



# TOWN OF HUACHUCA CITY

The Sunset City

**HUACHUCA CITY TOWN COUNCIL  
PUBLIC MEETING NOTICE  
Thursday, December 8, 2022, at 6:00 PM  
COUNCIL CHAMBERS  
500 N. GONZALES BLVD.  
HUACHUCA CITY, AZ 85616**

## **AGENDA**

### **A. Call to Order – Mayor**

- a. Pledge of Allegiance
- b. Roll Call and Ascertain Quorum
- c. Invocation

*Any prayer/invocation that may be offered before the start of regular Council business shall be the voluntary offering of a private citizen, for the benefit of the Council and the citizens present. The views or beliefs expressed by the prayer/invocation speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the religious beliefs or views of this, or any other speaker. A list of volunteers is maintained by the Town Clerk's Office and interested persons should contact the Town Clerk's Office for further information.*

### **B. Call to the Public – Mayor**

*A.R.S. 38-431.01 states the Public Body may make an open call to the public during a public meeting, subject to reasonable time, place and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the Public Body. At the conclusion of an open call to the public, individual members of the Public Body may respond to criticism made by those who have addressed the Public Body, may ask staff to review a matter or may ask that a matter be put on a future agenda. However, members of the Public Body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.*

### **C. Consent Agenda - Mayor**

*All items listed in the Consent Agenda are considered routine matters and will be enacted by one motion of the Council. There will be no separate discussion of these items unless a Member of the Town Council requests that an item or items be removed for discussion. Council Members may ask questions without removal of the item from the Consent Agenda. Items removed from the Consent Agenda are considered in their normal sequence as listed on the agenda, unless called out of sequence.*

C.1 Consider approval of the Minutes of the Regular Council Meeting held on November 10, 2022 and the Special Session held on November 17, 2022.

C.2 Consider approval of the Payment Approval Report.

C.3 Consider approval of the disposal of a **JY4AM01Y53C044848**-2003 Yamaha ATV, **4T1BF18B9XU325165**- 1999 Toyota Avolan, **1GNFK16R6XJS70676**- 1999 Chevrolet Suburban, **KNAFE162765347134**- 2006 Kia Spectra, **1FTYR44U84PA65303**- 2004 Ford Ranger, **B3KA43G27H830699**- 2007 Dodge Charger, **5TDZA22C84S087804**- 2004 Toyota Sienna Van, **1GNEK13T41R118326**- 2001 Chevrolet Tahoe, **JNKCV61E99M308574**- 2009 Infiniti G37 and a **3FAKP113XXR220765**- 1999 Ford Escape through Public Surplus.

#### **D. Unfinished Business before the Council – Mayor**

*Public comment will be taken at the beginning of each agenda item, after the subject has been announced by the Mayor and explained by staff. Any citizen, who wishes, may speak one time for five minutes on each agenda item before or after Council discussion. Questions from Council Members, however, may be directed to staff or a member of the public through the Mayor at any time.*

#### **E. New Business Before Council - Mayor**

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**E.1 Discussion and/or Action [Suzanne Harvey]: A representative from Hinton Burdick, CPAs, will present the Town's annual financial audit report for fiscal year 2020-2021. All Town financial accounts, controls, debts, enterprises, revenues, and expenditures may be discussed.**

**E.2 Discussion and/or Action [Spencer Forsberg]: Mr. Forsberg will present the Town's finances for the preceding months.**

**E.3 Discussion and/or Action [Mayor Wallace]: Farewell to former Councilmember Keith Settlemeyer.**

**E.4 Discussion and/or Action [Brandye Thorpe]: After Action Review of the Thanksgiving meal at the Lions Club.**

**E.5 Discussion and/or Action [Stephanie Fulton]: Review of plans for the Town's Annual Holiday Gift Basket Program.**

**E.6 Discussion and/or Action [Suzanne Harvey]: Approval of a contract with Honorable Keith Barth to serve as the Town's Magistrate Judge.**

**E.7 Discussion and/or Action [Brandye Thorpe]: Approval of the proposed Council Meeting schedule for January 2023 thru December 2023.**

**E.8 Discussion and/or Action [Suzanne Harvey]:** Consideration and possible approval of a letter of intent to purchase the Town's building and real property located at 830 Arizona Ave. The Council might vote to enter into executive [closed] session, pursuant to A.R.S. 38-431.03(A)(3), (4) & (7), to consult with its attorney and instruct its representatives concerning the potential sale of the property.

**E.9 Discussion and/or Action [Chief Thies]:** Presentation from the Police Chief concerning participation in the Law Enforcement Support Office Program ["LESO"] and changes to the State Plan of Operation regarding controlled property/equipment provided to the Town's police department through the LESO. The Chief will discuss which items of controlled equipment our police department already has and which pieces of equipment, if any, the department is considering acquiring.

**E.10 Discussion and/or Action [Mayor Wallace]:** Update concerning applications to fill the vacant seat on the Town Council [with a term to expire in November, 2024].

**E.11 Discussion and/or Action [Mayor Wallace]:** Oath of Office/Swearing in of each of the recently elected Councilmembers and Mayor.

**E.12 Discussion and/or Action [Suzanne Harvey]:** Approval of a bid for property lawnmowing services.

**F. Reports of Current Events by Council**

**G. Adjournment**

Posted at 5:00 PM on December 7, 2022, at the following locations:

<p><b>Town Hall Bulletin Board</b> 500 N. Gonzales Blvd. Huachuca City, AZ 85616</p>	<p><b>Town Hall Lobby</b> 500 N. Gonzales Blvd. Huachuca City, AZ 85616</p>	<p><b>Town Website</b> <a href="https://huachucacityaz.gov">https://huachucacityaz.gov</a></p>
<p><b>Huachuca City U.S. Post Office</b> 690 N. Gonzales Blvd. Huachuca City, AZ 85616</p>	<p><b>Huachuca City Library</b> 506 N. Gonzales Blvd. Huachuca City, AZ 85616</p>	<p><b>Huachuca City Police Department</b> 500 N. Gonzales Blvd. Huachuca City, AZ 85616</p>

*Ms. Brandy Thorpe*

Town Clerk

Note: This meeting is open to the public. All interested people are welcome to attend. A copy of agenda background material provided to the Councilmembers, with the exception of confidential material relating to possible executive sessions, is available for public inspection at the Town Clerk's Office, 500 N. Gonzales Blvd., Huachuca City, AZ 85616, Monday through Friday from 8:00 a.m. to 5:00 p.m. or online at [www.huachucacityaz.gov](http://www.huachucacityaz.gov)

Individuals with disabilities who need a reasonable accommodation to attend or communicate at a town meeting, or who require this information in alternate format, may contact the Town at 456-1354 (TTY 456-

1353) to make their needs known. Requests should be made as early as possible so there is sufficient time to respond.



# TOWN OF HUACHUCA CITY

The Sunset City

**MEETING MINUTES OF THE  
HUACHUCA CITY TOWN COUNCIL  
November 10, 2022 AT 6:00 PM  
COUNCIL CHAMBERS  
500 N. GONZALES BLVD.  
HUACHUCA CITY, AZ 85616**

## **AGENDA**

### **A. Call to Order – Mayor 6:00pm.**

#### **a. Pledge of Allegiance Mayor Wallace**

#### **b. Roll Call and Ascertain Quorum**

##### **Roll Call.**

**Present: Johann Wallace, Jeffrey Ferro, Cynthia Butterworth, Keith Settlemeier, Christy Hirshberg, Debra Trate, Town Manager Suzanne Harvey (Not voting), Town Clerk Brandye Thorpe (Not voting), Town Attorney Thomas Benavidez (Not voting).**

**Absent: Jean Smelt.**

#### **c. Invocation**

**Elder Thomas leads the invocation.**

*Any prayer/invocation that may be offered before the start of regular Council business shall be the voluntary offering of a private citizen, for the benefit of the Council and the citizens present. The views or beliefs expressed by the prayer/invocation speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the religious beliefs or views of this, or any other speaker. A list of volunteers is maintained by the Town Clerk's Office and interested persons should contact the Town Clerk's Office for further information.*

### **B. Call to the Public – Mayor**

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Body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.

Mayor Wallace there is one call to the public, since it is for an Agenda item, it will be held until that item is reached.


### **C. Consent Agenda - Mayor**

All items listed in the Consent Agenda are considered routine matters and will be enacted by one motion of the Council. There will be no separate discussion of these items unless a Member of the Town Council requests that an item or items be removed for discussion. Council Members may ask questions without removal of the item from the Consent Agenda. Items removed from the Consent Agenda are considered in their normal sequence as listed on the agenda, unless called out of sequence.

C.1 Consider approval of the Minutes of the Regular Council Meeting held on October 27, 2022 and the Work and Special Sessions held on November 3, 2022.

C.2 Consider approval of the Payment Approval Report.

 **Motion:** Items listed on the Consent Agenda, **Action:** Open for Discussion and/or Action, **Moved by** Johann Wallace, **Seconded by** Jeffrey Ferro.

 **Motion:** Items listed on the Consent Agenda, **Action:** Approve, **Moved by** Johann Wallace, **Seconded by** Christy Hirshberg.  
Motion passed unanimously.

### **D. Unfinished Business before the Council – Mayor**

Public comment will be taken at the beginning of each agenda item, after the subject has been announced by the Mayor and explained by staff. Any citizen, who wishes, may speak one time for five minutes on each agenda item before or after Council discussion. Questions from Council Members, however, may be directed to staff or a member of the public through the Mayor at any time.


### **E. New Business Before Council - Mayor**

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**E.1 Discussion and/or Action [Chief Thies]: Approval of Police Department and Animal Control participation in the Sierra Vista Chamber of Commerce Christmas Parade.**

 **Motion: Item E.1, Action: Open for Discussion and/or Action, Moved by Johann Wallace, Seconded by Debra Trate.**

Chief Thies advises that Corporal Olivas will be in his Tahoe and Animal Control Officer Hursh will be in the Animal Control truck. He states that the entry fee is \$85, which is discounted due to the Town's membership in the Chamber.

 **Motion: The Police Department and Animal Control participating in the Christmas Parade, Action: Approve, Moved by Johann Wallace, Seconded by Christy Hirshberg. Motion passed unanimously.**

**E.2 Discussion and/or Action [Stephanie Fulton]: After Action Review of the Town's Annual Creepy Candy Crawl and presentation of awards to the top 3 of the best decorated trunk/table contest.**

 **Motion: Item E.2, Action: Open for Discussion and/or Action, Moved by Johann Wallace, Seconded by Cynthia Butterworth.**

Stephanie Fulton provides a review of the event, including input from staff that the event should be held at this location each year instead of the previous decision to rotate between the Senior Center/Library and the Community Center.

 **Motion: Keep the Creepy Candy Crawl down at the Community Center, Action: Direct Staff, Moved by Johann Wallace, Seconded by Jeffrey Ferro. Motion passed unanimously.**

Mayor Wallace presents certificates to the top three best decorated for the following placements"

1<sup>st</sup>- Tie between Keith Arnett and Dana Cole, Kyson Arnett accepts on behalf of his grandfather, Dana Cole was unable to attend

2<sup>nd</sup>- Healthy Huachuca

3<sup>rd</sup>- Huachuca City Community Garden

**E.3 Discussion and/or Action [Stephanie Fulton]: Review of plans for the Town's Annual Polar Express event.**

 **Motion: Item E.3, Action: Open for Discussion and/or Action, Moved by Johann Wallace, Seconded by Christy Hirshberg.**

Stephanie Fulton advises that the event will be after the tree lighting ceremony. The plan is to be able to have it at the park, as long as construction in the park does not interfere. Access to Santa will be better controlled this year.

Councilmember Trate asks that some better lighting be added to the parking lot to prevent tripping hazards.

Stephanie Fulton also asks for a volunteer to be the conductor.

**E.4 Discussion and/or Action [Brandye Thorpe]: Review of plans for the Town's Annual Christmas Parade and approval of the proposed road closures for the event.**

 **Motion: Item E.4, Action: Open for Discussion and/or Action, Moved by Johann Wallace, Seconded by Cynthia Butterworth.**


Clerk Thorpe advises the parade is on December 10<sup>th</sup> this year. Route and road closures will remain the same as in the past. No changes to previous years. Mayor Wallace suggests that the bus be available to bring people back up.

 **Motion: The road closures for the Christmas Parade, Action: Approve, Moved by Johann Wallace, Seconded by Jeffrey Ferro.**  
**Motion passed unanimously.**

**E.5 Discussion and/or Action [Brandye Thorpe]: Review of plans for the Town's Annual Tree Lighting ceremony.**

 **Motion: Item E.5, Action: Open for Discussion and/or Action, Moved by Johann Wallace, Seconded by Cynthia Butterworth.**


Clerk Thorpe advises the tree lighting will be on December 9<sup>th</sup> at 6pm. We will continue to use the tree by the fire department, for this year at least. Discussion has been had about moving it to the large tree in the park now that electric is available, however there would be a problem getting enough lights. Next year we can review and make a decision.

 **Motion: Plans for the tree lighting ceremony, Action: Approve, Moved by Johann Wallace, Seconded by Cynthia Butterworth.**  
**Motion passed unanimously.**

**E.6 Discussion and/or Action [Suzanne Harvey]: Approval of a grant agreement with the Arizona Department of Emergency and Military Affairs [AZDEMA] for purchase of a Huachuca City Police Department fully equipped patrol vehicle and mobile radios.**

 **Motion: Item E.6, Action: Open for Discussion and/or Action, Moved by Johann Wallace, Seconded by Cynthia Butterworth.**

Chief Thies advises this is a grant received by the department for a 2021 vehicle and two mobile radios valued at about \$7,000.00 each. This is a reimbursable grant.

 **Motion: The grant agreement with AZDEMA, Action: Approve, Moved by Johann Wallace, Seconded by Jeffrey Ferro.**  
**Motion passed unanimously.**



**E.8 Discussion and/or Action [Stephanie Fulton]: Review of plans for the Holiday meal at the Senior Center.**

**Motion: Item E.8, Action: Open for Discussion and/or Action, Moved by Johann Wallace, Seconded by Cynthia Butterworth.**

Stephanie Fulton advises the meal will be on December 7<sup>th</sup> from 11am-1pm. The cost will be \$8/person and it will be catered by Landmark Café.

