



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



Photo courtesy of U.S. Army

**Fiscal Year Ended June 30, 2022**



**Annual Comprehensive  
Financial Report  
Fiscal Year Ended June 30, 2022**



**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, 2022**

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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](http://www.ci.sierra-vista.az.us)

May 18, 2023

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, 2022.

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, 2022, 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, 2022, 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 2010 census indicated the City population grew 6,130 people, an average rate of 1.6% per year, from 2000. 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. The City continues improve despite the COVID-19 pandemic. Local privilege tax revenues have increased for the past seven 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, 2021. 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 four 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, 2021

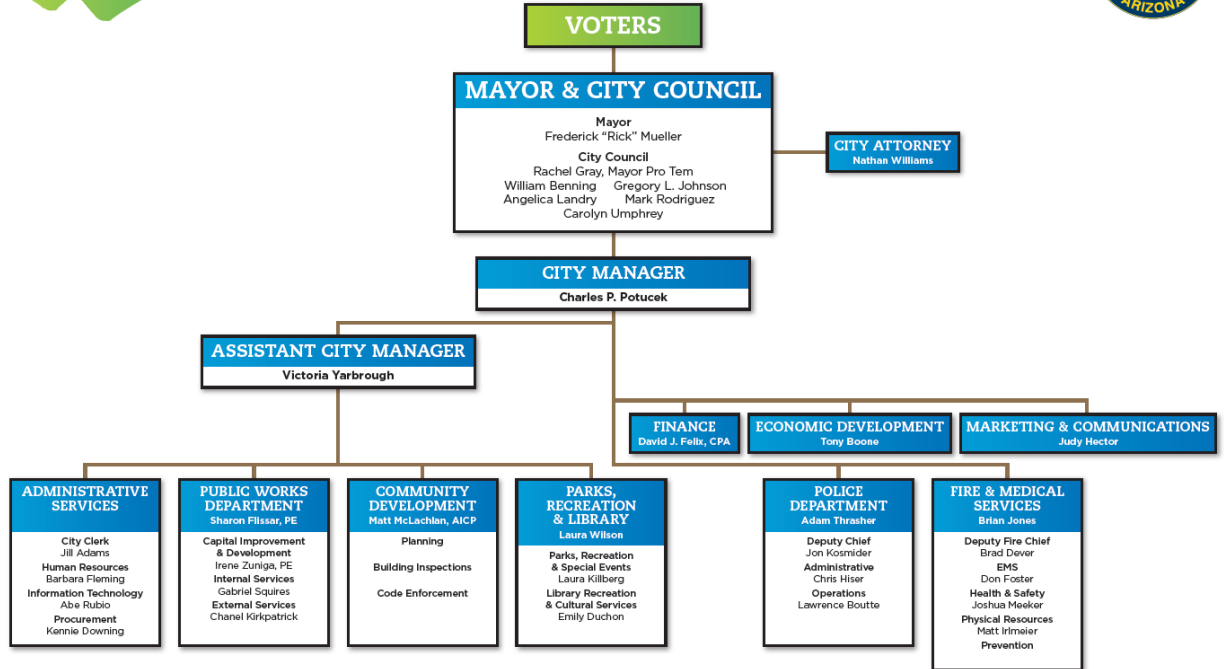
*Christopher P. Morill*

Executive Director/CEO



# CITY OF SIERRA VISTA

## CHART OF ORGANIZATION



# **City of Sierra Vista Officials**

## **Mayor**

Frederick W. "Rick" Mueller

## **City Council**

Rachel Gray Mayor Pro Tem

William Benning

Gregory Johnson

Angelica Landry

Mark Rodriguez

Carolyn Umphrey

## **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, 2022, 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, 2022, 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 Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022, 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 May 18, 2023, 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'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  
May 18, 2023

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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, 2022**

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, 2022. 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 2022 as follows.

- The City's total net position of governmental activities increased \$18.9 million to \$68.9 million and business-type activities increased \$0.8 million to \$30.5 million representing 69.3 percent and 30.7 percent respectively, of the total net position of \$99.5 million.
- General revenues from governmental activities accounted for \$46.1 million in revenue, or 65.9 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$23.8 million or 34.1 percent of total governmental activities revenues.
- The City had \$51.0 million in expenses related to governmental activities; of which \$23.8 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$46.1 million were sufficient to provide for the remaining costs of these programs. The City had \$8.5 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 \$9.3 million.
- The General Fund had \$47.3 million in revenues, which primarily consisted of taxes, intergovernmental revenues and charges for services. The total expenditures of the General Fund were \$43.0 million. The General Fund's fund balance increased to \$7.2 million.
- Net position for the Internal Service Funds increased \$0.2 million from the prior year. Operating revenues of \$4.5 million exceeded operating expenses of \$4.3 million at the end of the current fiscal year.

**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, 2022**

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, 2022**

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, HURF and Grants Funds 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 \$99.5 million as of June 30, 2022, an increase of \$19.8 million from June 30, 2021.

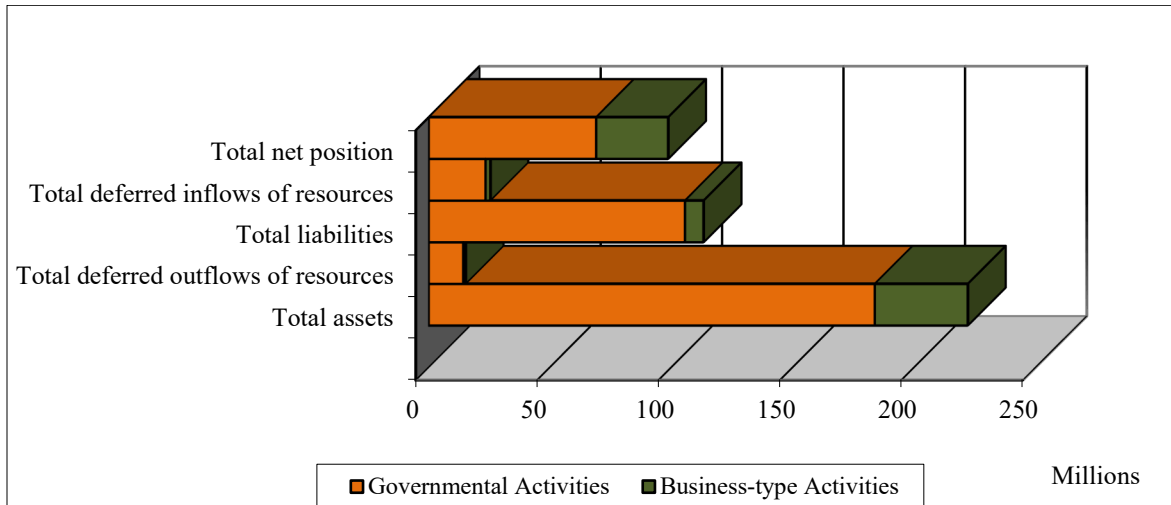
A portion of the City's net position reflects its investment in capital assets (e.g., land, infrastructure, buildings and improvements, vehicles, furniture, and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these capital 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, 2022**

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2022 and 2021.

	2022 Governmental Activities	2021 Governmental Activities	2022 Business- type Activities	2021 Business- type Activities	2022 Total	2021 Total
Current and other assets	\$61,403,534	\$30,064,108	\$581,912	(\$1,249,636)	\$61,985,446	\$28,814,472
Capital assets, net	<u>122,722,771</u>	<u>114,386,221</u>	<u>38,519,067</u>	<u>39,477,342</u>	<u>161,241,838</u>	<u>153,863,563</u>
<b>Total assets</b>	<u>184,126,305</u>	<u>144,450,329</u>	<u>39,100,979</u>	<u>38,227,706</u>	<u>223,227,284</u>	<u>182,678,035</u>
Deferred outflow s of resources <sup>a</sup>	<u>14,194,526</u>	<u>18,612,630</u>	<u>979,984</u>	<u>1,084,679</u>	<u>15,174,510</u>	<u>19,697,309</u>
Total deferred outflow s of	<u>14,194,526</u>	<u>18,612,630</u>	<u>979,984</u>	<u>1,084,679</u>	<u>15,174,510</u>	<u>19,697,309</u>
Current liabilities	10,527,064	7,687,052	1,311,344	1,812,736	11,838,408	9,499,788
Non-current liabilities	<u>95,024,919</u>	<u>94,130,312</u>	<u>6,307,316</u>	<u>7,887,195</u>	<u>101,332,235</u>	<u>102,017,507</u>
<b>Total liabilities</b>	<u>105,551,983</u>	<u>101,817,364</u>	<u>7,618,660</u>	<u>9,699,931</u>	<u>113,170,643</u>	<u>111,517,295</u>
Deferred inflow s of resources	<u>23,822,625</u>	<u>11,241,163</u>	<u>1,952,581</u>	<u>920,135</u>	<u>25,775,206</u>	<u>12,161,298</u>
Total deferred inflow s of	<u>23,822,625</u>	<u>11,241,163</u>	<u>1,952,581</u>	<u>920,135</u>	<u>25,775,206</u>	<u>12,161,298</u>
<b>Net position</b>						
Net investment in capital assets	112,241,329	101,335,054	35,294,180	35,560,071	147,535,509	136,895,125
Restricted	16,044,367	13,381,797			16,044,367	13,381,797
Unrestricted	<u>(59,339,473)</u>	<u>(64,712,419)</u>	<u>(4,784,458)</u>	<u>(6,867,752)</u>	<u>(64,123,931)</u>	<u>(71,580,171)</u>
<b>Total net position</b>	<u>\$68,946,223</u>	<u>\$50,004,432</u>	<u>\$30,509,722</u>	<u>\$28,692,319</u>	<u>\$99,455,945</u>	<u>\$78,696,751</u>



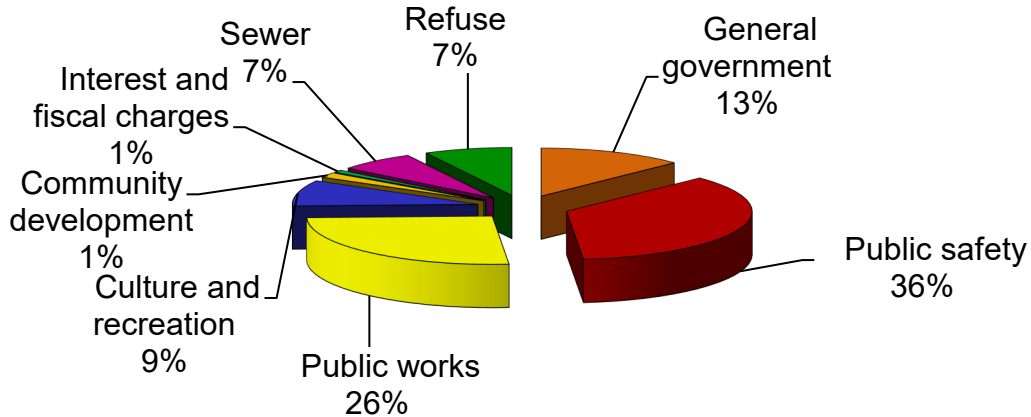
**CITY OF SIERRA VISTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

**Changes in net position.** The City's total revenues for the fiscal year ended June 30, 2022, were \$79.3 million. The total cost of all programs and services was \$59.6 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and 2021.

	2022 Governmental Activities	2021 Governmental Activities	2022 Business-type Activities	2021 Business-type Activities	2022 Total	2021 Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 10,885,825	\$ 8,510,952	\$ 8,594,168	\$ 8,470,638	\$ 19,479,993	\$ 16,981,590
Operating grants and contributions	8,964,979	10,725,364	125,000		9,089,979	10,752,364
Capital grants and contributions	3,996,799	1,432,438	622,162	522,609	4,618,961	1,955,047
General revenues:						
Property taxes	368,131	370,510			368,131	370,510
Sales taxes	25,331,979	23,377,588			25,331,979	23,377,588
State shared revenues	19,270,550	18,151,433			19,270,550	18,151,433
Other revenues	1,120,566	459,862			1,120,566	459,862
Investment income	48,935	4,792	10,647	495	59,582	5,287
<b>Total revenues</b>	<b><u>\$69,987,764</u></b>	<b><u>\$63,032,939</u></b>	<b><u>\$9,351,977</u></b>	<b><u>\$8,993,742</u></b>	<b><u>\$79,339,741</u></b>	<b><u>\$72,026,681</u></b>
	2022 Governmental Activities	2021 Governmental Activities	2022 Business-type Activities	2021 Business-type Activities	2022 Total	2021 Total
<b>Expenses:</b>						
General government	\$ 7,592,570	\$ 7,225,450	\$	\$	\$ 7,592,570	\$ 7,225,450
Public safety	21,329,588	23,291,439			21,329,588	23,291,439
Public works	15,440,774	14,783,180			15,440,774	14,783,180
Culture and recreation	5,191,172	4,080,249			5,191,172	4,080,249
Community development	994,437	2,029,442			994,437	2,029,442
Interest and fiscal charges	497,432	438,217			497,432	438,217
Sewer			3,889,950	3,871,150	3,889,950	3,871,150
Refuse			4,639,708	4,683,428	4,639,708	4,683,428
<b>Total expenses</b>	<b><u>51,045,973</u></b>	<b><u>51,847,977</u></b>	<b><u>8,529,658</u></b>	<b><u>8,554,578</u></b>	<b><u>59,575,631</u></b>	<b><u>60,402,555</u></b>
<b>Increase (decrease) in net position</b>	<b><u>\$ 18,941,791</u></b>	<b><u>\$ 11,184,962</u></b>	<b><u>\$ 822,319</u></b>	<b><u>\$ 439,164</u></b>	<b><u>\$ 19,764,110</u></b>	<b><u>\$ 11,624,126</u></b>
<b>Net position, beginning of year, as restated</b>	<b><u>\$ 50,004,432</u></b>	<b><u>\$ 38,819,470</u></b>	<b><u>\$29,687,403</u></b>	<b><u>\$28,253,155</u></b>	<b><u>\$79,691,835</u></b>	<b><u>\$67,072,625</u></b>
<b>Net position, end of year</b>	<b><u>\$ 68,946,223</u></b>	<b><u>\$ 50,004,432</u></b>	<b><u>\$30,509,722</u></b>	<b><u>\$28,692,319</u></b>	<b><u>\$99,455,945</u></b>	<b><u>\$78,696,751</u></b>

**CITY OF SIERRA VISTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

**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.

	2022		2021	
	<u>Total Expenses</u>	<u>Net (Expense)/Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/Revenue</u>
<b>Governmental Activities:</b>				
General government	\$ 7,592,570	\$ (2,355,835)	\$ 7,225,450	\$ (74,291)
Public safety	21,329,588	(13,697,174)	23,291,439	(17,376,572)
Public works	15,440,774	(6,928,426)	14,783,180	(8,796,299)
Culture and recreation	5,191,172	(3,585,763)	4,080,249	(3,415,784)
Community development	994,437	(133,740)	2,029,442	(1,078,060)
Interest and fiscal charges	497,432	(497,432)	438,217	(438,217)
<b>Total expenses</b>	<u>\$ 51,045,973</u>	<u>\$ (27,198,370)</u>	<u>\$ 51,847,977</u>	<u>\$ (31,179,223)</u>
<b>Business-Type Activities:</b>				
Sewer	\$3,889,950	665,628	\$3,871,150	453,472
Refuse	4,639,708	146,044	4,683,428	(14,803)
<b>Total expenses</b>	<u>\$8,529,658</u>	<u>\$811,672</u>	<u>\$8,554,578</u>	<u>\$438,669</u>

**CITY OF SIERRA VISTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

**FINANCIAL ANALYSIS**

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

The first item is the resumption of travel to the area. The military resumed travel and temporary duty assignments and the City increased its tourism advertising in the Phoenix and Tucson areas. The hotel/extended stay portion of the City transaction privilege taxes were up \$0.3 million, or 36%, and the bar/restaurant portion up \$0.2 million, or 7% over FY21.

Second, local shopping continues to increase as retail tax revenues are up \$0.9 million, or 7%, and internet sales are up \$0.1 million, or 13% over FY21.

The third item that has a major impact is the receipt of \$3.1 million of CSLFRF funds.

**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 \$46.5 million, an increase of \$27.0 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 \$676,894. The main reason is due to an 8% overall growth in City Privilege Taxes, with details about certain classifications mentioned above.

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.

**Proprietary funds.** Net position of the enterprise funds at the end of the year amounted to \$30.5 million. This is an increase of \$0.8 million from 2021. The main reason for the increase was a rate increase on the refuse fund.

**BUDGETARY HIGHLIGHTS**

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, 2022, the City had a net investment of \$161.2 million in capital assets, including buildings, facilities, vehicles, computers, equipment, infrastructure, and construction in progress assets. Total depreciation expense for the year was \$9.0 million.

**CITY OF SIERRA VISTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

The following schedule presents capital asset balances for the fiscal years ended June 30, 2022 and 2021.

	2022		2021	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Land	\$10,501,705	\$1,488,882	\$10,135,413	\$1,488,882
Infrastructure	165,097,322	44,551,583	159,851,308	44,206,018
Buildings and improvements	62,786,930	9,575,707	59,390,237	9,575,707
Machinery and equipment	31,804,678	7,966,805	30,659,140	8,574,170
Construction in progress	19,161,583	346,149	14,251,800	346,149
Accumulated depreciation	<u>(166,629,447)</u>	<u>(25,410,059)</u>	<u>(159,901,677)</u>	<u>(24,713,584)</u>
Total	<u>\$122,722,771</u>	<u>\$38,519,067</u>	<u>\$114,386,221</u>	<u>\$39,477,342</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 \$37.6 million in long-term debt outstanding with \$3.2 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, 2022 and 2021.

