,562	\$ 4,511,705	\$ 4,105,641
58.78%	69.98%	55.97%	45.51%	42.24%	30.28%
\$ 1,401,604	\$ 1,418,176	\$ 1,417,035	\$ 1,079,972	\$ 1,010,635	\$ 630,702
<u>1,767,100</u>	<u>1,780,874</u>	<u>1,432,035</u>	<u>1,079,972</u>	<u>1,010,635</u>	<u>630,702</u>
<u>\$ (365,496)</u>	<u>\$ (362,698)</u>	<u>\$ (15,000)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 2,742,865	\$ 2,785,106	\$ 2,936,938	\$ 2,951,548	\$ 2,715,301	\$ 2,366,612
51.10%	63.94%	48.76%	36.59%	37.22%	26.65%

**CITY OF SIERRA VISTA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - POLICE
LAST NINE FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020
Total pension liability			
Service cost	\$ 610,241	\$ 701,393	\$ 735,321
Interest	3,687,802	3,621,970	3,408,499
Changes of benefit terms			
Differences between expected and actual	1,624,745	(891,620)	1,078,782
Changes of assumptions	840,139		
Benefit payments, including refunds	(2,634,742)	(2,242,825)	(2,285,995)
Net change in total pension liability	<u>4,128,185</u>	<u>1,188,918</u>	<u>2,936,607</u>
Total pension liability—beginning	<u>51,224,962</u>	<u>50,036,044</u>	<u>47,099,437</u>
Total pension liability—ending	<u>\$ 55,353,147</u>	<u>\$ 51,224,962</u>	<u>\$ 50,036,044</u>
 Plan fiduciary net position			
Contributions—employer	\$ 3,325,029	\$ 2,973,607	\$ 3,441,524
Contributions—employee	277,827	302,361	324,687
Net investment income	(1,233,274)	6,636,803	262,683
Benefit payments, including refunds	(2,634,742)	(2,242,825)	(2,285,995)
Administrative expense	(22,231)	(30,514)	(21,420)
Other			
Net change in plan fiduciary net position	<u>(287,391)</u>	<u>7,639,432</u>	<u>1,721,479</u>
Plan fiduciary net position—beginning	<u>28,984,091</u>	<u>21,344,659</u>	<u>19,683,071</u>
Adjustment to beginning of year			(59,891)
Plan fiduciary net position—ending	<u>\$ 28,696,700</u>	<u>\$ 28,984,091</u>	<u>\$ 21,344,659</u>
 Net pension liability—ending	<u>\$ 26,656,447</u>	<u>\$ 22,240,871</u>	<u>\$ 28,691,385</u>
 Plan fiduciary net position as a percentage of the total pension liability	51.84%	56.58%	42.66%
 Covered payroll	\$ 4,097,869	\$ 4,337,817	\$ 4,186,829
 Net pension liability as a percentage of covered payroll	650.50%	512.72%	685.28%

See accompanying notes to this schedule.

The pension schedule in the required supplementary information is intended to show information for 10 years, and additional information will be displayed as it becomes available.

2020	2019	2018	2017	2016	2015
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 812,671	\$ 797,803	\$ 1,034,647	\$ 898,658	\$ 811,577	\$ 881,966
3,254,002	3,192,682	2,883,989	2,667,016	2,585,621	2,221,142
		526,933	1,360,707		697,428
608,962	(1,101,429)	488,807	271,019	(291,544)	(1,116,200)
690,402		1,935,164	1,445,654		3,733,060
(2,853,846)	(2,094,518)	(2,025,396)	(2,439,783)	(1,784,836)	(1,693,486)
<u>2,512,191</u>	<u>794,538</u>	<u>4,844,144</u>	<u>4,203,271</u>	<u>1,320,818</u>	<u>4,723,910</u>
44,587,246	43,792,708	38,948,564	34,745,293	33,424,475	28,700,565
<u>\$ 47,099,437</u>	<u>\$ 44,587,246</u>	<u>\$ 43,792,708</u>	<u>\$ 38,948,564</u>	<u>\$ 34,745,293</u>	<u>\$ 33,424,475</u>
\$ 2,463,043	\$ 2,347,269	\$ 2,139,214	\$ 1,889,021	\$ 1,231,440	\$ 1,218,115
316,504	378,637	524,228	626,104	458,242	434,697
1,074,001	1,179,235	1,753,496	84,142	516,861	1,714,865
(2,853,846)	(2,094,518)	(2,025,396)	(2,439,783)	(1,784,836)	(1,693,486)
(19,659)	(18,648)	(15,915)	(12,508)	(12,992)	(13,811)
	200	(23,167)	(133,215)	60,401	(35,200)
<u>980,043</u>	<u>1,792,175</u>	<u>2,352,460</u>	<u>13,761</u>	<u>469,116</u>	<u>1,625,180</u>
18,733,000	16,940,825	14,588,365	14,574,604	14,105,488	12,480,308
(29,972)					
<u>\$ 19,683,071</u>	<u>\$ 18,733,000</u>	<u>\$ 16,940,825</u>	<u>\$ 14,588,365</u>	<u>\$ 14,574,604</u>	<u>\$ 14,105,488</u>
<u>\$ 27,416,366</u>	<u>\$ 25,854,246</u>	<u>\$ 26,851,883</u>	<u>\$ 24,360,199</u>	<u>\$ 20,170,689</u>	<u>\$ 19,318,987</u>
41.79%	42.01%	38.68%	37.46%	41.95%	42.20%
\$ 4,105,775	\$ 4,164,656	\$ 4,721,562	\$ 4,511,705	\$ 4,105,641	\$ 4,488,315
667.75%	620.80%	568.71%	539.93%	491.29%	430.43%

**CITY OF SIERRA VISTA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE
LAST NINE FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020
Total pension liability			
Service cost	\$ 564,858	\$ 584,070	\$ 569,254
Interest	2,651,287	2,569,848	2,434,216
Changes of benefit terms			
Differences between expected and actual	444,243	(93,820)	371,121
Changes of assumptions	591,682		
Benefit payments, including refunds	(2,364,140)	(1,486,428)	(1,576,416)
Net change in total pension liability	<u>1,887,930</u>	<u>1,573,670</u>	<u>1,798,175</u>
Total pension liability—beginning	<u>36,936,218</u>	<u>35,362,548</u>	<u>33,564,373</u>
Total pension liability—ending	<u>\$ 38,824,148</u>	<u>\$ 36,936,218</u>	<u>\$ 35,362,548</u>
Plan fiduciary net position			
Contributions—employer	\$ 2,327,923	\$ 2,127,133	\$ 2,098,632
Contributions—employee	227,519	222,660	228,426
Net investment income	(997,036)	5,335,202	221,300
Benefit payments, including refunds	(2,364,140)	(1,486,428)	(1,576,416)
Administrative expense	(17,980)	(24,887)	(18,048)
Other			16,677
Net change in plan fiduciary net position	<u>(823,714)</u>	<u>6,173,680</u>	<u>970,571</u>
Plan fiduciary net position—beginning	<u>23,916,140</u>	<u>17,742,460</u>	<u>16,771,888</u>
Adjustment to beginning of year			1
Plan fiduciary net position—ending	<u>\$ 23,092,426</u>	<u>\$ 23,916,140</u>	<u>\$ 17,742,460</u>
Net pension liability—ending	<u>\$ 15,731,722</u>	<u>\$ 13,020,078</u>	<u>\$ 17,620,088</u>
Plan fiduciary net position as a percentage of the total pension liability	59.48%	64.75%	50.17%
Covered payroll	\$ 3,051,302	\$ 2,932,433	\$ 2,742,865
Net pension liability as a percentage of covered payroll	515.57%	444.00%	642.40%

See accompanying notes to this schedule.

The pension schedule in the required supplementary information is intended to show information for 10 years, and additional information will be displayed as it becomes available.

2020	2019	2018	2017	2016	2015
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 639,495	\$ 644,401	\$ 681,249	\$ 554,766	\$ 509,564	\$ 554,360
2,321,406	2,240,785	2,041,000	1,857,264	1,842,910	1,621,190
		296,509	1,364,984		383,303
153,405	(386,881)	351,794	84,858	(533,875)	(564,575)
628,209		1,125,596	1,007,378		2,198,015
(1,818,004)	(1,634,245)	(1,186,097)	(1,571,062)	(1,745,628)	(945,243)
<u>1,924,511</u>	<u>864,060</u>	<u>3,310,051</u>	<u>3,298,188</u>	<u>72,971</u>	<u>3,247,050</u>
31,639,862	30,775,802	27,465,751	24,167,563	24,094,592	20,847,542
<u>\$ 33,564,373</u>	<u>\$ 31,639,862</u>	<u>\$ 30,775,802</u>	<u>\$ 27,465,751</u>	<u>\$ 24,167,563</u>	<u>\$ 24,094,592</u>
\$ 1,533,388	\$ 1,436,658	\$ 1,138,470	\$ 1,101,774	\$ 714,263	\$ 675,704
222,284	273,616	506,327	350,230	303,093	280,114
907,570	1,017,694	1,542,492	74,132	469,999	1,617,085
(1,818,004)	(1,634,245)	(1,186,097)	(1,571,062)	(1,745,628)	(945,243)
(16,772)	(16,189)	(14,048)	(11,067)	(11,851)	(13,024)
	(11,588)	1,271	(90,098)	(72,095)	16,956
<u>828,466</u>	<u>1,065,946</u>	<u>1,988,415</u>	<u>(146,091)</u>	<u>(342,219)</u>	<u>1,631,592</u>
15,961,175	14,895,229	12,906,814	13,052,905	13,395,124	11,763,532
(17,753)					
<u>\$ 16,771,888</u>	<u>\$ 15,961,175</u>	<u>\$ 14,895,229</u>	<u>\$ 12,906,814</u>	<u>\$ 13,052,905</u>	<u>\$ 13,395,124</u>
<u>\$ 16,792,485</u>	<u>\$ 15,678,687</u>	<u>\$ 15,880,573</u>	<u>\$ 14,558,937</u>	<u>\$ 11,114,658</u>	<u>\$ 10,699,468</u>
49.97%	50.45%	48.40%	46.99%	54.01%	55.59%
\$ 2,785,106	\$ 2,936,938	\$ 2,951,548	\$ 2,715,301	\$ 2,366,612	\$ 3,019,596
602.94%	533.84%	538.04%	536.18%	469.64%	354.33%

**CITY OF SIERRA VISTA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
LAST SIX FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
City's proportion of the net OPEB (assets) liability	0.11%	0.11%	0.12%	0.12%
City's proportionate share of the net OPEB (assets) liability	\$ (612,569)	\$ (549,814)	\$ (82,036)	\$ (31,832)
City's covered payroll	\$ 13,162,340	\$ 12,707,047	\$ 12,555,231	\$ 12,033,184
City's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	-4.65%	-4.33%	-0.65%	-0.26%
Plan fiduciary net position as a percentage of the total OPEB liability	137.79%	130.24%	104.33%	101.62%

See accompanying notes to this schedule.

The OPEB schedule in the required supplementary information is intended to show information for 10 years, and additional information will be displayed as it becomes available.

<u>2019</u>	<u>2018</u>
June 30, 2018	June 30, 2017
0.11%	0.11%
\$ (41,070)	\$ (60,673)
\$ 11,246,193	\$ 10,791,929
-0.37%	-0.56%
102.20%	103.57%

**CITY OF SIERRA VISTA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
LAST SIX FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
City's proportion of the net OPEB (assets) liability	0.11%	0.11%	0.12%	0.11%
City's proportionate share of the net OPEB (assets) liability	\$ 10,167	\$ 23,264	\$ 87,316	\$ 74,630
City's covered payroll	\$13,162,340	\$12,707,047	\$12,555,231	\$12,033,184
City's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.08%	0.18%	0.70%	0.62%
Plan fiduciary net position as a percentage of the total OPEB liability	95.40%	90.38%	68.01%	72.85%

See accompanying notes to this schedule.

The OPEB schedule in the required supplementary information is intended to show information for 10 years, and additional information will be displayed as it becomes available.