**E.9 Discussion and/or Action [Zoning Administrator and Town Attorney]: Discussion and/or Action Second Reading and Formal Adoption of Ordinance 2022-10 AN ORDINANCE OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HUACHUCA CITY, COCHISE COUNTY, ARIZONA, AMENDING THE TOWN CODE TITLE 18 "ZONING," CHAPTER 18.20 "CONDITIONAL USES", CHAPTER 18.35 "R-1 RESIDENTIAL DISTRICTS," SECTION 18.35.030 "PERMITTED CONDITIONAL USES", CHAPTER 18.40 "R-2 RESIDENTIAL DISTRICTS", SECTION 18.40.010 "USES AND STRUCTURES", CHAPTER 18.45 "R-3 RESIDENTIAL DISTRICTS", SECTION 18.45.010 "USES PERMITTED", CHAPTER 18.50 "R-4 RESIDENTIAL DISTRICTS", SECTION 18.50.010 "USES PERMITTED", CHAPTER 18.75 "B/C - GENERAL BUSINESS/COMMERCIAL DISTRICT" TO MAKE CHANGES CONCERNING CONDITIONAL AND PERMITTED USES.**

**Motion: Item E.9, Action: Open for Discussion and/or Action, Moved by Johann Wallace, Seconded by Cynthia Butterworth.**

**Dr. Jim Johnson reviews the key changes.**

**Mayor Wallace recognizes Bill Stein for his Call to the Public.**

**Mr. Stein addresses a clarification of terms regarding accessing electrical or sewer from residential streets and also electrical generation.**

**This concern is discussed, and the determination is made to proceed the way it is already written.**

**Motion: Ordinance 2022-10, Action: Adopt, Moved by Johann Wallace, Seconded by Jeffrey Ferro.**

**Motion passed unanimously.**

#### **E. Reports of Current Events by Council**

**Councilmember Butterworth advises there is no SVMPO meeting until February. She was at the Council table at the Creepy Candy Crawl. Healthy Huachuca meeting was held. She invites everyone to attend. Sundays there is the walk, everyone is invited to participate.**

**Councilmember Settlemeyer states that it is Indian Heritage Month and he has a map that shows the Indian village is noted as Huachuca Village. Historically there were Indians here. The artifacts are stored and can be viewed.**

**Mayor Pro Tem Hirshberg attended the Candy Crawl and gave out age appropriate books and had a good time. She advises of the upcoming Thanksgiving meal and asks if there is anybody**

*that doesn't have a chance to have a Thanksgiving meal this year we are partnering to a meal, deliveries are available. It will be at the Lions Club the day before Thanksgiving. We have gotten some donations, including LectraServ who donated \$500.*

*Mayor Wallace states the Creepy Candy Crawl was awesome. He, along with Suzanne and Stephanie, met with Cox Communications and did an interview with them. During that conversation, found out ADOT may be holding them up right now. Make sure you thank a veteran for Veteran's Day tomorrow. He will be representing the Town at the ceremony in Sierra Vista tomorrow. They also have their parade at 9am.*

**G. Adjournment**

**Motion: 6:46pm, Action: Adjourn, Moved by Johann Wallace, Seconded by Christy Hirshberg. Motion passed unanimously.**

Approved by Mayor Johann R. Wallace on December 8, 2022.

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Mr. Johann R. Wallace  
Mayor

Attest: \_\_\_\_\_  
Ms. Brandye Thorpe,  
Town Clerk

Seal:

**Certification**

I hereby certify that the foregoing is a true and correct copy of the Minutes of the Meeting for the Huachuca City Town Council held on November 10, 2022. I further certify that the meeting was duly called and a quorum was present.

---

Ms. Brandye Thorpe,

Town Clerk



# TOWN OF HUACHUCA CITY

The Sunset City

**MEETING MINUTES OF THE  
HUACHUCA CITY TOWN COUNCIL  
Work Session  
November 17, 2022 AT 6:00 PM  
COUNCIL CHAMBERS  
500 N. GONZALES BLVD.  
HUACHUCA CITY. AZ 85616**

## **AGENDA**

### **A. Call to Order – Mayor 6:00pm.**

#### **a. Pledge of Allegiance Mayor Wallace**

#### **b. Roll Call and Ascertain Quorum**

#### **Roll Call.**

**Present:** Johann Wallace, Jeffrey Ferro, Cynthia Butterworth, Keith Settlemyer, Christy Hirshberg, Town Manager Suzanne Harvey (Not voting), Town Clerk Brandye Thorpe (Not voting), Town Attorney Thomas Benavidez (Not voting).

**Absent:** Debra Trate, Jean Smelt.

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**D.1 Discussion and/or Action [Mayor Wallace]: RESOLUTION No. 2020-26 A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HUACHUCA CITY, COCHISE COUNTY, ARIZONA, CANVASSING THE RESULTS OF THE GENERAL ELECTION HELD ON NOVEMBER 8, 2022.**

 **Motion: Item D.1, Action: Open for Discussion and/or Action, Moved by Johann Wallace, Seconded by Christy Hirshberg.**

Results are canvassed, total ballots cast were 475, Office of Mayor, Johann Wallace received 404 votes. For the office of Councilmember : Cynthia Butterworth 354 votes, Debra Trate 324 votes and Jeffrey Ferro 311 votes.


Attorney Benavidez advises he made a mistake with the Resolution number, correct number is 2022-18. He asks that we adopt the resolution with the adjustments discussed.

 **Motion: The canvassed results for Resolution 2022-18 as amended and discussed, Action: Accept, Moved by Johann Wallace, Seconded by Christy Hirshberg. Motion passed unanimously.**

**D.2 Discussion and/or Action [Mayor Wallace]: Announcement of a vacant seat on the Council with a term to expire in November, 2024.**

 **Motion: Item D.2, Action: Open for Discussion and/or Action, Moved by Johann Wallace, Seconded by Christy Hirshberg.**

Mayor Wallace explains that there were 4 seats open, but only 3 individuals submitted their packets. The seat being declared vacant is the seat currently being held by Mr. Settlemeyer.

 **Motion: The seat currently occupied by Mr. Settlemeyer as vacant after the canvassing of the results, Action: Announce, Moved by Johann Wallace, Seconded by Christy Hirshberg. Motion passed unanimously.**

**D.3 Discussion and/or Action [Mayor Wallace]: Proclamation 2022-16 - A PROCLAMATION OF THE MAYOR DECLARING THE MONTH OF NOVEMBER, 2022, AS "NATIVE AMERICAN HERITAGE MONTH."**

 **Motion: Item D.3, Action: Open for Discussion and/or Action, Moved by Johann Wallace, Seconded by Christy Hirshberg.**

**D.4 Discussion and/or Action [Mayor Wallace]: Proclamation 2022-17 - A PROCLAMATION OF THE MAYOR DECLARING THE MONTH OF NOVEMBER, 2022, AS "MILITARY FAMILY APPRECIATION MONTH."**

 **Motion: Item D.4, Action: Open for Discussion and/or Action, Moved by Johann Wallace, Seconded by Christy Hirshberg.**

**Adjournment 6:07pm**

Approved by Mayor Johann R. Wallace on December 8, 2022.

\_\_\_\_\_  
Mr. Johann R. Wallace  
Mayor

Attest: \_\_\_\_\_  
Ms. Brandye Thorpe,  
Town Clerk

Seal:

**Certification**

I hereby certify that the foregoing is a true and correct copy of the Minutes of the Meeting for the Huachuca City Town Council held on November 17, 2022. I further certify that the meeting was duly called and a quorum was present.

\_\_\_\_\_  
Ms. Brandye Thorpe,  
Town Clerk

## Report Criteria:

Detail report.

Invoices with totals above \$0.00 included.

Paid and unpaid invoices included.

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	GL Account Number
<b>Aaron Parr</b>							
1022	Aaron Parr	11302022	Interim Judge Fees	11/30/2022	220.00	.00	10-45-250
Total Aaron Parr:					220.00	.00	
<b>AFLAC</b>							
1030	AFLAC	813660	Supplemental Employee Insuranc	11/30/2022	617.14	617.14	10-22520
Total AFLAC:					617.14	617.14	
<b>Arizona Business Equipment</b>							
10455	Arizona Business Equipment	AR26590	Copy Machine Usage/Town Hall	12/01/2022	29.93	29.93	10-43-300
10455	Arizona Business Equipment	AR26590	Copy Machine Usage/Police Dept	12/01/2022	64.42	64.42	10-51-295
10455	Arizona Business Equipment	AR26590	Copy Machine Usage/Library	12/01/2022	75.85	75.85	10-62-300
10455	Arizona Business Equipment	AR26590	Copy Machine Usage/Water	12/01/2022	104.74	104.74	51-40-300
10455	Arizona Business Equipment	AR26590	Copy Machine Usage/Sewer	12/01/2022	104.74	104.74	52-40-300
10455	Arizona Business Equipment	AR26590	Copy Machine Usage/Landfill	12/01/2022	59.85	59.85	55-40-300
Total Arizona Business Equipment:					439.53	439.53	
<b>AT&amp;T</b>							
1398	AT&T	5204561080_1	Court Landline Long Distance	11/19/2022	99.74	99.74	10-43-271
1398	AT&T	5204563034_1	Police Dept Long Distance	11/09/2022	49.11	49.11	10-51-271
1398	AT&T	5204561063_1	Library Landline Long Distance	11/04/2022	39.76	39.76	10-62-271
Total AT&T:					188.61	188.61	
<b>AZ Department of Corrections</b>							
1315	AZ Department of Corrections	D172198 2022	Inmate Labor- Admin	11/30/2022	34.50	34.50	10-43-366
1315	AZ Department of Corrections	D172210 2022	Inmate Labor- Admin	11/16/2022	47.70	.00	10-43-366
1315	AZ Department of Corrections	D172210 2022	Inmate Labor- Admin	11/16/2022	34.50	34.50	10-43-366
1315	AZ Department of Corrections	D172198 2022	Inmate Labor- PD	11/30/2022	3.83	3.83	10-51-366
1315	AZ Department of Corrections	D172210 2022	Inmate Labor- PD	11/16/2022	5.30	.00	10-51-366
1315	AZ Department of Corrections	D172210 2022	Inmate Labor- PD	11/16/2022	3.83	3.83	10-51-366
1315	AZ Department of Corrections	D172198 2022	Inmate Labor- PW	11/30/2022	19.17	19.17	10-57-366
1315	AZ Department of Corrections	D172210 2022	Inmate Labor- PW	11/16/2022	26.50	.00	10-57-366
1315	AZ Department of Corrections	D172210 2022	Inmate Labor- PW	11/16/2022	19.17	19.17	10-57-366
1315	AZ Department of Corrections	D172198 2022	Inmate Labor- LB	11/30/2022	38.33	38.33	10-62-366
1315	AZ Department of Corrections	D172210 2022	Inmate Labor- LB	11/16/2022	53.00	.00	10-62-366
1315	AZ Department of Corrections	D172210 2022	Inmate Labor- LB	11/16/2022	38.33	38.33	10-62-366
1315	AZ Department of Corrections	D172198 2022	Inmate Labor- Water	11/30/2022	86.25	86.25	51-40-366
1315	AZ Department of Corrections	D172210 2022	Inmate Labor- Water	11/16/2022	119.26	.00	51-40-366
1315	AZ Department of Corrections	D172210 2022	Inmate Labor- Water	11/16/2022	86.25	86.25	51-40-366
1315	AZ Department of Corrections	D172198 2022	Inmate Labor- Sewer	11/30/2022	86.25	86.25	52-40-366
1315	AZ Department of Corrections	D172210 2022	Inmate Labor- Sewer	11/16/2022	119.26	.00	52-40-366
1315	AZ Department of Corrections	D172210 2022	Inmate Labor- Sewer	11/16/2022	86.25	86.25	52-40-366
1315	AZ Department of Corrections	D172198 2022	Inmate Labor- LF	11/30/2022	76.67	76.67	55-40-366
1315	AZ Department of Corrections	D172210 2022	Inmate Labor- LF	11/16/2022	106.02	.00	55-40-366
1315	AZ Department of Corrections	D172210 2022	Inmate Labor- LF	11/16/2022	76.67	76.67	55-40-366
Total AZ Department of Corrections:					1,167.04	690.00	

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	GL Account Number
<b>AZ Dept of Public Safety</b>							
1268	AZ Dept of Public Safety	500	Monthly Conversions- October 20	11/14/2022	14.44	14.44	20-40-200
Total AZ Dept of Public Safety:					14.44	14.44	
<b>Az State Treasurer</b>							
1274	Az State Treasurer	501	Monthly Conversions- Oct 2022	11/14/2022	4,740.83	4,740.83	20-40-200
Total Az State Treasurer:					4,740.83	4,740.83	
<b>Aztec Welding &amp; Industrial Sup</b>							
1423	Aztec Welding & Industrial Sup	RN10223213	Oxygen, Compressed 225 CF OX	10/31/2022	6.70	6.70	10-57-460
Total Aztec Welding & Industrial Sup:					6.70	6.70	
<b>Barnett's Towing L.L.C.</b>							
1495	Barnett's Towing L.L.C.	457700	Tow for Impounded vehicle DR#2	11/10/2022	131.25	131.25	10-51-505
Total Barnett's Towing L.L.C.:					131.25	131.25	
<b>Borderlands Restoration Network</b>							
10479	Borderlands Restoration Network	HCCC-22-10	Park Project: CCG 21-101	10/31/2022	375.75	375.75	10-37-925
10479	Borderlands Restoration Network	HCCC-22-9	Park Project: CCG 21-101	09/30/2022	1,080.88	1,080.88	10-37-925
Total Borderlands Restoration Network:					1,456.63	1,456.63	
<b>Caterpillar Financial Commercial Acct Co</b>							
10620	Caterpillar Financial Commercial	10/11/2022- 11/	Repair Track Assembly, Repair Fi	11/21/2022	4,873.42	4,873.42	55-40-846
Total Caterpillar Financial Commercial Acct Co:					4,873.42	4,873.42	
<b>Caterpillar Financial Services Co.</b>							
1760	Caterpillar Financial Services Co.	33131053	001-0959151-001 Model/Serial: D	11/07/2022	3,450.87	3,450.87	55-40-705
1760	Caterpillar Financial Services Co.	33131053	001-0959151-000 Model/Serial: 8	11/07/2022	3,313.82	3,313.82	55-40-705
Total Caterpillar Financial Services Co.:					6,764.69	6,764.69	
<b>CenturyLink</b>							
10348	CenturyLink	5204561354_1	Town Hall Phone Service	11/07/2022	292.63	292.63	10-43-271
10348	CenturyLink	5204563034_1	Police Department Phone Service	11/07/2022	154.31	154.31	10-51-271
10348	CenturyLink	5204560374_1	Public Works Fax	11/07/2022	6.68	6.68	10-57-340
10348	CenturyLink	5204561063_1	Public Library Phone Service	11/07/2022	79.98	79.98	10-62-271
10348	CenturyLink	5204560374_1	Water Fax Machine	11/07/2022	29.32	29.32	51-40-340
10348	CenturyLink	5204560374_1	Sewer Fax Machine	11/07/2022	29.32	29.32	52-40-340
Total CenturyLink:					592.24	592.24	
<b>Cintas Corporation No. 445</b>							
10067	Cintas Corporation No. 445	4136536591	Public Works Uniforms	11/07/2022	8.58	8.58	10-57-110
10067	Cintas Corporation No. 445	4137240355	Public Works Uniforms	11/14/2022	8.58	8.58	10-57-110
10067	Cintas Corporation No. 445	4138031667	Public Works Uniforms	11/21/2022	8.58	8.58	10-57-110
10067	Cintas Corporation No. 445	4138767842	Public Works Uniforms	11/28/2022	8.58	8.58	10-57-110
10067	Cintas Corporation No. 445	4136536591	Water Uniform	11/07/2022	38.57	38.57	51-40-110
10067	Cintas Corporation No. 445	4137240355	Water Uniform	11/14/2022	38.57	38.57	51-40-110
10067	Cintas Corporation No. 445	4138031667	Water Uniform	11/21/2022	38.57	38.57	51-40-110
10067	Cintas Corporation No. 445	4138767842	Water Uniform	11/28/2022	38.57	38.57	51-40-110
10067	Cintas Corporation No. 445	4136536591	Sewer Uniforms	11/07/2022	38.57	38.57	52-40-110



Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	GL Account Number
10067	Cintas Corporation No. 445	4137240355	Sewer Uniforms	11/14/2022	38.57	38.57	52-40-110
10067	Cintas Corporation No. 445	4138031667	Sewer Uniforms	11/21/2022	38.57	38.57	52-40-110
10067	Cintas Corporation No. 445	4138767842	Sewer Uniforms	11/28/2022	38.57	38.57	52-40-110
10067	Cintas Corporation No. 445	12529350	Landfill Uniforms	11/14/2022	74.79	74.79	55-40-110
10067	Cintas Corporation No. 445	4136536547	Landfill Uniforms	11/07/2022	38.05	38.05	55-40-110
10067	Cintas Corporation No. 445	4136536615	Landfill Uniforms	11/07/2022	86.45	86.45	55-40-110
10067	Cintas Corporation No. 445	4137240295	Landfill Uniforms	11/14/2022	38.05	38.05	55-40-110
10067	Cintas Corporation No. 445	4138031599	Landfill Uniforms	11/21/2022	38.05	38.05	55-40-110
10067	Cintas Corporation No. 445	4138031659	Landfill Uniforms	11/21/2022	86.45	86.45	55-40-110
10067	Cintas Corporation No. 445	4138767716	Landfill Uniforms	11/28/2022	38.05	38.05	55-40-110
10067	Cintas Corporation No. 445	4138767743	Landfill Uniforms	11/28/2022	74.79	74.79	55-40-110
Total Cintas Corporation No. 445:					817.56	817.56	
<b>Cochise County Treasurer</b>							
1867	Cochise County Treasurer	499	Monthly Conversion Oct 2022	11/14/2022	19.14	19.14	20-40-200
Total Cochise County Treasurer:					19.14	19.14	
<b>D&amp;M Tire &amp; Wheel</b>							
1974	D&M Tire & Wheel	56707	New Tires for LF2 Truck LT 235 8	11/22/2022	756.00	.00	55-40-470
Total D&M Tire & Wheel:					756.00	.00	
<b>DE Lage Landen Financial Services</b>							
10476	DE Lage Landen Financial Serv	78254184	Copier Lease - Town Hall	11/20/2022	167.60	167.60	10-43-840
10476	DE Lage Landen Financial Serv	78254184	Copier Lease- Police	11/20/2022	67.87	67.87	10-51-705
10476	DE Lage Landen Financial Serv	78254184	Copier Lease - Library	11/20/2022	67.87	67.87	10-62-705
Total DE Lage Landen Financial Services:					303.34	303.34	
<b>EPS Group, Inc</b>							
10549	EPS Group, Inc	21-0745-13	CDBG Public Parks Improvement	11/21/2022	1,575.00	.00	29-40-840
Total EPS Group, Inc:					1,575.00	.00	
<b>General Fund(Trust)</b>							
2364	General Fund(Trust)	502	Monthly Conversion- Oct 2022	11/14/2022	6,330.55	6,330.55	20-40-200
Total General Fund(Trust):					6,330.55	6,330.55	
<b>K E &amp; G</b>							
2760	K E & G	21-540	Restock Cold Patch for Road Rep	09/28/2022	1,336.40	1,336.40	23-40-490
Total K E & G:					1,336.40	1,336.40	
<b>KE &amp; G Construction, Inc</b>							
10193	KE & G Construction, Inc	1	CDBG Park Project 09/01/2022- 0	10/01/2022	105,750.00	105,750.00	29-40-840
Total KE & G Construction, Inc:					105,750.00	105,750.00	
<b>Keith Arnett</b>							
1483	Keith Arnett	023	Remote Operator Fee for Sewer S	11/20/2022	400.00	400.00	52-40-360
Total Keith Arnett:					400.00	400.00	

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	GL Account Number
<b>Law Office of Joe Heinzl</b>							
10225	Law Office of Joe Heinzl	2022-010	TR2022000026	11/10/2022	370.00	370.00	10-45-221
10225	Law Office of Joe Heinzl	2022-021	Case TR2022000028	11/19/2022	50.00	.00	10-45-221
Total Law Office of Joe Heinzl:					420.00	370.00	
<b>Lumen</b>							
10507	Lumen	616137020	Town Hall Internet	11/01/2022	1,124.85	1,124.85	10-48-481
10507	Lumen	616665941	Current Charges 20%- Library Int	11/12/2022	222.78	222.78	10-62-481
10507	Lumen	616665941	Current Charges 80%- Erate Gran	11/12/2022	891.10	891.10	10-69-810
Total Lumen:					2,238.73	2,238.73	
<b>McCoy's Septic Pumping Service</b>							
10230	McCoy's Septic Pumping Service	5639	Pump Station Dump	11/02/2022	190.00	190.00	55-40-360
10230	McCoy's Septic Pumping Service	5645	Pump Station Dump	11/17/2022	190.00	190.00	55-40-360
Total McCoy's Septic Pumping Service:					380.00	380.00	
<b>Napa Auto Parts</b>							
10024	Napa Auto Parts	795959	Replace Battery for Landfill PW2	11/03/2022	156.04	156.04	55-40-470
Total Napa Auto Parts:					156.04	156.04	
<b>Richard Miller</b>							
10498	Richard Miller	503	Case Number: M0248CR2017001	11/30/2022	50.00	50.00	20-40-200
Total Richard Miller:					50.00	50.00	
<b>S.S.V.E.C</b>							
3920	S.S.V.E.C	11042022	Electric- Town Hall	11/04/2022	1,057.65	1,057.65	10-43-340
3920	S.S.V.E.C	11042022	Electric- PD	11/04/2022	386.14	386.14	10-51-340
3920	S.S.V.E.C	11042022	Electric- Fire	11/04/2022	386.14	386.14	10-53-340
3920	S.S.V.E.C	11042022	Electric- Public Works	11/04/2022	2,585.54	2,585.54	10-57-340
3920	S.S.V.E.C	11042022	Electric- City Pool	11/04/2022	473.80	473.80	10-58-340
3920	S.S.V.E.C	11042022	Electric- Parks & Rec	11/04/2022	231.91	231.91	10-60-340
3920	S.S.V.E.C	11042022	Electric- Library	11/04/2022	541.86	541.86	10-62-340
3920	S.S.V.E.C	11042022	Electric- Senior Center	11/04/2022	162.16	162.16	10-68-340
3920	S.S.V.E.C	11042022	Electric- Water	11/04/2022	3,410.84	3,410.84	51-40-340
3920	S.S.V.E.C	11042022	Electric- Sewer	11/04/2022	606.82	606.82	52-40-340
3920	S.S.V.E.C	11042022	Electric- Landfill	11/04/2022	816.85	816.85	55-40-340
Total S.S.V.E.C:					10,659.71	10,659.71	
<b>Safelite Fulfillment Inc</b>							
3554	Safelite Fulfillment Inc	06186-312797	Safelite replacement rear window	11/21/2022	457.32	.00	10-62-620
Total Safelite Fulfillment Inc:					457.32	.00	
<b>Senergy Petroleum LLC</b>							
10215	Senergy Petroleum LLC	SEN-416320	Diesel- PW	10/24/2022	27.43	27.43	10-57-476
10215	Senergy Petroleum LLC	SEN-420262	Diesel- PW	10/31/2022	14.31	14.31	10-57-476
10215	Senergy Petroleum LLC	SEN-422264	Diesel- PW	11/03/2022	28.49	28.49	10-57-476
10215	Senergy Petroleum LLC	SEN-424580	Diesel- PW	11/07/2022	9.44	9.44	10-57-476
10215	Senergy Petroleum LLC	SEN-428467	Diesel- PW	11/14/2022	11.90	11.90	10-57-476
10215	Senergy Petroleum LLC	SEN-429448	Diesel- PW	11/17/2022	12.27	12.27	10-57-476
10215	Senergy Petroleum LLC	SEN-432426	Diesel- PW	11/21/2022	24.30	24.30	10-57-476

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	GL Account Number
10215	Senergy Petroleum LLC	SEN-434149	Diesel- PW	11/28/2022	10.27	10.27	10-57-476
10215	Senergy Petroleum LLC	SEN-420262	Diesel- Road User	10/31/2022	28.63	28.63	23-40-475
10215	Senergy Petroleum LLC	SEN-422264	Diesel- Road User	11/03/2022	56.99	56.99	23-40-475
10215	Senergy Petroleum LLC	SEN-424580	Diesel- Road User	11/07/2022	18.88	18.88	23-40-475
10215	Senergy Petroleum LLC	SEN-428467	Diesel- Road User	11/14/2022	23.81	23.81	23-40-475
10215	Senergy Petroleum LLC	SEN-429448	Diesel- Road User	11/17/2022	24.54	24.54	23-40-475
10215	Senergy Petroleum LLC	SEN-434149	Diesel- Road User	11/28/2022	20.53	20.53	23-40-475
10215	Senergy Petroleum LLC	SEN-416320	Diesel- Water	10/24/2022	246.91	246.91	51-40-476
10215	Senergy Petroleum LLC	SEN-420262	Diesel- Water	10/31/2022	128.81	128.81	51-40-476
10215	Senergy Petroleum LLC	SEN-422264	Diesel- Water	11/03/2022	256.44	256.44	51-40-476
10215	Senergy Petroleum LLC	SEN-424580	Diesel- Water	11/07/2022	84.97	84.97	51-40-476
10215	Senergy Petroleum LLC	SEN-428467	Diesel- Water	11/14/2022	107.14	107.14	51-40-476
10215	Senergy Petroleum LLC	SEN-429448	Diesel- Water	11/17/2022	110.45	110.45	51-40-476
10215	Senergy Petroleum LLC	SEN-432426	Diesel- Water	11/21/2022	218.67	218.67	51-40-476
10215	Senergy Petroleum LLC	SEN-434149	Diesel- Water	11/28/2022	92.40	92.40	51-40-476
10215	Senergy Petroleum LLC	SEN-416320	Diesel- Sewer	10/24/2022	219.47	219.47	52-40-476
10215	Senergy Petroleum LLC	SEN-416320	Diesel- Road User	10/24/2022	54.87	54.87	52-40-476
10215	Senergy Petroleum LLC	SEN-420262	Diesel- Sewer	10/31/2022	114.50	114.50	52-40-476
10215	Senergy Petroleum LLC	SEN-422264	Diesel- Sewer	11/03/2022	227.95	227.95	52-40-476
10215	Senergy Petroleum LLC	SEN-424580	Diesel- Sewer	11/07/2022	75.53	75.53	52-40-476
10215	Senergy Petroleum LLC	SEN-428467	Diesel- Sewer	11/14/2022	95.23	95.23	52-40-476
10215	Senergy Petroleum LLC	SEN-429448	Diesel- Sewer	11/17/2022	98.17	98.17	52-40-476
10215	Senergy Petroleum LLC	SEN-432426	Diesel- Sewer	11/21/2022	194.38	194.38	52-40-476
10215	Senergy Petroleum LLC	SEN-432426	Diesel- Road User	11/21/2022	48.59	48.59	52-40-476
10215	Senergy Petroleum LLC	SEN-434149	Diesel- Sewer	11/28/2022	82.13	82.13	52-40-476
10215	Senergy Petroleum LLC	SEN-416320	Diesel- LF	10/24/2022	4,938.16	4,938.16	55-40-476
10215	Senergy Petroleum LLC	SEN-420262	Diesel- LF	10/31/2022	2,576.25	2,576.25	55-40-476
10215	Senergy Petroleum LLC	SEN-422264	Diesel- LF	11/03/2022	5,128.84	5,128.84	55-40-476
10215	Senergy Petroleum LLC	SEN-424580	Diesel- LF	11/07/2022	1,699.49	1,699.49	55-40-476
10215	Senergy Petroleum LLC	SEN-428467	Diesel- LF	11/14/2022	2,142.72	2,142.72	55-40-476
10215	Senergy Petroleum LLC	SEN-429448	Diesel- LF	11/17/2022	2,208.91	2,208.91	55-40-476
10215	Senergy Petroleum LLC	SEN-432426	Diesel- LF	11/21/2022	4,373.44	4,373.44	55-40-476
10215	Senergy Petroleum LLC	SEN-434149	Diesel- LF	11/28/2022	1,847.90	1,847.90	55-40-476
Total Senergy Petroleum LLC:					27,684.11	27,684.11	
<b>Shannon Shuman</b>							
9647	Shannon Shuman	1102022	Water Deposit Refund	11/10/2022	75.00	.00	51-21350
9647	Shannon Shuman	11102022	Water Deposit Refund	11/10/2022	75.00	75.00	51-21350
9647	Shannon Shuman	1102022	Sewer Deposit Refund	11/10/2022	25.00	.00	52-21350
9647	Shannon Shuman	11102022	Sewer Deposit Refund	11/10/2022	25.00	25.00	52-21350
Total Shannon Shuman:					200.00	100.00	
<b>Sierra Shepherd</b>							
10636	Sierra Shepherd	11292022	Water Deposit Refund	11/29/2022	7.19	.00	51-21350
10636	Sierra Shepherd	11292022	Water Deposit Refund	11/29/2022	25.00	.00	51-21350
10636	Sierra Shepherd	11292022	Sewer Deposit Refund	11/29/2022	15.00	.00	52-21350
Total Sierra Shepherd:					47.19	.00	
<b>Southern Tire Mart</b>							
10357	Southern Tire Mart	6020046061	245/55R18 All Season tires	11/18/2022	294.06	294.06	10-51-470
Total Southern Tire Mart:					294.06	294.06	