	2022		2021	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Revenue Bonds	\$34,179,000	\$2,685,000	\$12,602,000	\$3,390,000
Financed purchases payable	<u>162,442</u>	<u>616,995</u>	<u>514,417</u>	<u>619,801</u>
Total	<u>\$34,341,442</u>	<u>\$ 3,301,995</u>	<u>\$13,116,417</u>	<u>\$ 4,009,801</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 2022-2023 budget. The priorities set for the fiscal year 2023 budget include the following:

- Extra conservative revenue forecasting due to uncertainty of COVID-19 effects
- 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, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 52,424,058	\$ 674,216	\$ 53,098,274
Intergovernmental receivable	5,699,463	-	5,699,463
Accounts receivable	444,183	229,619	673,802
Interfund balances	1,316,089	(1,316,089)	-
Leases receivable	17,108	-	17,108
Notes receivable	35,707	95,825	131,532
Inventory	240,483	-	240,483
Total current assets	<u>60,177,091</u>	<u>(316,429)</u>	<u>59,860,662</u>
Noncurrent assets:			
Leases receivable	\$ 391,968	\$ -	\$ 391,968
Notes receivable	378,555	804,448	1,183,003
Net OPEB asset	455,920	93,893	549,813
Land and improvements	10,501,705	1,488,882	11,990,587
Buildings and improvements	62,786,930	9,575,707	72,362,637
Infrastructure	165,097,322	44,551,583	209,648,905
Machinery and equipment	31,804,678	7,966,805	39,771,483
Construction in progress	19,161,583	346,149	19,507,732
Accumulated depreciation	(166,629,447)	(25,410,059)	(192,039,506)
Total noncurrent assets	<u>123,949,214</u>	<u>39,417,408</u>	<u>163,366,622</u>
Total assets	<u>184,126,305</u>	<u>39,100,979</u>	<u>223,227,284</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan and other post employment items	\$ 14,194,526	\$ 902,876	\$ 15,097,402
Charges on bond refinancing	-	77,108	77,108
Total deferred outflows of resources	<u>14,194,526</u>	<u>979,984</u>	<u>15,174,510</u>
Total assets and deferred outflows of resources	<u>198,320,831</u>	<u>40,080,963</u>	<u>238,401,794</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 5,074,184	\$ 238,517	\$ 5,312,701
Compensated absences payable	1,606,734	99,017	1,705,751
Claims payable	142,722	-	142,722
Accrued salaries and employee benefits	1,087,717	65,650	1,153,367
Unearned revenue	-	161,463	161,463
Revenue bonds payable	2,251,000	490,000	2,741,000
Financed purchases payable	162,442	256,697	419,139
Other liabilities	172,826	-	172,826
Customer deposits	29,439	-	29,439
Total current liabilities	<u>10,527,064</u>	<u>1,311,344</u>	<u>11,838,408</u>
Noncurrent liabilities:			
Net OPEB liability	\$ 14,395,431	\$ 1,215,653	\$ 15,611,084
Net pension liability	47,544,747	2,529,737	50,074,484
Compensated absences payable	1,156,741	6,628	1,163,369
Revenue bonds payable	31,928,000	2,195,000	34,123,000
Financed purchases payable	-	360,298	360,298
Total noncurrent liabilities	<u>95,024,919</u>	<u>6,307,316</u>	<u>101,332,235</u>
Total liabilities	<u>105,551,983</u>	<u>7,618,660</u>	<u>113,170,643</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension plan and other post employment items	\$ 23,413,549	\$ 1,952,581	\$ 25,366,130
Leases	409,076	-	409,076
Total deferred inflows of resources	<u>23,822,625</u>	<u>1,952,581</u>	<u>25,775,206</u>
Total liabilities and deferred inflows of resources	<u>129,374,608</u>	<u>9,571,241</u>	<u>138,945,849</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 112,241,329	\$ 35,294,180	\$ 147,535,509
Restricted for:			
Airport	2,995,462	-	2,995,462
Capital projects	10,037,489	-	10,037,489
Development fees	199,125	-	199,125
Donations	243,639	-	243,639
Other	1,207,092	-	1,207,092
Police special programs	217,873	-	217,873
Streets	1,143,687	-	1,143,687
Unrestricted	(59,339,473)	(4,784,458)	(64,123,931)
Total net position	<u>\$ 68,946,223</u>	<u>\$ 30,509,722</u>	<u>\$ 99,455,945</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, 2022

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary government:</b>			
Governmental activities:			
General government	\$ 7,592,570	\$ 1,744,608	\$ 3,492,127
Public safety	21,329,588	2,419,996	3,863,752
Public works	15,440,774	4,840,490	1,489,791
Culture and recreation	5,191,172	1,024,591	114,752
Community development	994,437	856,140	4,557
Interest and fiscal charges	497,432	-	-
Total governmental activities	<u>51,045,973</u>	<u>10,885,825</u>	<u>8,964,979</u>
Business-type activities:			
Sewer	3,889,950	3,808,416	125,000
Refuse	4,639,708	4,785,752	-
Total business-type activities	<u>8,529,658</u>	<u>8,594,168</u>	<u>125,000</u>
Total primary government	<u>\$ 59,575,631</u>	<u>\$ 19,479,993</u>	<u>\$ 9,089,979</u>

General revenues:  
Property taxes  
Sales taxes  
Unrestricted State revenues  
Investment income  
Other revenues  
Total general revenues  
Change in net position  
Net position - beginning - as restated  
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
\$ -	\$ (2,355,835)	\$ -	\$ (2,355,835)
1,348,666	(13,697,174)	-	(13,697,174)
2,182,067	(6,928,426)	-	(6,928,426)
466,066	(3,585,763)	-	(3,585,763)
-	(133,740)	-	(133,740)
-	(497,432)	-	(497,432)
<u>3,996,799</u>	<u>(27,198,370)</u>	<u>-</u>	<u>(27,198,370)</u>
622,162	-	665,628	665,628
-	-	146,044	146,044
<u>622,162</u>	<u>-</u>	<u>811,672</u>	<u>811,672</u>
<u>\$ 4,618,961</u>	<u>\$ (27,198,370)</u>	<u>\$ 811,672</u>	<u>\$ (26,386,698)</u>
	368,131	-	368,131
	25,331,979	-	25,331,979
	19,270,550	-	19,270,550
	48,935	10,647	59,582
	<u>1,120,566</u>	<u>-</u>	<u>1,120,566</u>
	<u>46,140,161</u>	<u>10,647</u>	<u>46,150,808</u>
	18,941,791	822,319	19,764,110
	50,004,432	29,687,403	79,691,835
	<u>\$ 68,946,223</u>	<u>\$ 30,509,722</u>	<u>\$ 99,455,945</u>

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## **FUND FINANCIAL STATEMENTS**

City of Sierra Vista  
Balance Sheet  
Governmental Funds  
June 30, 2022

	General	HURF
<b>ASSETS</b>		
Cash and investments	\$ 4,916,282	\$ 3,107,861
Intergovernmental receivable	3,825,566	416,166
Accounts receivable	352,546	6,211
Due from other funds	-	-
Inventory	163,791	-
Leases receivable	-	-
Notes receivable	-	-
Total assets	\$ 9,258,185	\$ 3,530,238
<b>LIABILITIES</b>		
Accounts payable	\$ 1,109,288	\$ 2,287,962
Due to other funds	-	-
Accrued salaries and employee benefits	921,878	45,761
Other liabilities	29,879	46,000
Customer deposits	22,611	6,828
Total liabilities	2,083,656	2,386,551
<b>DEFERRED INFLOWS</b>		
Unavailable revenues	\$ -	\$ -
Leases	-	-
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	2,083,656	2,386,551
<b>FUND BALANCES (DEFICITS)</b>		
Nonspendable	\$ 163,791	\$ -
Restricted		
Capital Projects	-	-
Other Projects	-	-
Street Projects	-	1,143,687
Unassigned	7,010,738	-
Total fund balances (deficits)	\$ 7,174,529	\$ 1,143,687
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 9,258,185	\$ 3,530,238

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

<u>Grants</u>	<u>Capital Improvements</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ 449,854	\$ 33,247,651	\$ 4,672,970	\$ 46,394,618
817,254	-	640,477	5,699,463
-	46,641	31,378	436,776
-	189,166	-	189,166
-	-	76,692	240,483
-	-	409,076	409,076
-	414,262	-	414,262
<u>\$ 1,267,108</u>	<u>\$ 33,897,720</u>	<u>\$ 5,830,593</u>	<u>\$ 53,783,844</u>
\$ 1,170,161	\$ 231	\$ 434,799	\$ 5,002,441
-	-	189,166	189,166
-	-	120,078	1,087,717
96,947	-	-	172,826
-	-	-	29,439
<u>1,267,108</u>	<u>231</u>	<u>744,043</u>	<u>6,481,589</u>
\$ -	\$ 414,262	\$ -	\$ 414,262
-	-	409,076	409,076
-	414,262	409,076	823,338
<u>1,267,108</u>	<u>414,493</u>	<u>1,153,119</u>	<u>7,304,927</u>
\$ -	\$ -	\$ 76,692	\$ 240,483
-	33,483,227	-	33,483,227
-	-	4,630,497	4,630,497
-	-	156,002	1,299,689
-	-	(185,717)	6,825,021
<u>\$ -</u>	<u>\$ 33,483,227</u>	<u>\$ 4,677,474</u>	<u>\$ 46,478,917</u>
<u>\$ 1,267,108</u>	<u>\$ 33,897,720</u>	<u>\$ 5,830,593</u>	<u>\$ 53,783,844</u>

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**City of Sierra Vista**  
**Reconciliation of Balance Sheet**  
**To the Statement of Net Position**  
**June 30, 2022**

Fund balances of governmental funds		46,478,917
<p>Amounts reported for governmental activities in the statement of net position are different because:</p> <p>Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Governmental capital assets	289,352,218	
Less accumulated depreciation	<u>(166,629,447)</u>	122,722,771
<p>Notes receivable are not available to pay for current period expenditures and, therefore, are reported as unavailable resources in the funds</p>		
Notes receivable	<u>414,262</u>	414,262
<p>Long term assets are not due and receivable in the current period therefore are not reported in the funds.</p>		
Long term OPEB asset	<u>455,920</u>	455,920
<p>Long term liabilities are not due and payable in the current period therefore are not reported in the funds.</p>		
Revenue bonds payable	(34,179,000)	
Financed purchases payable	(162,442)	
Net OPEB liability	(14,395,431)	
Net pension liability	(47,544,747)	
Compensated absences payable	<u>(2,763,475)</u>	(99,045,095)
<p>Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred pension/OPEB plan inflows	(23,413,549)	
Deferred pension/OPEB plan outflows	<u>14,194,526</u>	(9,219,023)
<p>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.</p>		
Health and Accident Fund	6,935,330	
Unemployment Insurance Fund	79,097	
Self-Insured Retention Fund	<u>124,044</u>	7,138,471
Net position of governmental activities		<u><u>68,946,223</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, 2022

	General	HURF
<b>REVENUES</b>		
Taxes	\$ 20,181,600	\$ -
Licenses and permits	2,102,253	-
Intergovernmental	19,386,984	5,597,835
Charges for services	5,099,585	-
Fines	5,504	-
Investment income	34,512	-
Contributions	2,731	-
Other revenues	498,927	57,564
Total revenues	47,312,096	5,655,399
<b>EXPENDITURES</b>		
Current:		
General government	7,201,825	-
Public safety	20,440,561	-
Public works	5,645,738	2,796,451
Culture and recreation	4,448,523	-
Community development	1,008,854	-
Capital	3,930,939	5,825,881
Debt service:		
Bond issuance costs	-	-
Interest and fiscal charges	7,379	2,431
Principal	274,500	77,475
Total expenditures	42,958,319	8,702,238
Excess (deficiency) of revenues over expenditures	4,353,777	(3,046,839)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers out	(3,676,883)	-
Transfers in	-	1,123,159
Issuance of revenue bonds	-	-
Total other financing sources (uses)	(3,676,883)	1,123,159
Net change in fund balances	676,894	(1,923,680)
Fund balances - beginning	6,497,635	3,067,367
Fund balances - ending	\$ 7,174,529	\$ 1,143,687

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

<u>Grants</u>	<u>Capital Improvements</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 5,518,510	\$ -	\$ 25,700,110
-	-	-	2,102,253
2,346,085	-	4,702,461	32,033,365
-	-	3,476,455	8,576,040
-	-	-	5,504
-	11,538	2,885	48,935
54,868	-	141,365	198,964
-	58,539	91,272	706,302
<u>2,400,953</u>	<u>5,588,587</u>	<u>8,414,438</u>	<u>69,371,473</u>
373,006	-	3,629	7,578,460
88,755	-	2,226,182	22,755,498
-	-	3,437,033	11,879,222
55,531	-	17,145	4,521,199
61,815	-	4,113	1,074,782
3,498,729	84,662	2,034,114	15,374,325
-	140,000	-	140,000
-	-	282,372	292,182
-	-	2,423,000	2,774,975
<u>4,077,836</u>	<u>224,662</u>	<u>10,427,588</u>	<u>66,390,643</u>
<u>(1,676,883)</u>	<u>5,363,925</u>	<u>(2,013,150)</u>	<u>2,980,830</u>
-	(2,705,372)	(123,159)	(6,505,414)
1,676,883	1,000,000	2,705,372	6,505,414
-	24,000,000	-	24,000,000
<u>1,676,883</u>	<u>22,294,628</u>	<u>2,582,213</u>	<u>24,000,000</u>
-	27,658,553	569,063	26,980,830
-	5,824,674	4,108,411	19,498,087
<u>\$ -</u>	<u>\$ 33,483,227</u>	<u>\$ 4,677,474</u>	<u>\$ 46,478,917</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, 2022**

Net change in fund balances - total government funds		26,980,830
<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	15,979,661	
Current year depreciation	<u>(7,641,426)</u>	8,338,235
<p>The gains and losses on the disposal of capital assets are not included as revenues or expenditures in governmental funds.</p>		
Gain on sale of capital asset	<u>(1,685)</u>	(1,685)
<p>Notes receivable revenues in the Statement of Activities do not provide current financial resources and are not reported as revenue in the funds</p>		
Notes receivable revenues	<u>414,262</u>	414,262
<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	2,774,975	
Bond proceeds	<u>(24,000,000)</u>	(21,225,025)
<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>		
Amortization of deferred bond items	(65,250)	
Pension and OPEB liability expenses	(2,534,585)	
Compensated absences	<u>(138,793)</u>	(2,738,628)
<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>		
		6,971,774
<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	248,439	
Unemployment Insurance Fund	-	
Self-Insured Retention Fund	<u>(46,411)</u>	202,028
Change in net position of governmental activities		<u>18,941,791</u>

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

City of Sierra Vista  
Statement of Net Position  
Proprietary Funds  
June 30, 2022

	Business-type Activities	
	Sewer	Refuse
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ -	\$ 674,216
Accounts receivable	99,474	130,145
Notes receivable	95,825	
Due from other funds	-	-
Total current assets	<u>195,299</u>	<u>804,361</u>
Noncurrent assets:		
Notes receivable	804,448	
Net OPEB asset	44,738	49,155
Capital assets (net of accumulated depreciation)	<u>36,061,026</u>	<u>2,458,041</u>
Total noncurrent assets	<u>36,910,212</u>	<u>2,507,196</u>
Total assets	<u>37,105,511</u>	<u>3,311,557</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension and other post employment benefit	405,466	497,410
Charges on Bond Refinancing	77,108	-
Total deferred outflows of resources	<u>482,574</u>	<u>497,410</u>
Total assets and deferred outflows of resources	<u>\$ 37,588,085</u>	<u>\$ 3,808,967</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	142,286	96,231
Compensated absences payable	40,935	58,082
Claims payable	-	-
Unearned revenue	-	161,463
Due to other funds	1,316,089	-
Accrued salaries and employee benefits	30,503	35,147
Revenue bonds payable	490,000	-
Financed purchases payable	<u>84,086</u>	<u>172,611</u>
Total current liabilities	<u>2,103,899</u>	<u>523,534</u>
Noncurrent liabilities:		
Net OPEB liability	456,274	759,379
Compensated absences payable	2,124	4,504
Net Pension liability	1,205,355	1,324,382
Revenue bonds payable	2,195,000	-
Financed purchases payable	-	<u>360,298</u>
Total noncurrent liabilities	<u>3,858,753</u>	<u>2,448,563</u>
Total liabilities	<u>5,962,652</u>	<u>2,972,097</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension and other post employment benefit	<u>824,312</u>	<u>1,128,269</u>
Total deferred inflows of resources	<u>824,312</u>	<u>1,128,269</u>
Total liabilities and deferred inflows of resources	<u>6,786,964</u>	<u>4,100,366</u>
<b>NET POSITION</b>		
Net investment in capital assets	33,369,048	1,925,132
Unrestricted	<u>(2,567,927)</u>	<u>(2,216,531)</u>
Total net position	<u>\$ 30,801,121</u>	<u>\$ (291,399)</u>

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

	Governmental Activities	
Total Enterprise Funds	Internal Service Funds	
\$ 674,216	\$ 6,029,440	
229,619	7,407	
95,825	-	
-	1,316,089	
<u>999,660</u>	<u>7,352,936</u>	
804,448	-	
93,893	-	
<u>38,519,067</u>	<u>-</u>	
<u>39,417,408</u>	<u>-</u>	
<u>40,417,068</u>	<u>7,352,936</u>	
902,876	-	
77,108	-	
<u>979,984</u>	<u>-</u>	
<u>\$ 41,397,052</u>	<u>\$ 7,352,936</u>	
238,517	71,743	
99,017	-	
-	142,722	
161,463	-	
1,316,089	-	
65,650	-	
490,000	-	
256,697	-	
<u>2,627,433</u>	<u>214,465</u>	
1,215,653	-	
6,628	-	
2,529,737	-	
2,195,000	-	
360,298	-	
<u>6,307,316</u>	<u>-</u>	
<u>8,934,749</u>	<u>214,465</u>	
1,952,581	-	
1,952,581	-	
<u>10,887,330</u>	<u>214,465</u>	
35,294,180	-	
(4,784,458)	7,138,471	
<u>\$ 30,509,722</u>	<u>\$ 7,138,471</u>	

City of Sierra Vista  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2022

	Business-type Activities	
	Sewer	Refuse
<b>OPERATING REVENUES</b>		
Charges for services	\$ 3,666,304	\$ 4,679,397
Contributions	-	-
Other revenues	142,112	38,012
Total operating revenues	<u>3,808,416</u>	<u>4,717,409</u>
<b>OPERATING EXPENSES</b>		
Salaries, wages and related expenses	1,351,597	1,637,471
Operations and maintenance	1,478,412	2,582,261
Depreciation	983,537	408,378
Benefits paid	-	-
Premiums paid	-	-
Total operating expenses	<u>3,813,546</u>	<u>4,628,110</u>
Operating income (loss)	<u>(5,130)</u>	<u>89,299</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Intergovernmental	125,000	-
Investment income	10,647	-
Gain on sale of capital assets	-	68,343
Interest and fiscal charges	(76,404)	(11,598)
Total nonoperating revenues (expenses)	<u>59,243</u>	<u>56,745</u>
Income (loss) before contributions	54,113	146,044
<b>CAPITAL CONTRIBUTIONS</b>		
Connection income	276,597	-
Developer capital asset contributions	345,565	-
Total capital contributions	<u>622,162</u>	<u>-</u>
Change in net position	676,275	146,044
Total net position - beginning - as restated	\$ 30,124,846	\$ (437,443)
Total net position - ending	<u>\$ 30,801,121</u>	<u>\$ (291,399)</u>