<u>2019</u>	<u>2018</u>
June 30, 2018	June 30, 2017
0.11%	0.11%
\$ 58,950	\$ 40,086
\$11,246,193	\$ 10,791,929
0.52%	0.37%
77.83%	84.44%

**CITY OF SIERRA VISTA
SCHEDULE OF OPEB CONTRIBUTIONS
ALL OPEB PLANS
LAST SIX FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Arizona State Retirement System - Health Insurance Premium:				
Actuarially determined contribution	\$ 16,306	\$ 27,640	\$ 49,556	\$ 61,521
Contributions in relation to the actuarially determined contribution	<u>16,306</u>	<u>27,640</u>	<u>49,556</u>	<u>61,521</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 14,823,507	\$ 13,162,348	\$ 12,707,047	\$ 12,555,231
Contributions as a percentage of covered payroll	0.11%	0.21%	0.39%	0.49%
Arizona State Retirement System - Long-Term Disability:				
Actuarially determined contribution	\$ 20,753	\$ 25,010	\$ 22,872	\$ 21,344
Contributions in relation to the actuarially determined contribution	<u>20,753</u>	<u>25,010</u>	<u>22,872</u>	<u>21,344</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 14,823,507	\$ 13,162,348	\$ 12,707,047	\$ 12,555,231
Contributions as a percentage of covered payroll	0.14%	0.19%	0.18%	0.17%
Public Safety Personnel Retirement System - Police - Health Insurance Premium:				
Actuarially determined contribution	\$ 48,539	\$ 50,404	\$ 44,680	\$ 42,287
Contributions in relation to the actuarially determined contribution	<u>48,539</u>	<u>50,404</u>	<u>44,680</u>	<u>42,287</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 4,412,647	\$ 4,097,869	\$ 4,337,817	\$ 4,186,829
Contributions as a percentage of covered payroll	1.10%	1.23%	1.03%	1.01%
Public Safety Personnel Retirement System - Fire - Health Insurance Premium:				
Actuarially determined contribution	\$ 42,364	\$ 35,700	\$ 30,204	\$ 24,686
Contributions in relation to the actuarially determined contribution	<u>42,364</u>	<u>35,700</u>	<u>30,204</u>	<u>24,686</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 3,309,698	\$ 3,051,302	\$ 2,932,433	\$ 2,742,865
Contributions as a percentage of covered payroll	1.28%	1.17%	1.03%	0.90%

See accompanying notes to this schedule.

This OPEB schedule in the required supplementary information is intended to show information for 10 years, and additional information will be displayed as it becomes available.

<u>2019</u>	<u>2018</u>
\$ 55,352	\$ 49,486
55,352	49,486
<u>\$</u>	<u>\$</u>
\$ 12,033,184	\$ 11,246,193
0.46%	0.44%
\$ 19,253	\$ 17,995
19,253	17,995
<u>\$</u>	<u>\$</u>
\$ 12,033,184	\$ 11,246,193
0.16%	0.16%
\$ 36,952	\$ 49,326
36,952	49,326
<u>\$</u>	<u>\$</u>
\$ 4,105,775	\$ 4,164,656
0.90%	1.18%
\$ 24,230	\$ 27,388
24,230	27,388
<u>\$</u>	<u>\$</u>
\$ 2,785,106	\$ 2,936,938
0.87%	0.93%

CITY OF SIERRA VISTA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - POLICE - HEALTH INSURANCE PREMIUM
LAST SIX FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total OPEB liability				
Service cost	\$ 15,273	\$ 17,949	\$ 18,896	\$ 13,389
Interest	79,767	85,490	76,898	79,227
Changes of benefit terms				
Differences between expected and actual experience	17,866	(116,424)	102,069	(71,813)
Changes of assumptions or other inputs	11,315			6,643
Benefit payments	(64,167)	(61,313)	(68,642)	(60,202)
Net change in total OPEB liability	60,054	(74,298)	129,221	(32,756)
Total OPEB liability—beginning	1,109,508	1,183,806	1,054,585	1,087,341
Total OPEB liability—ending	<u>\$ 1,169,562</u>	<u>\$ 1,109,508</u>	<u>\$ 1,183,806</u>	<u>\$ 1,054,585</u>
Plan fiduciary net position				
Contributions—employer	\$ 48,041	\$ 37,511	\$ 38,225	\$ 34,993
Contributions—employee				
Net investment income	(33,784)	189,306	8,943	37,250
Benefit payments	(64,167)	(61,313)	(68,642)	(60,202)
Administrative expense	(601)	(778)	(727)	(643)
Other				
Net change in plan fiduciary net position	(50,511)	164,726	(22,201)	11,398
Plan fiduciary net position—beginning	883,620	718,894	741,095	699,726
Adjustment to beginning of year balance				29,971
Plan fiduciary net position—ending	<u>\$ 833,109</u>	<u>\$ 883,620</u>	<u>\$ 718,894</u>	<u>\$ 741,095</u>
Net OPEB (assets) liability—ending	<u>\$ 336,453</u>	<u>\$ 225,888</u>	<u>\$ 464,912</u>	<u>\$ 313,490</u>
Plan fiduciary net position as a percentage of the total OPEB liability	71.23%	79.64%	60.73%	70.27%
Covered payroll	\$ 4,097,869	\$ 4,337,817	\$ 4,186,829	\$ 4,105,775
Net OPEB (assets) liability as a percentage of covered payroll	8.21%	5.21%	11.10%	7.64%

See accompanying notes to this schedule.

The OPEB schedule in the required supplementary information is intended to show information for 10 years, and additional information will be displayed as it becomes available.

<u>2019</u>	<u>2018</u>
June 30, 2018	June 30, 2017
\$ 12,995	\$ 17,641
79,040	84,722
	1,540
(34,823)	(81,762)
	(17,248)
<u>(62,961)</u>	<u>(65,215)</u>
(5,749)	(60,322)
1,093,090	1,153,412
<u>\$ 1,087,341</u>	<u>\$ 1,093,090</u>
\$ 13,833	\$ 50,296
47,391	75,038
(62,961)	(65,215)
(721)	(664)
<u>(2,458)</u>	<u>59,455</u>
<u>702,184</u>	<u>642,729</u>
<u>\$ 699,726</u>	<u>\$ 702,184</u>
<u>\$ 387,615</u>	<u>\$ 390,906</u>
64.35%	64.24%
\$ 4,164,656	\$ 4,721,562
9.31%	8.28%

CITY OF SIERRA VISTA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE - HEALTH INSURANCE PREMIUM
LAST SIX FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total OPEB liability				
Service cost	\$ 11,746	\$ 12,596	\$ 12,365	\$ 9,291
Interest	63,101	61,590	58,166	59,597
Changes of benefit terms				
Differences between expected and actual experience	(20,940)	7,609	45,263	(46,626)
Changes of assumptions or other inputs	15,507			9,565
Benefit payments	(61,624)	(58,862)	(57,856)	(50,610)
Net change in total OPEB liability	7,790	22,933	57,938	(18,783)
Total OPEB liability—beginning	883,462	860,529	802,591	821,374
Total OPEB liability—ending	<u>\$ 891,252</u>	<u>\$ 883,462</u>	<u>\$ 860,529</u>	<u>\$ 802,591</u>
Plan fiduciary net position				
Contributions—employer	\$ 34,637	\$ 26,244	\$ 23,432	\$ 25,046
Contributions—employee				
Net investment income	(25,275)	145,472	7,046	29,850
Benefit payments	(61,624)	(58,862)	(57,856)	(50,610)
Administrative expense	(450)	(598)	(573)	(515)
Other				
Net change in plan fiduciary net position	(52,712)	112,256	(27,951)	3,771
Plan fiduciary net position—beginning	667,564	555,308	583,259	561,735
Adjustments to beginning of year balance				17,753
Plan fiduciary net position—ending	<u>\$ 614,852</u>	<u>\$ 667,564</u>	<u>\$ 555,308</u>	<u>\$ 583,259</u>
Net OPEB (assets) liability—ending	<u>\$ 276,400</u>	<u>\$ 215,898</u>	<u>\$ 305,221</u>	<u>\$ 219,332</u>
Plan fiduciary net position as a percentage of the total OPEB liability	68.99%	75.56%	64.53%	72.67%
Covered payroll	\$ 3,051,302	\$ 2,932,433	\$ 2,742,865	\$ 2,785,106
Net OPEB (assets) liability as a percentage of covered payroll	9.06%	7.36%	11.13%	7.88%

See accompanying notes to this schedule.

The OPEB schedule in the required supplementary information is intended to show information for 10 years, and additional information will be displayed as it becomes available.

<u>2019</u>	<u>2018</u>
June 30, 2018	June 30, 2017
\$ 9,291	\$ 9,996
60,012	60,052
	4
(28,923)	(6,161)
	(2,836)
<u>(50,664)</u>	<u>(50,190)</u>
(10,284)	10,865
831,658	820,793
<u>\$ 821,374</u>	<u>\$ 831,658</u>
\$ 8,621	\$ 26,447
38,143	61,041
(50,664)	(50,190)
(581)	(539)
1	
<u>(4,480)</u>	<u>36,759</u>
566,215	529,456
<u>\$ 561,735</u>	<u>\$ 566,215</u>
<u>\$ 259,639</u>	<u>\$ 265,443</u>
68.39%	68.08%
\$ 2,936,938	\$ 2,951,548
8.84%	8.99%

CITY OF SIERRA VISTA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS PLAN
LAST SIX FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total OPEB liability				
Service cost	\$ 484,639	\$ 841,963	\$ 974,887	\$ 1,131,255
Interest	555,885	395,738	583,190	1,027,009
Changes in benefit terms	1,816,825			
Differences between expected and actual experience	1,257,821	(3,830,501)	(5,872,873)	(8,961,963)
Changes of assumptions or other inputs	384,837	(2,036,419)	2,032,814	2,147,687
Benefit payments	(647,461)	(830,256)	(857,490)	(753,004)
Net change in total OPEB liability	<u>3,852,546</u>	<u>(5,459,475)</u>	<u>(3,139,472)</u>	<u>(5,409,016)</u>
Total OPEB liability—beginning	<u>15,146,037</u>	<u>20,605,512</u>	<u>23,744,984</u>	<u>29,154,000</u>
Total OPEB liability—ending	<u>\$ 18,998,583</u>	<u>\$ 15,146,037</u>	<u>\$ 20,605,512</u>	<u>\$ 23,744,984</u>
Covered-employee payroll	\$ 19,929,535	\$ 13,752,278	\$ 10,565,294	\$ 13,752,754
Total OPEB liability as a percentage of covered-employee payroll	95.33%	110.13%	195.03%	172.66%

See accompanying notes to this schedule.

The OPEB schedule in the required supplementary information is intended to show information for 10 years, and additional information will be displayed as it becomes available.

<u>2019</u>	<u>2018</u>
June 30, 2019	June 30, 2018
\$ 1,093,000	\$ 1,121,000
1,015,000	937,000
1,721,000	(1,296,000)
<u>(737,000)</u>	<u>(604,000)</u>
3,092,000	158,000
<u>26,062,000</u>	<u>25,904,000</u>
<u>\$ 29,154,000</u>	<u>\$ 26,062,000</u>
\$ 12,033,184	\$ 11,246,193
242.28%	231.74%

**CITY OF SIERRA VISTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the City is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

NOTE 2 –PENSION AND OPEB PLAN SCHEDULES

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2021, valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

The actuarial assumptions used in the June 30, 2022 valuation of PSPRS were based on the results of an actuarial experience study for the five year period ended June 30, 2021. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The PSPRS Board adopted the experience study recommended changes which were applied to the June 30, 2022 actuarial valuation. The total pension liabilities as of June 30, 2022 reflect changes in the actuarial assumptions based on the results of an actuarial experience study for the five-year period ended June 30, 2021, including decreasing the discount rate from 7.3 percent to 7.2 percent, changing the wage inflation rate from 3.5 percent to a range of 3.5-14.0 percent, and increasing the cost-of-living adjustment from 1.75 percent to 1.85 percent.

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional, or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date, and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-required contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS required contributions beginning fiscal year 2019 for members who retired or will retire after the law's effective date.