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	GL Account Number
<b>Sparkletts</b>							
3541	Sparkletts	11743448 1103	Blk Hot & Cold Cooler Rental	11/03/2022	152.19	152.19	55-40-460
Total Sparkletts:					152.19	152.19	
<b>Sun Life Financial</b>							
4326	Sun Life Financial	12/01/2022- 12	Employee dental - Dec 2022	11/11/2022	20.27	20.27	10-22510
Total Sun Life Financial:					20.27	20.27	
<b>Terracon Consultants, Inc</b>							
4047	Terracon Consultants, Inc	TH61678	Proposal for UST Closure & AST I	11/05/2022	31,911.50	31,911.50	51-40-840
Total Terracon Consultants, Inc:					31,911.50	31,911.50	
<b>The Galecia Group</b>							
10628	The Galecia Group	1271	Renewal of Library Call Services -	10/03/2022	900.00	900.00	10-69-806
Total The Galecia Group:					900.00	900.00	
<b>Tierra Water Management</b>							
10566	Tierra Water Management	772	Water Operator Nov 2022	11/28/2022	500.00	.00	51-40-650
Total Tierra Water Management:					500.00	.00	
<b>TransWorld Network, Corp</b>							
9629	TransWorld Network, Corp	15428650-A15	Internet Services- Landfill/PW	11/22/2022	90.66	90.66	55-40-480
Total TransWorld Network, Corp:					90.66	90.66	
<b>Turner Laboratories, Inc</b>							
4243	Turner Laboratories, Inc	22K0231	Coliform by Colilert	11/10/2022	74.50	74.50	51-40-510
4243	Turner Laboratories, Inc	22K0183	MPN, Nitrogen	11/18/2022	133.00	133.00	52-40-702
4243	Turner Laboratories, Inc	22K0463	BOD Waste Water, MPN	11/21/2022	100.50	100.50	52-40-702
Total Turner Laboratories, Inc:					308.00	308.00	
<b>Verizon Wireless</b>							
4343	Verizon Wireless	9919951323	Cell Phone Oct 08- Nov 07	11/07/2022	1,402.38	1,402.38	10-48-275
Total Verizon Wireless:					1,402.38	1,402.38	
<b>Wist Office Products</b>							
4169	Wist Office Products	2291273	Marker, Ink, Notes pad	11/07/2022	91.17	.00	51-40-460
4169	Wist Office Products	2291270	Tape, Cleaner, Paperclips, Pens,	11/07/2022	155.57	.00	52-40-460
4169	Wist Office Products	2291275	Cleaner, Towel, Cleaner, Degreas	11/07/2022	109.42	.00	55-40-460
4169	Wist Office Products	2291451	Degreaser	11/08/2022	9.53	.00	55-40-460
4169	Wist Office Products	2292265	Glass Cleaner, Degreaser	11/10/2022	91.18	.00	55-40-460
Total Wist Office Products:					456.87	.00	
<b>WM Corporate Services, Inc.</b>							
10340	WM Corporate Services, Inc.	0043064-1571-	Trash Service	11/01/2022	12,999.51	12,999.51	54-40-360
10340	WM Corporate Services, Inc.	0785277-0567-	Administrative Charge	11/01/2022	27.61	27.61	55-40-360
Total WM Corporate Services, Inc.:					13,027.12	13,027.12	

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Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	GL Account Number
Grand Totals:					<u>229,856.66</u>	<u>225,217.24</u>	

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Dated: \_\_\_\_\_

Mayor: \_\_\_\_\_

City Council: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

City Recorder: \_\_\_\_\_

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Report Criteria:

Detail report.

Invoices with totals above \$0.00 included.

Paid and unpaid invoices included.

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**TOWN OF HUACHUCA CITY, ARIZONA**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**WITH REPORT OF**  
**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TOWN OF HUACHUCA CITY, ARIZONA**

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**FINANCIAL SECTION**





**HINTONBURDICK**  
CPAs & ADVISORS

## **Independent Auditors' Report**

The Honorable Mayor and  
Town Council  
Town of Huachuca City, Arizona

### **Report on the Financial Statements**

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 Town of Huachuca City, Arizona, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

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 Town of Huachuca City, Arizona, as of June 30, 2021, 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.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the pension/OPEB schedules and notes as listed in the table of contents, and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.


### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Huachuca City, Arizona's basic financial statements. The combining nonmajor fund financial statements, and nonmajor fund budget and actual schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary combining nonmajor fund financial statements and nonmajor fund budget and actual schedules were derived from and relate 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 supplementary budgetary comparison information for combining nonmajor fund financial statements and nonmajor fund budget and actual schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2022 on our consideration of the Town of Huachuca City, 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 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 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 Town of Huachuca City, Arizona's internal control over financial reporting and compliance.



HintonBurdick, PLLC  
Gilbert, Arizona  
November 7, 2022

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Required Supplementary Information)**

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**TOWN OF HUACHUCA CITY, ARIZONA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2021**

As management of the Town of Huachuca City, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Town's financial activity (3) identify changes in the Town's financial position (4) identify any material deviations from the financial plan (the approved budget) and (5) individual fund issues or concerns. Please read in conjunction with the accompanying financial statements.

**FINANCIAL HIGHLIGHTS**

- The Town's total net position at the close of the fiscal year was \$10.2 million. This amount is comprised of \$8.16 million in net investment in capital assets, \$3.79 million of restricted net position and (\$1.73) million in unrestricted net position.
- Governmental net position increased by \$176,076 (excluding the restatement adjustments, see note 15) and Business-Type net position increased by \$152,113.
- Total City and State Sales tax revenue increased by 12 percent from last year and combined are the largest general revenue sources in the budget for the governmental activities.
- Improvements and additions totaling \$262,597 were made to the Town's capital assets.
- Total debt service payments, including interest expense were \$122,987. The Town acquired vehicles through a capital lease totaling \$124,864. Overall, compensated absences increased by \$4,572, the net pension/OPEB liability increased by \$362,448, and the Landfill closure/post-closure liability increased by \$98,426. The Town reported approximately \$4.6 million in total outstanding debt at the close of the year.
- The General Fund's unassigned fund deficit decreased by \$116,971 to (\$1,840,620).
- Other governmental fund balances increased by \$152,576 to \$1,325,403, all of which is restricted.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The three components of the financial statements are: (1) Government-wide financial statements which include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the Town as a whole. (2) Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. (3) Notes to the financial statements.

## **Reporting the Town as a Whole**

### **The Statement of Net Position and the Statement of Activities (Government-wide)**

A frequently asked question regarding the Town's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. Net position, the difference between assets and liabilities, are one way to measure the Town's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the financial health is improving or deteriorating. However, it is important to consider other non-financial factors such as changes in the Town's property tax base or condition of the Town's roads to accurately assess the overall health of the Town.

The Statement of Net Position and the Statement of Activities, present information about the following:

- Government activities – All of the Town's basic services are considered to be governmental activities, including general government, public safety, public works/streets, economic development, culture and recreation, and interest on long-term debt. Sales tax, federal grants, intergovernmental revenues and charges for services finance most of these activities.
- Proprietary activities/Business type activities – The Town charges a fee to customers that is intended to cover all or most of the cost of the services provided.

## **Reporting the Town's Most Significant Funds**

### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds—not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes other funds which aid in the management of money for particular purposes or meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The Town's two major kinds of funds, governmental and proprietary, use different accounting approaches as explained below.

- Governmental funds – Most of the Town's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Government fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included on pages 22 and 24.
- Proprietary funds – When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the Town's financial position. The Town's combined assets exceed liabilities by \$10.2 million as of June 30, 2021 as shown in the following condensed statement of net position.

### Town of Huachuca City Statement of Net Position

	Governmental activities		Business-type activities		Combined Total	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Current and other assets	\$ (333,107)	\$ (633,689)	\$ 6,149,981	\$ 5,668,695	\$ 5,816,874	5,035,006
Capital assets	3,822,830	3,801,787	5,286,205	5,547,372	9,109,035	9,349,159
Total assets	<u>3,489,723</u>	<u>3,168,098</u>	<u>11,436,186</u>	<u>11,216,067</u>	<u>14,925,909</u>	<u>14,384,165</u>
Deferred outflows of resources	441,468	192,244	-	-	441,468	192,244
Long-term liabilities outstanding	926,882	474,677	410,180	470,530	1,337,062	945,207
Other liabilities	203,676	144,153	3,310,640	3,182,284	3,514,316	3,326,437
Total liabilities	<u>1,130,558</u>	<u>618,830</u>	<u>3,720,820</u>	<u>3,652,814</u>	<u>4,851,378</u>	<u>4,271,644</u>
Deferred inflows of resources	294,658	367,011	-	-	294,658	367,011
Net position:						
Invested in capital assets, net of related debt	3,343,731	3,443,787	4,815,675	5,014,579	8,159,406	8,458,366
Restricted	1,360,046	1,211,792	2,426,190	2,217,131	3,786,236	3,428,923
Unrestricted	<u>(2,197,802)</u>	<u>(2,281,078)</u>	<u>473,501</u>	<u>331,543</u>	<u>(1,724,301)</u>	<u>(1,949,535)</u>
Total net position	<u>\$ 2,505,975</u>	<u>\$ 2,374,501</u>	<u>\$ 7,715,366</u>	<u>\$ 7,563,253</u>	<u>\$ 10,221,341</u>	<u>\$ 9,937,754</u>

The Town has \$15.36 million in total assets and deferred outflows, with \$9.11 million in capital assets (net of depreciation). The Town's Utility Funds, (Water, Sewer, Sanitation, and Landfill) operations are included in the Business-type activities column.

#### Governmental Activities

The Town's governmental programs include: General Government, Public Safety, Highways and Streets, and Culture and Recreation. Each programs' net cost (total cost less revenues generated by the activities) is presented below. The net cost shows the extent to which the Town's general taxes support each of the Town's programs.

**Town of Huachuca City  
Changes in Net Position**

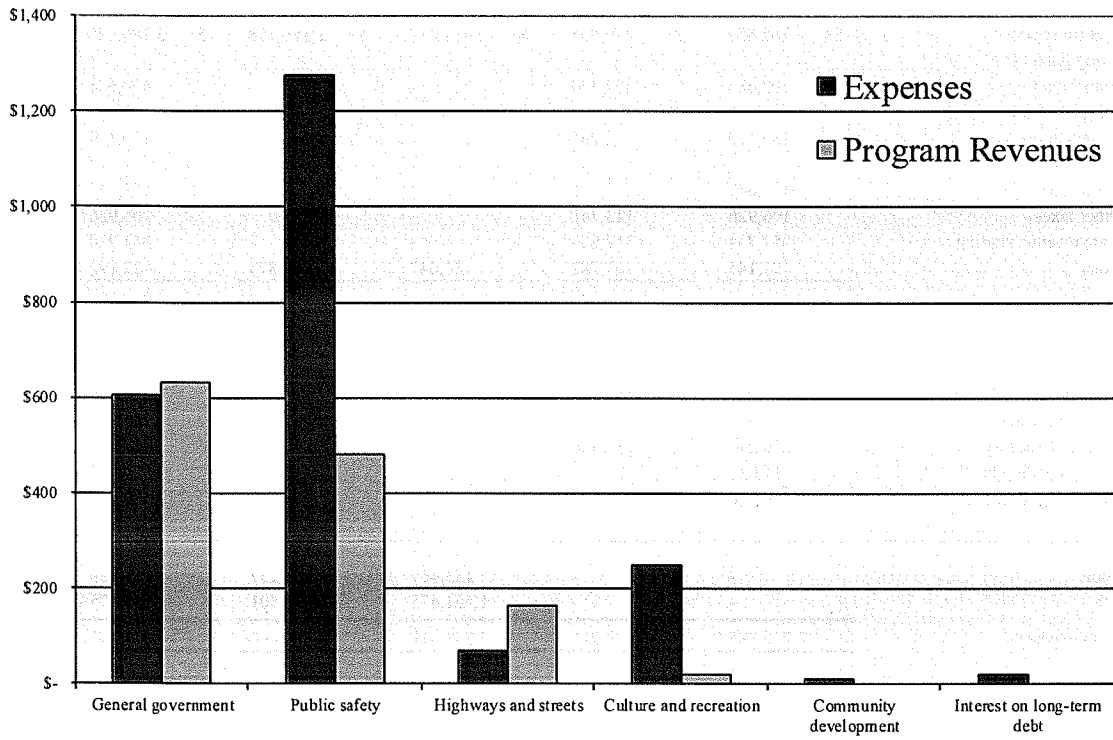
	Governmental activities		Business-type activities		Combined Total	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Revenues:						
Program revenues:						
Charges for services	\$ 767,852	\$ 870,056	\$ 2,412,377	\$ 2,156,118	\$ 3,180,229	\$ 3,026,174
Operating grants and contributions	400,684	524,320	-	-	400,684	524,320
Capital grants and contributions	130,179	2,297	-	-	130,179	2,297
General revenues:						
Sales taxes	551,641	491,478	-	-	551,641	491,478
Other taxes	106,926	113,741	-	-	106,926	113,741
State revenue sharing	357,734	317,623	-	-	357,734	317,623
Other	91,145	107,782	31,047	43,875	122,192	151,657
Total revenues	<u>2,406,161</u>	<u>2,427,297</u>	<u>2,443,424</u>	<u>2,199,993</u>	<u>4,849,585</u>	<u>4,627,290</u>
Expenses:						
General government	604,234	726,301	-	-	604,234	726,301
Public safety	1,274,920	1,154,044	-	-	1,274,920	1,154,044
Highways and streets	69,597	66,215	-	-	69,597	66,215
Culture and recreation	250,246	252,456	-	-	250,246	252,456
Community development	11,042	-	-	-	11,042	-
Interest on long-term debt	20,046	-	-	-	20,046	-
Water	-	-	367,116	301,038	367,116	301,038
Sewer	-	-	229,251	210,286	229,251	210,286
Sanitation	-	-	133,469	137,237	133,469	137,237
Landfill	-	-	1,561,475	1,605,501	1,561,475	1,605,501
Total expenses	<u>2,230,085</u>	<u>2,199,016</u>	<u>2,291,311</u>	<u>2,254,062</u>	<u>4,521,396</u>	<u>4,453,078</u>
(Decrease)/Increase in net assets	176,076	198,281	152,113	(54,069)	328,189	144,212
Net position, beginning	2,374,501	2,505,212	7,563,253	7,617,322	9,937,754	10,122,534
Restatement adjustment	(44,602)	(328,992)	-	-	(44,602)	(328,992)
Net position, ending	<u>\$ 2,505,975</u>	<u>\$ 2,374,501</u>	<u>\$ 7,715,366</u>	<u>\$ 7,563,253</u>	<u>\$ 10,221,341</u>	<u>\$ 9,937,754</u>

The cost of all governmental activities this year was \$2.23 million as shown in the schedule of Changes in Net Position above. \$767,852 of this cost was paid for by those who directly benefited from the programs. \$530,863 was subsidized by grants received from other governmental organizations for both capital and operating activities. General taxes, Urban Revenue Sharing, investment earnings and other revenues totaled \$1,107,446.