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

		Governmental Activities	
Total Enterprise Funds		Internal Service Funds	
\$	8,345,701	\$	-
	-		4,039,466
	180,124		458,745
	<u>8,525,825</u>		<u>4,498,211</u>
	2,989,068		-
	4,060,673		363,722
	1,391,915		-
	-		3,333,517
	-		613,341
	<u>8,441,656</u>		<u>4,310,580</u>
	<u>84,169</u>		<u>187,631</u>
	125,000		-
	10,647		14,397
	68,343		-
	(88,002)		-
	<u>115,988</u>		<u>14,397</u>
	200,157		202,028
	276,597		-
	345,565		-
	<u>622,162</u>		<u>-</u>
	822,319		202,028
\$	<u>29,687,403</u>	\$	<u>6,936,443</u>
\$	<u>30,509,722</u>	\$	<u>7,138,471</u>

City of Sierra Vista  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2022

	Enterprise Funds	
	Sewer	Refuse
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 3,895,480	\$ 4,607,360
Cash paid to suppliers for goods and services	(1,494,892)	(2,609,256)
Cash paid to employees for services	(1,569,192)	(1,740,434)
Other operating revenues	236,923	38,012
Net cash provided (used) by operating activities	1,068,319	295,682
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Change in intrafund borrowing	(435,800)	-
Intergovernmental	125,000	-
Net cash provided (used) by noncapital financing activities	(310,800)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Interest paid on financed purchases and bonds	(60,982)	(11,598)
Acquisition of capital assets	(95,331)	
Sale of capital assets	-	75,599
Issuance of financed purchases	-	593,692
Principal paid on financed purchases and bonds	(888,450)	(413,048)
Connection fees	276,597	-
Net cash provided (used) by capital and related financing activities	(768,166)	244,645
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	10,647	-
Net cash provided (used) by investing activities	10,647	-
Net increase (decrease) in cash and cash equivalents	-	540,327
Balances - beginning of year	-	133,889
Balances - end of the year	\$ -	\$ 674,216

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

		Governmental Activities	
<u>Total Enterprise Funds</u>		<u>Internal Service Funds</u>	
\$	8,502,840	\$	4,287,334
	(4,104,148)		(4,249,775)
	(3,309,626)		-
	274,935		458,745
	<u>1,364,001</u>		<u>496,304</u>
	(435,800)		435,800
	125,000		-
	<u>(310,800)</u>		<u>435,800</u>
	(72,580)		-
	(95,331)		-
	75,599		-
	593,692		-
	(1,301,498)		-
	276,597		-
	<u>(523,521)</u>		<u>-</u>
	10,647		14,397
	<u>10,647</u>		<u>14,397</u>
	540,327		946,501
	133,889		5,082,939
\$	<u>674,216</u>	\$	<u>6,029,440</u>

City of Sierra Vista  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2022

	Enterprise Funds	
	Sewer	Refuse
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating Income	\$ (5,130)	\$ 89,299
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	983,537	408,378
Changes in assets and liabilities:		
Increase (decrease) in uncollectible accounts	(30,824)	(51,358)
Decrease (increase) in gross accounts receivable	260,000	(53,136)
Increase (decrease) in operating portion of accounts payable	(16,480)	(26,995)
Increase (decrease) in accrued salaries	(33,691)	(19,550)
Increase (decrease) in compensated absences	(11,253)	13,710
Increase (decrease) in unearned revenue	-	32,457
Decrease (increase) in notes receivable	94,811	-
Increase (decrease) in OPEB liability	(169,375)	(278,379)
Increase (decrease) in net pension liability	(491,576)	(372,333)
Increase (decrease) in pension and OPEB inflows	475,744	556,702
Decrease (increase) in pension and OPEB outflows	50,262	39,011
Decrease (increase) in net OPEB asset	(37,706)	(42,124)
Net cash provided (used) by operating activities	<u>\$ 1,068,319</u>	<u>\$ 295,682</u>

**Non-cash capital and related financing activities:**

Amortization of deferred bond charges	\$ 15,422
Capital contributions by developers	\$345,565

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



		Governmental Activities	
<u>Total Enterprise Funds</u>		<u>Internal Service Funds</u>	
\$	84,169	\$	187,631
	1,391,915		-
	(82,182)		-
	206,864		247,868
	(43,475)		60,805
	(53,241)		-
	2,457		-
	32,457		-
	94,811		-
	(447,754)		-
	(863,909)		-
	1,032,446		-
	89,273		-
	(79,830)		-
<u>\$</u>	<u>1,364,001</u>	<u>\$</u>	<u>496,304</u>

City of Sierra Vista  
Statement of Fiduciary Net Position  
June 30, 2022

	Custodial Funds
<b>ASSETS</b>	
Cash and investments	\$ 452,311
Intergovernmental receivable	35,833
Total assets	488,144
 <b>LIABILITIES</b>	
Accounts payable	97,450
Total liabilities	97,450
 <b>NET POSITION</b>	
Restricted for:	
Other agencies	390,694
Total net position	\$ 390,694

**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, 2022

	Custodial Funds
<b>ADDITIONS</b>	
Intergovernmental	\$ 797,232
Investment earnings	40
Total additions	797,272
 <b>DEDUCTIONS</b>	
Payments to vendors	849,670
Payments to State	32,226
Total deductions	881,896
 <b>Net increase (decrease) in fiduciary net position</b>	 (84,624)
 <b>Net Position, beginning of year</b>	 475,318
 <b>Net Position, end of year</b>	 \$ 390,694

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, 2022**

**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, 2022, the City implemented the provisions of GASB Statement No. 87, *Leases*, which establishes criteria for identifying new reporting requirements for certain qualified leasing activities for accounting and financial reporting purposes. The objective of this statement is to improve usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Beginning balances for leases receivable and deferred inflows for leases were restated by \$426,368 each, resulting in no net effect on 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 Property Corporation (SVMPC), an Arizona nonprofit corporation, and the Sierra Vista Municipal Planning Organization (SVMPO) have been included in the accompanying financial statements as blended component units. The Municipal Property Corporation was organized and established solely for the purpose of financing the acquisition and construction of property for use by the City. 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 MPO's operations. In addition, per the agreement between the City and the MPO, all employees of the MPO are employees of the City as well. Both organizations have June 30 year ends. Separate financial statements are not prepared on a stand-alone basis for either entity.

**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

**CITY OF SIERRA VISTA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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.

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

Grants Fund – To account for certain grants received by the City

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.

**CITY OF SIERRA VISTA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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



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**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, 2022 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  
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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, 2022, consist of the following.

	Cash on hand	\$	5,864
	Cash in Bank		10,491,219
	Investments with State Treasurer		18,668,237
	Cash held by trustee		23,932,954
	Cash held as fiscal agent		452,311
Total		\$	53,550,585

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

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depository insurance, except approximately \$36.3 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, 2022 were as follows:

	<u>Fair Value</u>	<u>Level</u>
State Treasurer's Investment Pool 5– 51 days weighted average maturity	\$ 18,668,237	Not applicable
Total	\$ 18,668,237	

*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	HURF Fund	Grants Fund	Non-Major Governmental Funds
Receivables due from:				
Federal government	\$48,657	\$	\$804,426	\$324,634
State government	3,687,855	416,166	2,878	
Other governments	89,054		9,950	315,843
Total intergovernmental receivables	<u>\$3,825,566</u>	<u>\$416,166</u>	<u>\$817,254</u>	<u>\$640,477</u>

**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, 2022 the note receivable balance in the Capital Improvements fund is \$414,262 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 \$900,273.

**CITY OF SIERRA VISTA  
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**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 \$22,292 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:	
2023	\$ 21,120
2024	21,120
2025	21,120
2026	23,056
2027	23,232
Thereafter	<u>339,963</u>
Total	<u>\$ 449,611</u>

**5. Capital Assets**

A summary of capital asset activity for the fiscal year ended June 30, 2022 is as follows.

**Governmental activities:**

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Non-depreciable assets:				
Land	\$10,135,413	\$ 366,292	\$	\$ 10,501,705
Construction in progress	14,251,800	5,526,214	(616,431)	19,161,583
Depreciable assets:				
Infrastructure	159,851,308	5,246,014		165,097,322
Buildings and improvements	59,390,237	3,475,927	(79,234)	62,786,930
Machinery and Equipment	<u>30,659,140</u>	<u>1,981,645</u>	<u>(836,107)</u>	<u>31,804,678</u>
Total Capital Assets	<u>274,287,898</u>	<u>16,596,092</u>	<u>(1,531,772)</u>	<u>289,352,218</u>

Less accumulated depreciation for:

Infrastructure	98,442,008	4,455,059		102,897,067
Buildings and improvements	38,352,823	1,618,590	(79,234)	39,892,179
Machinery and Equipment	<u>23,106,846</u>	<u>1,567,777</u>	<u>(834,422)</u>	<u>23,840,201</u>
Total Accumulated Depreciation	<u>159,901,677</u>	<u>7,641,426</u>	<u>(913,656)</u>	<u>166,629,447</u>
Total Capital Assets, Net	<u>\$114,386,221</u>	<u>\$ 8,954,666</u>	<u>\$ (618,116)</u>	<u>\$ 122,722,771</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 371,471
Public safety	1,604,722
Public works	4,650,266
Culture and recreation	<u>1,014,967</u>
Total Depreciation Expense	<u>\$ 7,641,426</u>

**CITY OF SIERRA VISTA  
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**Business-type activities:**

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Non-depreciable assets				
Land	\$ 1,488,882	\$	\$	\$ 1,488,882
Construction in progress	346,149			346,149
Depreciable assets				
Infrastructure	44,206,018	345,565		44,551,583
Buildings and improvements	9,575,707			9,575,707
Machinery and Equipment	<u>8,574,170</u>	<u>234,629</u>	<u>(841,994)</u>	<u>7,966,805</u>
Total Capital Assets	<u>64,190,926</u>	<u>580,194</u>	<u>(841,994)</u>	<u>63,929,126</u>
Less accumulated depreciation for:				
Infrastructure	11,027,886	746,631		11,774,517
Buildings and improvements	8,557,140	180,661		8,737,801
Machinery and Equipment	<u>5,128,558</u>	<u>603,921</u>	<u>(834,738)</u>	<u>4,897,741</u>
Total Accumulated Depreciation	<u>24,713,584</u>	<u>1,531,213</u>	<u>(834,738)</u>	<u>25,410,059</u>
Total Capital Assets, Net	<u>\$39,477,342</u>	<u>\$ (951,019)</u>	<u>\$ (7,256)</u>	<u>\$38,519,067</u>

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

Sewer	\$ 983,537
Refuse	<u>408,378</u>
Total Depreciation Expense	<u>\$ 1,391,915</u>

**CITY OF SIERRA VISTA  
NOTES TO FINANCIAL STATEMENTS  
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<b>6. <u>Long-term Debt</u></b>	<b>Outstanding Principal at <u>June 30, 2022</u></b>
<b>Business-type activities:</b>	
<b>Revenue Bonds</b>	
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).	\$ 2,685,000
<b>Financed Purchases Payable</b>	
B. Financed purchases payable in quarterly installments of \$ 35,575 including interest at 2.92% until June 2023; collateralized by specified vehicles (paid by 60% by Sewer Fund and 40% by Refuse Fund)	139,739
C. 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>477,256</u> 3,301,995
Less current portion of revenue bonds	(490,000)
Less current portion of financed purchases payable	<u>(256,697)</u>
Total business-type activity long-term debt	<u>\$ 2,555,298</u>
<b>Governmental activities:</b>	
<b>Revenue Bonds</b>	
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).	\$10,179,000
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).	\$24,000,000
<b>Financed Purchases Payable</b>	
A. Financed purchases payable in quarterly installments of \$ 41,394 including interest at 2.92% until June 2023; collateralized by specified vehicles (paid by 73% General Fund, 27% HURF Fund).	<u>162,442</u>
Less current portion of revenue bonds	34,341,442 (2,251,000)

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Less current portion of financed purchases payable	<u>(162,442)</u>
Total governmental activity long-term debt	<u>\$31,928,000</u>

**Changes in Long-term Debt-**

**Governmental Activities**

	Balance at <u>June 30, 2021</u>	<u>Additions</u>	Repayments/ <u>Retirements</u>	Balance at <u>June 30, 2022</u>	Current <u>Portion</u>
Revenue bonds	\$ 12,602,000	\$ 24,000,000	\$ 2,423,000	\$ 34,179,000	\$ 2,251,000
Financed purchases	514,417		351,975	162,442	162,442
Net OPEB liability	19,799,551		5,404,120	14,395,431	
Net pension liability	62,715,109		15,170,362	47,544,747	
Compensated absences	<u>2,624,682</u>	<u>1,851,621</u>	<u>1,712,828</u>	<u>2,763,475</u>	<u>1,606,734</u>
Total	<u>\$ 98,255,759</u>	<u>\$ 25,851,621</u>	<u>\$ 25,062,285</u>	<u>\$ 99,045,095</u>	<u>\$ 4,020,176</u>

**Business-type Activities**

	Balance at <u>June 30, 2021</u>	<u>Additions</u>	Repayments/ <u>Retirements</u>	Balance at <u>June 30, 2022</u>	Current <u>Portion</u>
Revenue Bonds	\$ 3,390,000		\$ 705,000	\$ 2,685,000	\$ 490,000
Financed purchases	619,801	593,692	596,498	616,995	256,697
Net OPEB liability	1,663,409		447,756	1,215,653	
Net pension liability	3,393,646		863,909	2,529,737	
Compensated absences	<u>103,188</u>	<u>113,202</u>	<u>110,745</u>	<u>105,645</u>	<u>99,017</u>
Total	<u>\$ 9,170,044</u>	<u>\$ 706,894</u>	<u>\$ 2,723,908</u>	<u>\$ 7,153,030</u>	<u>\$ 845,714</u>



**CITY OF SIERRA VISTA  
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**Debt Service Requirements to Maturity**

The annual requirements to amortize all bonds and financed purchases outstanding as of June 30, 2022, is detailed below.

Year ending	Business-type Activities				Governmental Activities				Total
	Revenue Bonds		Financed purchases		Revenue Bonds		Financed purchases		
30-Jun	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2023	490,000	44,896	256,697	8,301	2,251,000	989,594	162,442	2,975	4,205,905
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	2,685,000	128,110	616,995	16,102	34,179,000	8,193,576	162,442	2,975	45,984,200

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  
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**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. These bonds were issued by the City's Municipal Property Corporation to fund the construction of an aquatics facility, government maintenance facility, fire station, animal care facility, parks maintenance building, parks office building, water detention basin and expand the police station. The Series 2020 and series 2022 bonds were issued to facilitate the completion of two City facility energy savings projects and upgraded sports fields. The outstanding principal balance of these bonds as of June 30, 2022 was \$36.9 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>
2012	25,688,339	3,437,020	
2013	25,745,669	3,445,345	7.46
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		3,775,490	11.70
2024		3,782,403	
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	

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**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, 2022, the City reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes.

	Governmental Activities	Business-type Activities	Total
Net pension and OPEB assets	\$ 455,920	\$ 93,893	\$ 549,813
Net pension and OPEB liability	61,940,178	3,745,390	65,685,568
Deferred outflows of resources	14,194,526	902,876	15,097,402
Deferred inflows of resources	23,413,549	1,952,581	25,366,130
Pension and OPEB expense	2,534,585	9,134	2,543,719

The City reported \$7.0 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](http://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:

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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 12.41 percent (12.22 percent for retirement and 0.19 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 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 percent for long-term disability) of the members'

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annual covered payroll. The City's contributions for the year ended June 30, 2022 were as follow:

	Contributions
Pension	\$ 1,580,798
Health Insurance Premium	27,640
Long-Term Disability	25,010

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 10.22 percent (10.13 for retirement and 0.09 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, 2021. 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, 2020, to the measurement date of June 30, 2021. 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, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changed the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

At June 30, 2022, the City reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2021, the City's percentage proportion for each plan and the related change from its proportion measured as of June 30, 2020 was:

	Net (Assets) Liability	City % Proportion	Increase (Decrease)
Pension	\$ 14,813,535	0.11274	(0.00152)
Health Insurance Premium	(549,814)	0.11285	(0.00302)
Long-Term Disability	23,264	0.11270	(0.00240)

**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, 2022, the City recognized pension and OPEB expense as follows:

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	Expense
Pension	\$ 1,356,467
Health Insurance Premium	(61,899)
Long-Term Disability	17,759

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		
		Health Insurance Premium	Long-Term Disability
	Pension		
Differences between expected and actual experience	\$ 225,819	\$ -	\$ 6,720
Changes of assumptions or other inputs	1,928,100	27,258	7,440
Difference between actual and projected earnings			
Changes in proportion and differences between contributions and proportionate share of contributions	28,950	1,039	1,077
Contributions subsequent to the measurement date	1,580,798	27,640	25,010
Total	\$ 3,763,667	\$ 55,937	\$ 40,247

	Deferred Inflows of Resources		
		Health Insurance Premium	Long-Term Disability
	Pension		
Differences between expected and actual experience	\$ -	\$ 190,677	\$ 1,896
Changes of assumptions or other inputs		22,229	29,313
Net difference between projected and actual earnings on investments	4,693,449	203,953	16,112
Changes in proportion and differences between contributions and proportionate share of contributions	155,570	151	1,184
Total	\$ 4,849,019	\$ 417,010	\$ 48,505

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, 2023. 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:	Pension	Health Insurance Premium	Long-Term Disability
2023	\$ 6,408	\$ (91,143)	\$ (4,412)
2024	(20,495)	(87,371)	(4,132)
2025	(1,034,665)	(95,823)	(4,713)
2026	(1,617,398)	(105,893)	(7,151)
2027		(8,483)	(2,748)
Thereafter			(10,112)

**Actuarial Assumptions**

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

	Pension	OPEB
Actuarial valuation date	June 30, 2020	June 30, 2020
Actuarial roll forward date	June 30, 2021	June 30, 2021
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, 2020 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%	4.90%

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Credit	20	5.20
Interest rate sensitive bonds	10	0.70
Real estate	20	5.70
Total	100%	

**Discount Rate**

The discount rate used to measure the ASRS total pension and OPEB liability was 7.0 percent. The discount rate was lowered in the roll forward for the year June 30, 2021 from 7.5 percent, which was used for the actuarial assumptions at the valuation date. 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 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	\$ 23,300,450	\$ 14,813,535	\$ 7,737,797
Health Insurance Premium	(364,034)	(549,814)	(707,789)
Long-Term Disability	30,293	23,264	16,463

**Contributions payable.** The City’s accrued payroll and employee benefits included \$99,293 of outstanding pension and OPEB contribution amounts payable to ASRS for the year ending June 30, 2022.