No assets are accumulated in a trust that meets the criteria in GASB No. 75, paragraph 4 to pay the benefits for the City's single-employer defined benefit OPEB plan. The total OPEB liability reflects changes to in plan benefits made during the year to include employees hires after July 1, 2012 who retire normally with ASRS and PSPRS, and are eligible to enroll in the State's health insurance program. For these employees, the City will reimburse the retirees' health insurance premiums until they are Medicare eligible. Previously these employees were not eligible for retiree health care benefits.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

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City of Sierra Vista
Combining Governmental Balance Sheet
Nonmajor Governmental Funds
Summary by Fund Type
June 30, 2023

	Special revenue funds	Debt service fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 7,846,120	\$ 2,000	\$ 7,848,120
Intergovernmental receivable	1,432,734	-	1,432,734
Accounts receivable	38,071	-	38,071
Leases receivable	391,968	-	391,968
Inventory	206,373	-	206,373
Total assets	9,915,266	2,000	9,917,266
LIABILITIES			
Accounts payable	1,567,489	2,000	1,569,489
Due to other funds	372,003	-	372,003
Accrued salaries and employee benefits	238,560	-	238,560
Other liabilities	71,746	-	71,746
Customer deposits	6,828	-	6,828
Total liabilities	2,256,626	2,000	2,258,626
Total liabilities	2,256,626	2,000	2,258,626
DEFERRED INFLOWS			
Leases	383,732	-	383,732
Total deferred inflows of resources	383,732	-	383,732
Total liabilities and deferred inflows of resources	2,640,358	2,000	2,642,358
FUND BALANCES (DEFICITS)			
Nonspendable	206,373	-	206,373
Restricted			
Other Projects	4,811,492	-	4,811,492
Streets	2,422,602	-	2,422,602
Unassigned	(165,559)	-	(165,559)
Total fund balances (deficits)	7,274,908	-	7,274,908
Total liabilities, deferred inflows and fund balances (deficits)	\$ 9,915,266	\$ 2,000	\$ 9,917,266

City of Sierra Vista
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Summary by Fund Type
For the Year Ended June 30, 2023

	Special revenue funds	Debt service fund
REVENUES		
Intergovernmental	\$ 9,016,667	\$ -
Charges for services	1,937,570	-
Fines	19	-
Investment income	85,393	-
Contributions	1,377,192	-
Other revenues	169,784	-
Total revenues	12,586,625	-
EXPENDITURES		
Current:		
General government	10,579	-
Public safety	2,582,167	-
Public works	4,604,847	-
Culture and recreation	173,439	-
Community development	226,016	-
Capital outlay	6,041,104	-
Debt service:		
Interest and fiscal charges	793	993,597
Principal	43,292	2,251,000
Total expenditures	13,682,237	3,244,597
Excess (deficiency) of revenues over expenditures	(1,095,612)	(3,244,597)
OTHER FINANCING SOURCES (USES)		
Transfers out	-	-
Transfers in	2,549,359	3,244,597
Total other financing sources (uses)	2,549,359	3,244,597
Net change in fund balances	1,453,747	-
Fund balances - beginning	5,821,161	-
Fund balances - ending	\$ 7,274,908	\$ -

Total Nonmajor
Governmental Funds

\$ 9,016,667
1,937,570
19
85,393
1,377,192
169,784
12,586,625

10,579
2,582,167
4,604,847
173,439
226,016
6,041,104

994,390
2,294,292
16,926,834
(4,340,209)

-
5,793,956
5,793,956

1,453,747
5,821,161
\$ 7,274,908

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NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues derived from specific sources. They are usually required by state statute, local ordinance or Federal Regulation to finance a particular operation or function.

Miscellaneous Donations Fund - To account for contributions from private sources restricted according to the donors' request.

Highway User Revenue Fund (HURF) - To account for the state-shared Highway User Revenue Taxes, which must be used for roadway construction and maintenance.

Local Transportation Assistance Fund (LTAF) - To account for the operation of the City's transit service.

Police Special Programs Fund - To account for criminal investigation activities that result in the seizure of assets and Animal Control's Paws-to-Recycle program.

Grants Fund - To account for specific grants the City receives.

Judicial Collection Enhancement Fund - To account for special fees and surcharges assessed pursuant to State statute. This money can only be used for approved expenditures which maintain or enhance the judiciary's ability to collect and manage monies assessed or received by the courts.

Airport Fund – This fund accounts for the operation of the Sierra Vista Municipal Airport.

Park Development Fee Fund - To account for fees collected from subdivision developers to expand current facilities and add new equipment to maintain the City's current level of parks service. Any unused monies must be returned to the developers after ten years.

Police Development Fee Fund - To account for fees collected from subdivision developers to expand current facilities and add new equipment to maintain the City's current level of police service. Any unused monies must be returned to the developers after ten years.

Infrastructure Development Fee Fund - To account for fees collected from subdivision developers to construct certain infrastructure improvements attributable to new growth. Any unused monies must be returned to the developers after ten years.

Fire Development Fee Fund - To account for fees collected from subdivision developers to expand current facilities and add new equipment to maintain the City's current level of fire service. Any unused monies must be returned to the developers after ten years.

Sierra Vista Municipal Planning Organization Fund (SVMPO) - To account for the operations of the local MPO.

Southeastern Arizona Communications Center (SEACOM) - To account for the operations of the joint dispatch center partnership with Cochise County, Arizona.

City of Sierra Vista
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023

	Miscellaneous Donations	HURF	LTAF
ASSETS			
Cash and investments	\$ 425,677	\$ 2,646,755	\$ -
Intergovernmental receivable	-	430,333	618,040
Accounts receivable	-	6,210	
Leases receivable	-	-	391,968
Inventory	-	-	-
Total assets	<u>\$ 425,677</u>	<u>\$ 3,083,298</u>	<u>\$ 1,010,008</u>
LIABILITIES			
Accounts payable	\$ 6,585	\$ 705,745	\$ 19,619
Due to other funds	-	-	196,973
Accrued salaries and employee benefits	-	60,054	33,710
Other liabilities	-	46,000	-
Customer deposits	-	6,828	-
Total liabilities	<u>6,585</u>	<u>818,627</u>	<u>250,302</u>
DEFERRED INFLOWS			
Leases	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 383,732</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>383,732</u>
Total liabilities and deferred inflows of resources	<u>6,585</u>	<u>818,627</u>	<u>634,034</u>
FUND BALANCES (DEFICITS)			
Nonspendable	\$ -	\$ -	\$ -
Restricted			
Other Projects	419,092	-	375,974
Streets	-	2,264,671	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>\$ 419,092</u>	<u>\$ 2,264,671</u>	<u>\$ 375,974</u>
Total liabilities, deferred inflows and fund balances (deficits)	<u>\$ 425,677</u>	<u>\$ 3,083,298</u>	<u>\$ 1,010,008</u>

Police Special Programs	Grants	Judicial Collection Enhancement	Airport	Park Development Fee	Police Development Fee
\$ 282,525	\$ -	\$ 249	\$ 3,103,932	\$ 227,538	\$ -
-	41,351	-	-	-	-
-	-	-	31,861	-	-
-	-	-	-	-	-
-	-	-	206,373	-	-
<u>\$ 282,525</u>	<u>\$ 41,351</u>	<u>\$ 249</u>	<u>\$ 3,342,166</u>	<u>\$ 227,538</u>	<u>\$ -</u>
\$ 30,078	\$ 6,134	\$ -	\$ 304,511	\$ -	\$ -
-	9,471	-	-	-	77,827
-	-	-	7,467	-	-
-	25,746	-	-	-	-
-	-	-	-	-	-
<u>30,078</u>	<u>41,351</u>	<u>-</u>	<u>311,978</u>	<u>-</u>	<u>77,827</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>30,078</u>	<u>41,351</u>	<u>-</u>	<u>311,978</u>	<u>-</u>	<u>77,827</u>
\$ -	\$ -	\$ -	\$ 206,373	\$ -	\$ -
252,447	-	249	2,823,815	227,538	-
-	-	-	-	-	-
-	-	-	-	-	(77,827)
<u>\$ 252,447</u>	<u>\$ -</u>	<u>\$ 249</u>	<u>\$ 3,030,188</u>	<u>\$ 227,538</u>	<u>\$ (77,827)</u>
<u>\$ 282,525</u>	<u>\$ 41,351</u>	<u>\$ 249</u>	<u>\$ 3,342,166</u>	<u>\$ 227,538</u>	<u>\$ -</u>

(continued)

City of Sierra Vista
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023
(Concluded)

	Infrastructure Development Fee	Fire Development Fee	SVMPO
ASSETS			
Cash and investments	\$ 157,931	\$ -	\$ 53,599
Intergovernmental receivable	-	-	18,797
Accounts receivable	-	-	-
Leases receivable	-	-	-
Inventory	-	-	-
Total assets	<u>\$ 157,931</u>	<u>\$ -</u>	<u>\$ 72,396</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 4,866
Due to other funds	-	87,732	-
Accrued salaries and employee benefits	-	-	6,476
Other liabilities	-	-	-
Customer deposits	-	-	-
Total liabilities	<u>-</u>	<u>87,732</u>	<u>11,342</u>
DEFERRED INFLOWS			
Leases	\$ -	\$ -	\$ -
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>87,732</u>	<u>11,342</u>
FUND BALANCES (DEFICITS)			
Nonspendable	\$ -	\$ -	\$ -
Restricted			
Other Projects	-	-	61,054
Streets	157,931	-	-
Unassigned	-	(87,732)	-
Total fund balances (deficits)	<u>\$ 157,931</u>	<u>\$ (87,732)</u>	<u>\$ 61,054</u>
Total liabilities, deferred inflows and fund balances (deficits)	<u>\$ 157,931</u>	<u>\$ -</u>	<u>\$ 72,396</u>

<u>SEACOM</u>	<u>Total Nonmajor Special revenue funds</u>
\$ 947,914	\$ 7,846,120
324,213	1,432,734
-	38,071
-	391,968
-	206,373
<u>\$ 1,272,127</u>	<u>\$ 9,915,266</u>
\$ 489,951	\$ 1,567,489
-	372,003
130,853	238,560
-	71,746
-	6,828
<u>620,804</u>	<u>2,256,626</u>
<u>\$ -</u>	<u>383,732</u>
<u>-</u>	<u>383,732</u>
<u>620,804</u>	<u>2,640,358</u>
\$ -	\$ 206,373
651,323	4,811,492
-	2,422,602
-	(165,559)
<u>\$ 651,323</u>	<u>\$ 7,274,908</u>
<u>\$ 1,272,127</u>	<u>\$ 9,915,266</u>

City of Sierra Vista
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2023

	Miscellaneous Donations	HURF	LTAF
REVENUES			
Intergovernmental	\$ -	\$ 4,675,870	\$ 1,262,759
Charges for services	-	-	55,705
Fines	-	-	-
Investment income	-	13,933	-
Contributions	321,893	885,504	-
Other revenues	-	84,710	26,124
Total revenues	<u>321,893</u>	<u>5,660,017</u>	<u>1,344,588</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	119,287	-	-
Public works	-	3,137,958	931,223
Culture and recreation	20,010	-	-
Community development	7,143	-	-
Capital outlay	-	3,356,990	670,141
Debt service:			
Interest and fiscal charges	-	793	-
Principal	-	43,292	-
Total expenditures	<u>146,440</u>	<u>6,539,033</u>	<u>1,601,364</u>
Excess (deficiency) of revenues over expenditures	<u>175,453</u>	<u>(879,016)</u>	<u>(256,776)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	-
Transfers in	-	2,000,000	300,000
Total other financing sources (uses)	<u>-</u>	<u>2,000,000</u>	<u>300,000</u>
Net change in fund balances	175,453	1,120,984	43,224
Fund balances - beginning	243,639	1,143,687	332,750
Fund balances - ending	<u>\$ 419,092</u>	<u>\$ 2,264,671</u>	<u>\$ 375,974</u>

Police Special Programs	Grants	Judicial Collection Enhancement	Airport	Park Development Fee	Police Development Fee
\$ -	\$ 412,888	\$ -	\$ 1,776	\$ -	\$ -
880	-	-	1,674,483	184,415	10,947
-	-	19	-	-	-
1,532	-	-	69,928	-	-
8,069	144,718	-	-	-	-
51,001	-	-	1,227	-	-
<u>61,482</u>	<u>557,606</u>	<u>19</u>	<u>1,747,414</u>	<u>184,415</u>	<u>10,947</u>
-	10,579	-	-	-	-
26,908	40,731	-	-	-	-
-	-	-	82,068	-	-
-	153,429	-	-	-	-
-	218,873	-	-	-	-
-	383,353	-	1,630,620	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>26,908</u>	<u>806,965</u>	<u>-</u>	<u>1,712,688</u>	<u>-</u>	<u>-</u>
<u>34,574</u>	<u>(249,359)</u>	<u>19</u>	<u>34,726</u>	<u>184,415</u>	<u>10,947</u>
-	-	-	-	-	-
-	249,359	-	-	-	-
-	249,359	-	-	-	-
34,574	-	19	34,726	184,415	10,947
217,873	-	230	2,995,462	43,123	(88,774)
<u>\$ 252,447</u>	<u>\$ -</u>	<u>\$ 249</u>	<u>\$ 3,030,188</u>	<u>\$ 227,538</u>	<u>\$ (77,827)</u>

(continued)

City of Sierra Vista
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2023
(Concluded)