Total resources available during the year to finance governmental operations were \$4.73 million consisting of Net position at July 1, 2020 (as restated) of \$2.33 million, program revenues of \$1.30 million and General Revenues of \$1.10 million. Total Governmental Activities expenses during the year were \$2.23 million. Thus Governmental Net Position increased by \$176,076 to \$2.50 million.

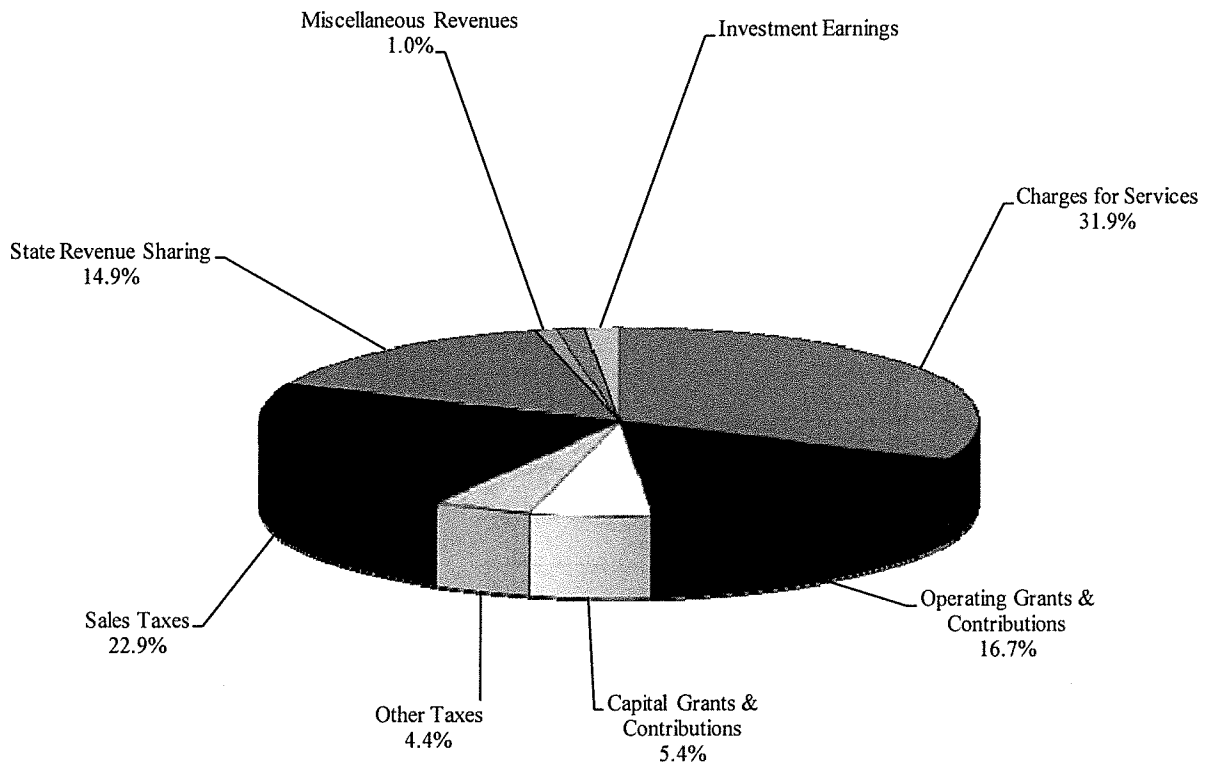
The following graphs compare program expenses to program revenues and provide a breakdown of revenues by source for all government activities.

**Expenses and Program Revenues - Governmental Activities**  
(in Thousands)



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**Revenue By Source - Governmental Activities**

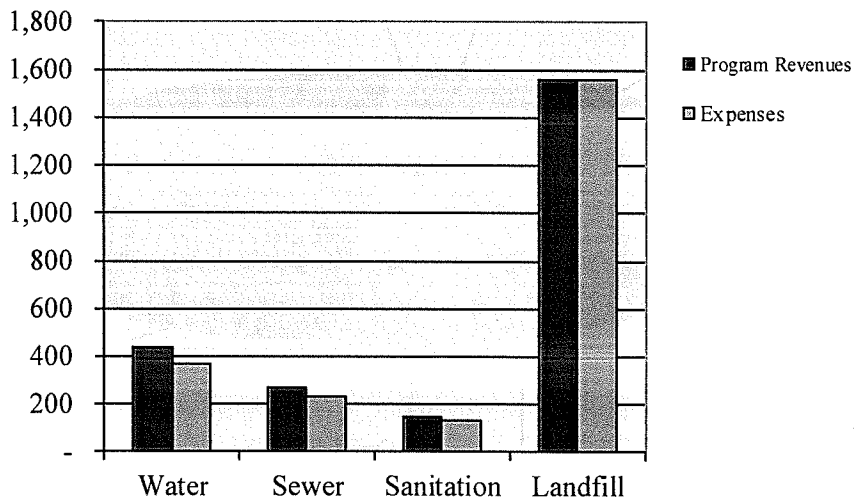


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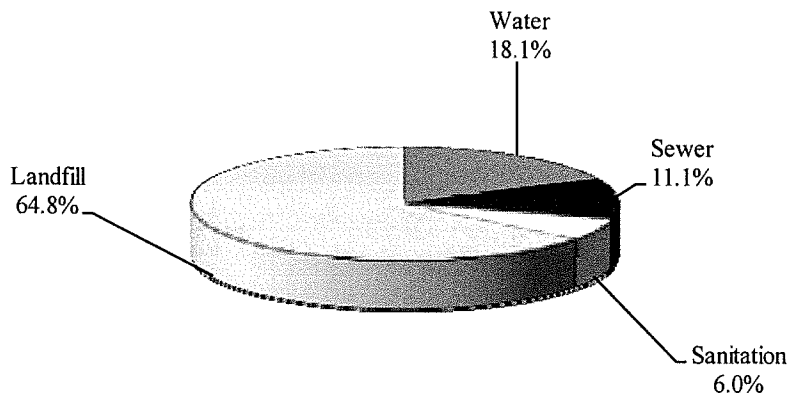
### Business Type Activities

Net position of the Business Type activities at June 30, 2021, as reflected in the Statement of Net Position was \$7.72 million. The cost of providing all Proprietary (Business Type) activities this year was \$2.29 million. As shown in the statement of Changes in Net Position, the amounts paid by users of the system were \$2.41 million. Interest earnings and other revenues (losses) were \$31,047. Net Position increased by \$152,113.

**Expenses and Program Revenues - Business-type Activities**  
(in Thousands)



**Revenue By Source - Business-type Activities**



## **Financial Analysis of the Government's Funds**

As noted earlier, the Town of Huachuca City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the Town of Huachuca City's governmental funds reported combined ending fund deficits of \$480,574, a decrease in deficit of \$269,547 in comparison with the prior year. Of this total amount (\$1,840,620) constitutes unassigned fund balance. The remainder of the fund balance is restricted, committed or assigned because it has already been committed 1) to pay debt service, 2) to pay for capital improvements or 3) for a variety of other restricted purposes.

The general fund is the chief operating fund of the Town of Huachuca City. At the end of the current fiscal year, total fund deficit in the general fund was (\$1,805,977), of which (\$1,840,620) is unassigned and \$34,643 is restricted.

Streets fund expenditures of \$10,323 were funded by Highway User revenues of \$165,953. Fund balance in the Streets fund increased by \$155,630, which resulted in ending fund balance of \$1,321,862.

The non-major fund balance of \$3,541 consists of grant funds and donations restricted for various purposes.

### **General Fund Budgetary Highlights**

The Town's annual budget is the legally adopted expenditure control document of the Town. Budgetary comparison statements are required for the General Fund and all major special revenue funds. These statements compare the original adopted budget, the budget if amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis.

General Fund revenues of \$2,136,943 were less than the budget of \$5,101,926 by \$2,964,983 mainly due to the Town budgeting approximately \$2.8 million for potential grants. Actual expenditures of \$2,014,285 were \$3,087,641 less than budgeted expenditures of \$5,101,926. The most significant variance was due to the Town budgeting \$2.06 million for contingencies and capital outlay in the event the Town was awarded the grants mentioned previously.



## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The capital assets of the Town are those assets that are used in performance of Town functions including infrastructure assets. Capital Assets include equipment, vehicles, buildings, land, land improvements, utility infrastructure and roads. At the end of fiscal year 2021, net capital assets of the government activities totaled \$3.8 million and the net capital assets of the business-type activities totaled \$5.3 million. Combined capital assets additions were \$262,597 for fiscal year 2021 consisting of: assorted capital assets for various Town departments. Depreciation on capital assets is recognized in the Government-Wide financial statements. (See note 6 to the financial statements.)

### **Debt**

At year-end, the Town had \$996,568 in governmental type debt, and \$3,613,147 in business-type debt. (See note 8 the financial statements.)

## **NEXT YEAR'S BUDGET AND ECONOMIC FACTORS**

In considering the Town budget for fiscal year 2021/2022, the Town Council and management were cautious as to the growth of revenues and expenditures. Overall General Fund operating expenditures were budgeted so as to contain costs at the same level as fiscal year 2020/2021.

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Town's finances for all of those with an interest in the government's finances and to demonstrate accountability for the use of public funds. Questions about any of the information provided in this report, or requests for additional financial information should be addressed to: Town of Huachuca City, Finance Department, 500 Gonzales Blvd, Huachuca City, AZ.  
(520) 456-1354.

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**BASIC FINANCIAL STATEMENTS**

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**TOWN OF HUACHUCA CITY, ARIZONA**  
**Statement of Net Position**  
**June 30, 2021**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,437,947	\$ 1,149,539	\$ 2,587,486
Accounts receivable (net of allowance)	99,967	358,087	458,054
Inventory	500	-	500
Internal balances	(2,215,665)	2,215,665	-
Land - Available for sale	300,000	-	300,000
Other assets	-	500	500
<b>Total current assets</b>	<b>(377,251)</b>	<b>3,723,791</b>	<b>3,346,540</b>
Non-current assets:			
Restricted cash and cash equivalents	34,643	2,426,190	2,460,833
Capital assets:			
Not being depreciated	27,056	251,619	278,675
Net of accumulated depreciation	3,795,774	5,034,586	8,830,360
Net pension/OPEB asset	9,501	-	9,501
<b>Total non-current assets</b>	<b>3,866,974</b>	<b>7,712,395</b>	<b>11,579,369</b>
<b>Total Assets</b>	<b>3,489,723</b>	<b>11,436,186</b>	<b>14,925,909</b>
Deferred outflows related to pensions/OPEB	441,468	-	441,468
<b>Total deferred outflows</b>	<b>441,468</b>	<b>-</b>	<b>441,468</b>
<b>Total assets and deferred outflows of resources</b>	<b>3,931,191</b>	<b>11,436,186</b>	<b>15,367,377</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>			
Liabilities			
Current liabilities:			
Accounts payable and other current liabilities	83,618	71,244	154,862
Customer deposits	-	36,429	36,429
Unearned revenue	50,372	-	50,372
Compensated absences - current	20,000	12,960	32,960
Bonds payable-current	18,000	-	18,000
Notes payable - current	8,656	60,350	69,006
Capital leases - current	23,030	-	23,030
<b>Total current liabilities</b>	<b>203,676</b>	<b>180,983</b>	<b>384,659</b>
Noncurrent liabilities:			
Compensated absences	10,193	402	10,595
Bonds payable	329,000	-	329,000
Notes payable	25,573	410,180	435,753
Capital leases	74,840	-	74,840
Net pension/OPEB liability	487,276	-	487,276
Landfill closure and post-closure costs	-	3,129,255	3,129,255
<b>Total non-current liabilities</b>	<b>926,882</b>	<b>3,539,837</b>	<b>4,466,719</b>
<b>Total Liabilities</b>	<b>1,130,558</b>	<b>3,720,820</b>	<b>4,851,378</b>
Deferred inflows related to pensions/OPEB	294,658	-	294,658
<b>Total liabilities and deferred inflows of resources</b>	<b>1,425,216</b>	<b>3,720,820</b>	<b>5,146,036</b>
<b>NET POSITION:</b>			
Net investment in capital assets	3,343,731	4,815,675	8,159,406
Restricted for:			
Debt service	34,643	-	34,643
Highways and streets	1,321,862	-	1,321,862
Culture and recreation	3,541	-	3,541
Landfill closure/postclosure	-	2,426,190	2,426,190
Unrestricted	(2,197,802)	473,501	(1,724,301)
<b>Total net (deficit) position</b>	<b>2,505,975</b>	<b>7,715,366</b>	<b>10,221,341</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 3,931,191</b>	<b>\$ 11,436,186</b>	<b>\$ 15,367,377</b>