**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](http://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](http://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, 2022, 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	42	42	28	28
Inactive, non-retired members	16	4	15	5
Active members	41	41	33	33
Total	99	87	76	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, 2022, 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	59.88%	57.20%
Health insurance	1.23%	1.17%

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

	PSPRS – Police	PSPRS – Fire
Pension:		
Contributions made	\$ 3,294,662	\$ 2,236,468
Health insurance premium benefit:		
Contributions made	\$ 50,404	\$ 35,700

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.

**Pension and OPEB Assets/Liabilities**

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At June 30, 2022, the City reported the following assets and liabilities.

	Net (Assets) Liability	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 22,240,871	\$ 13,020,078
Health insurance	225,888	215,898

The net pension and OPEB assets/liability were measured as of June 30, 2021. The total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

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

	Pension	OPEB
Actuarial valuation date	June 30, 2021	June 30, 2021
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.3%	7.3%
Wage inflation	3.5%	3.5-7.5%
Price inflation	2.5%	2.5%
Cost-of-living adjustment	1.75%	1.75%
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 members.

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016

The long-term expected rate of return on PSPRS plan investments was determined to be 7.30 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%	4.08%
International public equity	16	5.20
Global private equity	20	7.67
Other assets (capital appreciation)	7	5.43
Core bonds	2	0.42
Private credit	20	5.74
Diversifying strategies	10	3.99
Cash - Mellon	1	-0.31

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Total 100%

**Discount Rates**

At June 30, 2021, the discount rate used to measure the total pension and OPEB liability was 7.3 percent, which the same as the discount rate used as of June 30, 2020.

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
<b>PSPRS - Police</b>						
Balances at June 30, 2021	\$ 50,036,044	\$ 21,344,659	\$ 28,691,385	\$ 1,183,806	\$ 718,894	\$ 464,912
Changes for the year						
Service cost	701,393		701,393	17,949		17,949
Interest on the total liability	3,621,970		3,621,970	85,490		85,490
Changes of benefit terms			-			-
Differences between expected and actual experience in the measurement of the liability	(891,620)		(891,620)	(116,424)		(116,424)
Contributions – employer		2,973,607	(2,973,607)		37,511	(37,511)
Contributions – employee		302,361	(302,361)			-
Net investment income		6,636,803	(6,636,803)		189,306	(189,306)
Benefit payments, including refunds of employee contributions	(2,242,825)	(2,242,825)	-	(61,313)	(61,313)	-
Administrative expense		(30,514)	30,514		(778)	778
Other changes						0
Net changes	1,188,918	7,639,432	(6,450,514)	(74,298)	164,726	(239,024)
Adjustment to Beginning of Year					0	0
Balances at June 30, 2022	<u>\$ 51,224,962</u>	<u>\$ 28,984,091</u>	<u>\$ 22,240,871</u>	<u>\$ 1,109,508</u>	<u>\$ 883,620</u>	<u>\$ 225,888</u>

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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
<b>PSPRS - Fire</b>						
Balances at June 30, 2021	\$ 35,362,548	\$ 17,742,460	\$ 17,620,088	\$ 860,529	\$ 555,308	\$ 305,221
Changes for the year						
Service cost	584,070		584,070	12,596		12,596
Interest on the total liability	2,569,848		2,569,848	61,590		61,590
Changes of benefit terms			-			-
Differences between expected and actual experience in the measurement of the liability	(93,820)		(93,820)	7,609		7,609
Contributions – employer		2,127,133	(2,127,133)		26,244	(26,244)
Contributions – employee		222,660	(222,660)			-
Net investment income		5,335,202	(5,335,202)		145,472	(145,472)
Benefit payments, including refunds of employee contributions	(1,486,428)	(1,486,428)	-	(58,862)	(58,862)	-
Administrative expense		(24,887)	24,887		(598)	598
Other changes						0
Net changes	1,573,670	6,173,680	(4,600,010)	22,933	112,256	(89,323)
Adjustment to Beginning of Year						0
Balances at June 30, 2022	<u>\$ 36,936,218</u>	<u>\$ 23,916,140</u>	<u>\$ 13,020,078</u>	<u>\$ 883,462</u>	<u>\$ 667,564</u>	<u>\$ 215,898</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
<b>PSPRS - Police:</b>			
Rate	6.30%	7.30%	8.30%
Net pension (assets) liability	\$ 28,963,758	\$ 22,240,871	\$ 16,754,967
Net OPEB (assets) liability	343,785	225,888	126,401
<b>PSPRS - Fire</b>			
Rate	6.30%	7.30%	8.30%
Net pension (assets) liability	\$ 17,883,020	\$ 13,020,078	\$ 9,043,590
Net OPEB (assets) liability	307,083	215,898	138,739

**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](http://www.psprs.com).

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**Pension and OPEB Expense**

For the year ended June 30, 2022, the City recognized the following pension and OPEB expense:

	Expense	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 2,401,175	\$ 1,373,429
Health insurance	(7,086)	20,502

**Pension and OPEB Deferred Outflows/Inflows of Resource.**

At June 30, 2022, 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
<b>PSPRS - Police:</b>				
Differences between expected and actual experience	\$ 801,358	\$ 802,792	\$ 61,242	\$ 133,594
Changes of assumptions or other inputs	\$348,944		\$2,658	\$2,198
Net difference between projected and actual earnings on plan investments		\$3,156,884		\$77,792
Contributions subsequent to the measurement date	<u>\$3,294,662</u>		<u>\$50,404</u>	
Total	<u>\$ 4,444,964</u>	<u>\$ 3,959,676</u>	<u>\$ 114,304</u>	<u>\$ 213,584</u>
<b>PSPRS - Fire</b>				
Differences between expected and actual experience	\$ 451,958	\$ 248,256	\$ 38,852	\$ 42,634
Changes of assumptions or other inputs	\$863,311		\$5,464	\$1,101
Net difference between projected and actual earnings on plan investments		\$2,464,128		\$59,625
Contributions subsequent to the measurement date	<u>\$2,236,468</u>		<u>\$35,700</u>	
Total	<u>\$ 3,551,737</u>	<u>\$ 2,712,384</u>	<u>\$ 80,016</u>	<u>\$ 103,360</u>

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, 2023. 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
2023	\$ (418,880)	\$ (56,756)	\$ (87,990)	\$ (14,465)
2024	(395,382)	(37,950)	(165,969)	(14,901)
2025	(986,703)	(27,433)	(384,366)	(17,052)
2026	(1,008,409)	(27,545)	(758,790)	(21,266)
2027				7,553
Thereafter				1,087

**Contributions Payable**

The City's accrued payroll and employee benefits included \$19,454 of outstanding pension and OPEB contribution amounts payable to PSPRS for the year ended June 30, 2022.

**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 not pay any of the retiree's health care. 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	69
Active members	<u>141</u>
Total	210

The City's total OPEB liability of \$15,146,037 was measured as of June 30, 2022:

Total OPEB Liability – Beginning of Year	<u>\$20,605,512</u>
Changes for the year	
Service Cost	841,963
Interest	395,738
Difference between expected and actual experience of the total OPEB liability	(3,830,501)
Change of assumptions or other inputs	(2,036,419)
Benefit payments	<u>(830,256)</u>
Net changes	<u>(5,459,475)</u>
Total OPEB Liability – End of Year	<u>\$15,146,037</u>

**CITY OF SIERRA VISTA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

The plan is not accounted for as a trust fund. The City's Health and Accident Insurance fund has net position of \$6,935,330 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.:

<b>Discount rate:</b>	1% Decrease	Current Discount Rate	1% Increase
Rate	2.69%	3.69%	4.69%
Total OPEB liability	\$16,481,859	\$15,146,037	\$13,945,673
<b>Healthcare cost:</b>			
Rate	-1.00%	Baseline	+1.00%
Total OPEB liability	\$13,696,196	\$15,146,037	\$16,811,868

**OPEB Deferred Outflows/Inflows of Resource.**

For the period ended June 30, 2022, the City recognized OPEB expense of (\$2,556,628). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$	\$11,051,416
Changes of assumptions or other inputs	3,046,530	2,011,176
Total	<u>\$ 3,046,530</u>	<u>\$13,062,592</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>
2023	\$(2,964,073)
2024	(2,958,073)
2025	(2,314,047)
2026	(1,548,799)
2027	(231,070)
Thereafter	

Projections of benefits for financial reporting purposes are based on the substantive plan (the 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, 2022 actuarial valuation was determined by using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:



**CITY OF SIERRA VISTA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

Valuation Date:	06/30/2022
Measurement Date	06/30/2022
Actuarial Cost Method:	Entry age
Discount rate:	3.69%
Future Payroll Increases:	2.9-8.4%
Ultimate Rate of Medical Inflation:	7.5% downgraded to 3.50%

The discount rate is based upon the estimate of expected long-term plan experience. Mortality rates were based on the following:

- ASRS Pre-retirement and Disability Retirement: Sex distinct RP-2014 Active and Disabled Mortality tables
- PSPRS Pre-retirement: Sex distinct Pub-2010, scaled by a factor of 110%
- ASRS Retired: Sex distinct 2017 State Retirees of Arizona Mortality tables
- PSPRS Retired: Sex distinct Pub-2010, scaled by a factor of 110%

**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, 2022, the City had \$2,710,270 in unperformed construction contracts and commitments outstanding.

General	\$788,695
HURF	1,589,084
Grants	275,068
Airport	57,423

**9. Stewardship, Compliance and Accountability**

**Beginning Net Position Restatement**

The July 1, 2021 Sewer Fund beginning net position does not agree with the prior year financial statements due to correction of an agreement with a developer. The City Council approved the financing of an amount due in December 2020, with the first payment due July 29, 2021. This correction records the investment income in the year the Council approved the payment plan.

	<u>Sewer Fund</u>
Net position, June 30, 2021, as previously reported	\$29,129,762
Note receivable/revenue adjustment	995,084
Net position/fund balance, July 1, 2021, as restated	<u>\$30,124,846</u>

**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, 2022. The negative balances

**CITY OF SIERRA VISTA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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.

**Excess Expenditures Over Budget**

At year end, expenditures in the Debt Service Fund exceeded the budget, however, this does not constitute a violation of any legal provisions.

**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	HURF	Capital		
<b>Fund Balances:</b>					
<b>Nonspendable</b>	\$ 163,791	\$	\$	\$ 76,692	\$ 240,483
<b>Restricted for:</b>					
Street Projects		1,143,687		156,002	1,299,689
Capital projects			33,483,227		33,483,227
Other Projects				4,630,497	4,630,497
<b>Unassigned:</b>	<u>7,010,738</u>			<u>(185,717)</u>	<u>6,825,021</u>
Total fund balances	<u>\$7,174,529</u>	<u>\$ 1,143,687</u>	<u>\$ 33,483,227</u>	<u>\$4,677,474</u>	<u>\$ 46,478,917</u>

**CITY OF SIERRA VISTA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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, 2022, 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**

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 \$125,066 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, 2022 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, 2022**

Changes in the claims liability amounts in fiscal years 2020-2021 and 2021-2022 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:				
2020-21	\$166,904	\$3,473,721	\$3,486,965	\$153,660
2021-22	\$153,660	\$3,162,040	\$3,172,978	\$142,722
Unemployment Insurance:				
2020-21	-0-	\$17,969	\$17,969	-0-
2021-22	-0-	-0-	-0-	-0-
Self-Insured Retention:				
2020-21	\$2,152	\$62,727	\$64,879	-0-
2021-22	-0-	\$171,477	\$169,571	\$1,906

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, 2022 are as follows.

<u>Fund</u>	<u>Due to other funds</u>	<u>Due from other funds</u>
Capital Improvements	\$	\$ 189,166
Health & Accident		1,316,089
Sewer	1,316,089	
SVMPO	3,449	
Police Development	88,774	
Fire Development	96,943	
Total	<u>\$ 1,505,255</u>	<u>\$ 1,505,255</u>

All of the due to other funds is for cash balancing purposes. The SVMPO 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, 2022**

Individual interfund transfers for Fiscal Year 2022 were:

<u>Fund</u>	Individual Fund Transfer	Total Fund <u>Transfer out</u>	Individual Fund Transfer	Total Fund <u>Transfer In</u>
General	\$	3,676,883	\$	\$
HURF	1,000,000			
Grants	1,676,883			
Capital Improvements	1,000,000			
Infrastructure Development		123,159		
HURF	123,159			
Capital Improvements		2,705,372		
Debt Service	2,705,372			
HURF				1,123,159
General			1,000,000	
Infrastructure Development			123,159	
Grants				1,676,883
General			1,676,883	
Debt Service				2,705,372
Capital Improvements			2,705,372	
Capital Improvements				1,000,000
General			1,000,000	
Total Transfers		<u>\$6,505,414</u>		<u>\$6,505,414</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 and from the Infrastructure Development is for a current project. The Transfer to the Capital Improvements fund is for a future project. The transfer to the Grants Funds is 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, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Taxes	\$ 16,892,322	\$ 16,892,322	\$ 20,181,600	\$ 3,289,278
Licenses and permits	1,892,763	1,892,763	2,102,253	209,490
Intergovernmental	16,542,586	16,542,586	19,386,984	2,844,398
Charges for services	4,721,348	4,721,348	5,099,585	378,237
Fines	-	-	5,504	5,504
Investment income	5,000	5,000	34,512	29,512
Contributions	41,000	41,000	2,731	(38,269)
Other revenues	537,916	537,916	498,927	(38,989)
Total revenues	<u>40,632,935</u>	<u>40,632,935</u>	<u>47,312,096</u>	<u>6,679,161</u>
<b>EXPENDITURES</b>				
Current:				
General government	7,656,422	7,656,422	7,201,825	454,597
Public safety	20,414,853	20,414,853	20,440,561	(25,708)
Public works	5,186,126	5,186,126	5,645,738	(459,612)
Culture and recreation	4,619,188	4,619,188	4,448,523	170,665
Community development	1,034,836	1,034,836	1,008,854	25,982
Capital	7,585,040	7,585,040	3,930,939	3,654,101
Total current	<u>46,496,465</u>	<u>46,496,465</u>	<u>42,676,440</u>	<u>3,820,025</u>
Debt service:				
Interest and fiscal charges	7,380	7,380	7,379	1
Principal	274,500	274,500	274,500	-
Total debt service	<u>281,880</u>	<u>281,880</u>	<u>281,879</u>	<u>1</u>
Total expenditures	<u>46,778,345</u>	<u>46,778,345</u>	<u>42,958,319</u>	<u>3,820,026</u>
Excess (deficiency) of revenues over expenditures	<u>(6,145,410)</u>	<u>(6,145,410)</u>	<u>4,353,777</u>	<u>10,499,187</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(3,113,529)	(5,113,529)	(3,676,883)	1,436,646
Transfers in	4,487,910	4,487,910	-	(4,487,910)
Issuance of installment purchase	4,771,029	4,771,029	-	(4,771,029)
Total other financing sources (uses)	<u>6,145,410</u>	<u>4,145,410</u>	<u>(3,676,883)</u>	<u>(7,822,293)</u>
Net change in fund balances	-	(2,000,000)	676,894	2,676,894
Fund balances - beginning	-	-	6,497,635	6,497,635
Fund balances - ending	<u>\$ -</u>	<u>\$ (2,000,000)</u>	<u>\$ 7,174,529</u>	<u>\$ 9,174,529</u>

See accompanying notes to this schedule



City of Sierra Vista  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
HURF  
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 7,231,422	\$ 7,231,422	\$ 5,597,835	\$ (1,633,587)
Contributions	1,250,000	1,250,000	-	(1,250,000)
Other revenues	-	-	57,564	57,564
Total revenues	<u>8,481,422</u>	<u>8,481,422</u>	<u>5,655,399</u>	<u>(2,826,023)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	2,864,434	2,864,434	2,796,451	67,983
Capital	8,598,422	8,598,422	5,825,881	2,772,541
Total current	<u>11,462,856</u>	<u>11,462,856</u>	<u>8,622,332</u>	<u>2,840,524</u>
Debt service:				
Interest and fiscal charges	2,432	2,432	2,431	1
Principal	77,475	77,475	77,475	-
Total debt service	<u>79,907</u>	<u>79,907</u>	<u>79,906</u>	<u>1</u>
Total expenditures	<u>11,542,763</u>	<u>11,542,763</u>	<u>8,702,238</u>	<u>2,840,525</u>
Excess (deficiency) of revenues over expenditures	<u>(3,061,341)</u>	<u>(3,061,341)</u>	<u>(3,046,839)</u>	<u>14,502</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	123,159	1,123,159	1,123,159	-
Total other financing sources (uses)	<u>123,159</u>	<u>1,123,159</u>	<u>1,123,159</u>	<u>-</u>
Net change in fund balances	(2,938,182)	(1,938,182)	(1,923,680)	14,502
Fund balances - beginning	2,938,182	2,938,182	3,067,367	129,185
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 1,143,687</u>	<u>\$ 143,687</u>

See accompanying notes to this schedule

City of Sierra Vista  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Grants  
For the Year Ended June 30, 2022