	Infrastructure Development Fee	Fire Development Fee	SVMPO
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 474,552
Charges for services	1,929	9,211	-
Fines	-	-	-
Investment income	-	-	-
Contributions	-	-	-
Other revenues	-	-	-
Total revenues	<u>1,929</u>	<u>9,211</u>	<u>474,552</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	453,598
Culture and recreation	-	-	-
Community development	-	-	-
Capital outlay	-	-	-
Debt service:			
Interest and fiscal charges	-	-	-
Principal	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>453,598</u>
Excess (deficiency) of revenues over expenditures	<u>1,929</u>	<u>9,211</u>	<u>20,954</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	-
Transfers in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,929	9,211	20,954
Fund balances - beginning	156,002	(96,943)	40,100
Fund balances - ending	<u>\$ 157,931</u>	<u>\$ (87,732)</u>	<u>\$ 61,054</u>

<u>SEACOM</u>	<u>Total Nonmajor Special revenue funds</u>
\$ 2,188,822	\$ 9,016,667
-	1,937,570
-	19
-	85,393
17,008	1,377,192
6,722	169,784
<u>2,212,552</u>	<u>12,586,625</u>
-	10,579
2,395,241	2,582,167
-	4,604,847
-	173,439
-	226,016
-	6,041,104
-	793
-	43,292
<u>2,395,241</u>	<u>13,682,237</u>
<u>(182,689)</u>	<u>(1,095,612)</u>
-	-
-	2,549,359
-	2,549,359
(182,689)	1,453,747
834,012	5,821,161
<u>\$ 651,323</u>	<u>\$ 7,274,908</u>

City of Sierra Vista
 Non-major Special Revenue Funds
 Combining Schedule of Revenues, Expenditures and Changes Fund Balances - Budget and Actual
 For the Year Ended June 30, 2023

	Miscellaneous Donations		
	Budget	Actual	Variance with Budget
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	-	-	-
Fines	-	-	-
Investment income	-	-	-
Contributions	1,275,492	321,893	(953,599)
Other revenues	-	-	-
Total revenues	1,275,492	321,893	(953,599)
EXPENDITURES			
Current:			
General government	4,994	-	4,994
Public safety	198,341	119,287	79,054
Public works	15	-	15
Culture and recreation	135,423	20,010	115,413
Community development	12,886	7,143	5,743
Capital outlay	-	-	-
Debt service:	-	-	-
Interest and fiscal charges	-	-	-
Principal	-	-	-
Total expenditures	351,659	146,440	205,219
Excess (deficiency) of revenues over expenditures	923,833	175,453	(748,380)
OTHER FINANCING SOURCES (USES)			
Transfers out	(1,414,480)	-	1,414,480
Transfers in	-	-	-
Issuance of financed purchases	-	-	-
Total other financing sources (uses)	(1,414,480)	-	1,414,480
Net change in fund balances	(490,647)	175,453	666,100
Fund balances - beginning	490,647	243,639	(247,008)
Fund balances - ending	\$ -	\$ 419,092	\$ 419,092

HURF			LTAF		
Final Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
\$ 48,644,694	\$ 4,675,870	\$ (43,968,824)	\$ 6,319,015	\$ 1,262,759	\$ (5,056,256)
-	-	-	120,400	55,705	(64,695)
-	-	-	-	-	-
-	13,933	13,933	-	-	-
395,414	885,504	490,090	-	-	-
-	84,710	84,710	1,000	26,124	25,124
<u>49,040,108</u>	<u>5,660,017</u>	<u>(43,380,091)</u>	<u>6,440,415</u>	<u>1,344,588</u>	<u>(5,095,827)</u>
-	-	-	-	-	-
-	-	-	-	-	-
3,068,344	3,137,958	(69,614)	1,335,391	931,223	404,168
-	-	-	-	-	-
-	-	-	-	-	-
59,773,199	3,356,990	56,416,209	6,491,699	670,141	5,821,558
793	793	-	-	-	-
43,292	43,292	-	-	-	-
<u>62,885,628</u>	<u>6,539,033</u>	<u>56,346,595</u>	<u>7,827,090</u>	<u>1,601,364</u>	<u>6,225,726</u>
<u>(13,845,520)</u>	<u>(879,016)</u>	<u>12,966,504</u>	<u>(1,386,675)</u>	<u>(256,776)</u>	<u>1,129,899</u>
-	-	-	-	-	-
4,623,159	2,000,000	(2,623,159)	596,646	300,000	(296,646)
7,981,901	-	(7,981,901)	-	-	-
<u>12,605,060</u>	<u>2,000,000</u>	<u>(10,605,060)</u>	<u>596,646</u>	<u>300,000</u>	<u>(296,646)</u>
(1,240,460)	1,120,984	2,361,444	(790,029)	43,224	833,253
3,240,460	1,143,687	(2,096,773)	790,029	332,750	(457,279)
<u>\$ 2,000,000</u>	<u>\$ 2,264,671</u>	<u>\$ 264,671</u>	<u>\$ -</u>	<u>\$ 375,974</u>	<u>\$ 375,974</u>

(Continued)

City of Sierra Vista
Non-major Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes Fund Balances - Budget and Actual
For the Year Ended June 30, 2023
(Continued)

	Police Special Programs		
	Budget	Actual	Variance with Budget
REVENUES			
Intergovernmental	\$ 50,000	\$ -	\$ (50,000)
Charges for services	-	880	880
Fines	-	-	-
Investment income	-	1,532	1,532
Contributions	-	8,069	8,069
Other revenues	75,000	51,001	(23,999)
Total revenues	125,000	61,482	(63,518)
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	185,000	26,908	158,092
Public works	-	-	-
Culture and recreation	-	-	-
Community development	-	-	-
Capital outlay	150,000	-	150,000
Debt service:			
Interest and fiscal charges	-	-	-
Principal	-	-	-
Total expenditures	335,000	26,908	308,092
Excess (deficiency) of revenues over expenditures	(210,000)	34,574	244,574
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	-
Transfers in	-	-	-
Issuance of financed purchases	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	(210,000)	34,574	244,574
Fund balances - beginning	210,000	217,873	7,873
Fund balances - ending	\$ -	\$ 252,447	\$ 252,447

Grants			Judicial Collection Enhancement		
Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
\$ 16,337,100	\$ 412,888	\$ (15,924,212)	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	10	19	9
-	-	-	-	-	-
1,321,500	144,718	(1,176,782)	-	-	-
-	-	-	-	-	-
<u>17,658,600</u>	<u>557,606</u>	<u>(17,100,994)</u>	<u>10</u>	<u>19</u>	<u>9</u>
183,960	10,579	173,381	300	-	300
398,505	40,731	357,774	-	-	-
-	-	-	-	-	-
154,500	153,429	1,071	-	-	-
307,190	218,873	88,317	-	-	-
16,724,781	383,353	16,341,428	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>17,768,936</u>	<u>806,965</u>	<u>16,961,971</u>	<u>300</u>	<u>-</u>	<u>300</u>
<u>(110,336)</u>	<u>(249,359)</u>	<u>(139,023)</u>	<u>(290)</u>	<u>19</u>	<u>309</u>
-	-	-	-	-	-
87,831	249,359	161,528	-	-	-
-	-	-	-	-	-
<u>87,831</u>	<u>249,359</u>	<u>161,528</u>	<u>-</u>	<u>-</u>	<u>-</u>
(22,505)	-	22,505	(290)	19	309
22,505	-	(22,505)	290	230	(60)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 249</u>	<u>\$ 249</u>

(Continued)

City of Sierra Vista
Non-major Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes Fund Balances - Budget and Actual
For the Year Ended June 30, 2023
(Continued)

	Airport		
	Budget	Actual	Variance with Budget
REVENUES			
Intergovernmental	\$ 8,286,590	\$ 1,776	\$ (8,284,814)
Charges for services	1,020,750	1,674,483	653,733
Fines	-	-	-
Investment income	-	69,928	69,928
Contributions	-	-	-
Other revenues	-	1,227	1,227
Total revenues	<u>9,307,340</u>	<u>1,747,414</u>	<u>(7,559,926)</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	1,384,457	82,068	1,302,389
Culture and recreation	-	-	-
Community development	-	-	-
Capital outlay	12,851,009	1,630,620	11,220,389
Debt service:			
Interest and fiscal charges	-	-	-
Principal	-	-	-
Total expenditures	<u>14,235,466</u>	<u>1,712,688</u>	<u>12,522,778</u>
Excess (deficiency) of revenues over expenditures	<u>(4,928,126)</u>	<u>34,726</u>	<u>4,962,852</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	-
Transfers in	589,009	-	(589,009)
Issuance of financed purchases	3,500,000	-	(3,500,000)
Total other financing sources (uses)	<u>4,089,009</u>	<u>-</u>	<u>(4,089,009)</u>
Net change in fund balances	(839,117)	34,726	873,843
Fund balances - beginning	839,117	2,995,462	2,156,345
Fund balances - ending	<u>\$ -</u>	<u>\$ 3,030,188</u>	<u>\$ 3,030,188</u>

Park Development Fee			Police Development Fee		
Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
150,000	184,415	34,415	18,500	10,947	(7,553)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
150,000	184,415	34,415	18,500	10,947	(7,553)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
150,000	184,415	34,415	18,500	10,947	(7,553)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
150,000	184,415	34,415	18,500	10,947	(7,553)
(150,000)	43,123	193,123	(18,500)	(88,774)	(70,274)
\$ -	\$ 227,538	\$ 227,538	\$ -	\$ (77,827)	\$ (77,827)

(Continued)

City of Sierra Vista
Non-major Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes Fund Balances - Budget and Actual
For the Year Ended June 30, 2023
(Continued)

	Infrastructure Development Fee		
	Budget	Actual	Variance with Budget
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	92,000	1,929	(90,071)
Fines	-	-	-
Investment income	-	-	-
Contributions	-	-	-
Other revenues	-	-	-
Total revenues	92,000	1,929	(90,071)
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Community development	-	-	-
Capital outlay	-	-	-
Debt service:			
Interest and fiscal charges	-	-	-
Principal	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	92,000	1,929	(90,071)
OTHER FINANCING SOURCES (USES)			
Transfers out	(123,159)	-	123,159
Transfers in	-	-	-
Issuance of financed purchases	-	-	-
Total other financing sources (uses)	(123,159)	-	123,159
Net change in fund balances	(31,159)	1,929	33,088
Fund balances - beginning	31,159	156,002	124,843
Fund balances - ending	\$ -	\$ 157,931	\$ 157,931

Fire Development Fee			SVMPO		
Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
\$ -	\$ -	\$ -	\$ 652,723	\$ 474,552	\$ (178,171)
12,500	9,211	(3,289)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,500</u>	<u>9,211</u>	<u>(3,289)</u>	<u>652,723</u>	<u>474,552</u>	<u>(178,171)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	652,723	453,598	199,125
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>652,723</u>	<u>453,598</u>	<u>199,125</u>
<u>12,500</u>	<u>9,211</u>	<u>(3,289)</u>	<u>-</u>	<u>20,954</u>	<u>20,954</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
12,500	9,211	(3,289)	-	20,954	20,954
(12,500)	(96,943)	(84,443)	-	40,100	40,100
<u>\$ -</u>	<u>\$ (87,732)</u>	<u>\$ (87,732)</u>	<u>\$ -</u>	<u>\$ 61,054</u>	<u>\$ 61,054</u>

(Continued)

City of Sierra Vista
Non-major Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes Fund Balances - Budget and Actual
For the Year Ended June 30, 2023
(Concluded)

	SEACOM		
	Budget	Actual	Variance with Budget
REVENUES			
Intergovernmental	\$ 2,682,394	\$ 2,188,822	\$ (493,572)
Charges for services	-	-	-
Fines	-	-	-
Investment income	-	-	-
Contributions	-	17,008	17,008
Other revenues	-	6,722	6,722
Total revenues	2,682,394	2,212,552	(469,842)
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	2,438,842	2,395,241	43,601
Public works	-	-	-
Culture and recreation	-	-	-
Community development	-	-	-
Capital outlay	379,552	-	379,552
Debt service:			
Interest and fiscal charges	-	-	-
Principal	-	-	-
Total expenditures	2,818,394	2,395,241	423,153
Excess (deficiency) of revenues over expenditures	(136,000)	(182,689)	(46,689)
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	-
Transfers in	-	-	-
Issuance of financed purchases	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	(136,000)	(182,689)	(46,689)
Fund balances - beginning	136,000	834,012	698,012
Fund balances - ending	\$ -	\$ 651,323	\$ 651,323

Totals

Final Budget	Actual	Variance with Budget
\$ 82,972,516	\$ 9,016,667	\$ (73,955,849)
1,414,150	1,937,570	523,420
10	19	9
-	85,393	85,393
2,992,406	1,377,192	(1,615,214)
76,000	169,784	93,784
<u>87,455,082</u>	<u>12,586,625</u>	<u>(74,868,457)</u>
189,254	10,579	178,675
3,220,688	2,582,167	638,521
6,440,930	4,604,847	1,836,083
289,923	173,439	116,484
320,076	226,016	94,060
96,370,240	6,041,104	90,329,136
793	793	-
43,292	43,292	-
<u>106,875,196</u>	<u>13,682,237</u>	<u>93,192,959</u>
<u>(19,420,114)</u>	<u>(1,095,612)</u>	<u>18,324,502</u>
(1,537,639)	-	1,537,639
5,896,645	2,549,359	(3,347,286)
11,481,901	-	(11,481,901)
<u>15,840,907</u>	<u>2,549,359</u>	<u>(13,291,548)</u>
(3,579,207)	1,453,747	5,032,954
5,579,207	5,821,161	241,954
<u>\$ 2,000,000</u>	<u>\$ 7,274,908</u>	<u>\$ 5,274,908</u>

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DEBT SERVICE FUND

Debt Service Funds are created to account for the payment of interest and principal on long-term debt other than debt issued for and serviced primarily by a government enterprise.