The accompanying notes are an integral part of the financial statements.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 604,234	\$ 619,765	\$ -	\$ 11,000	\$ 26,531	\$ -	\$ 26,531
Public safety	1,274,920	143,869	219,341	119,179	(792,531)	-	(792,531)
Highways and streets	69,597	-	165,953	-	96,356	-	96,356
Culture and recreation	250,246	4,218	15,390	-	(230,638)	-	(230,638)
Community development	11,042	-	-	-	(11,042)	-	(11,042)
Interest on long-term debt	20,046	-	-	-	(20,046)	-	(20,046)
Total governmental activities	2,230,085	767,852	400,684	130,179	(931,370)	-	(931,370)
<b>Business-type activities:</b>							
Water	367,116	437,552	-	-	-	70,436	70,436
Sewer	229,251	268,284	-	-	-	39,033	39,033
Sanitation	133,469	144,150	-	-	-	10,681	10,681
Landfill	1,561,475	1,562,391	-	-	-	916	916
Total business-type activities	2,291,311	2,412,377	-	-	-	121,066	121,066
<b>Total primary government</b>	<b>\$ 4,521,396</b>	<b>\$ 3,180,229</b>	<b>\$ 400,684</b>	<b>\$ 130,179</b>	<b>(931,370)</b>	<b>121,066</b>	<b>(810,304)</b>
<b>General Revenues:</b>							
Property taxes levied for general purposes					90,271	-	90,271
City sales tax					345,694	-	345,694
State sales tax					205,947	-	205,947
Urban revenue sharing					248,099	-	248,099
Vehicle license tax					109,635	-	109,635
Franchise tax					16,655	-	16,655
Miscellaneous revenues					23,049	31,047	54,096
Gain (loss) on disposal of assets					30,984	-	30,984
Unrestricted investment earnings/(loss)					37,112	-	37,112
Total general revenues & transfers					1,107,446	31,047	1,138,493
Change in net position					176,076	152,113	328,189
Net position - beginning					2,374,501	7,563,253	9,937,754
Restatement adjustment					(44,602)	-	(44,602)
Net position - ending					\$ 2,505,975	\$ 7,715,366	\$ 10,221,341

The accompanying notes are an integral part of the financial statements.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	General Fund	Streets Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 127,164	\$ 1,307,242	\$ 3,541	\$ 1,437,947
Receivables:				
Accounts	12,437	-	-	12,437
Property taxes	4,457	-	-	4,457
Intergovernmental	66,069	14,620	2,384	83,073
Land - available for sale	300,000	-	-	300,000
Inventory	500	-	-	500
Restricted cash and cash equivalents	34,643	-	-	34,643
Total assets	<u>\$ 545,270</u>	<u>\$ 1,321,862</u>	<u>\$ 5,925</u>	<u>\$ 1,873,057</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 72,271	\$ -	\$ -	\$ 72,271
Due to other funds	2,213,281	-	2,384	2,215,665
Accrued payroll	11,347	-	-	11,347
Total liabilities	<u>2,347,271</u>	<u>-</u>	<u>2,384</u>	<u>2,349,655</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	3,976	-	-	3,976
Total deferred inflows of resources	<u>3,976</u>	<u>-</u>	<u>-</u>	<u>3,976</u>
<b>FUND BALANCES</b>				
Restricted for:				
Highways and Streets	-	1,321,862	-	1,321,862
Culture and recreation	-	-	3,541	3,541
Debt service	34,643	-	-	34,643
Unassigned (deficits)	(1,840,620)	-	-	(1,840,620)
Total fund balances (deficits)	<u>(1,805,977)</u>	<u>1,321,862</u>	<u>3,541</u>	<u>(480,574)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 545,270</u>	<u>\$ 1,321,862</u>	<u>\$ 5,925</u>	<u>\$ 1,873,057</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Reconciliation of Total Governmental Fund Balances**  
**to Net Position of Governmental Activities**  
**June 30, 2021**

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Total governmental fund balances	\$	(480,574)
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental capital assets	\$ 8,678,060		
Accumulated Depreciation	(4,855,230)		
			3,822,830

Other assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

3,976

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Excise tax revenue bonds	\$ (347,000)		
Note payable	(34,229)		
Capital leases	(97,870)		
Net pension/OPEB liability	(487,276)		
Compensated absences	(30,193)		
			(996,568)

Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.

Deferred outflows	\$ 441,468		
Deferred inflows	(294,658)		
			146,810

Total net position of governmental activities	\$	<u><u>2,505,975</u></u>
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The accompanying notes are an integral part of the financial statements.



**TOWN OF HUACHUCA CITY, ARIZONA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	General Fund	Streets Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 451,923	\$ -	\$ -	\$ 451,923
Licenses, permits and fees	24,857	-	-	24,857
Intergovernmental revenue	693,071	165,953	227,432	1,086,456
Charges for services	14,709	-	-	14,709
Fines and forfeitures	147,229	-	-	147,229
Investment earnings	26,601	-	-	26,601
Rent	571,193	-	-	571,193
Contributions	5,359	-	-	5,359
Miscellaneous	35,642	-	-	35,642
<b>Total revenues</b>	<u>1,970,584</u>	<u>165,953</u>	<u>227,432</u>	<u>2,363,969</u>
<b>EXPENDITURES</b>				
Current:				
General government	580,948	-	-	580,948
Public safety	939,866	-	224,974	1,164,840
Community development	-	-	11,000	11,000
Culture and recreation	174,381	-	199	174,580
Highways and streets	-	10,323	-	10,323
Capital outlay	250,677	-	-	250,677
Debt service:				
Principal	48,367	-	-	48,367
Interest	20,046	-	-	20,046
<b>Total expenditures</b>	<u>2,014,285</u>	<u>10,323</u>	<u>236,173</u>	<u>2,260,781</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(43,701)</u>	<u>155,630</u>	<u>(8,741)</u>	<u>103,188</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from issuance of debt	124,864	-	-	124,864
Gain/(loss) on investments	10,511	-	-	10,511
Sale of general capital assets	30,984	-	-	30,984
Transfers out	(8,542)	-	(2,855)	(11,397)
Transfers in	2,855	-	8,542	11,397
<b>Total other financing sources (uses)</b>	<u>160,672</u>	<u>-</u>	<u>5,687</u>	<u>166,359</u>
<b>Net change in fund balances</b>	116,971	155,630	(3,054)	269,547
Fund balances, beginning of year	<u>(1,922,948)</u>	<u>1,166,232</u>	<u>6,595</u>	<u>(750,121)</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,805,977)</u>	<u>\$ 1,321,862</u>	<u>\$ 3,541</u>	<u>\$ (480,574)</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2021**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	269,547
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlays in the current period.</p>		
Capital Outlay	\$	246,415
Depreciation Expense		<u>(225,371)</u>
		21,044
Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		696
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds and is recorded as an expenditure, but the repayment reduces long-term liabilities in the statement of net position.		48,367
Issuance of long-term debt provides current financial resources in the governmental funds but increases long-term liabilities in the statement of net position.		(124,864)
<p>Pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension/OPEB liability is measured a year before the City's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.</p>		
Pension/OPEB contributions		38,260
Pension/OPEB expense		<u>(69,630)</u>
		(31,370)
Compensated absences and other 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.		
Compensated absences expense		<u>(7,344)</u>
Change in net position of governmental activities	\$	<u><u>176,076</u></u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

ASSETS:	Business-type Activities - Enterprise Funds				
	Water	Sewer	Sanitation	Landfill	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 129,633	\$ 298,925	\$ 526,237	\$ 194,744	\$ 1,149,539
Receivables (net of allowance)	61,137	35,442	14,393	247,115	358,087
Due from other funds	-	-	-	2,496,765	2,496,765
Other assets	-	500	-	-	500
<b>Total Current Assets</b>	<b>190,770</b>	<b>334,867</b>	<b>540,630</b>	<b>2,938,624</b>	<b>4,004,891</b>
Non-current assets:					
Restricted cash and cash equivalents	-	-	-	2,426,190	2,426,190
Capital assets					
Land	1,012	1,969	-	248,638	251,619
Buildings	31,627	-	-	198,405	230,032
Improvements over than buildings	8,365	-	-	139,512	147,877
Machinery and equipment	27,491	117,163	-	1,438,584	1,583,238
Infrastructure	4,278,056	3,071,038	-	8,613	7,357,707
Accumulated depreciation	(2,120,343)	(1,393,800)	-	(770,125)	(4,284,268)
<b>Total Noncurrent Assets</b>	<b>2,226,208</b>	<b>1,796,370</b>	<b>-</b>	<b>3,689,817</b>	<b>7,712,395</b>
<b>Total assets</b>	<b>\$ 2,416,978</b>	<b>\$ 2,131,237</b>	<b>\$ 540,630</b>	<b>\$ 6,628,441</b>	<b>\$ 11,717,286</b>
LIABILITIES:					
Liabilities					
Current liabilities:					
Accounts payable	\$ 10,841	\$ 150	\$ 12,014	\$ 48,239	\$ 71,244
Due to other funds	281,100	-	-	-	281,100
Customer deposits	23,166	9,761	-	3,502	36,429
Compensated absences - current	2,444	863	535	9,118	12,960
Current portion - long-term debt	-	-	-	60,350	60,350
<b>Total Current Liabilities</b>	<b>317,551</b>	<b>10,774</b>	<b>12,549</b>	<b>121,209</b>	<b>462,083</b>
Non-current liabilities:					
Compensated absences	76	27	17	282	402
Landfill closure and post-closure costs	-	-	-	3,129,255	3,129,255
Long-term debt, net of current portion	-	-	-	410,180	410,180
<b>Total non-current liabilities</b>	<b>76</b>	<b>27</b>	<b>17</b>	<b>3,539,717</b>	<b>3,539,837</b>
<b>Total liabilities</b>	<b>317,627</b>	<b>10,801</b>	<b>12,566</b>	<b>3,660,926</b>	<b>4,001,920</b>
NET POSITION:					
Net investment in capital assets	2,226,208	1,796,370	-	793,097	4,815,675
Restricted for landfill closure/postclosure	-	-	-	2,426,190	2,426,190
Unrestricted (deficit)	(126,857)	324,066	528,064	(251,772)	473,501
<b>Total net position (deficit)</b>	<b>2,099,351</b>	<b>2,120,436</b>	<b>528,064</b>	<b>2,967,515</b>	<b>7,715,366</b>
<b>Total liabilities and net position</b>	<b>\$ 2,416,978</b>	<b>\$ 2,131,237</b>	<b>\$ 540,630</b>	<b>\$ 6,628,441</b>	<b>\$ 11,717,286</b>

The accompanying notes are an integral part of the financial statements.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Statement Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Sanitation	Landfill	Total
<b>Operating revenues:</b>					
Charges for services	\$ 436,309	\$ 268,284	\$ 144,150	\$ 1,560,921	\$ 2,409,664
Customer penalties and interest	1,218	-	-	-	1,218
Other revenues	25	-	-	1,470	1,495
<b>Total operating revenues</b>	<u>437,552</u>	<u>268,284</u>	<u>144,150</u>	<u>1,562,391</u>	<u>2,412,377</u>
<b>Operating expenses:</b>					
Salaries, wages and benefits	92,257	98,548	-	309,479	500,284
Administration	-	-	7,826	-	7,826
Supplies and services	120,320	60,082	125,643	200,930	506,975
Repairs and maintenance	47,808	12,976	-	202,666	263,450
Rent	-	-	-	571,193	571,193
Utilities	34,611	11,840	-	9,511	55,962
Depreciation	72,120	45,805	-	143,592	261,517
<b>Total operating expenses</b>	<u>367,116</u>	<u>229,251</u>	<u>133,469</u>	<u>1,437,371</u>	<u>2,167,207</u>
<b>Net operating income (loss)</b>	<u>70,436</u>	<u>39,033</u>	<u>10,681</u>	<u>125,020</u>	<u>245,170</u>
<b>Non-operating revenues (expenses):</b>					
Interest expense and fiscal charges	-	-	-	(25,678)	(25,678)
Gain/(loss) on sale of asset	-	-	-	31,047	31,047
Change in landfill closure and post-closure costs	-	-	-	(98,426)	(98,426)
<b>Total non-operating revenue (expense)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(93,057)</u>	<u>(93,057)</u>
<b>Change in net position</b>	70,436	39,033	10,681	31,963	152,113
<b>Total net position (deficit), beginning of year</b>	<u>2,028,915</u>	<u>2,081,403</u>	<u>517,383</u>	<u>2,935,552</u>	<u>7,563,253</u>
<b>Total net position (deficit), end of year</b>	<u>\$ 2,099,351</u>	<u>\$ 2,120,436</u>	<u>\$ 528,064</u>	<u>\$ 2,967,515</u>	<u>\$ 7,715,366</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Sanitation	Landfill	Total
<b>Cash flows from operating activities:</b>					
Cash received from customers, service fees	\$ 424,818	\$ 265,338	\$ 141,502	\$ 1,529,008	\$ 2,360,666
Cash received from customers, other	1,243	-	-	1,470	2,713
Cash paid to suppliers	(200,041)	(86,943)	(132,372)	(940,396)	(1,359,752)
Cash paid to employees	(96,387)	(104,937)	316	(317,486)	(518,494)
Net cash flows from operating activities	<u>129,633</u>	<u>73,458</u>	<u>9,446</u>	<u>272,596</u>	<u>485,133</u>
<b>Cash flows from noncapital financing activities:</b>					
Change in due to/due from	-	-	-	6,129	6,129
Net cash flows from noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,129</u>	<u>6,129</u>
<b>Cash flows from capital and related financing activities:</b>					
Purchase of capital assets	-	-	-	(16,182)	(16,182)
Proceeds from the sale of capital assets	-	-	-	46,880	46,880
Principal paid on long-term debt	-	-	-	(62,263)	(62,263)
Interest and fiscal charges paid	-	-	-	(25,678)	(25,678)
Net cash flows from capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,243)</u>	<u>(57,243)</u>
Net change in cash and cash equivalents	129,633	73,458	9,446	221,482	434,019
Cash and cash equivalents, including restricted cash, beginning of year	-	225,467	516,791	2,399,452	3,141,710
<b>Cash and cash equivalents, including restricted cash, end of year</b>	<u>\$ 129,633</u>	<u>\$ 298,925</u>	<u>\$ 526,237</u>	<u>\$ 2,620,934</u>	<u>\$ 3,575,729</u>
<b>Reconciliation of operating income to net cash flows from operating activities:</b>					
Net operating income	\$ 70,436	\$ 39,033	\$ 10,681	\$ 125,020	\$ 245,170
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	72,120	45,805	-	143,592	261,517
Changes in operating assets and liabilities:					
(Increase)/Decrease in receivables	(14,062)	(4,433)	(2,648)	(32,253)	(53,396)
Increase/(Decrease) in accounts payable	2,698	(2,045)	1,097	43,904	45,654
Increase/(Decrease) in customer deposits	2,571	1,487	-	340	4,398
Increase/(Decrease) in accrued payroll and employee benefits	(2,622)	(4,506)	-	(8,310)	(15,438)
Increase/(Decrease) in compensated absences	(1,508)	(1,883)	316	303	(2,772)
Net cash flows from operating activities	<u>\$ 129,633</u>	<u>\$ 73,458</u>	<u>\$ 9,446</u>	<u>\$ 272,596</u>	<u>\$ 485,133</u>
<b>Supplemental schedule of non-cash Financing and investing activities:</b>					
Change in landfill closure and post-closure costs	\$ -	\$ -	\$ -	\$ 98,426	\$ 98,426