	<u>Budget</u>		
	<u>Original &amp; Final</u>	<u>Actual</u>	Variance with <u>Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ 8,774,281	\$ 2,346,085	\$ (6,428,196)
Contributions	1,512,500	54,868	(1,457,632)
Total revenues	<u>10,286,781</u>	<u>2,400,953</u>	<u>(7,885,828)</u>
<b>EXPENDITURES</b>			
Current:			
General government	480,700	373,006	107,694
Public safety	137,829	88,755	49,074
Culture and recreation	284,568	55,531	229,037
Community development	142,659	61,815	80,844
Capital	<u>12,381,417</u>	<u>3,498,729</u>	<u>8,882,688</u>
Total current	<u>13,427,173</u>	<u>4,077,836</u>	<u>9,349,337</u>
Total expenditures	<u>13,427,173</u>	<u>4,077,836</u>	<u>9,349,337</u>
Excess (deficiency) of revenues over expenditures	<u>(3,140,392)</u>	<u>(1,676,883)</u>	<u>1,463,509</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>3,113,529</u>	<u>1,676,883</u>	<u>(1,436,646)</u>
Total other financing sources (uses)	<u>3,113,529</u>	<u>1,676,883</u>	<u>(1,436,646)</u>
Net change in fund balances	(26,863)	-	26,863
Fund balances - beginning	<u>26,863</u>	-	<u>(26,863)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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 EIGHT FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Measurement date</b>	June 30, 2021	June 30, 2020	June 30, 2019
<b>City's proportion of the net pension liability (asset)</b>	0.11%	0.11%	0.11%
<b>City's proportionate share of the net pension liability (asset)</b>	\$ 14,813,535	\$ 19,797,282	\$ 16,533,033
<b>City's covered payroll</b>	\$ 12,707,047	\$ 12,555,231	\$ 12,033,184
<b>City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</b>	116.58%	157.68%	137.40%
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	78.58%	69.33%	73.24%

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Arizona State Retirement System:</b>			
Actuarially determined contribution	\$ 1,580,798	\$ 1,480,372	\$ 1,437,575
Contributions in relation to the actuarially determined contribution	<u>1,580,798</u>	<u>1,480,372</u>	<u>1,437,575</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 13,162,348	\$ 12,707,047	\$ 12,555,231
Contributions as a percentage of covered payroll	12.01%	11.65%	11.45%
 <b>Public Safety Personnel Retirement System - Police:</b>			
Actuarially determined contribution	\$ 2,453,804	\$ 2,752,345	\$ 2,461,018
Contributions in relation to the actual contribution	<u>3,294,662</u>	<u>3,196,653</u>	<u>2,962,243</u>
Contribution deficiency (excess)	<u>\$ (840,858)</u>	<u>\$ (444,308)</u>	<u>\$ (501,225)</u>
City's covered payroll	\$ 4,097,869	\$ 4,337,817	\$ 4,186,829
Contributions as a percentage of covered payroll	59.88%	63.45%	58.78%
 <b>Public Safety Personnel Retirement System - Fire:</b>			
Actuarially determined contribution	\$ 1,745,345	\$ 1,783,799	\$ 1,401,604
Contributions in relation to the actuarially determined contribution	<u>2,236,468</u>	<u>2,049,257</u>	<u>1,767,100</u>
Contribution deficiency (excess)	<u>\$ (491,123)</u>	<u>\$ (265,458)</u>	<u>\$ (365,496)</u>
City's covered payroll	\$ 3,051,302	\$ 2,932,433	\$ 2,742,865
Contributions as a percentage of covered payroll	57.20%	60.83%	51.10%

**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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,345,310	\$ 1,225,909	\$ 1,163,370	\$ 1,152,589	\$ 1,100,673
<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>
\$ 12,033,184	\$ 11,246,193	\$ 10,791,929	\$ 10,622,940	\$ 10,107,190
11.18%	10.90%	10.78%	10.85%	10.89%
\$ 2,301,287	\$ 2,080,895	\$ 2,148,783	\$ 1,905,744	\$ 1,243,188
<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>\$ (571,931)</u>	<u>\$ (250,000)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 4,105,775	\$ 4,164,656	\$ 4,721,562	\$ 4,511,705	\$ 4,105,641
69.98%	55.97%	45.51%	42.24%	30.28%
\$ 1,418,176	\$ 1,417,035	\$ 1,079,972	\$ 1,010,635	\$ 630,702
<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>\$ (362,698)</u>	<u>\$ (15,000)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 2,785,106	\$ 2,936,938	\$ 2,951,548	\$ 2,715,301	\$ 2,366,612
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 EIGHT FISCAL YEARS**

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019
<b>Total pension liability</b>			
Service cost	\$ 701,393	\$ 735,321	\$ 812,671
Interest	3,621,970	3,408,499	3,254,002
Changes of benefit terms			
Differences between expected and actual	(891,620)	1,078,782	608,962
Changes of assumptions			690,402
Benefit payments, including refunds	<u>(2,242,825)</u>	<u>(2,285,995)</u>	<u>(2,853,846)</u>
<b>Net change in total pension liability</b>	1,188,918	2,936,607	2,512,191
<b>Total pension liability—beginning</b>	<u>50,036,044</u>	<u>47,099,437</u>	<u>44,587,246</u>
<b>Total pension liability—ending</b>	<u>\$ 51,224,962</u>	<u>\$ 50,036,044</u>	<u>\$ 47,099,437</u>
<b>Plan fiduciary net position</b>			
Contributions—employer	\$ 2,973,607	\$ 3,441,524	\$ 2,463,043
Contributions—employee	302,361	324,687	316,504
Net investment income	6,636,803	262,683	1,074,001
Benefit payments, including refunds	(2,242,825)	(2,285,995)	(2,853,846)
Administrative expense	(30,514)	(21,420)	(19,659)
Other			
<b>Net change in plan fiduciary net position</b>	<u>7,639,432</u>	<u>1,721,479</u>	<u>980,043</u>
<b>Plan fiduciary net position—beginning</b>	<u>21,344,659</u>	<u>19,683,071</u>	<u>18,733,000</u>
Adjustment to beginning of year		(59,891)	(29,972)
<b>Plan fiduciary net position—ending</b>	<u>\$ 28,984,091</u>	<u>\$ 21,344,659</u>	<u>\$ 19,683,071</u>
<b>Net pension liability—ending</b>	<u>\$ 22,240,871</u>	<u>\$ 28,691,385</u>	<u>\$ 27,416,366</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	56.58%	42.66%	41.79%
<b>Covered payroll</b>	\$ 4,337,817	\$ 4,186,829	\$ 4,105,775
<b>Net pension liability as a percentage of covered payroll</b>	512.72%	685.28%	667.75%

**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.



<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 797,803	\$ 1,034,647	\$ 898,658	\$ 811,577	\$ 881,966
3,192,682	2,883,989	2,667,016	2,585,621	2,221,142
	526,933	1,360,707		697,428
(1,101,429)	488,807	271,019	(291,544)	(1,116,200)
	1,935,164	1,445,654		3,733,060
<u>(2,094,518)</u>	<u>(2,025,396)</u>	<u>(2,439,783)</u>	<u>(1,784,836)</u>	<u>(1,693,486)</u>
794,538	4,844,144	4,203,271	1,320,818	4,723,910
43,792,708	38,948,564	34,745,293	33,424,475	28,700,565
<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>
\$ 2,347,269	\$ 2,139,214	\$ 1,889,021	\$ 1,231,440	\$ 1,218,115
378,637	524,228	626,104	458,242	434,697
1,179,235	1,753,496	84,142	516,861	1,714,865
(2,094,518)	(2,025,396)	(2,439,783)	(1,784,836)	(1,693,486)
(18,648)	(15,915)	(12,508)	(12,992)	(13,811)
<u>200</u>	<u>(23,167)</u>	<u>(133,215)</u>	<u>60,401</u>	<u>(35,200)</u>
1,792,175	2,352,460	13,761	469,116	1,625,180
<u>16,940,825</u>	<u>14,588,365</u>	<u>14,574,604</u>	<u>14,105,488</u>	<u>12,480,308</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>\$ 25,854,246</u>	<u>\$ 26,851,883</u>	<u>\$ 24,360,199</u>	<u>\$ 20,170,689</u>	<u>\$ 19,318,987</u>
42.01%	38.68%	37.46%	41.95%	42.20%
\$ 4,164,656	\$ 4,721,562	\$ 4,511,705	\$ 4,105,641	\$ 4,488,315
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 EIGHT FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019
<b>Total pension liability</b>			
Service cost	\$ 584,070	\$ 569,254	\$ 639,495
Interest	2,569,848	2,434,216	2,321,406
Changes of benefit terms			
Differences between expected and actual	(93,820)	371,121	153,405
Changes of assumptions			628,209
Benefit payments, including refunds	<u>(1,486,428)</u>	<u>(1,576,416)</u>	<u>(1,818,004)</u>
<b>Net change in total pension liability</b>	1,573,670	1,798,175	1,924,511
<b>Total pension liability—beginning</b>	<u>35,362,548</u>	<u>33,564,373</u>	<u>31,639,862</u>
<b>Total pension liability—ending</b>	<u>\$ 36,936,218</u>	<u>\$ 35,362,548</u>	<u>\$ 33,564,373</u>
<b>Plan fiduciary net position</b>			
Contributions—employer	\$ 2,127,133	\$ 2,098,632	\$ 1,533,388
Contributions—employee	222,660	228,426	222,284
Net investment income	5,335,202	221,300	907,570
Benefit payments, including refunds	(1,486,428)	(1,576,416)	(1,818,004)
Administrative expense	(24,887)	(18,048)	(16,772)
Other		16,677	
<b>Net change in plan fiduciary net position</b>	<u>6,173,680</u>	<u>970,571</u>	<u>828,466</u>
<b>Plan fiduciary net position—beginning</b>	<u>17,742,460</u>	<u>16,771,888</u>	<u>15,961,175</u>
Adjustment to beginning of year		1	(17,753)
<b>Plan fiduciary net position—ending</b>	<u>\$ 23,916,140</u>	<u>\$ 17,742,460</u>	<u>\$ 16,771,888</u>
<b>Net pension liability—ending</b>	<u>\$ 13,020,078</u>	<u>\$ 17,620,088</u>	<u>\$ 16,792,485</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	64.75%	50.17%	49.97%
<b>Covered payroll</b>	\$ 2,932,433	\$ 2,742,865	\$ 2,785,106
<b>Net pension liability as a percentage of covered payroll</b>	444.00%	642.40%	602.94%

**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.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
City's proportion of the net OPEB (assets) liability	0.11%	0.12%	0.12%	0.11%	0.11%
City's proportionate share of the net OPEB (assets) liability	\$ (549,814)	\$ (82,036)	\$ (31,832)	\$ (41,070)	\$ (60,673)
City's covered payroll	\$ 12,707,047	\$ 12,555,231	\$ 12,033,184	\$ 11,246,193	\$ 10,791,929
City's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	-4.33%	-0.65%	-0.26%	-0.37%	-0.56%
Plan fiduciary net position as a percentage of the total OPEB liability	130.24%	104.33%	101.62%	102.20%	103.57%

**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.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
City's proportion of the net OPEB (assets) liability	0.11%	0.12%	0.11%	0.11%	0.11%
City's proportionate share of the net OPEB (assets) liability	\$ 23,264	\$ 87,316	\$ 74,630	\$ 58,950	\$ 40,086
City's covered payroll	\$12,707,047	\$12,555,231	\$12,033,184	\$11,246,193	\$ 10,791,929
City's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.18%	0.70%	0.62%	0.52%	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	90.38%	68.01%	72.85%	77.83%	84.44%

**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.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Arizona State Retirement System - Health Insurance Premium:</b>					
Actuarially determined contribution	\$ 27,640	\$ 49,556	\$ 61,521	\$ 55,352	\$ 49,486
Contributions in relation to the actuarially determined contribution	<u>27,640</u>	<u>49,556</u>	<u>61,521</u>	<u>55,352</u>	<u>49,486</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 13,162,348	\$ 12,707,047	\$ 12,555,231	\$ 12,033,184	\$ 11,246,193
Contributions as a percentage of covered payroll	0.21%	0.39%	0.49%	0.46%	0.44%
<b>Arizona State Retirement System - Long-Term Disability:</b>					
Actuarially determined contribution	\$ 25,010	\$ 22,872	\$ 21,344	\$ 19,253	\$ 17,995
Contributions in relation to the actuarially determined contribution	<u>25,010</u>	<u>22,872</u>	<u>21,344</u>	<u>19,253</u>	<u>17,995</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 13,162,348	\$ 12,707,047	\$ 12,555,231	\$ 12,033,184	\$ 11,246,193
Contributions as a percentage of covered payroll	0.19%	0.18%	0.17%	0.16%	0.16%
<b>Public Safety Personnel Retirement System - Police - Health Insurance Premium:</b>					
Actuarially determined contribution	\$ 50,404	\$ 44,680	\$ 42,287	\$ 36,952	\$ 49,326
Contributions in relation to the actuarially determined contribution	<u>50,404</u>	<u>44,680</u>	<u>42,287</u>	<u>36,952</u>	<u>49,326</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 4,097,869	\$ 4,337,817	\$ 4,186,829	\$ 4,105,775	\$ 4,164,656
Contributions as a percentage of covered payroll	1.23%	1.03%	1.01%	0.90%	1.18%
<b>Public Safety Personnel Retirement System - Fire - Health Insurance Premium:</b>					
Actuarially determined contribution	\$ 35,700	\$ 30,204	\$ 24,686	\$ 24,230	\$ 27,388
Contributions in relation to the actuarially determined contribution	<u>35,700</u>	<u>30,204</u>	<u>24,686</u>	<u>24,230</u>	<u>27,388</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 3,051,302	\$ 2,932,433	\$ 2,742,865	\$ 2,785,106	\$ 2,936,938
Contributions as a percentage of covered payroll	1.17%	1.03%	0.90%	0.87%	0.93%

**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.

**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 FIVE FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB liability</b>					
Service cost	\$ 17,949	\$ 18,896	\$ 13,389	\$ 12,995	\$ 17,641
Interest	85,490	76,898	79,227	79,040	84,722
Changes of benefit terms					1,540
Differences between expected and actual experience	(116,424)	102,069	(71,813)	(34,823)	(81,762)
Changes of assumptions or other inputs			6,643		(17,248)
Benefit payments	(61,313)	(68,642)	(60,202)	(62,961)	(65,215)
<b>Net change in total OPEB liability</b>	(74,298)	129,221	(32,756)	(5,749)	(60,322)
<b>Total OPEB liability—beginning</b>	1,183,806	1,054,585	1,087,341	1,093,090	1,153,412
<b>Total OPEB liability—ending</b>	<u>\$ 1,109,508</u>	<u>\$ 1,183,806</u>	<u>\$ 1,054,585</u>	<u>\$ 1,087,341</u>	<u>\$ 1,093,090</u>
<b>Plan fiduciary net position</b>					
Contributions—employer	\$ 37,511	\$ 38,225	\$ 34,993	\$ 13,833	\$ 50,296
Contributions—employee					
Net investment income	189,306	8,943	37,250	47,391	75,038
Benefit payments	(61,313)	(68,642)	(60,202)	(62,961)	(65,215)
Administrative expense	(778)	(727)	(643)	(721)	(664)
Other					
<b>Net change in plan fiduciary net position</b>	164,726	(22,201)	11,398	(2,458)	59,455
<b>Plan fiduciary net position—beginning</b>	718,894	741,095	699,726	702,184	642,729
<b>Adjustment to beginning of year balance</b>			29,971		
<b>Plan fiduciary net position—ending</b>	<u>\$ 883,620</u>	<u>\$ 718,894</u>	<u>\$ 741,095</u>	<u>\$ 699,726</u>	<u>\$ 702,184</u>
<b>Net OPEB (assets) liability—ending</b>	<u>\$ 225,888</u>	<u>\$ 464,912</u>	<u>\$ 313,490</u>	<u>\$ 387,615</u>	<u>\$ 390,906</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	79.64%	60.73%	70.27%	64.35%	64.24%
<b>Covered payroll</b>	\$ 4,337,817	\$ 4,186,829	\$ 4,105,775	\$ 4,164,656	\$ 4,721,562
<b>Net OPEB (assets) liability as a percentage of covered payroll</b>	5.21%	11.10%	7.64%	9.31%	8.28%

**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.

**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 FIVE FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB liability</b>					
Service cost	\$ 12,596	\$ 12,365	\$ 9,291	\$ 9,291	\$ 9,996
Interest	61,590	58,166	59,597	60,012	60,052
Changes of benefit terms					4
Differences between expected and actual experience	7,609	45,263	(46,626)	(28,923)	(6,161)
Changes of assumptions or other inputs			9,565		(2,836)
Benefit payments	(58,862)	(57,856)	(50,610)	(50,664)	(50,190)
<b>Net change in total OPEB liability</b>	22,933	57,938	(18,783)	(10,284)	10,865
<b>Total OPEB liability—beginning</b>	860,529	802,591	821,374	831,658	820,793
<b>Total OPEB liability—ending</b>	<u>\$ 883,462</u>	<u>\$ 860,529</u>	<u>\$ 802,591</u>	<u>\$ 821,374</u>	<u>\$ 831,658</u>
<b>Plan fiduciary net position</b>					
Contributions—employer	\$ 26,244	\$ 23,432	\$ 25,046	\$ 8,621	\$ 26,447
Contributions—employee					
Net investment income	145,472	7,046	29,850	38,143	61,041
Benefit payments	(58,862)	(57,856)	(50,610)	(50,664)	(50,190)
Administrative expense	(598)	(573)	(515)	(581)	(539)
Other				1	
<b>Net change in plan fiduciary net position</b>	112,256	(27,951)	3,771	(4,480)	36,759
<b>Plan fiduciary net position—beginning</b>	555,308	583,259	561,735	566,215	529,456
<b>Adjustments to beginning of year balance</b>			17,753		
<b>Plan fiduciary net position—ending</b>	<u>\$ 667,564</u>	<u>\$ 555,308</u>	<u>\$ 583,259</u>	<u>\$ 561,735</u>	<u>\$ 566,215</u>
<b>Net OPEB (assets) liability—ending</b>	<u>\$ 215,898</u>	<u>\$ 305,221</u>	<u>\$ 219,332</u>	<u>\$ 259,639</u>	<u>\$ 265,443</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	75.56%	64.53%	72.67%	68.39%	68.08%
<b>Covered payroll</b>	\$ 2,932,433	\$ 2,742,865	\$ 2,785,106	\$ 2,936,938	\$ 2,951,548
<b>Net OPEB (assets) liability as a percentage of covered payroll</b>	7.36%	11.13%	7.88%	8.84%	8.99%

**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.



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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b>Total OPEB liability</b>					
Service cost	\$ 841,963	\$ 974,887	\$ 1,131,255	\$ 1,093,000	\$ 1,121,000
Interest	395,738	583,190	1,027,009	1,015,000	937,000
Differences between expected and actual experience	(3,830,501)	(5,872,873)	(8,961,963)		
Changes of assumptions or other inputs	(2,036,419)	2,032,814	2,147,687	1,721,000	(1,296,000)
Benefit payments	(830,256)	(857,490)	(753,004)	(737,000)	(604,000)
<b>Net change in total OPEB liability</b>	(5,459,475)	(3,139,472)	(5,409,016)	3,092,000	158,000
<b>Total OPEB liability—beginning</b>	20,605,512	23,744,984	29,154,000	26,062,000	25,904,000
<b>Total OPEB liability—ending</b>	<u>\$ 15,146,037</u>	<u>\$ 20,605,512</u>	<u>\$ 23,744,984</u>	<u>\$ 29,154,000</u>	<u>\$ 26,062,000</u>
<b>Covered-employee payroll</b>	\$ 13,752,278	\$ 10,565,294	\$ 13,752,754	\$ 12,033,184	\$ 11,246,193
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	110.13%	195.03%	172.66%	242.28%	231.74%

**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.

**CITY OF SIERRA VISTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

**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, 2020, 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 total liabilities as of June 30, 2021 reflect changes in actuarial assumptions based on the results of an actuarial experience, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

The actuarial assumptions used in the June 30, 2021 valuation of PSPRS were based on the results of an actuarial experience study for the five year period ended June 30, 2016. 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, 2017 actuarial valuation.