Debt Service Fund - To account for the accumulation of resources and payment of principal and interest on Sierra Vista Revenue Bonds. Principal and interest on the bonds are payable from and secured by a pledge of and first lien on all excise tax revenues received by the City.

City of Sierra Vista
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	<u>Budget</u>		Variance with
	<u>Original & Final</u>	<u>Actual</u>	<u>Final Budget</u>
EXPENDITURES			
Debt service:			
Interest and fiscal charges	1,218,081	993,597	224,484
Principal	<u>2,411,000</u>	<u>2,251,000</u>	<u>160,000</u>
Total debt service	<u>3,629,081</u>	<u>3,244,597</u>	<u>384,484</u>
Total expenditures	<u>3,629,081</u>	<u>3,244,597</u>	<u>384,484</u>
Excess (deficiency) of revenues over expenditures	<u>(3,629,081)</u>	<u>(3,244,597)</u>	<u>384,484</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>3,629,081</u>	<u>3,244,597</u>	<u>(384,484)</u>
Total other financing sources (uses)	<u>3,629,081</u>	<u>3,244,597</u>	<u>(384,484)</u>
Net change in fund balances	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CAPITAL PROJECTS FUND

Capital Projects Funds are created to account for the purchase or construction of major capital facilities which are not financed by Enterprise or Special Revenue Funds. Capital Projects Funds provide a mechanism to ensure that revenues dictated to a certain, relatively restricted purpose are used only from that purpose.

Capital Improvements Fund - To account for local transaction privilege taxes designated for capital improvements and debt service on capital improvements.

City of Sierra Vista
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Improvements
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 5,482,643	\$ 5,482,643	\$ 5,923,213	\$ 440,570
Intergovernmental	1,500,000	1,500,000	689,353	(810,647)
Investment income	-	-	765,820	765,820
Other revenues	50,000	50,000	40,573	(9,427)
Total revenues	<u>7,032,643</u>	<u>7,032,643</u>	<u>7,418,959</u>	<u>386,316</u>
EXPENDITURES				
Current:				
Capital outlay	26,702,195	26,702,195	22,575,246	4,126,949
Total current	<u>26,702,195</u>	<u>26,702,195</u>	<u>22,575,246</u>	<u>4,126,949</u>
Debt service:				
Bond issuance costs	250,000	250,000	-	250,000
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Total expenditures	<u>26,952,195</u>	<u>26,952,195</u>	<u>22,575,246</u>	<u>4,376,949</u>
Excess (deficiency) of revenues over expenditures	<u>(19,919,552)</u>	<u>(19,919,552)</u>	<u>(15,156,287)</u>	<u>4,763,265</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,321,922)	(7,321,922)	(3,244,597)	4,077,325
Transfers in	-	1,000,000	1,000,000	-
Issuance of revenue bonds	25,960,000	25,960,000	-	(25,960,000)
Total other financing sources (uses)	<u>18,638,078</u>	<u>19,638,078</u>	<u>(2,244,597)</u>	<u>(21,882,675)</u>
Net change in fund balances	(1,281,474)	(281,474)	(17,400,884)	(17,119,410)
Fund balances - beginning	1,281,474	1,281,474	33,483,227	32,201,753
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 16,082,343</u>	<u>\$ 15,082,343</u>

INTERNAL SERVICE FUNDS

Internal Service Funds are created to account for the financing of goods or services provided by one department or agency to another department or agency on a cost-reimbursement basis.

Health and Accident Insurance Fund - To account for the accumulation of resources to be used for payments under our Health and Accident Insurance Program. Each department is billed an estimated cost and in case of dependent coverage, the employee must contribute via payroll deduction. Actual costs include administration of the plan, claims paid and premiums paid to limit risk.

Self-Insured Retention Fund - To account for the accumulation of resources to be used for payments of liability claims, premiums paid to limit loss, and plan administration fees. Funding is being provided by charges to the various funds based upon anticipated loss reserve requirements.

Unemployment Insurance Fund - To account for the accumulation of resources for payment of unemployment benefits at such time as they become due. Presently, earnings from accumulated assets are sufficient for the fund to be self-sustaining.

City of Sierra Vista
Combining Statement of Net Position
All Internal Service Funds
June 30, 2023

	Health and Accident Insurance	Self-Insured Retention	Unemployment Insurance	Total
ASSETS				
Current assets:				
Cash and investments	\$ 6,007,528	\$ 110,429	\$ 79,097	\$ 6,197,054
Accounts receivable	1,284	966	-	2,250
Due from other funds	1,352,287	-	-	1,352,287
Total current assets	<u>7,361,099</u>	<u>111,395</u>	<u>79,097</u>	<u>7,551,591</u>
Total assets	<u>\$ 7,361,099</u>	<u>\$ 111,395</u>	<u>\$ 79,097</u>	<u>\$ 7,551,591</u>
LIABILITIES				
Current liabilities:				
Claims payable	277,206	-	-	277,206
Total current liabilities	<u>277,206</u>	<u>-</u>	<u>-</u>	<u>277,206</u>
Total liabilities	<u>\$ 277,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,206</u>
NET POSITION				
Unrestricted	7,083,893	111,395	79,097	7,274,385
Total net position	<u>\$ 7,083,893</u>	<u>\$ 111,395</u>	<u>\$ 79,097</u>	<u>\$ 7,274,385</u>

City of Sierra Vista
Combining Statement of Revenues, Expenses, and Changes in Net Position
All Internal service funds
For the Year Ended June 30, 2023

	Health and Accident Insurance	Self-Insured Retention	Unemployment Insurance	Total
OPERATING REVENUES				
Contributions	\$ 4,015,114	\$ -	\$ -	\$ 4,015,114
Other revenues	651,262	149,635	-	800,897
Total operating revenues	<u>4,666,376</u>	<u>149,635</u>	<u>-</u>	<u>4,816,011</u>
OPERATING EXPENSES				
Operations and maintenance	348,271	-	-	348,271
Benefits paid	3,765,914	162,284	-	3,928,198
Premiums paid	645,323	-	-	645,323
Total operating expenses	<u>4,759,508</u>	<u>162,284</u>	<u>-</u>	<u>4,921,792</u>
Operating income (loss)	<u>(93,132)</u>	<u>(12,649)</u>	<u>-</u>	<u>(105,781)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	241,695	-	-	241,695
Total nonoperating revenues (expenses)	<u>241,695</u>	<u>-</u>	<u>-</u>	<u>241,695</u>
Change in net position	148,563	(12,649)	-	135,914
Total net position - beginning	\$ 6,935,330	\$ 124,044	\$ 79,097	\$ 7,138,471
Total net position - ending	<u>\$ 7,083,893</u>	<u>\$ 111,395</u>	<u>\$ 79,097</u>	<u>\$ 7,274,385</u>

City of Sierra Vista
Combining Statement of Cash Flows
All Internal service funds
For the Year Ended June 30, 2023

	Health and Accident Insurance	Self-Insured Retention	Unemployment Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 4,020,271	\$ -	\$ -	\$ 4,020,271
Cash paid to suppliers for goods and services	(4,694,861)	(164,190)	-	(4,859,051)
Other operating revenues	651,262	149,635	-	800,897
Net cash provided (used) by operating activities	<u>(23,328)</u>	<u>(14,555)</u>	<u>-</u>	<u>(37,883)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Change in intrafund borrowing	(36,198)	-	-	(36,198)
Net cash provided (used) by noncapital financing activities	<u>(36,198)</u>	<u>-</u>	<u>-</u>	<u>(36,198)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	241,695	-	-	241,695
Net cash provided (used) by investing activities	<u>241,695</u>	<u>-</u>	<u>-</u>	<u>241,695</u>
Net increase (decrease) in cash and cash equivalents	182,169	(14,555)	-	167,614
Balances - beginning of year	5,825,359	124,984	79,097	6,029,440
Balances - end of the year	<u>\$ 6,007,528</u>	<u>\$ 110,429</u>	<u>\$ 79,097</u>	<u>\$ 6,197,054</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income (loss)	\$ (93,132)	\$ (12,649)	\$ -	\$ (105,781)
Changes in assets and liabilities:				
Decrease (increase) in gross accounts receivable	5,157	-	-	5,157
Increase (decrease) in operating portion of accounts payable	64,647	(1,906)	-	62,741
Net cash provided (used) by operating activities	<u>\$ (23,328)</u>	<u>\$ (14,555)</u>	<u>\$ -</u>	<u>\$ (37,883)</u>

FIDUCIARY FUNDS

Fiduciary Funds are created to account for monies held by the City on behalf of others.

Abandon Property Fund - To account for abandon property.

Upper San Pedro Partnership Fund - To account for monies held by the City on behalf of the Upper San Pedro Partnership (USPP). The City is acting as the fiscal agent for the Partnership.

Cochise County Tourism Council Fund - To account for monies held by the City on behalf of the Cochise County Tourism Council (CCTC). The City is acting as the fiscal agent for the Council.

911 Fund - To account for monies distributed from the 911 phone tax to qualifying county governmental agencies.

City of Sierra Vista
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

	<u>Abandon Property</u>	<u>USPP</u>	<u>CCTC</u>
ASSETS			
Cash and investments	\$ 27,076	\$ 288,312	\$ 68,668
Intergovernmental receivable	-	-	-
Total assets	<u>27,076</u>	<u>288,312</u>	<u>68,668</u>
LIABILITIES			
Accounts payable	-	35,830	1,017
Due to City	-	-	-
Total liabilities	<u>-</u>	<u>35,830</u>	<u>1,017</u>
NET POSITION			
Restricted for:			
Other agencies	27,076	252,482	67,651
Total net position	<u>\$ 27,076</u>	<u>\$ 252,482</u>	<u>\$ 67,651</u>

<u>911 Fund</u>	<u>Total Custodial funds</u>
\$ -	\$ 384,056
<u>143,891</u>	<u>143,891</u>
<u>143,891</u>	<u>527,947</u>
41,722	78,569
<u>102,169</u>	<u>102,169</u>
<u>143,891</u>	<u>180,738</u>
-	347,209
<u>\$ -</u>	<u>\$ 347,209</u>

City of Sierra Vista
Combining Statement of Changes in Fiduciary Net Position
Custodial funds
For the Year Ended June 30, 2023

	Abandon Property	USPP
ADDITIONS		
Intergovernmental	\$ -	\$ 105,726
Abandon property	10,213	-
Investment earnings	-	34
Total additions	10,213	105,760
 DEDUCTIONS		
Payments to vendors	-	192,020
Payments to State	9,665	-
Total deductions	9,665	192,020
 Net increase (decrease) in fiduciary net position	548	(86,260)
 Net Position, beginning of year	26,528	338,742
 Net Position, end of year	\$ 27,076	\$ 252,482

CCTC	911 Fund	Total Custodial funds
\$ 274,666	\$ 539,694	\$ 920,086
-	-	10,213
-	-	34
<u>274,666</u>	<u>539,694</u>	<u>930,333</u>
232,439	539,694	964,153
-	-	9,665
<u>232,439</u>	<u>539,694</u>	<u>973,818</u>
42,227	-	(43,485)
25,424	-	390,694
<u>\$ 67,651</u>	<u>\$ -</u>	<u>\$ 347,209</u>

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STATISTICAL SECTION

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The statistical section presents financial statements trends as well as detailed financial and operating information not available elsewhere in the report. The statistical section is intended to enhance the readers' understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

Financial Trends - These schedules contain information on financial trends to help the reader understand how the City's financial position and financial activities have changed over time.