The accompanying notes are an integral part of the financial statements.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

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	<u>Volunteer Firefighters' Relief and Pension</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 69,682</u>
Total assets and other debits	<u><u>\$ 69,682</u></u>
<b>LIABILITIES</b>	
Total liabilities	<u>\$ -</u>
<b>NET POSITION</b>	
Held in trust for pension benefits and other purposes	<u><u>\$ 69,682</u></u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2021**

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	<u>Volunteer Firefighters' Relief and Pension</u>
<b>Additions:</b>	
Total Additions	<u>\$ -</u>
<b>Deductions:</b>	
Distributions	<u>1,198</u>
Total Deductions	<u>1,198</u>
Net Increase (Decrease)	(1,198)
Net Position Held in Trust for Pension Benefits	
Beginning of Year	<u>70,880</u>
End of Year	<u><u>\$ 69,682</u></u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 1.           Summary of Significant Accounting Policies**

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

**Description of government-wide financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**Reporting Entity**

The Town is a municipal entity governed by an elected mayor and council and provides the following services as authorized by general law: public safety, highways and streets, culture and recreation, and general administrative services. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations and so data from these units are combined with data of the Town, the primary government.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The Town is a primary government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, component units combined with the Town for financial statement presentation purposes, and the Town, are not included in any other governmental reporting entity. Consequently, the Town's financial statements include the funds of those organizational entities for which its elected governing body is financially accountable.

The following is a brief review of the component units included in defining the Town's reporting entity. There are no discretely presented component units and one blended component units.



**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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Blended component units included within the reporting entity:

The **Town of Huachuca City, Arizona Municipal Property Corporation (MPC)** is governed by a three-member board appointed by the Town Council. The MPC, which is a nonprofit corporation incorporated under the laws of the State of Arizona, was formed for the sole purpose of assisting the Town in obtaining financing for various projects of the Town. Although it is legally separate from the Town, the MPC is reported as if it were part of the primary government. The MPC debt service is reported within the governmental activities in the government-wide statements. Separate financial statements for the MPC are not prepared.

**Basis of presentation – government-wide financial statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental fund, while business-type activities incorporate data from the Town's enterprise funds. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Basis of presentation – fund financial statements**

The fund financial statements provide information about the Town's funds, including the blended component unit. Separate statements for each fund category—governmental and enterprise are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The **General Fund** is the Town's primary operating fund. It accounts for all financial resources of the general government, except for those accounted for in another fund.

The **Streets Fund** accounts for the operation and maintenance of the Town's streets, rights of way and street lighting throughout the Town.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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The Town reports the following major enterprise funds:

The **Water Fund** accounts for the operations, maintenance, and construction of the Town-owned water system.

The **Sewer Fund** accounts for the operations, maintenance, and construction projects of the Town-owned sewer system

The **Sanitation Fund** accounts for the operations, maintenance, and capital projects of the Town-owned solid waste collection and disposal services.

The **Landfill Fund** accounts for the operations, maintenance, and construction projects of the Town-owned Landfill.

Additionally, the Town reports the following fund types:

The **Fiduciary Fund** is an agency fund which accounts for resources held by the Town on behalf of others and includes the Volunteer Firefighters Relief and Pension Trust Fund. The Volunteer Firefighters Relief and Pension Trust Fund accounts for the contributions to and earnings of the volunteer firefighters' pension trust.

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**Measurement focus and basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, state shared revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

The proprietary funds are reported using the *economic resources measurement* focus and the *accrual basis of accounting*.

**Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

***Deposits and Investments***

For the purposes of the statement of cash flows, the Town considers only those highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Restricted cash and cash equivalents include amounts the Town is required by Arizona Department of Environmental Quality (ADEQ) to set aside to pay for future landfill closure and post-closure costs.

All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices. The reported value of the state treasurer's pool is the same as the fair value of the pool shares. Investment earnings is composed of interest, dividends, and net changes in the estimated fair value of applicable investments.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 1.           Summary of Significant Accounting Policies, Continued**

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Arizona Revised Statutes (A.R.S) authorize the Town to invest public monies in the State Treasurer's investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds, notes, and other evidences of indebtedness; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars; and certain open-end and closed-end mutual funds, including exchange traded funds. In addition, the Town may invest trust funds in certain fixed income securities of corporations doing business in the United States or District of Columbia.

***Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "Internal balances" in the Statement of Net Position and as "Due to" or "Due from" other funds in the fund financial statements. All trade accounts receivable in the enterprise funds are shown net of an allowance for doubtful accounts. Due to the nature of the accounts receivable in government type activities, management does not consider an allowance for uncollectible accounts receivable necessary or material. Therefore, no allowance for uncollectible accounts receivable is presented.

***Inventories and Prepaid Items***

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Inventories for the proprietary funds consist principally of materials used in the repair of the distribution, collection and treatment systems and are valued at the lower of cost (first-in, first-out) or market.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capitalized assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. General government infrastructure capital assets include only those assets acquired or constructed since July 1, 2003.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. Depreciation for other property, plant, equipment, and infrastructure is computed using the straight-line method over the following estimated useful lives:

Buildings	50 years
Building improvements	20 years
Land improvements	20 years
Machinery, vehicles and equipment	8 to 15 years
Infrastructure	75 years

***Deferred outflows/inflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The Town has one type of item that qualifies for reporting in this category. It is pension/OPEB related items reported on the government-wide financial statements. See footnote 10 for more information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of items that qualify for reporting in this category. Pension/OPEB related items reported on the government-wide financial statements. See footnote 10 for more information. Another item, which arises only under a modified accrual basis of accounting, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

***Postemployment benefits***

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plan's fiduciary net position of the Arizona Public Safety Personnel Retirement System (PSPRS), and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by PSPRS. 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.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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*Net position flow assumption*

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

*Fund balance flow assumptions*

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

*Fund balance policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. 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 balances classifications. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The council has authorized the Town Manager to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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Unassigned fund balance is a residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the Town's policy to use restricted fund balance first. For the disbursement of unrestricted fund balances, it is the Town's policy to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

**Revenues and expenditures/expenses**

***Program revenues***

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

***Property taxes***

Property tax revenues are recognized as revenues in the year collected or if collected within 60 days thereafter unless they are prepaid. Property taxes not collected within 60 days subsequent to the fiscal-year end or collected in advance of the fiscal year for which they are levied are reported as deferred revenues. Cochise County levies real property taxes on or before the third Monday in August, which become due and payable in two equal installments on October 1 of the current year and March 1 of the subsequent year. Taxes become delinquent after the first business day of November and May, respectively. Interest attaches on installments after the delinquency date.

The County also levies various personal property taxes during the year. A lien against property assessed attaches on the first day of January preceding the assessment and levy.

***Compensated Absences***

Compensated absences consist of paid time off, which can be used as vacation or sick leave. The Town's permanent full-time employees may accumulate up to 200 hours of vacation. If the total amount of unused vacation time reaches the maximum of 200 hours, accruals stop until the amount falls below the cap. An employee may be allowed to carry forward paid time off to of the following year if staffing shortages prevent the employee from utilizing their paid time off. Unpaid vacation time shall be paid out in a lump sum at termination of employment once the employee has satisfactorily completed six months' probation. Employees also accrue annual sick leave which may accumulate and carryforward a maximum of 240 hours. Sick leave is not paid out at termination of employment and, is therefore, excluded from the compensated absence liability. An employee taking leave for a serious illness of a family member under the Family Medical Leave Act may use the paid time off as part of the unpaid 12 week period allowed by law.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 1.            Summary of Significant Accounting Policies, Continued**

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All vacation is accrued when incurred in the government-wide and proprietary fund financial statements. For governmental funds amounts of accumulated vacation and compensatory time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements.

***Proprietary funds operating and nonoperating revenues and expenses***

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 water fund, sewer fund, sanitation fund, and landfill fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Tax Abatements**

The Town has not entered into any tax abatement agreements and the Town is not aware of any tax abatement agreements that have been entered into by other governments that would reduce the Town's tax revenues.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.



**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 2. Reconciliation of Government-Wide and Fund Financial Statements**

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The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 22.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 24.

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**Note 3. Stewardship, Compliance, and Accountability**

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Stewardship, compliance, and accountability are key concepts in defining the responsibilities of the Town. The use of budgets and monitoring of equity status facilitate the Town's compliance with legal requirements.

**Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year end. The Town Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Arizona Revised Statutes, the Town Manager submits a proposed budget for the fiscal year commencing the following July 1 to the Town Council. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comment.
3. Prior to the first of September, the expenditure limitation for the Town is legally enacted through passage of a resolution. To ensure compliance with the expenditure limitation, a uniform expenditure report must be filed with the State each year. This report, issued under a separate cover, reconciles total Town expenditures from the audited financial statements to total expenditures for reporting in accordance with the State's uniform expenditure reporting system (A.R.S. §41-1279.07).
4. State law requires that, prior to April 1, the Economic Estimates Commission provide the Town with a final expenditure limit for the coming fiscal year.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 3. Stewardship, Compliance, and Accountability, Continued**

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5. Expenditures may not legally exceed the expenditure limitation of all fund types as a whole. For management purposes, the Town adopts a budget by department for the General Fund and in total by fund for other funds. The Town Council has adopted a budget transfer policy and all amendments must be done in accordance with this policy.
6. The Town has adopted budgets in accordance with A.R.S. requirements and utilizes the budgets as a management control device during the year for the General, Special Revenue, Capital Projects, Debt Service, and Enterprise funds. The budgets are prepared on essentially the same modified accrual basis of accounting used to record actual revenues and expenditures.

The Town is subject to the State of Arizona's Spending Limitation Law for Towns and Cities. This law does not permit the Town to spend more than budgeted revenues plus the carry-over unrestricted cash balance from the prior fiscal year. The limitation is applied to the total of the combined funds. The Town complied with this law during the year.

Supplementary budgetary appropriations were not made during the year ended June 30, 2021.

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 for future years, is not employed by the Town.

**Expenditures over Appropriations**

Expenditures may not legally exceed budgeted appropriations at the department level. The individual Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual reports as listed in the table of contents present all of the departments which incurred an excess of expenditures/expenses over appropriations for the year ended June 30, 2021, if any.

**Deficit Fund Balance**

As of June 30, 2021, the General Fund reported a fund balance deficit of \$1,805,977. The General Fund deficit decreased by \$116,971 when compared to the prior year.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 4. Deposits and Investments**

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A reconciliation of cash and investments as shown on the statement of net position is as follows:

Cash and cash equivalents	\$ 2,019,829
Cash on hand	543
Restricted cash and cash equivalents	2,349,863
Investments	<u>747,767</u>
Total cash and investments	<u>\$ 5,118,001</u>

For purposes of its statement of cash flows, the Town considers only those highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Restricted cash and cash equivalents includes amounts the Town is required to set aside to pay for future closure and post-closure costs of the Town's landfill (see Note 7).

**Deposits**

*Custodial Credit Risk*

For deposits this is the risk that in the event of a bank failure, the Town's deposit may not be returned to it. Statutes require collateral for deposits at 102 percent of all deposits federal depository insurance does not cover. The Town does not have a formal policy for custodial credit risk. At year end, the carrying amount of the Town's deposits was \$4,369,693 and the bank balance was \$4,484,091. The bank balance was fully covered by FDIC coverage or collateral held by the pledging financial institution in the Town's name.

**Investments**

The provisions of State law (A.R.S. 35-323) govern the investment of funds in excess of \$100,000. A.R.S. 35-323 allows for investment in certificates of deposit, interest bearing savings accounts, repurchase agreements with a maximum maturity of 180 days, pooled investment funds established by the State Treasurer, obligations guaranteed by the United States, bonds of the State of Arizona or other local municipalities, commercial paper of prime quality that is rated "P1" by Moody's investors or "A1" by Standard and Poor's rating service, and bonds, debentures or notes that are issued by corporations organized and doing business in the United States subject to certain restrictions. For investments of less than \$100,000, procedures as specified by local ordinance or resolution must be followed.

As of June 30, 2021, the Town had investments in municipal bonds valued at \$747,767. As these investments are convertible to cash at any time, they are included with cash and cash equivalents on the financial statements.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 4. Deposits and Investments, Continued**

**Credit risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town's policy for reducing its exposure to credit risk is to comply with State law (A.R.S. 35-323). A.R.S. 35-323 limits investment in commercial paper and corporate bonds to the top ratings issued by nationally recognized statistical rating organizations such as Standard & Poor's and Moody's Investor Services. The Town invests in equity securities, certificates of deposit, US government securities, repurchase agreements, pooled investment funds established by the State Treasurer, bonds issued by the state, county, incorporated cities, towns or school districts, or cash and cash equivalents with a local financial institution. The Town's investments were rated by Standard and Poor's as follows:

Investment Type	Standard and Poor's Rating				Total
	AAA	AA	AA-	A+	
Municipal Bonds	\$ 215,391	\$ 299,425	\$ 232,951	\$ -	\$ 747,767
Total	\$ 215,391	\$ 299,425	\$ 232,951	\$ -	\$ 747,767

**Interest rate risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Type	Investment Maturities (in Years)		
	Less than 1	More than 5	Total
Municipal Bonds	\$ -	\$ 747,767	\$ 747,767
Total	\$ -	\$ 747,767	\$ 747,767

**Fair value measurements**

As noted above, the Town holds investments that are measured at fair value on a recurring basis. The Town 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 investments, as listed above, are valued using quoted prices in active markets (Level 1 inputs).