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.

**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, 2022

	Special revenue funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>		
Cash and investments	\$ 4,672,970	\$ 4,672,970
Intergovernmental receivable	640,477	640,477
Accounts receivable	31,378	31,378
Leases receivable	409,076	409,076
Inventory	76,692	76,692
Total assets	\$ 5,830,593	\$ 5,830,593
<b>LIABILITIES</b>		
Accounts payable	\$ 434,799	\$ 434,799
Due to other funds	189,166	189,166
Accrued salaries and employee benefits	120,078	120,078
Total liabilities	744,043	744,043
Total liabilities	744,043	744,043
<b>DEFERRED INFLOWS</b>		
Leases	\$ 409,076	\$ 409,076
Total deferred inflows of resources	409,076	409,076
Total liabilities and deferred inflows of resources	1,153,119	1,153,119
<b>FUND BALANCES (DEFICITS)</b>		
Nonspendable	\$ 76,692	\$ 76,692
Restricted		
Other Projects	\$ 4,630,497	\$ 4,630,497
Streets	156,002	156,002
Unassigned	\$ (185,717)	\$ (185,717)
Total fund balances (deficits)	\$ 4,677,474	\$ 4,677,474
Total liabilities, deferred inflows and fund balances (deficits)	\$ 5,830,593	\$ 5,830,593

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, 2022

	<u>Special revenue funds</u>	<u>Debt service funds</u>
<b>REVENUES</b>		
Intergovernmental	\$ 4,702,461	\$ -
Charges for services	3,476,455	-
Investment income	2,885	-
Contributions	141,365	-
Other revenues	91,272	-
Total revenues	<u>8,414,438</u>	<u>-</u>
<b>EXPENDITURES</b>		
Current:		
General government	3,629	-
Public safety	2,226,182	-
Public works	3,437,033	-
Culture and recreation	17,145	-
Community development	4,113	-
Capital outlay	2,034,114	-
Debt service:		
Interest and fiscal charges	-	282,372
Principal	-	2,423,000
Total expenditures	<u>7,722,216</u>	<u>2,705,372</u>
Excess (deficiency) of revenues over expenditures	<u>692,222</u>	<u>(2,705,372)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers out	(123,159)	-
Transfers in	-	2,705,372
Total other financing sources (uses)	<u>(123,159)</u>	<u>2,705,372</u>
Net change in fund balances	569,063	-
Fund balances - beginning	4,108,411	-
Fund balances - ending	<u>\$ 4,677,474</u>	<u>\$ -</u>

Total Nonmajor  
Governmental Funds

\$ 4,702,461  
3,476,455  
2,885  
141,365  
91,272  
8,414,438

3,629  
2,226,182  
3,437,033  
17,145  
4,113  
2,034,114  
  
282,372  
2,423,000  
10,427,588  
(2,013,150)

(123,159)  
2,705,372  
2,582,213

569,063  
4,108,411  
\$ 4,677,474

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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.

**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.

**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 improve, 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, 2022

	Miscellaneous Donations	LTAF	Police Special Programs
<b>ASSETS</b>			
Cash and investments	\$ 252,991	\$ 143,429	\$ 257,527
Intergovernmental receivable	-	215,674	-
Accounts receivable	-	-	-
Leases receivable	-	409,076	-
Inventory	-	-	-
Total assets	<u>\$ 252,991</u>	<u>\$ 768,179</u>	<u>\$ 257,527</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 9,352	\$ 3,327	\$ 39,654
Due to other funds	-	-	-
Accrued salaries and employee benefits	-	23,026	-
Total liabilities	<u>9,352</u>	<u>26,353</u>	<u>39,654</u>
<b>DEFERRED INFLOWS</b>			
Leases	\$ -	\$ 409,076	\$ -
Total deferred inflows of resources	<u>-</u>	<u>409,076</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>9,352</u>	<u>435,429</u>	<u>39,654</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	\$ -	\$ -	\$ -
Restricted			
Other Projects	243,639	332,750	217,873
Streets	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>\$ 243,639</u>	<u>\$ 332,750</u>	<u>\$ 217,873</u>
Total liabilities, deferred inflows and fund balances (deficits)	<u>\$ 252,991</u>	<u>\$ 768,179</u>	<u>\$ 257,527</u>

Judicial Collection Enhancement	Airport	Park Development Fee	Police Development Fee	Infrastructure Development Fee	Fire Development Fee
\$ 230	\$ 3,173,270	\$ 43,123	\$ -	\$ 156,002	\$ -
-	8,213	-	-	-	-
-	31,378	-	-	-	-
-	-	-	-	-	-
-	76,692	-	-	-	-
<u>\$ 230</u>	<u>\$ 3,289,553</u>	<u>\$ 43,123</u>	<u>\$ -</u>	<u>\$ 156,002</u>	<u>\$ -</u>
\$ -	\$ 288,713	\$ -	\$ -	\$ -	\$ -
-	-	-	88,774	-	96,943
-	5,378	-	-	-	-
-	294,091	-	88,774	-	96,943
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	-	-	-
-	294,091	-	88,774	-	96,943
\$ -	\$ 76,692	\$ -	\$ -	\$ -	\$ -
230	2,918,770	43,123	-	-	-
-	-	-	-	156,002	-
-	-	-	(88,774)	-	(96,943)
<u>\$ 230</u>	<u>\$ 2,995,462</u>	<u>\$ 43,123</u>	<u>\$ (88,774)</u>	<u>\$ 156,002</u>	<u>\$ (96,943)</u>
<u>\$ 230</u>	<u>\$ 3,289,553</u>	<u>\$ 43,123</u>	<u>\$ -</u>	<u>\$ 156,002</u>	<u>\$ -</u>

(continued)

City of Sierra Vista  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2022  
(Concluded)

	SVMPO	SEACOM	Total Nonmajor Special revenue funds
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 646,398	\$ 4,672,970
Intergovernmental receivable	100,748	315,842	640,477
Accounts receivable	-	-	31,378
Leases receivable	-	-	409,076
Inventory	-	-	76,692
Total assets	<u>\$ 100,748</u>	<u>\$ 962,240</u>	<u>\$ 5,830,593</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 50,937	\$ 42,816	\$ 434,799
Due to other funds	3,449	-	189,166
Accrued salaries and employee benefits	6,262	85,412	120,078
Total liabilities	<u>60,648</u>	<u>128,228</u>	<u>744,043</u>
<b>DEFERRED INFLOWS</b>			
Leases	\$ -	\$ -	409,076
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>409,076</u>
Total liabilities and deferred inflows of resources	<u>60,648</u>	<u>128,228</u>	<u>1,153,119</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	\$ -	\$ -	\$ 76,692
Restricted			
Other Projects	40,100	834,012	4,630,497
Streets	-	-	156,002
Unassigned	-	-	(185,717)
Total fund balances (deficits)	<u>\$ 40,100</u>	<u>\$ 834,012</u>	<u>\$ 4,677,474</u>
Total liabilities, deferred inflows and fund balances (deficits)	<u>\$ 100,748</u>	<u>\$ 962,240</u>	<u>\$ 5,830,593</u>

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City of Sierra Vista  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2022

	Miscellaneous Donations	LTAF	Police Special Programs
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 1,080,902	\$ 5,813
Charges for services	-	77,771	624
Investment income	-	-	109
Contributions	81,644	-	6,210
Other revenues	-	18,262	71,887
Total revenues	<u>81,644</u>	<u>1,176,935</u>	<u>84,643</u>
<b>EXPENDITURES</b>			
Current:			
General government	3,629	-	-
Public safety	108,868	-	33,165
Public works	-	865,501	-
Culture and recreation	17,145	-	-
Community development	4,113	-	-
Capital outlay	-	362,331	41,163
Debt service:			
Interest and fiscal charges	-	-	-
Principal	-	-	-
Total expenditures	<u>133,755</u>	<u>1,227,832</u>	<u>74,328</u>
Excess (deficiency) of revenues over expenditures	<u>(52,111)</u>	<u>(50,897)</u>	<u>10,315</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	-
Transfers in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(52,111)	(50,897)	10,315
Fund balances - beginning	295,750	383,647	207,558
Fund balances - ending	<u>\$ 243,639</u>	<u>\$ 332,750</u>	<u>\$ 217,873</u>

Judicial Collection Enhancement	Airport	Park Development Fee	Police Development Fee	Infrastructure Development Fee	Fire Development Fee
\$ -	\$ 682,258	\$ -	\$ -	\$ -	\$ -
-	3,137,262	206,401	21,509	22,047	10,841
-	2,776	-	-	-	-
-	-	-	-	-	-
-	1,123	-	-	-	-
-	<u>3,823,419</u>	<u>206,401</u>	<u>21,509</u>	<u>22,047</u>	<u>10,841</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	2,098,376	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,630,620	-	-	-	-
-	-	-	0	-	-
-	-	-	-	-	-
-	<u>3,728,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	<u>94,423</u>	<u>206,401</u>	<u>21,509</u>	<u>22,047</u>	<u>10,841</u>
-	-	-	-	(123,159)	-
-	-	-	-	-	-
-	-	-	-	<u>(123,159)</u>	-
-	94,423	206,401	21,509	(101,112)	10,841
230	<u>2,901,039</u>	<u>(163,278)</u>	<u>(110,283)</u>	<u>257,114</u>	<u>(107,784)</u>
<u>\$ 230</u>	<u>\$ 2,995,462</u>	<u>\$ 43,123</u>	<u>\$ (88,774)</u>	<u>\$ 156,002</u>	<u>\$ (96,943)</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, 2022  
(Concluded)

	SVMPO	SEACOM	Total Nonmajor Special revenue funds
<b>REVENUES</b>			
Intergovernmental	\$ 462,999	\$ 2,470,489	\$ 4,702,461
Charges for services	-	-	3,476,455
Investment income	-	-	2,885
Contributions	-	53,511	141,365
Other revenues	-	-	91,272
Total revenues	<u>462,999</u>	<u>2,524,000</u>	<u>8,414,438</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	3,629
Public safety	-	2,084,149	2,226,182
Public works	473,156	-	3,437,033
Culture and recreation	-	-	17,145
Community development	-	-	4,113
Capital outlay	-	-	2,034,114
Debt service:			
Interest and fiscal charges	-	-	-
Principal	-	-	-
Total expenditures	<u>473,156</u>	<u>2,084,149</u>	<u>7,722,216</u>
Excess (deficiency) of revenues over expenditures	<u>(10,157)</u>	<u>439,851</u>	<u>692,222</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	(123,159)
Transfers in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(123,159)</u>
Net change in fund balances	(10,157)	439,851	569,063
Fund balances - beginning	50,257	394,161	4,108,411
Fund balances - ending	<u>\$ 40,100</u>	<u>\$ 834,012</u>	<u>\$ 4,677,474</u>



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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, 2022

	Miscellaneous Donations		
	Budget	Actual	Variance with Budget
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	-	-	-
Fines	-	-	-
Investment income	-	-	-
Contributions	1,221,335	81,644	(1,139,691)
Other revenues	-	-	-
Total revenues	1,221,335	81,644	(1,139,691)
<b>EXPENDITURES</b>			
Current:			
General government	4,803	3,629	1,174
Public safety	211,748	108,868	102,880
Public works	-	-	-
Culture and recreation	152,275	17,145	135,130
Community development	13,322	4,113	9,209
Capital outlay	-	-	-
Debt service:			
Interest and fiscal charges	-	-	-
Principal	-	-	-
Total expenditures	382,148	133,755	248,393
Excess (deficiency) of revenues over expenditures	839,187	(52,111)	(891,298)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(1,400,000)	-	1,400,000
Transfers in	-	-	-
Issuance of financed purchases	-	-	-
Total other financing sources (uses)	(1,400,000)	-	1,400,000
Net change in fund balances	(560,813)	(52,111)	508,702
Fund balances - beginning	560,813	295,750	(265,063)
Fund balances - ending	\$ -	\$ 243,639	\$ 243,639

LTAf			Police Special Programs		
Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
\$ 4,936,185	\$ 1,080,902	\$ (3,855,283)	\$ 50,000	\$ 5,813	\$ (44,187)
119,200	77,771	(41,429)	-	624	624
-	-	-	-	-	-
-	-	-	-	109	109
-	-	-	-	6,210	6,210
1,000	18,262	17,262	75,000	71,887	(3,113)
<u>5,056,385</u>	<u>1,176,935</u>	<u>(3,879,450)</u>	<u>125,000</u>	<u>84,643</u>	<u>(40,357)</u>
-	-	-	-	-	-
-	-	-	199,500	33,165	166,335
1,607,857	865,501	742,356	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,450,075	362,331	4,087,744	150,000	41,163	108,837
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,057,932</u>	<u>1,227,832</u>	<u>4,830,100</u>	<u>349,500</u>	<u>74,328</u>	<u>275,172</u>
<u>(1,001,547)</u>	<u>(50,897)</u>	<u>950,650</u>	<u>(224,500)</u>	<u>10,315</u>	<u>234,815</u>
-	-	-	-	-	-
890,015	-	(890,015)	-	-	-
-	-	-	-	-	-
<u>890,015</u>	<u>-</u>	<u>(890,015)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(111,532)	(50,897)	60,635	(224,500)	10,315	234,815
111,532	383,647	272,115	224,500	207,558	(16,942)
<u>\$ -</u>	<u>\$ 332,750</u>	<u>\$ 332,750</u>	<u>\$ -</u>	<u>\$ 217,873</u>	<u>\$ 217,873</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, 2022  
 (Continued)

	Judicial Collection Enhancement		
	Budget	Actual	Variance with Budget
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	-	-	-
Fines	10	-	(10)
Investment income	-	-	-
Contributions	-	-	-
Other revenues	-	-	-
Total revenues	10	-	(10)
<b>EXPENDITURES</b>			
Current:			
General government	300	-	300
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Community development	-	-	-
Capital outlay	-	-	-
Debt service:			
Interest and fiscal charges	-	-	-
Principal	-	-	-
Total expenditures	300	-	300
Excess (deficiency) of revenues over expenditures	(290)	-	290
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out		-	-
Transfers in	-	-	-
Issuance of financed purchases	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	(290)	-	290
Fund balances - beginning	290	230	(60)
Fund balances - ending	\$ -	\$ 230	\$ 230

Airport			Park Development Fee		
Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
\$ 10,051,405	\$ 682,258	\$ (9,369,147)	\$ -	\$ -	\$ -
1,020,750	3,137,262	2,116,512	17,000	206,401	189,401
-	-	-	-	-	-
-	2,776	2,776	-	-	-
-	-	-	-	-	-
-	1,123	1,123	-	-	-
<u>11,072,155</u>	<u>3,823,419</u>	<u>(7,248,736)</u>	<u>17,000</u>	<u>206,401</u>	<u>189,401</u>
-	-	-	-	-	-
-	-	-	-	-	-
2,127,783	2,098,376	29,407	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,637,000	1,630,620	11,006,380	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>14,764,783</u>	<u>3,728,996</u>	<u>11,035,787</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(3,692,628)</u>	<u>94,423</u>	<u>3,787,051</u>	<u>17,000</u>	<u>206,401</u>	<u>189,401</u>
-	-	-	-	-	-
-	-	-	-	-	-
1,500,000	-	(1,500,000)	-	-	-
<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(2,192,628)	94,423	2,287,051	17,000	206,401	189,401
<u>2,192,628</u>	<u>2,901,039</u>	<u>708,411</u>	<u>(17,000)</u>	<u>(163,278)</u>	<u>(146,278)</u>
<u>\$ -</u>	<u>\$ 2,995,462</u>	<u>\$ 2,995,462</u>	<u>\$ -</u>	<u>\$ 43,123</u>	<u>\$ 43,123</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, 2022  
 (Continued)

	Police Development Fee		
	Budget	Actual	Variance with Budget
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	18,500	21,509	3,009
Fines	-	-	-
Investment income	-	-	-
Contributions	-	-	-
Other revenues	-	-	-
Total revenues	18,500	21,509	3,009
<b>EXPENDITURES</b>			
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	18,500	21,509	3,009
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	-
Transfers in	-	-	-
Issuance of financed purchases	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	18,500	21,509	3,009
Fund balances - beginning	(18,500)	(110,283)	(91,783)
Fund balances - ending	\$ -	\$ (88,774)	\$ (88,774)

Infrastructure Development Fee			Fire Development Fee		
Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92,000	22,047	(69,953)	12,500	10,841	(1,659)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
92,000	22,047	(69,953)	12,500	10,841	(1,659)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
92,000	22,047	(69,953)	12,500	10,841	(1,659)
(123,159)	(123,159)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(123,159)	(123,159)	-	-	-	-
(31,159)	(101,112)	(69,953)	12,500	10,841	(1,659)
31,159	257,114	225,955	(12,500)	(107,784)	(95,284)
\$ -	\$ 156,002	\$ 156,002	\$ -	\$ (96,943)	\$ (96,943)

(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, 2022  
 (Concluded)