Revenue Capacity - These schedules contain information to help the reader assess the factors affecting the City's ability to generate revenue.

Debt Capacity - These schedules present information to help the reader evaluate the City's current levels of outstanding debt as well as assess the City's ability to make debt payments and/or issue additional debt in the future.

Demographic and Economic Information - These schedules present various demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons with other municipalities.

Operating Information - These schedules contain information about the City's operations and various resources to help the reader draw conclusions as to how the City's financial information relates to the services provided by the City.

City of Sierra Vista
Net Position by Component
Last 10 Years
(accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities				
Net investment in capital assets	\$ 99,144,355	\$ 99,075,363	\$ 98,246,265	\$ 99,349,505
Restricted	4,966,561	6,909,429	8,033,660	4,863,722
Unrestricted	<u>(8,525,763)</u>	<u>(51,965,213)</u>	<u>(54,647,190)</u>	<u>(57,454,383)</u>
Total governmental activities net position	<u>\$ 95,585,153</u>	<u>\$ 54,019,579</u>	<u>\$ 51,632,735</u>	<u>\$ 46,758,844</u>
Business-type activities				
Net investment in capital assets	\$ 35,493,373	\$ 35,024,841	\$ 35,650,689	\$ 33,923,064
Restricted	51,233	51,233	51,233	51,233
Unrestricted	<u>(469,568)</u>	<u>(4,616,338)</u>	<u>(5,463,562)</u>	<u>(4,621,357)</u>
Total business-type activities net position	<u>\$ 35,075,038</u>	<u>\$ 30,459,736</u>	<u>\$ 30,238,360</u>	<u>\$ 29,352,940</u>
Primary government				
Net investment in capital assets	\$ 134,637,728	\$ 134,100,204	\$ 133,896,954	\$ 133,272,569
Restricted	5,017,794	6,960,662	8,084,893	4,914,955
Unrestricted	<u>(8,995,331)</u>	<u>(56,581,551)</u>	<u>(60,110,752)</u>	<u>(62,075,740)</u>
Total primary government net position	<u>\$ 130,660,191</u>	<u>\$ 84,479,315</u>	<u>\$ 81,871,095</u>	<u>\$ 76,111,784</u>

Note: In FY2015, the City implemented GASB 68, *Accounting and Financial Reporting for Pension*. This resulted in a restatement of beginning net assets from \$130.7 million to \$87.4 million.

In FY2018, the City implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This resulted in a restatement of beginning net assets from \$46.67 million to \$40.5 million.

In FY2019 the City restated its beginning fund balances to reflect the change in transaction privilege reporting by the Arizona Department of Revenue

Source: City of Sierra Vista

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 100,465,079	\$ 98,465,677	\$ 97,228,504	\$ 101,335,054	\$ 112,241,329	\$ 121,987,509
4,107,197	9,366,097	12,291,210	13,381,797	16,044,367	16,666,643
(65,868,132)	(69,481,084)	(70,700,244)	(64,712,419)	(59,339,473)	(55,415,742)
<u>\$ 38,704,144</u>	<u>\$ 38,350,690</u>	<u>\$ 38,819,470</u>	<u>\$ 50,004,432</u>	<u>\$ 68,946,223</u>	<u>\$ 83,238,410</u>
\$ 34,325,116	\$ 34,056,919	\$ 34,252,030	\$ 35,560,071	\$ 35,294,180	\$ 35,849,642
					101,923
(5,407,181)	(5,277,802)	(5,998,875)	(6,867,752)	(4,784,458)	(5,739,027)
<u>\$ 28,917,935</u>	<u>\$ 28,779,117</u>	<u>\$ 28,253,155</u>	<u>\$ 28,692,319</u>	<u>\$ 30,509,722</u>	<u>\$ 30,212,538</u>
\$ 134,790,195	\$ 132,522,596	\$ 131,480,534	\$ 136,895,125	\$ 147,535,509	\$ 157,837,151
4,107,197	9,366,097	12,291,210	13,381,797	16,044,367	16,768,566
(71,275,313)	(74,758,886)	(76,699,119)	(71,580,171)	(64,123,931)	(61,154,769)
<u>\$ 67,622,079</u>	<u>\$ 67,129,807</u>	<u>\$ 67,072,625</u>	<u>\$ 78,696,751</u>	<u>\$ 99,455,945</u>	<u>\$ 113,450,948</u>

City of Sierra Vista
Changes in Net Position
Last 10 Years
(accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses				
Governmental activities:				
General government	\$ 6,461,623	\$ 6,609,010	\$ 7,299,648	\$ 6,628,073
Public safety	16,892,244	18,599,902	18,164,895	22,560,672
Public works	15,894,553	16,486,381	15,572,233	15,218,602
Culture and recreation	3,891,908	3,107,107	3,679,116	4,584,022
Community development	1,174,014	1,088,865	869,175	856,310
Interest and fiscal charges	984,643	881,623	774,429	656,506
Total governmental activities expenses	<u>45,298,985</u>	<u>46,772,888</u>	<u>46,359,496</u>	<u>50,504,185</u>
Business-type activities:				
Sewer	3,991,879	3,804,727	3,957,011	3,861,004
Refuse	4,272,556	4,088,053	4,188,929	4,385,874
Total business-type activities expenses	<u>8,264,435</u>	<u>7,892,780</u>	<u>8,145,940</u>	<u>8,246,878</u>
Total primary government expenses	<u>\$ 53,563,420</u>	<u>\$ 54,665,668</u>	<u>\$ 54,505,436</u>	<u>\$ 58,751,063</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,525,767	\$ 1,486,331	\$ 1,364,244	\$ 3,861,004
Public safety	1,221,295	1,545,943	1,704,179	4,385,874
Public works	2,560,147	2,355,411	2,542,471	3,020,506
Culture and recreation	1,036,840	1,062,303	1,051,700	1,064,926
Community development	1,138,824	890,573	619,315	572,304
Operating grants and contributions	1,783,822	2,010,368	1,572,360	1,597,066
Capital grants and contributions	3,303,899	1,853,539	1,801,904	1,893,296
Total governmental activities program revenues	<u>12,570,594</u>	<u>11,204,468</u>	<u>10,656,173</u>	<u>16,394,976</u>
Business-type activities:				
Charges for services:				
Sewer	4,084,499	2,586,469	3,839,006	3,824,136
Refuse	4,638,149	4,327,870	4,235,371	3,687,135
Operating grants and contributions				
Capital grants and contributions	2,060,847	293,936		
Total business-type activities program revenues	<u>10,783,495</u>	<u>7,208,275</u>	<u>8,074,377</u>	<u>7,511,271</u>
Total primary government program revenues	<u>\$ 23,354,089</u>	<u>\$ 18,412,743</u>	<u>\$ 18,730,550</u>	<u>\$ 23,906,247</u>
Net (Expense)/Revenue				
Governmental activities	\$ (32,728,391)	\$ (35,568,420)	\$ (35,703,323)	\$ (34,109,209)
Business-type activities	2,519,060	(684,505)	(71,563)	(735,607)
Total primary government net expense	<u>\$ (30,209,331)</u>	<u>\$ (36,252,925)</u>	<u>\$ (35,774,886)</u>	<u>\$ (34,844,816)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$ 390,759	\$ 371,634	\$ 359,567	\$ 364,542
Sales taxes	16,650,008	17,555,028	17,749,083	18,092,696
State shared revenues	13,494,847	14,369,609	14,666,533	14,880,201
Investment income	21,877	15,870	17,288	31,188
Other revenues	648,058	990,238	374,195	431,580
Transfers	149,813	149,813	149,813	149,813
Total governmental activities	<u>31,355,362</u>	<u>33,452,192</u>	<u>33,316,479</u>	<u>33,950,020</u>
Business-type activities:				
Investment income				
Other revenues				
Transfers	(149,813)	(149,813)	(149,813)	(149,813)
Total business-type activities	<u>(149,813)</u>	<u>(149,813)</u>	<u>(149,813)</u>	<u>(149,813)</u>
Total primary government	<u>\$ 31,205,549</u>	<u>\$ 33,302,379</u>	<u>\$ 33,166,666</u>	<u>\$ 33,800,207</u>
Change in Net Position				
Governmental activities	\$ (1,373,029)	\$ (2,116,228)	\$ (2,386,844)	\$ (159,189)
Business-type activities	2,369,247	(834,318)	(221,376)	(885,420)
Total primary government	<u>\$ 996,218</u>	<u>\$ (2,950,546)</u>	<u>\$ (2,608,220)</u>	<u>\$ (1,044,609)</u>

Source: City of Sierra Vista

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	6,856,884	\$ 6,996,456	\$ 7,167,118	\$ 7,225,450	\$ 7,592,570	\$ 8,794,094
	21,714,387	21,839,622	24,919,339	23,291,439	21,329,588	25,546,021
	15,329,956	14,620,116	14,767,173	14,783,180	15,440,774	17,206,469
	4,662,675	4,256,316	5,213,946	4,080,249	5,191,172	6,249,878
	934,551	2,028,572	1,123,834	2,029,442	994,437	1,299,194
	319,566	256,553	581,077	438,217	497,432	996,573
	<u>49,818,019</u>	<u>49,997,635</u>	<u>53,772,487</u>	<u>51,847,977</u>	<u>51,045,973</u>	<u>60,092,229</u>
	3,912,622	3,789,592	3,928,742	3,871,150	3,889,950	4,234,176
	4,263,011	4,391,923	4,917,805	4,683,428	4,639,708	4,842,660
	<u>8,175,633</u>	<u>8,181,515</u>	<u>8,846,547</u>	<u>8,554,578</u>	<u>8,529,658</u>	<u>9,076,836</u>
\$	<u>57,993,652</u>	<u>58,179,150</u>	<u>62,619,034</u>	<u>60,402,555</u>	<u>59,575,631</u>	<u>69,169,065</u>
\$	2,378,403	\$ 1,711,699	\$ 2,540,772	\$ 2,044,093	\$ 1,744,608	\$ 2,033,891
	1,991,175	2,320,282	2,217,835	2,170,792	2,419,996	2,809,232
	2,572,341	2,628,271	3,638,990	3,304,528	4,840,490	3,610,450
	1,124,607	1,165,869	716,286	486,225	1,024,591	1,119,220
	466,122	365,108	382,280	505,314	856,140	900,591
	2,240,538	2,919,900	5,073,337	10,725,364	8,964,979	8,822,040
	2,042,965	311,754	968,573	1,432,438	3,996,799	3,077,081
	<u>12,816,151</u>	<u>11,422,883</u>	<u>15,538,073</u>	<u>20,668,754</u>	<u>23,847,603</u>	<u>22,372,505</u>
	3,881,815	3,650,091	3,586,287	3,802,013	3,808,416	3,789,417
	3,671,272	4,151,074	4,399,965	4,668,625	4,785,752	4,736,819
	184,378	241,532	323,837	522,609	125,000	247,029
	<u>7,737,465</u>	<u>8,042,697</u>	<u>8,310,089</u>	<u>8,993,247</u>	<u>9,341,330</u>	<u>8,773,265</u>
\$	<u>20,553,616</u>	<u>19,465,580</u>	<u>23,848,162</u>	<u>29,662,001</u>	<u>33,188,933</u>	<u>31,145,770</u>
\$	(37,001,868)	\$ (38,574,752)	\$ (38,234,414)	\$ (31,179,223)	\$ (27,198,370)	\$ (37,719,724)
	(438,168)	(138,818)	(536,458)	438,669	811,672	(303,571)
\$	<u>(37,440,036)</u>	<u>(38,713,570)</u>	<u>(38,770,872)</u>	<u>(30,740,554)</u>	<u>(26,386,698)</u>	<u>(38,023,295)</u>
\$	358,082	\$ 358,153	\$ 363,530	\$ 370,510	\$ 368,131	\$ 386,286
	18,875,557	20,040,690	21,031,942	23,377,588	25,331,979	27,302,381
	15,419,313	15,589,252	16,746,716	18,151,433	19,270,550	22,719,476
	44,597	83,055	53,794	4,792	48,935	1,122,910
	519,619	557,624	507,212	459,862	1,120,566	480,858
	<u>35,217,168</u>	<u>36,628,774</u>	<u>38,703,194</u>	<u>42,364,185</u>	<u>46,140,161</u>	<u>52,011,911</u>
	3,163		10,496	495	10,647	587
						5,800
	<u>3,163</u>	<u>-</u>	<u>10,496</u>	<u>495</u>	<u>10,647</u>	<u>6,387</u>
\$	<u>35,220,331</u>	<u>36,628,774</u>	<u>38,713,690</u>	<u>42,364,680</u>	<u>46,150,808</u>	<u>52,018,298</u>
\$	(1,784,700)	\$ (1,945,978)	\$ 468,780	\$ 11,184,962	\$ 18,941,791	\$ 14,292,187
	(435,005)	(138,818)	(525,962)	439,164	822,319	(297,184)
\$	<u>(2,219,705)</u>	<u>(2,084,796)</u>	<u>(57,182)</u>	<u>11,624,126</u>	<u>19,764,110</u>	<u>13,995,003</u>