	SVMPO		
	Budget	Actual	Variance with Budget
<b>REVENUES</b>			
Intergovernmental	\$ 609,812	\$ 462,999	\$ (146,813)
Charges for services	-	-	-
Fines	-	-	-
Investment income	-	-	-
Contributions	-	-	-
Other revenues	-	-	-
Total revenues	609,812	462,999	(146,813)
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	609,812	473,156	136,656
Culture and recreation	-	-	-
Community development	-	-	-
Capital outlay	-	-	-
Debt service:			
Interest and fiscal charges	-	-	-
Principal	-	-	-
Total expenditures	609,812	473,156	136,656
Excess (deficiency) of revenues over expenditures	-	(10,157)	(10,157)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	-
Transfers in	-	-	-
Issuance of financed purchases	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	(10,157)	(10,157)
Fund balances - beginning	-	50,257	50,257
Fund balances - ending	\$ -	\$ 40,100	\$ 40,100



SEACOM			Totals		
Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
\$ 2,448,273	\$ 2,470,489	\$ 22,216	\$ 18,095,675	\$ 4,702,461	\$ (13,393,214)
-	-	-	1,279,950	3,476,455	2,196,505
-	-	-	10	-	(10)
-	-	-	-	2,885	2,885
-	53,511	53,511	1,221,335	141,365	(1,079,970)
-	-	-	76,000	91,272	15,272
<u>2,448,273</u>	<u>2,524,000</u>	<u>75,727</u>	<u>20,672,970</u>	<u>8,414,438</u>	<u>(12,258,532)</u>
-	-	-	5,103	3,629	1,474
2,226,520	2,084,149	142,371	2,637,768	2,226,182	411,586
-	-	-	4,345,452	3,437,033	908,419
-	-	-	152,275	17,145	135,130
-	-	-	13,322	4,113	9,209
375,997	-	375,997	17,613,072	2,034,114	15,578,958
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,602,517</u>	<u>2,084,149</u>	<u>518,368</u>	<u>24,766,992</u>	<u>7,722,216</u>	<u>17,044,776</u>
<u>(154,244)</u>	<u>439,851</u>	<u>594,095</u>	<u>(4,094,022)</u>	<u>692,222</u>	<u>4,786,244</u>
-	-	-	(1,523,159)	(123,159)	1,400,000
-	-	-	890,015	-	(890,015)
-	-	-	1,500,000	-	(1,500,000)
-	-	-	866,856	(123,159)	(990,015)
(154,244)	439,851	594,095	(3,227,166)	569,063	3,796,229
154,244	394,161	239,917	3,227,166	4,108,411	881,245
<u>\$ -</u>	<u>\$ 834,012</u>	<u>\$ 834,012</u>	<u>\$ -</u>	<u>\$ 4,677,474</u>	<u>\$ 4,677,474</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, 2022

	<u>Budget</u>		Variance with
	<u>Original &amp; Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>EXPENDITURES</b>			
Debt service:			
Interest and fiscal charges	278,373	282,372	(3,999)
Principal	<u>2,423,000</u>	<u>2,423,000</u>	<u>-</u>
Total debt service	<u>2,701,373</u>	<u>2,705,372</u>	<u>(3,999)</u>
Total expenditures	<u>2,701,373</u>	<u>2,705,372</u>	<u>(3,999)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,701,373)</u>	<u>(2,705,372)</u>	<u>(3,999)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>2,701,373</u>	<u>2,705,372</u>	<u>3,999</u>
Total other financing sources (uses)	<u>2,701,373</u>	<u>2,705,372</u>	<u>3,999</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 4,404,075	\$ 4,404,075	\$ 5,518,510	\$ 1,114,435
Investment income	-	-	11,538	11,538
Other revenues	500,000	500,000	58,539	(441,461)
Total revenues	<u>4,904,075</u>	<u>4,904,075</u>	<u>5,588,587</u>	<u>684,512</u>
<b>EXPENDITURES</b>				
Current:				
Capital outlay	551,880	551,880	84,662	467,218
Total current	<u>551,880</u>	<u>551,880</u>	<u>84,662</u>	<u>467,218</u>
Debt service:				
Bond issuance costs	-	-	140,000	(140,000)
Total debt service	<u>-</u>	<u>-</u>	<u>140,000</u>	<u>(140,000)</u>
Total expenditures	<u>551,880</u>	<u>551,880</u>	<u>224,662</u>	<u>327,218</u>
Excess (deficiency) of revenues over expenditures	<u>4,352,195</u>	<u>4,352,195</u>	<u>5,363,925</u>	<u>1,011,730</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(6,679,298)	(6,679,298)	(2,705,372)	3,973,926
Transfers in	-	1,000,000	1,000,000	-
Issuance of revenue bonds	-	-	24,000,000	24,000,000
Total other financing sources (uses)	<u>(6,679,298)</u>	<u>(5,679,298)</u>	<u>22,294,628</u>	<u>27,973,926</u>
Net change in fund balances	(2,327,103)	(1,327,103)	27,658,553	28,985,656
Fund balances - beginning	2,327,103	2,327,103	5,824,674	3,497,571
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 33,483,227</u>	<u>\$ 32,483,227</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, 2022

	Health and Accident Insurance	Self-Insured Retention	Unemployment Insurance	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 5,825,359	\$ 124,984	\$ 79,097	\$ 6,029,440
Accounts receivable	6,441	966	-	7,407
Due from other funds	1,316,089	-	-	1,316,089
Total current assets	<u>7,147,889</u>	<u>125,950</u>	<u>79,097</u>	<u>7,352,936</u>
Total assets	<u>\$ 7,147,889</u>	<u>\$ 125,950</u>	<u>\$ 79,097</u>	<u>\$ 7,352,936</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	69,837	1,906	-	71,743
Claims payable	142,722	-	-	142,722
Total current liabilities	<u>212,559</u>	<u>1,906</u>	<u>-</u>	<u>214,465</u>
Total liabilities	<u>\$ 212,559</u>	<u>\$ 1,906</u>	<u>\$ -</u>	<u>\$ 214,465</u>
<b>NET POSITION</b>				
Unrestricted	<u>6,935,330</u>	<u>124,044</u>	<u>79,097</u>	<u>7,138,471</u>
Total net position	<u>\$ 6,935,330</u>	<u>\$ 124,044</u>	<u>\$ 79,097</u>	<u>\$ 7,138,471</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, 2022

	Health and Accident Insurance	Self-Insured Retention	Unemployment Insurance	Total
<b>OPERATING REVENUES</b>				
Contributions	\$ 4,039,466	\$ -	\$ -	\$ 4,039,466
Other revenues	333,679	125,066	-	458,745
Total operating revenues	<u>4,373,145</u>	<u>125,066</u>	<u>-</u>	<u>4,498,211</u>
<b>OPERATING EXPENSES</b>				
Operations and maintenance	363,722	-	-	363,722
Benefits paid	3,162,040	171,477	-	3,333,517
Premiums paid	613,341	-	-	613,341
Total operating expenses	<u>4,139,103</u>	<u>171,477</u>	<u>-</u>	<u>4,310,580</u>
Operating income (loss)	<u>234,042</u>	<u>(46,411)</u>	<u>-</u>	<u>187,631</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	14,397	-	-	14,397
Total nonoperating revenues (expenses)	<u>14,397</u>	<u>-</u>	<u>-</u>	<u>14,397</u>
Income (loss) before contributions and transfers	<u>248,439</u>	<u>(46,411)</u>	<u>-</u>	<u>202,028</u>
Change in net position	248,439	(46,411)	-	202,028
Total net position - beginning	\$ 6,686,891	\$ 170,455	\$ 79,097	\$ 6,936,443
Total net position - ending	<u>\$ 6,935,330</u>	<u>\$ 124,044</u>	<u>\$ 79,097</u>	<u>\$ 7,138,471</u>

City of Sierra Vista  
Combining Statement of Cash Flows  
All Internal service funds  
For the Year Ended June 30, 2022

	Health and Accident Insurance	Self-Insured Retention	Unemployment Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 4,287,334	\$ -	\$ -	\$ 4,287,334
Cash paid to suppliers for goods and services	(4,080,204)	(169,571)	-	(4,249,775)
Other operating revenues	333,679	125,066	-	458,745
Net cash provided (used) by operating activities	<u>540,809</u>	<u>(44,505)</u>	<u>-</u>	<u>496,304</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Change in intrafund borrowing	435,800	-	-	435,800
Net cash provided (used) by noncapital financing activities	<u>435,800</u>	<u>-</u>	<u>-</u>	<u>435,800</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	14,397	-	-	14,397
Net cash provided (used) by investing activities	<u>14,397</u>	<u>-</u>	<u>-</u>	<u>14,397</u>
Net increase (decrease) in cash and cash equivalents	991,006	(44,505)	-	946,501
Balances - beginning of year	4,834,353	169,489	79,097	5,082,939
Balances - end of the year	<u>\$ 5,825,359</u>	<u>\$ 124,984</u>	<u>\$ 79,097</u>	<u>\$ 6,029,440</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating Income (loss)	\$ 234,042	\$ (46,411)	\$ -	\$ 187,631
Changes in assets and liabilities:				
Decrease (increase) in gross accounts receivable	247,868	-	-	247,868
Increase (decrease) in operating portion of accounts payable	58,899	1,906	-	60,805
Net cash provided (used) by operating activities	<u>\$ 540,809</u>	<u>\$ (44,505)</u>	<u>\$ -</u>	<u>\$ 496,304</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, 2022

	Abandon Property	USPP
<b>ASSETS</b>		
Cash and investments	\$ 26,528	\$ 395,048
Intergovernmental receivable	-	5,429
Total assets	26,528	400,477
<b>LIABILITIES</b>		
Accounts payable	-	61,735
Total liabilities	-	61,735
<b>NET POSITION</b>		
Restricted for:		
Other agencies	26,528	338,742
Total net position	\$ 26,528	\$ 338,742

<u>CCTC</u>	<u>911 Fund</u>	<u>Total Custodial funds</u>
\$ 25,805	4,930	\$ 452,311
632	29,772	35,833
<u>26,437</u>	<u>34,702</u>	<u>488,144</u>
1,013	34,702	97,450
<u>1,013</u>	<u>34,702</u>	<u>97,450</u>
25,424	-	390,694
<u>\$ 25,424</u>	<u>\$ -</u>	<u>\$ 390,694</u>

City of Sierra Vista  
Combining Statement of Changes in Fiduciary Net Position  
Custodial funds  
For the Year Ended June 30, 2022

	<u>Abandon Property</u>	<u>USPP</u>
<b>ADDITIONS</b>		
Intergovernmental	\$ -	\$ 179,566
Investment earnings	-	40
Total additions	<u>-</u>	<u>179,606</u>
<b>DEDUCTIONS</b>		
Payments to vendors	-	217,117
Payments to State	<u>32,226</u>	<u>-</u>
Total deductions	<u>32,226</u>	<u>217,117</u>
<b>Net increase (decrease) in fiduciary net position</b>	<u>(32,226)</u>	<u>(37,511)</u>
<b>Net Position, beginning of year</b>	58,754	376,253
<b>Net Position, end of year</b>	<u>\$ 26,528</u>	<u>\$ 338,742</u>

<u>CCTC</u>	<u>911 Fund</u>	<u>Total Custodial funds</u>
\$ 115,816	\$ 501,850	\$ 797,232
-	-	40
<u>115,816</u>	<u>501,850</u>	<u>797,272</u>
130,703	501,850	849,670
-	-	32,226
<u>130,703</u>	<u>501,850</u>	<u>881,896</u>
(14,887)	-	(84,624)
40,311	-	475,318
<u>\$ 25,424</u>	<u>\$ -</u>	<u>\$ 390,694</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 97,557,911	\$ 99,144,355	\$ 99,075,363	\$ 98,246,265
Restricted	4,524,148	4,966,561	6,909,429	8,033,660
Unrestricted	<u>(5,123,877)</u>	<u>(8,525,763)</u>	<u>(51,965,213)</u>	<u>(54,647,190)</u>
Total governmental activities net position	<u>\$ 96,958,182</u>	<u>\$ 95,585,153</u>	<u>\$ 54,019,579</u>	<u>\$ 51,632,735</u>
Business-type activities				
Net investment in capital assets	\$ 33,088,657	\$ 35,493,373	\$ 35,024,841	\$ 35,650,689
Restricted		51,233	51,233	51,233
Unrestricted	<u>(382,866)</u>	<u>(469,568)</u>	<u>(4,616,338)</u>	<u>(5,463,562)</u>
Total business-type activities net position	<u>\$ 32,705,791</u>	<u>\$ 35,075,038</u>	<u>\$ 30,459,736</u>	<u>\$ 30,238,360</u>
Primary government				
Net investment in capital assets	\$ 130,646,568	\$ 134,637,728	\$ 134,100,204	\$ 133,896,954
Restricted	4,524,148	5,017,794	6,960,662	8,084,893
Unrestricted	<u>(5,506,743)</u>	<u>(8,995,331)</u>	<u>(56,581,551)</u>	<u>(60,110,752)</u>
Total primary government net position	<u>\$ 129,663,973</u>	<u>\$ 130,660,191</u>	<u>\$ 84,479,315</u>	<u>\$ 81,871,095</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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 99,349,505	\$ 100,465,079	\$ 98,465,677	\$ 97,228,504	\$ 101,335,054	\$ 112,241,329
4,863,722	4,107,197	9,366,097	12,291,210	13,381,797	16,044,367
(57,454,383)	(65,868,132)	(69,481,084)	(70,700,244)	(64,712,419)	(59,339,473)
<u>\$ 46,758,844</u>	<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>
\$ 33,923,064	\$ 34,325,116	\$ 34,056,919	\$ 34,252,030	\$ 35,560,071	\$ 35,294,180
51,233					
(4,621,357)	(5,407,181)	(5,277,802)	(5,998,875)	(6,867,752)	(4,784,458)
<u>\$ 29,352,940</u>	<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>
\$ 133,272,569	\$ 134,790,195	\$ 132,522,596	\$ 131,480,534	\$ 136,895,125	\$ 147,535,509
4,914,955	4,107,197	9,366,097	12,291,210	13,381,797	16,044,367
(62,075,740)	(71,275,313)	(74,758,886)	(76,699,119)	(71,580,171)	(64,123,931)
<u>\$ 76,111,784</u>	<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>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 5,733,325	\$ 6,461,623	\$ 6,609,010	\$ 7,299,648
Public safety	16,679,199	16,892,244	18,599,902	18,164,895
Public works	13,971,626	15,894,553	16,486,381	15,572,233
Culture and recreation	5,451,451	3,891,908	3,107,107	3,679,116
Community development	922,944	1,174,014	1,088,865	869,175
Interest and fiscal charges	1,094,226	984,643	881,623	774,429
Total governmental activities expenses	<u>43,852,771</u>	<u>45,298,985</u>	<u>46,772,888</u>	<u>46,359,496</u>
Business-type activities:				
Sewer	3,995,159	3,991,879	3,804,727	3,957,011
Refuse	4,421,364	4,272,556	4,088,053	4,188,929
Total business-type activities expenses	<u>8,416,523</u>	<u>8,264,435</u>	<u>7,892,780</u>	<u>8,145,940</u>
Total primary government expenses	<u>\$ 52,269,294</u>	<u>\$ 53,563,420</u>	<u>\$ 54,665,668</u>	<u>\$ 54,505,436</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 1,048,052	\$ 1,525,767	\$ 1,486,331	\$ 1,364,244
Public safety	1,691,539	1,221,295	1,545,943	1,704,179
Public works	2,384,010	2,560,147	2,355,411	2,542,471
Culture and recreation	1,124,673	1,036,840	1,062,303	1,051,700
Community development	767,063	1,138,824	890,573	619,315
Operating grants and contributions	1,282,624	1,783,822	2,010,368	1,572,360
Capital grants and contributions	1,152,159	3,303,899	1,853,539	1,801,904
Total governmental activities program revenues	<u>9,450,120</u>	<u>12,570,594</u>	<u>11,204,468</u>	<u>10,656,173</u>
Business-type activities:				
Charges for services:				
Sewer	4,029,798	4,084,499	2,586,469	3,839,006
Refuse	4,679,431	4,638,149	4,327,870	4,235,371
Operating grants and contributions				
Capital grants and contributions	48,878	2,060,847	293,936	
Total business-type activities program revenues	<u>8,758,107</u>	<u>10,783,495</u>	<u>7,208,275</u>	<u>8,074,377</u>
Total primary government program revenues	<u>\$ 18,208,227</u>	<u>\$ 23,354,089</u>	<u>\$ 18,412,743</u>	<u>\$ 18,730,550</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (34,402,651)	\$ (32,728,391)	\$ (35,568,420)	\$ (35,703,323)
Business-type activities	341,584	2,519,060	(684,505)	(71,563)
Total primary government net expense	<u>\$ (34,061,067)</u>	<u>\$ (30,209,331)</u>	<u>\$ (36,252,925)</u>	<u>\$ (35,774,886)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ 397,349	\$ 390,759	\$ 371,634	\$ 359,567
Sales taxes	16,192,020	16,650,008	17,555,028	17,749,083
State shared revenues	12,775,428	13,494,847	14,369,609	14,666,533
Investment income	35,631	21,877	15,870	17,288
Other revenues	789,674	648,058	990,238	374,195
Transfers	149,813	149,813	149,813	149,813
Total governmental activities	<u>30,339,915</u>	<u>31,355,362</u>	<u>33,452,192</u>	<u>33,316,479</u>
Business-type activities:				
Investment income				
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>\$ 30,190,102</u>	<u>\$ 31,205,549</u>	<u>\$ 33,302,379</u>	<u>\$ 33,166,666</u>
<b>Change in Net Position</b>				
Governmental activities	\$ (4,062,736)	\$ (1,373,029)	\$ (2,116,228)	\$ (2,386,844)
Business-type activities	191,771	2,369,247	(834,318)	(221,376)
Total primary government	<u>\$ (3,870,965)</u>	<u>\$ 996,218</u>	<u>\$ (2,950,546)</u>	<u>\$ (2,608,220)</u>

Source: City of Sierra Vista

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 6,628,073	\$ 6,856,884	\$ 6,996,456	\$ 7,167,118	\$ 7,225,450	\$ 7,592,570
22,560,672	21,714,387	21,839,622	24,919,339	23,291,439	21,329,588
15,218,602	15,329,956	14,620,116	14,767,173	14,783,180	15,440,774
4,584,022	4,662,675	4,256,316	5,213,946	4,080,249	5,191,172
856,310	934,551	2,028,572	1,123,834	2,029,442	994,437
656,506	319,566	256,553	581,077	438,217	497,432
<u>50,504,185</u>	<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>
3,861,004	3,912,622	3,789,592	3,928,742	3,871,150	3,889,950
4,385,874	4,263,011	4,391,923	4,917,805	4,683,428	4,639,708
8,246,878	8,175,633	8,181,515	8,846,547	8,554,578	8,529,658
<u>\$ 58,751,063</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>
\$ 3,861,004	\$ 2,378,403	\$ 1,711,699	\$ 2,540,772	\$ 2,044,093	\$ 1,744,608
4,385,874	1,991,175	2,320,282	2,217,835	2,170,792	2,419,996
3,020,506	2,572,341	2,628,271	3,638,990	3,304,528	4,840,490
1,064,926	1,124,607	1,165,869	716,286	486,225	1,024,591
572,304	466,122	365,108	382,280	505,314	856,140
1,597,066	2,240,538	2,919,900	5,073,337	10,725,364	8,964,979
1,893,296	2,042,965	311,754	968,573	1,432,438	3,996,799
<u>16,394,976</u>	<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>
3,824,136	3,881,815	3,650,091	3,586,287	3,802,013	3,808,416
3,687,135	3,671,272	4,151,074	4,399,965	4,668,625	4,785,752
	184,378	241,532	323,837	522,609	125,000
<u>7,511,271</u>	<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>\$ 23,906,247</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>
\$ (34,109,209)	\$ (37,001,868)	\$ (38,574,752)	\$ (38,234,414)	\$ (31,179,223)	\$ (27,198,370)
(735,607)	(438,168)	(138,818)	(536,458)	438,669	811,672
<u>\$ (34,844,816)</u>	<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>
\$ 364,542	\$ 358,082	\$ 358,153	\$ 363,530	\$ 370,510	\$ 368,131
18,092,696	18,875,557	20,040,690	21,031,942	23,377,588	25,331,979
14,880,201	15,419,313	15,589,252	16,746,716	18,151,433	19,270,550
31,188	44,597	83,055	53,794	4,792	48,935
431,580	519,619	557,624	507,212	459,862	1,120,566
149,813					
<u>33,950,020</u>	<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>
	3,163		10,496	495	10,647
(149,813)					
<u>(149,813)</u>	<u>3,163</u>	<u>-</u>	<u>10,496</u>	<u>495</u>	<u>10,647</u>
<u>\$ 33,800,207</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>
\$ (159,189)	\$ (1,784,700)	\$ (1,945,978)	\$ 468,780	\$ 11,184,962	\$ 18,941,791
(885,420)	(435,005)	(138,818)	(525,962)	439,164	822,319
<u>\$ (1,044,609)</u>	<u>\$ (2,219,705)</u>	<u>\$ (2,084,796)</u>	<u>\$ (57,182)</u>	<u>\$ 11,624,126</u>	<u>\$ 19,764,110</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Unassigned	\$ 3,898,837	\$ 3,972,820	\$ 4,066,675	\$ 4,076,911
Nonspendable				52,031
Total General Fund balance	<u>\$ 3,898,837</u>	<u>\$ 3,972,820</u>	<u>\$ 4,066,675</u>	<u>\$ 4,128,942</u>
All Other Governmental Funds				
Restricted	\$ 4,524,148	\$ 4,966,561	\$ 6,909,429	\$ 8,033,660
Nonspendable				73,438
Unassigned	(2,758,173)	(3,619,690)	(4,028,268)	(4,631,568)
Total all other governmental funds	<u>1,765,975</u>	<u>1,346,871</u>	<u>2,881,161</u>	<u>3,475,530</u>
Total all governmental funds	<u>\$ 5,664,812</u>	<u>\$ 5,319,691</u>	<u>\$ 6,947,836</u>	<u>\$ 7,604,472</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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 4,098,515	\$ 4,098,515	\$ 5,762,990	\$ 5,961,579	\$ 6,423,769	\$ 7,010,738
75,647	138,478	82,999	55,351	73,866	163,791
<u>\$ 4,174,162</u>	<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>
\$ 7,809,861	\$ 7,554,217	\$ 9,266,201	\$12,178,559	\$13,317,127	\$39,413,413
118,913	113,184	99,896	112,651	64,670	76,692
(5,663,027)	(5,511,407)	(5,629,619)	(5,179,618)	(381,345)	(185,717)
<u>2,265,747</u>	<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>\$ 6,439,909</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>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Revenues:</b>				
Taxes	\$ 16,589,369	\$ 17,040,767	\$ 17,926,662	\$ 18,108,650
Licenses and permits	1,444,445	1,855,217	1,775,419	1,553,851
Intergovernmental	14,916,649	16,911,860	16,638,440	16,336,187
Charges for services	5,545,131	5,602,590	5,542,823	5,707,852
Fines	25,761	25,066	22,319	20,206
Investment income	35,631	21,877	15,870	17,288
Contributions	153,794	1,670,708	1,595,076	1,704,611
Other revenues	789,674	648,058	990,238	374,195
Total revenues	<u>39,500,454</u>	<u>43,776,143</u>	<u>44,506,847</u>	<u>43,822,840</u>
<b>Expenditures:</b>				
General government	5,962,304	5,931,492	6,135,261	6,354,521
Public safety	13,831,076	15,097,854	14,652,603	15,352,722
Public works	12,325,352	14,719,023	14,221,370	13,211,542
Culture and recreation	4,639,890	3,171,277	2,997,303	3,150,038
Community development	836,423	1,082,532	1,191,835	873,558
Capital outlay	364,628	234,592		524,409
Debt service -				
Interest and fiscal charges	1,094,226	984,643	881,623	774,429
Bond issuance costs				
Payment to refunding bond escrow agent				
Principal	3,733,604	3,049,664	2,948,520	3,024,798
Total expenditures	<u>42,787,503</u>	<u>44,271,077</u>	<u>43,028,515</u>	<u>43,266,017</u>
Excess (deficiency) of revenues over expenditures	(3,287,049)	(494,934)	1,478,332	556,823
<b>Other financing sources (uses):</b>				
Transfers out	(5,160,541)	(5,368,626)	(4,715,328)	(4,768,674)
Transfer in	5,310,354	5,518,439	4,865,141	4,868,487
Issuance of revenue bonds				
Issuance of refunding bonds				
Payment to refunding bond escrow agent				
Proceeds from installment purchase	2,422,739			
Total other financing sources (uses)	<u>2,572,552</u>	<u>149,813</u>	<u>149,813</u>	<u>99,813</u>
Net Change in fund balances	<u>\$ (714,497)</u>	<u>\$ (345,121)</u>	<u>\$ 1,628,145</u>	<u>\$ 656,636</u>
Debt service as a percentage of noncapital expenditures	12.6%	10.4%	10.0%	9.7%

Source: City of Sierra Vista

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 18,457,238	\$ 19,233,639	\$ 20,398,843	\$ 21,395,472	\$ 23,748,099	\$ 25,700,110
1,729,991	1,998,204	1,921,499	1,993,234	1,829,125	2,102,253
18,205,719	17,768,716	18,624,860	22,563,071	30,029,366	32,033,365
6,194,348	5,810,644	6,196,544	6,650,654	6,207,699	8,576,040
19,020	21,430	19,535	10,868	2,175	5,504
31,188	44,597	83,055	53,794	4,792	48,935
164,844	909,675	196,072	225,555	279,870	198,964
431,560	519,619	557,624	507,212	459,862	706,302
<u>45,233,908</u>	<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>
6,198,461	6,384,018	6,800,502	6,752,031	7,081,543	7,578,460
17,387,613	18,210,858	19,765,952	21,901,308	22,693,352	22,755,498
15,453,133	12,854,850	11,284,364	12,007,575	14,484,400	11,879,222
3,384,473	3,483,371	4,529,600	4,280,076	5,981,964	4,521,199
862,021	939,144	896,691	1,099,326	1,066,685	1,074,782
372,698	49,056		12,750,668		15,374,325
656,506	196,057	191,304	419,078	372,968	292,182
	123,509		96,750		140,000
	1,749,506				
<u>3,145,487</u>	<u>3,228,533</u>	<u>2,907,663</u>	<u>4,261,993</u>	<u>4,510,511</u>	<u>2,774,975</u>
<u>47,460,392</u>	<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>
(2,226,484)	(912,378)	1,621,956	(10,168,945)	6,369,565	2,980,830
(5,237,077)	(4,418,200)	(3,763,962)	(5,068,766)	(9,197,622)	(6,505,414)
5,361,890	4,393,200	3,738,962	5,068,766	9,197,622	6,505,414
			13,715,000		24,000,000
	11,345,000				
	(11,221,491)				
937,088	766,947	-	-	-	-
<u>1,061,901</u>	<u>865,456</u>	<u>(25,000)</u>	<u>13,715,000</u>	<u>-</u>	<u>24,000,000</u>
<u>\$ (1,164,583)</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>
9.4%	8.1%	7.5%	9.8%	9.9%	6.0%

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

<b>Business Category</b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>
Communications & utilities	\$ 1,601,169	\$ 1,495,522	\$ 1,505,027	\$ -
Transportation & warehousing	9,566	6,850	6,080	
Construction	986,088	1,116,402	1,403,500	
Manufacturing	232,035	228,141	237,632	
Wholesale trade	116,566	247,272	313,885	
Retail trade	8,915,252	9,183,309	9,438,478	
Finance & insurance	9,940	13,650	15,287	
Real estate, rental & leasing	1,209,747	1,172,494	1,155,182	
Restaurant & bar	1,742,476	1,768,624	1,817,655	
Accommodation	773,819	770,012	864,633	
Services	481,911	544,579	642,174	
Arts & entertainment	7,822	7,788	6,188	
Utilities				914,616
Communicaitons				274,829
Publication				45,105
Restaurant & Bar				1,956,725
Contracting - Prime				621,019
Retail Sales				8,042,943
Use Tax Purchases				533,442
Use Tax from inventory				27,328
Residential Rental				374,580
Retail Food for home consumption				1,920,150
Commercial Rental				384,082
Tangible Property Rental				177,405
Extended Stay				714,949
Online sales				
Other	105,629	95,365	149,307	106,767
Under old classifications				1,655,143
<b>Total</b>	<b><u>\$ 16,192,020</u></b>	<b><u>\$ 16,650,008</u></b>	<b><u>\$ 17,555,028</u></b>	<b><u>\$ 17,749,082</u></b>

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 Construcion Contracting tax classifications taxed at a 2.45% rate were reduced to 1.95%.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,038,117	1,071,019	1,127,563	1,074,415	1,076,888	1,159,601
219,084	232,131	239,953	216,536	151,774	159,301
47,353	43,627	38,606	35,651	35,135	16,007
2,176,936	2,252,588	2,391,663	2,318,154	2,637,676	2,816,755
519,852	723,807	828,653	708,650	503,461	642,633
9,230,031	9,519,169	10,064,496	10,599,143	12,033,089	12,927,769
509,904	625,414	760,457	722,244	796,415	755,174
8,975	9,359	8,361	8,576	12,070	11,065
399,242	410,991	432,682	452,833	497,024	531,864
2,205,658	2,342,216	2,428,222	2,743,032	2,921,812	3,058,705
370,495	362,403	369,639	356,607	362,874	345,910
222,022	213,311	259,529	231,317	238,315	258,565
897,679	909,068	917,068	860,399	930,791	1,270,073
			586,917	1,091,943	1,237,370
105,786	160,454	173,798	117,468	88,321	141,187
141,562					
<u>\$ 18,092,696</u>	<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>

**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>
2013	1.75%	0.50%	5.60%	7.85%
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%

Source: City of Sierra Vista, Arizona Department of Revenue

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

MPC Revenue Bonds				
Fiscal Year	Pledged Revenues	Principal	Interest	Coverage
2013	\$ 25,745,669	\$ 2,425,000	\$ 1,020,345	
2014	27,381,922	2,515,000	930,220	7.47
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

Source: City of Sierra Vista

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Estimated Property Value	\$3,082,322,495	\$2,926,589,424	\$2,922,865,504	\$2,935,601,712
<b>Assessed Property Value</b>	<b>\$ 342,392,651</b>	<b>\$ 325,296,345</b>	<b>\$ 320,629,532</b>	<b>\$ 319,072,042</b>
<b><u>Debt Limits</u></b>				
Legal Debt Limit - 20% Bonds	\$ 68,478,530	\$ 65,059,269	\$ 64,125,906	\$ 63,814,408
Amount of Debt applicable to debt limit	-	-	-	-
Legal Debt Margin - 20% Bonds	<u>\$ 68,478,530</u>	<u>\$ 65,059,269</u>	<u>\$ 64,125,906</u>	<u>\$ 63,814,408</u>
Legal Debt Limit - 6% Bonds	\$ 20,543,559	\$ 19,517,781	\$ 19,237,772	\$ 19,144,323
Amount of Debt applicable to debt limit	-	-	-	-
Legal Debt Margin - 6% Bonds	<u>\$ 20,543,559</u>	<u>\$ 19,517,781</u>	<u>\$ 19,237,772</u>	<u>\$ 19,144,323</u>

**Direct Government Activities Debt**

City of Sierra Vista	\$ 26,139,551	\$ 23,089,887	\$ 20,141,367	\$ 17,116,569
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**Overlapping Governmental Activities Debt**

Jurisdiction:				
Sierra Vista Public Schools	None	None	None	None
Cochise College	N/A	N/A	\$ 20,075,000	\$ 24,310,000
Cochise County	N/A	N/A	2,007,494	1,292,713
Total	<u>None</u>	<u>None</u>	<u>\$ 22,082,494</u>	<u>\$ 25,602,713</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	\$ 26,139,551	\$ 23,089,887	\$ 20,141,367	\$ 17,116,569
Sierra Vista Public Schools	None	None	None	None
Cochise College	N/A	N/A	20,075,000	24,310,000
Cochise County	N/A	N/A	2,007,494	1,292,713
Total	<u>\$ 26,139,551</u>	<u>\$ 23,089,887</u>	<u>\$ 42,223,861</u>	<u>\$ 42,719,282</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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$2,894,459,540	\$2,904,374,277	\$2,971,854,584	\$3,086,344,607	\$3,124,198,356	\$3,219,136,069
\$ 316,232,149	\$ 316,754,103	\$ 324,172,815	\$ 336,377,878	\$ 340,383,802	\$ 384,173,594
\$ 63,246,430	\$ 63,350,821	\$ 64,834,563	\$ 67,275,576	\$ 68,076,760	\$ 76,834,719
-	-	-	-	-	-
\$ 63,246,430	\$ 63,350,821	\$ 64,834,563	\$ 67,275,576	\$ 68,076,760	\$ 76,834,719
\$ 18,973,929	\$ 19,005,246	\$ 19,450,369	\$ 20,182,673	\$ 20,423,028	\$ 23,050,416
-	-	-	-	-	-
\$ 18,973,929	\$ 19,005,246	\$ 19,450,369	\$ 20,182,673	\$ 20,423,028	\$ 23,050,416
\$ 14,908,170	\$ 11,081,584	\$ 8,173,921	\$ 17,626,928	\$ 13,116,417	\$ 34,341,442
\$ 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
\$ 14,908,170	\$ 11,081,584	\$ 8,173,921	\$ 17,626,928	\$ 13,116,417	\$ 34,341,442
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
\$ 32,275,883	\$ 28,449,297	\$ 25,541,634	\$ 34,994,641	\$ 30,484,130	\$ 51,709,155

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

Fiscal Year	<u>Governmental Activities</u>		<u>Business-type Activities</u>		Total Primary Government	Per Capita	Percentage of Personal Income
	Revenue Bonds	Financed Purchases	Revenue Bonds	Financed Purchases			
2013	23,320,000	2,819,551	9,490,058	9,490,058	45,119,667	996	N/A
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	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	N/A	N/A	N/A	3.90%	4.30%	4.00%

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

2022 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>2013</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>
General Government										
City Manager	25	25	19	20	21	21	22	23	23	22
Administrative Services	31	31	19	21	21	21	21	23	23	23
Court and Legal	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police	102	102	96	95	97	95	82	85	87	87
SEACOM							12	25	26	26
Fire	61	61	55	55	56	58	66	69	69	72
Public Works										
Public Works	62	62	49	49	50	50	38	38	38	40
Streets and Traffic	21	21	22	22	17	18	18	18	18	19
Airport	1	1	1	1	1	1	2	1	1	1
Transit	10	10	11	11	10	10	10	10	10	10
Sewer	12	12	12	12	12	12	12	13	13	13
Refuse	14	14	14	14	14	15	17	17	17	18
Culture and Recreation	37	37	25	23	28	27	38	46	46	48
Community Development	18	18	9	12	11	11	11	9	9	9
	<u>395</u>	<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>

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Police					
UCR Part 1 clearance rate	37.4%	34.9%	33.9%	39.7%	37.6%
UCR Part 1 recovery rate	35.1%	30.3%	38.4%	28.6%	27.1%
Group A NIBRS crimes clearance rate	N/A	N/A	N/A	N/A	N/A
Traffic Citations	4,956	4,918	4,369	3,506	3,389
Animals adopted	843	728	731	786	628
Refuse					
Tons of refuse collected per year	23,935	23,917	22,496	19,694	17,781
Sewer					
Acre-feet of effluent treated per year	2,942	2,544	2,743	2,831	2,877
Transit					
Number of riders	158,711	158,598	173,096	188,458	140,960
Parks and Leisure Services					
Number of program participants	287,648	304,557	285,011	289,184	267,008

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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
35.8%	34.0%	36.0%	45.3%	N/A
31.0%	33.5%	30.3%	70.5%	N/A
N/A	N/A	N/A	N/A	43.2%
2,321	2,453	2,112	2,199	1,590
678	739	852	708	674
16,491	19,448	N/A	N/A	N/A
2,027	2,715	N/A	N/A	N/A
146,578	146,578	146,271	102,540	66,451
325,627	309,735	392,367	193,179	146,963

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Police				
Stations	1	1	1	1
Fire				
Stations	3	3	3	3
Refuse				
Refuse trucks	16	15	15	16
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	13

Source: City of Sierra Vista



<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
1	1	1	1	1	1
3	3	3	3	3	4
19	19	18	18	17	17
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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