City of Sierra Vista
Fund Balances, Governmental Funds
Last 10 Years
(modified accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Unassigned	\$ 3,972,820	\$ 4,066,675	\$ 4,076,911	\$ 4,098,515
Nonspendable			52,031	75,647
Total General Fund balance	<u>\$ 3,972,820</u>	<u>\$ 4,066,675</u>	<u>\$ 4,128,942</u>	<u>\$ 4,174,162</u>
All Other Governmental Funds				
Restricted	\$ 4,966,561	\$ 6,909,429	\$ 8,033,660	\$ 7,809,861
Nonspendable			73,438	118,913
Unassigned	(3,619,690)	(4,028,268)	(4,631,568)	(5,663,027)
Total all other governmental funds	<u>1,346,871</u>	<u>2,881,161</u>	<u>3,475,530</u>	<u>2,265,747</u>
Total all governmental funds	<u>\$ 5,319,691</u>	<u>\$ 6,947,836</u>	<u>\$ 7,604,472</u>	<u>\$ 6,439,909</u>

Notes: In FY2019 the City restated the the beginning Fund balances of the General and Capital Improvements Funds to reflect new reporting by the Arizona Department of Revenue

Source: City of Sierra Vista

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 4,098,515	\$ 5,762,990	\$ 5,961,579	\$ 6,423,769	\$ 7,010,738	\$ 9,679,062
138,478	82,999	55,351	73,866	163,791	90,660
<u>\$ 4,236,993</u>	<u>\$ 5,845,989</u>	<u>\$ 6,016,930</u>	<u>\$ 6,497,635</u>	<u>\$ 7,174,529</u>	<u>\$ 9,769,722</u>
\$ 7,554,217	\$ 9,266,201	\$12,178,559	\$13,317,127	\$39,413,413	\$23,316,437
113,184	99,896	112,651	64,670	76,692	206,373
(5,511,407)	(5,629,619)	(5,179,618)	(381,345)	(185,717)	(165,559)
<u>2,155,994</u>	<u>3,736,478</u>	<u>7,111,592</u>	<u>13,000,452</u>	<u>39,304,388</u>	<u>23,357,251</u>
<u>\$ 6,392,987</u>	<u>\$ 9,582,467</u>	<u>\$13,128,522</u>	<u>\$19,498,087</u>	<u>\$46,478,917</u>	<u>\$33,126,973</u>

City of Sierra Vista
Changes in Fund Balances, Governmental Funds
Last 10 Years
(modified accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues:				
Taxes	\$ 17,040,767	\$ 17,926,662	\$ 18,108,650	\$ 18,457,238
Licenses and permits	1,855,217	1,775,419	1,553,851	1,729,991
Intergovernmental	16,911,860	16,638,440	16,336,187	18,205,719
Charges for services	5,602,590	5,542,823	5,707,852	6,194,348
Fines	25,066	22,319	20,206	19,020
Investment income	21,877	15,870	17,288	31,188
Contributions	1,670,708	1,595,076	1,704,611	164,844
Other revenues	648,058	990,238	374,195	431,560
Total revenues	<u>43,776,143</u>	<u>44,506,847</u>	<u>43,822,840</u>	<u>45,233,908</u>
Expenditures:				
General government	5,931,492	6,135,261	6,354,521	6,198,461
Public safety	15,097,854	14,652,603	15,352,722	17,387,613
Public works	14,719,023	14,221,370	13,211,542	15,453,133
Culture and recreation	3,171,277	2,997,303	3,150,038	3,384,473
Community development	1,082,532	1,191,835	873,558	862,021
Capital outlay	234,592		524,409	372,698
Debt service -				
Interest and fiscal charges	984,643	881,623	774,429	656,506
Bond issuance costs				
Payment to refunding bond escrow agent				
Principal	3,049,664	2,948,520	3,024,798	3,145,487
Total expenditures	<u>44,271,077</u>	<u>43,028,515</u>	<u>43,266,017</u>	<u>47,460,392</u>
Excess (deficiency) of revenues over expenditures	(494,934)	1,478,332	556,823	(2,226,484)
Other financing sources (uses):				
Transfers out	(5,368,626)	(4,715,328)	(4,768,674)	(5,237,077)
Transfer in	5,518,439	4,865,141	4,868,487	5,361,890
Issuance of revenue bonds				
Issuance of refunding bonds				
Payment to refunding bond escrow agent				
Proceeds from installment purchase				937,088
Total other financing sources (uses)	<u>149,813</u>	<u>149,813</u>	<u>99,813</u>	<u>1,061,901</u>
Net Change in fund balances	<u>\$ (345,121)</u>	<u>\$ 1,628,145</u>	<u>\$ 656,636</u>	<u>\$ (1,164,583)</u>
Debt service as a percentage of noncapital expenditures	10.4%	10.0%	9.7%	9.4%

Source: City of Sierra Vista

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 19,233,639	\$ 20,398,843	\$ 21,395,472	\$ 23,748,099	\$ 25,700,110	\$ 27,688,667
1,998,204	1,921,499	1,993,234	1,829,125	2,102,253	2,509,293
17,768,716	18,624,860	22,563,071	30,029,366	32,033,365	32,439,403
5,810,644	6,196,544	6,650,654	6,207,699	8,576,040	7,862,148
21,430	19,535	10,868	2,175	5,504	5,664
44,597	83,055	53,794	4,792	48,935	1,122,910
909,675	196,072	225,555	279,870	198,964	1,377,192
519,619	557,624	507,212	459,862	706,302	472,213
<u>46,306,524</u>	<u>47,998,032</u>	<u>53,399,860</u>	<u>62,560,988</u>	<u>69,371,473</u>	<u>73,477,490</u>
6,384,018	6,800,502	6,752,031	7,081,543	7,578,460	8,371,726
18,210,858	19,765,952	21,901,308	22,693,352	22,755,498	25,464,073
12,854,850	11,284,364	12,007,575	14,484,400	11,879,222	11,309,902
3,483,371	4,529,600	4,280,076	5,981,964	4,521,199	5,303,316
939,144	896,691	1,099,326	1,066,685	1,074,782	1,288,456
49,056		12,750,668		15,374,325	31,681,946
196,057	191,304	419,078	372,968	292,182	996,573
123,509		96,750		140,000	
1,749,506					
3,228,533	2,907,663	4,261,993	4,510,511	2,774,975	2,413,442
<u>47,218,902</u>	<u>46,376,076</u>	<u>63,568,805</u>	<u>56,191,423</u>	<u>66,390,643</u>	<u>86,829,434</u>
(912,378)	1,621,956	(10,168,945)	6,369,565	2,980,830	(13,351,944)
(4,418,200)	(3,763,962)	(5,068,766)	(9,197,622)	(6,505,414)	(6,793,956)
4,393,200	3,738,962	5,068,766	9,197,622	6,505,414	6,793,956
		13,715,000		24,000,000	
11,345,000					
(11,221,491)					
766,947					
<u>865,456</u>	<u>(25,000)</u>	<u>13,715,000</u>	<u>-</u>	<u>24,000,000</u>	<u>-</u>
<u>\$ (46,922)</u>	<u>\$ 1,596,956</u>	<u>\$ 3,546,055</u>	<u>\$ 6,369,565</u>	<u>\$ 26,980,830</u>	<u>\$(13,351,944)</u>
8.1%	7.5%	9.8%	9.9%	6.0%	6.2%

City of Sierra Vista
Sales Tax by Category
Last 10 years
(modified accrual basis of accounting)

Business Category	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Communications & utilities	\$ 1,495,522	\$ 1,505,027	\$ -	\$ -
Transportation & warehousing	6,850	6,080		
Construction	1,116,402	1,403,500		
Manufacturing	228,141	237,632		
Wholesale trade	247,272	313,885		
Retail trade	9,183,309	9,438,478		
Finance & insurance	13,650	15,287		
Real estate, rental & leasing	1,172,494	1,155,182		
Restaurant & bar	1,768,624	1,817,655		
Accommodation	770,012	864,633		
Services	544,579	642,174		
Arts & entertainment	7,788	6,188		
Utilities			914,616	1,038,117
Communicaitons			274,829	219,084
Publication			45,105	47,353
Restaurant & Bar			1,956,725	2,176,936
Contracting - Prime			621,019	519,852
Retail Sales			8,042,943	9,230,031
Use Tax Purchases			533,442	509,904
Use Tax from inventory			27,328	8,975
Residential Rental			374,580	399,242
Retail Food for home consumption			1,920,150	2,205,658
Commercial Rental			384,082	370,495
Tangible Property Rental			177,405	222,022
Extended Stay			714,949	897,679
Online sales				
Other	95,365	149,307	106,767	105,786
Under old classifications			1,655,143	141,562
Total	<u><u>\$16,650,008</u></u>	<u><u>\$17,555,028</u></u>	<u><u>\$17,749,082</u></u>	<u><u>\$18,092,696</u></u>

Source:

Arizona Department of Revenue

Notes:

Effective November 1 , 2015, the tax classifications taxed at a 1.75% rate were increased to 1.95%.

Effective July 1, 2015 (for August 2015 tax reporting), the Arizona Department of Revenue revamped the tax reporting classifications.

Effective March 1 , 2021, the Construciton Contracting tax classifications taxed at a 2.45% rate were reduced to 1.95%.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,071,019	1,127,563	1,074,415	1,076,888	1,159,601	1,350,265
232,131	239,953	216,536	151,774	159,301	178,195
43,627	38,606	35,651	35,135	16,007	9,104
2,252,588	2,391,663	2,318,154	2,637,676	2,816,755	3,007,782
723,807	828,653	708,650	503,461	642,633	995,592
9,519,169	10,064,496	10,599,143	12,033,089	12,927,769	13,310,434
625,414	760,457	722,244	796,415	755,174	742,398
9,359	8,361	8,576	12,070	11,065	12,888
410,991	432,682	452,833	497,024	531,864	550,317
2,342,216	2,428,222	2,743,032	2,921,812	3,058,705	3,492,895
362,403	369,639	356,607	362,874	345,910	368,806
213,311	259,529	231,317	238,315	258,565	297,910
909,068	917,068	860,399	930,791	1,270,073	1,329,063
160,454	173,798	117,468	88,321	141,187	298,816
<u>\$18,875,557</u>	<u>\$20,040,690</u>	<u>\$21,031,942</u>	<u>\$23,377,588</u>	<u>\$ 25,331,979</u>	<u>\$ 27,302,381</u>

Source: City of Sierra Vista, Arizona Department of Revenue

City of Sierra Vista
Direct and Overlapping Sales Tax Rates, Retail Category
Last 10 Years

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>County Rate</u>	<u>State Rate</u>	<u>Total Rate</u>
2014	1.75%	0.50%	5.60%	7.85%
2015	1.75%	0.50%	5.60%	7.85%
2016	1.95%	0.50%	5.60%	8.05%
2017	1.95%	0.50%	5.60%	8.05%
2018	1.95%	0.50%	5.60%	8.05%
2019	1.95%	0.50%	5.60%	8.05%
2020	1.95%	0.50%	5.60%	8.05%
2021	1.95%	0.50%	5.60%	8.05%
2022	1.95%	0.50%	5.60%	8.05%
2023	1.95%	0.50%	5.60%	8.05%

**City of Sierra Vista
Pledged-Revenue Coverage
Last 10 Years**

Municipal Facility Revenue Bonds

<u>Fiscal Year</u>	<u>Pledged Revenues</u>	<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>
2014	\$ 27,381,922	\$ 2,515,000	\$ 930,220	
2015	28,681,141	2,600,000	836,845	7.97
2016	29,009,569	2,690,000	735,570	8.37
2017	29,294,082	2,805,000	623,376	8.46
2018	30,464,615	2,915,000	503,101	8.57
2019	31,642,292	3,065,000	229,954	9.25
2020	33,468,064	3,105,000	197,960	9.58
2021	36,627,472	4,270,000	409,518	7.15
2022	44,189,069	3,128,000	334,262	10.58
2023	50,393,246	2,741,000	1,034,490	11.70

Source: City of Sierra Vista

City of Sierra Vista
Legal Debt Margin and Direct/Overlapping Debt Information
Last 10 Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Estimated Property Value	\$2,926,589,424	\$2,922,865,504	\$2,935,601,712	\$2,894,459,540
Assessed Property Value	\$ 325,296,345	\$ 320,629,532	\$ 319,072,042	\$ 316,232,149
<u>Debt Limits</u>				
Legal Debt Limit - 20% Bonds	\$ 65,059,269	\$ 64,125,906	\$ 63,814,408	\$ 63,246,430
Amount of Debt applicable to debt limit	-	-	-	-
Legal Debt Margin - 20% Bonds	<u>\$ 65,059,269</u>	<u>\$ 64,125,906</u>	<u>\$ 63,814,408</u>	<u>\$ 63,246,430</u>
Legal Debt Limit - 6% Bonds	\$ 19,517,781	\$ 19,237,772	\$ 19,144,323	\$ 18,973,929
Amount of Debt applicable to debt limit	-	-	-	-
Legal Debt Margin - 6% Bonds	<u>\$ 19,517,781</u>	<u>\$ 19,237,772</u>	<u>\$ 19,144,323</u>	<u>\$ 18,973,929</u>

Direct Government Activities Debt

City of Sierra Vista	\$ 23,089,887	\$ 20,141,367	\$ 17,116,569	\$ 14,908,170
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Overlapping Governmental Activities Debt

Jurisdiction:

Sierra Vista Public Schools	None	None	None	\$ 16,075,000
Cochise College	N/A	\$ 20,075,000	\$ 24,310,000	None
Cochise County	N/A	<u>2,007,494</u>	<u>1,292,713</u>	<u>1,292,713</u>
Total	None	<u>\$ 22,082,494</u>	<u>\$ 25,602,713</u>	<u>\$ 17,367,713</u>

Estimated Amount Applicable to the City

Jurisdiction:

Sierra Vista Public Schools	None	None	None	None
Cochise College	N/A	N/A	N/A	N/A
Cochise County	N/A	N/A	N/A	N/A
Total	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>

Direct and Overlapping Governmental Activities Debt

Jurisdiction:

City of Sierra Vista	\$ 23,089,887	\$ 20,141,367	\$ 17,116,569	\$ 14,908,170
Sierra Vista Public Schools	None	None	None	16,075,000
Cochise College	N/A	20,075,000	24,310,000	N/A
Cochise County	N/A	<u>2,007,494</u>	<u>1,292,713</u>	<u>1,292,713</u>
Total	<u>\$ 23,089,887</u>	<u>\$ 42,223,861</u>	<u>\$ 42,719,282</u>	<u>\$ 32,275,883</u>

Sources:

- Estimated property value from Arizona Department of Revenue
- Assessed Property Value from Cochise County Assessor's Office
- Overlapping Governmental Debt Amount from Arizona State Treasurer's Office

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$2,904,374,277	\$2,971,854,584	\$3,086,344,607	\$3,124,198,356	\$3,219,136,069	\$3,401,305,101
\$ 316,754,103	\$ 324,172,815	\$ 336,377,878	\$ 340,383,802	\$ 384,173,594	\$ 401,340,123
\$ 63,350,821	\$ 64,834,563	\$ 67,275,576	\$ 68,076,760	\$ 76,834,719	\$ 80,268,025
-	-	-	-	-	-
\$ 63,350,821	\$ 64,834,563	\$ 67,275,576	\$ 68,076,760	\$ 76,834,719	\$ 80,268,025
\$ 19,005,246	\$ 19,450,369	\$ 20,182,673	\$ 20,423,028	\$ 23,050,416	\$ 24,080,407
-	-	-	-	-	-
\$ 19,005,246	\$ 19,450,369	\$ 20,182,673	\$ 20,423,028	\$ 23,050,416	\$ 24,080,407
\$ 11,081,584	\$ 8,173,921	\$ 17,626,928	\$ 13,116,417	\$ 31,930,023	\$ 31,928,000
\$ 16,075,000	\$ 16,075,000	\$ 16,075,000	\$ 16,075,000	\$ 16,075,000	\$ 16,075,000
None	None	None	None	None	None
1,292,713	1,292,713	1,292,713	1,292,713	1,292,713	1,292,713
\$ 17,367,713	\$ 17,367,713	\$ 17,367,713	\$ 17,367,713	\$ 17,367,713	\$ 17,367,713
None	None	None	None	None	None
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
None	None	None	None	None	None
\$ 11,081,584	\$ 8,173,921	\$ 17,626,928	\$ 13,116,417	\$ 31,930,023	\$ 31,928,000
16,075,000	16,075,000	16,075,000	16,075,000	16,075,000	16,075,000
N/A	N/A	N/A	N/A	N/A	N/A
1,292,713	1,292,713	1,292,713	1,292,713	1,292,713	1,292,713
\$ 28,449,297	\$ 25,541,634	\$ 34,994,641	\$ 30,484,130	\$ 49,297,736	\$ 49,295,713

City of Sierra Vista
Ratios of Outstanding Debt by Type
Last 10 Years

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Per Capita	Percentage of Personal Income
	Revenue Bonds	Financed Purchases	Revenue Bonds	Financed Purchases			
2014	20,805,000	2,284,887	8,552,967	8,552,967	40,195,821	908	N/A
2015	18,205,000	1,936,367	7,594,392	7,594,392	35,330,151	800	N/A
2016	15,515,000	1,601,569	6,810,883	6,810,883	30,738,335	698	N/A
2017	12,710,000	2,198,170	7,671,641	7,671,641	30,251,452	690	N/A
2018	8,600,000	2,481,584	5,430,000	2,000,934	18,512,518	408	N/A
2019	6,205,000	1,968,921	4,760,000	1,550,181	14,484,102	336	N/A
2020	16,182,000	1,444,928	4,080,000	1,089,874	22,796,802	503	N/A
2021	12,602,000	514,417	3,390,000	619,801	17,126,218	377	N/A
2022	34,179,000	162,442	2,685,000	616,995	37,643,437	828	N/A
2023	31,928,000		2,195,000	360,298	34,483,298	N/A	N/A

Note: Details of the City's outstanding debt can be found in the notes to the financial statements
AS OF 2013, per Capita Income no longer available
2022 population estimates not available

**City of Sierra Vista
Demographic and Economic Statistics
Last 10 Years**

<u>Fiscal Year</u>	<u>Population</u>	per Capita	Total Personal	<u>Unemployment Rate</u>		
		<u>Income</u>	<u>Income</u>	<u>City</u>	<u>County</u>	<u>State</u>
2013	45,303	N/A	N/A	7.80%	8.50%	6.80%
2014	44,286	N/A	N/A	7.00%	8.50%	6.80%
2015	44,183	N/A	N/A	6.30%	7.40%	6.10%
2016	44,023	N/A	N/A	5.10%	6.10%	5.20%
2017	43,824	N/A	N/A	4.70%	5.40%	4.90%
2018	45,359	N/A	N/A	4.90%	5.80%	4.90%
2019	43,045	N/A	N/A	5.00%	5.70%	4.70%
2020	45,308	N/A	N/A	6.40%	7.00%	7.90%
2021	45,479	N/A	N/A	5.90%	6.90%	5.20%
2022	45,439	N/A	N/A	3.90%	4.30%	4.00%
2023	N/A	N/A	N/A	4.00%	4.00%	3.20%

Sources:

Population estimates from Arizona Department of Economic Security

Unemployment rates and per Capita Income from Cochise College Center for Economic Research for 2012 thru 2019
per Capita Income not available after 2013

Unemployment rates for 2020 from Arizona Department of Commerce

2023 Population data not available

**City of Sierra Vista
Principal Employers
Current year and nine Years Prior**

Employer	2015			2005	
	Employees	Rank	Percentage Of Total City Employment	Employees	Rank
Fort Huachuca	7,956	1	N/A	12,204	1
Sierra Vista School District	707	2	N/A	997	2
Sierra Vista Regional Health Center	623	3	N/A	677	3
City of Sierra Vista	407	4	N/A	375	5
ManTech	389	5	N/A		
Cochise College	331	6	N/A		
Engility Corp.	215	7	N/A		
Lawley Automotive	181	8	N/A	275	8
Fort Huachuca Accomodation Schools	139	9	N/A		
Cochise County	135	10	N/A		
Aegis	N/A			590	4
Newtec	N/A			293	6
F.C. Business Solutions	N/A			279	7
New Mexico Technology Group	N/A			219	9
KE&G Construction	N/A			218	10

Source: Cochise College Center for Economic Research

Notes:

DES no longer gives an estimate of total city employment so a percentage cannot be calculated
Cochise College ceased collecting employee count data in 2015, so this is the most current information

City of Sierra Vista
Approved Full-Time Positions
Last 10 years

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government										
City Manager	25	19	20	21	21	22	23	23	22	24
Administrative Services	31	19	21	21	21	21	23	23	23	24
Court and Legal	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police	102	96	95	97	95	82	85	87	87	90
SEACOM						12	25	26	26	26
Fire	61	55	55	56	58	66	69	69	72	75
Public Works										
Public Works	62	49	49	50	50	38	38	38	40	42
Streets and Traffic	21	22	22	17	18	18	18	18	19	20
Airport	1	1	1	1	1	2	1	1	1	1
Transit	10	11	11	10	10	10	10	10	10	11
Sewer	12	12	12	12	12	12	13	13	13	12
Refuse	14	14	14	14	15	17	17	17	18	18
Culture and Recreation	37	25	23	28	27	38	46	46	48	48
Community Development	18	9	12	11	11	11	9	9	9	9
	<u>395</u>	<u>333</u>	<u>336</u>	<u>339</u>	<u>340</u>	<u>350</u>	<u>378</u>	<u>381</u>	<u>389</u>	<u>401</u>

Source: City of Sierra Vista

Notes:

In Fiscal Year 2019, the Parks Division moved from the Public Works Department back to the Leisure and Library Department

City of Sierra Vista
Operating Indicators by Function/Program
Last 10 Years

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Police					
UCR Part 1 clearance rate	34.9%	33.9%	39.7%	37.6%	35.8%
UCR Part 1 recovery rate	30.3%	38.4%	28.6%	27.1%	31.0%
Group A NIBRS crimes clearance rate	N/A	N/A	N/A	N/A	N/A
Traffic Citations	4,918	4,369	3,506	3,389	2,321
Animals adopted	728	731	786	628	678
Refuse					
Tons of refuse collected per year	23,917	22,496	19,694	17,781	16,491
Sewer					
Acre-feet of effluent treated per year	2,544	2,743	2,831	2,877	2,027
Transit					
Number of riders	158,598	173,096	188,458	140,960	146,578
Parks and Leisure Services					
Number of program participants	304,557	285,011	289,184	267,008	325,627

Notes:

In 2021 the Sierra Vista Police Department changed from UCR reporting to NIBRS reporting

Source: City of Sierra Vista

Statistics shown thru 2020 because some departments only compile them on a calendar year basis

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
34.0%	36.0%	45.3%	N/A	N/A
33.5%	30.3%	70.5%	N/A	N/A
N/A	N/A	N/A	43.2%	47.9%
2,453	2,112	2,199	1,590	1,906
739	852	708	674	618
19,448	N/A	16,123	11,072	10,185
2,715	2,036	2,700	2,946	2,934
146,578	146,271	102,540	66,451	70,077
309,735	392,367	193,179	146,963	N/A

**City of Sierra Vista
Capital Asset Statistics by Function/Program
Last 10 Years**

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Police				
Stations	1	1	1	1
Fire				
Stations	3	3	3	3
Refuse				
Refuse trucks	15	15	16	19
Parks and Leisure Services				
Acres of developed parkland	119	119	119	119
Number of baseball/softball diamonds	5	5	5	5
Number of multi-use sports complexes	2	2	2	2
Number of soccer fields	2	2	2	2
Library				
Libraries	1	1	1	1
Sewer				
Plant capacity (acre feet per year)	4,500	4,500	4,500	4,500
Transit				
Buses	13	13	13	14

Source: City of Sierra Vista

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
1	1	1	1	1	1
3	3	3	3	4	4
19	18	18	17	17	18
119	119	119	119	119	119
5	5	5	5	5	5
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
4,500	4,500	4,500	4,500	4,500	4,500
14	14	14	14	14	14

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