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 5. Restricted Assets**

Restricted assets at June 30, 2021 consisted of cash reserves totaling \$2,315,220 for landfill closure and post-closure costs and \$ 34,643 for Debt Service

**Note 6. Capital Assets**

The following table summarizes the changes to capital assets for governmental activities during the year:

Governmental Activities:	Balance 6/30/2020	* Additions	Deletions	Transfers	Balance 6/30/2021
Capital assets, not being depreciated:					
Land	\$ 27,056	\$ -	\$ -	\$ -	\$ 27,056
Construction in progress	34,724	121,551	-	(156,275)	-
Total capital assets not being depreciated	<u>61,780</u>	<u>121,551</u>	<u>-</u>	<u>(156,275)</u>	<u>27,056</u>
Capital assets, being depreciated:					
Land Improvements	2,067,653	-	-	156,275	2,223,928
Buildings and Improvements	2,062,476	-	-	-	2,062,476
Infrastructure	3,135,739	-	-	-	3,135,739
Furniture, Equipment, Vehicles	1,154,931	124,864	(50,934)	-	1,228,861
Total capital assets being depreciated	<u>8,420,799</u>	<u>124,864</u>	<u>(50,934)</u>	<u>156,275</u>	<u>8,651,004</u>
Less accumulated depreciation for:					
Land Improvements	(1,107,740)	(53,126)	-	-	(1,160,866)
Buildings and Improvements	(1,139,393)	(57,383)	-	-	(1,196,776)
Infrastructure	(1,452,562)	(41,810)	-	-	(1,494,372)
Furniture, Equipment, Vehicles	(981,098)	(73,052)	50,934	-	(1,003,216)
Total accumulated depreciation	<u>(4,680,793)</u>	<u>(225,371)</u>	<u>50,934</u>	<u>-</u>	<u>(4,855,230)</u>
Total capital assets being depreciated, net	<u>3,740,006</u>	<u>(100,507)</u>	<u>-</u>	<u>156,275</u>	<u>3,795,774</u>
Governmental activities capital assets, net	<u>\$ 3,801,786</u>	<u>\$ 21,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,822,830</u>

\* As restated for addition of fully depreciated assets acquired in prior years.

**Depreciation expense was charged to the functions/programs of the Town as follows:**

<b>Governmental Activities:</b>	
General government	\$ 21,089
Public safety	70,041
Highways and streets	59,235
Culture and recreation	75,006
Total depreciation expense - governmental activities	<u>\$ 225,371</u>

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 6. Capital Assets, Continued**

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The following table summarizes the changes to capital assets for business-type activities during the year:

<b>Business Type Activities:</b>	<u>Balance 6/30/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2021</u>
Capital assets, not being depreciated:				
Land	\$ 251,619	\$ -	\$ -	\$ 251,619
Total capital assets not being depreciated	<u>251,619</u>	<u>-</u>	<u>-</u>	<u>251,619</u>
Capital assets, being depreciated:				
Land Improvements	147,877	-	-	147,877
Buildings and Improvements	230,032	-	-	230,032
System and Other Improvements	7,357,707	-	-	7,357,707
Furniture, Equipment, Vehicles	1,586,056	16,182	(19,000)	1,583,238
Total capital assets being depreciated	<u>9,321,672</u>	<u>16,182</u>	<u>(19,000)</u>	<u>9,318,854</u>
Less accumulated depreciation for:				
Land Improvements	(85,106)	(4,552)	-	(89,658)
Buildings and Improvements	(121,410)	(4,601)	-	(126,011)
System and Other Improvements	(3,320,807)	(109,429)	-	(3,430,236)
Furniture, Equipment, Vehicles	(498,595)	(142,935)	3,167	(638,363)
Total accumulated depreciation	<u>(4,025,918)</u>	<u>(261,517)</u>	<u>3,167</u>	<u>(4,284,268)</u>
Total capital assets being depreciated, net	<u>5,295,754</u>	<u>(245,335)</u>	<u>(15,833)</u>	<u>5,034,586</u>
Business-type activities capital assets, net	<u>\$ 5,547,373</u>	<u>\$ (245,335)</u>	<u>\$ (15,833)</u>	<u>\$ 5,286,205</u>

**Depreciation expense was charged to the functions/programs of the Town as follows:**

<b>Business Type Activities:</b>	
Water	72,120
Sewer	45,805
Landfill	<u>143,592</u>
Total depreciation expense - business activities	<u>\$ 261,517</u>

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 7. Landfill Closure and Post-Closure Costs**

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State and federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will not be paid until near or after the date that the landfill stops accepting waste, the Town reports a portion of these closure and post-closure care costs as an addition to long-term liabilities on the statement of Net Position in each period based on the landfill capacity the Town used as of fiscal year end. The \$3,129,255 reported as landfill closure and post-closure care liability at year end, represents the cumulative amount reported to date based on prior closure and post-closure costs recognized. As of June 30, 2021, the estimated landfill capacity used was 72.59%, and the estimated remaining life of the landfill is 19 years. The Town will recognize the remaining estimated cost of closure and post-closure care of \$1,181,744 as the remaining estimated capacity is filled. These amounts are based on an estimate of what it would cost to perform all closure and post-closure care in 2021. Actual costs will likely vary due to inflation, changes in technology, or revisions of applicable laws and regulations.

The Town has entered into a Trust Agreement with ADEQ, which required the Town to deposit approximately \$1.9 million in September 2017 into a Trust account as a means of providing financial assurance that funds will be available when needed for closure and post-closure of the landfill. The Trust Agreement requires the Town to make annual deposits starting December 2017 until the full estimated closure and post-closure costs are held in the Trust account. As of June 30, 2021, the cash restricted for this purpose is \$2,315,220.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 8. Long-Term Liabilities**

The following is a summary of changes in long-term obligations for the current fiscal year:

	<u>Balance*</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Current</u> <u>Portion</u>
<b>Governmental Activities:</b>					
<b>Direct Borrowings:</b>					
Excise Tax Revenue Bonds	\$ 358,000	\$ -	\$ (11,000)	\$ 347,000	\$ 18,000
Note payable - Lumen Technologies	44,602 *	-	(10,373)	34,229	8,656
Capital Leases	-	124,864	(26,994)	97,870	23,030
Total direct borrowings	<u>402,602</u>	<u>124,864</u>	<u>(48,367)</u>	<u>479,099</u>	<u>49,686</u>
Other long-term liabilities					
Net Pension/OPEB Liability	124,828	362,448	-	487,276	-
Accrued Compensated Absences	22,849	27,344	(20,000)	30,193	20,000
Total other long-term liabilities	<u>147,677</u>	<u>389,792</u>	<u>(20,000)</u>	<u>517,469</u>	<u>20,000</u>
Total Governmental Activity Long-Term Liabilities	<u>\$ 550,279</u>	<u>\$ 514,656</u>	<u>\$ (68,367)</u>	<u>\$ 996,568</u>	<u>\$ 69,686</u>
<b>Business-Type Activities:</b>					
<b>Direct Borrowings:</b>					
Capital Leases	\$ 532,793	\$ -	\$ (62,263)	\$ 470,530	\$ 60,350
Total direct borrowings	<u>532,793</u>	<u>-</u>	<u>(62,263)</u>	<u>470,530</u>	<u>60,350</u>
Other long-term liabilities					
Landfill closure and post-closure	3,030,829	98,426	-	3,129,255	-
Accrued Compensated Absences	16,134	12,228	(15,000)	13,362	12,960
Total other long-term liabilities	<u>3,046,963</u>	<u>110,654</u>	<u>(15,000)</u>	<u>3,142,617</u>	<u>12,960</u>
Total Business-Type Activity Long-Term Liabilities	<u>\$ 3,579,756</u>	<u>\$ 110,654</u>	<u>\$ (77,263)</u>	<u>\$ 3,613,147</u>	<u>\$ 73,310</u>

\*As restated, see note 15

Generally, resources from the General fund are used to liquidate capital leases, notes payable, pension liabilities and compensated absences for governmental activities.



**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 8. Long-Term Liabilities, Continued**

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Long-term debt activity for the primary government at June 30, 2021 is comprised of the following issues:

**Revenue bonds payable from direct borrowings:**

**Governmental activities:**

Excise Tax Revenue Obligation Bonds, Series 2019, due in semiannual principal and interest installments, bearing interest at 4.70%, maturing August 1, 2034, secured by the City's Excise Tax revenues.	\$ 347,000
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**Notes Payable:**

**Governmental activities:**

Note payable to Lumen Technologies due in monthly installments of \$800 bearing interest of 0.24%, maturing June 30, 2025.	34,229
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**Leases payable:**

**Governmental activities:**

Lease payable due in annual installments of \$26,994 through September 2024. Interest of 4.05%	97,870
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**Business-type activities:**

Lease payable in monthly installments of \$3,314 through December, 2025 after which final payment of \$75,554 is due. Interest of 4.70%.	221,944
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Lease payable in monthly installments of \$3,451 through December, 2025 after which a final payment of \$100,331 is due. Interest of 4.70%.	248,586
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Total leases payable	<u>568,400</u>
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<b>Landfill closure and post-closure</b>	3,129,255
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<b>Accrued compensated absences</b>	43,555
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<b>Net pension/oprb liability</b>	<u>487,276</u>
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<b>Total long-term liabilities</b>	4,609,715
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**Less current portion:**

Governmental activities	(69,686)
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Business-type activities	<u>(73,310)</u>
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<b>Net long-term liabilities</b>	<u><u>\$ 4,466,719</u></u>
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**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 8. Long-Term Liabilities, Continued**

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Excise Tax Revenue Obligation Bonds from direct placement debt service maturities are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 18,000	\$ 15,886	\$ 33,886
2023	19,000	15,017	34,017
2024	20,000	14,100	34,100
2025	21,000	13,137	34,137
2026	22,000	12,126	34,126
2027-2031	125,000	43,828	168,828
2032-2035	122,000	11,844	133,844
Total	<u>\$ 347,000</u>	<u>\$ 125,937</u>	<u>\$ 472,937</u>

Note payable debt service maturities are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 8,656	\$ 944	\$ 9,600
2023	8,913	687	9,600
2024	9,177	423	9,600
2025	7,484	151	7,634
Total	<u>\$ 34,229</u>	<u>\$ 2,205</u>	<u>\$ 36,434</u>

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 8. Long-Term Liabilities, Continued**

The Town has entered into lease agreements which are considered capital leases in accordance with generally accepted accounting principles. The following is an annual schedule of future minimum lease payments together with the present value of the net minimum lease payments:

Year Ending June 30,	Governmental Activities	Business-Type Activities	Total
2022	\$ 26,994	\$ 81,176	\$ 108,170
2023	26,994	81,176	108,170
2024	26,994	81,176	108,170
2025	26,994	81,176	108,170
2026	-	216,473	216,473
Total remaining lease payments:	107,976	541,178	541,178
Less amount representing interest:	(10,107)	(70,648)	(70,648)
Present value of net remaining minimum lease payments:	<u>\$ 97,870</u>	<u>\$ 470,530</u>	<u>\$ 470,530</u>

A summary of the assets acquired through capital leases is as follows:

	Cost	Depreciation Expense	Accumulated Depreciation
Vehicles, machinery, and equipment	\$ 1,019,944	\$ 47,700	\$ 226,716

*This section intentionally left blank.*

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 9. Interfund Receivables, Payables and Transfers**

As of June 30, 2021, interfund receivables and payables that resulted from various interfund transactions are as follows:

<b>Due to</b>	<b>Due from</b>			<b>Total</b>
	General Fund	Water Fund	Nonmajor Funds	
Landfill Fund	\$ 2,213,281	\$ 281,100	\$ 8,513	\$ 2,502,894
Total	\$ 2,213,281	\$ 281,100	\$ 8,513	\$ 2,502,894

The interfund receivables and payables were recorded to eliminate short-term deficit pooled cash balances in the various funds.

For the year ended June 30, 2021 interfund transfers are as follows:

<b>Transfers Out</b>	<b>Transfers In</b>		<b>Total</b>
	General Fund	Non-major Funds	
General Fund	\$ -	\$ 8,542	\$ 8,542
Non-major Funds	2,855	-	2,855
Total	\$ 2,855	\$ 8,542	\$ 11,397

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 10. Pensions and Other Postemployment Benefits**

The Town contributes to the plan described below. The plan is a component unit of the State of Arizona. At June 30, 2021, the Town reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

<b>Statement of Net Position and Statement of Activities</b>	<b>Governmental Activities</b>
Net pension and OPEB liability	477,775
Deferred outflows of resources	441,468
Deferred inflows of resources	294,658
Pension/OPEB expense	69,307

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 10. Pensions and Other Postemployment Benefits, Continued**

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The Town's accrued payroll and employee benefits includes \$0 of outstanding pension and OPEB contribution amounts payable to all pension plans for the year ended June 30, 2021. Also, the Town reported \$61,746 of pension and OPEB contributions as expenditures in the governmental funds related to all pension/OPEB plans to which it contributes.

**Public Safety Personnel Retirement System (PSPRS)**

**Plan description** – The Town 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 (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. 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 those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool).

The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for PSPRS. The reports are 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 benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 10. Pensions and Other Postemployment Benefits, Continued**

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	<b>Initial Membership Date Before January 1, 2012</b>	<b>Initial Membership Date On or After January 1, 2012 and Before July 1, 2017</b>
<b>Retirement and Disability</b>		
Years of service and age required to receive benefit	20 years of service, 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
Benefit percent		
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	
<b>Survivor Benefit</b>		
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	

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.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 10. Pensions and Other Postemployment Benefits, Continued**

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, 2021, the following employees were covered by the agent plans’ benefit terms:

<b>PSPRS - Police</b>	<u>Pension</u>	<u>Health</u>
Inactive employees or beneficiaries currently receiving benefits	2	2
Inactive employees entitled to but not yet receiving benefits	1	0
Active employees	4	4
Total	<u>7</u>	<u>6</u>

**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. Contribution rates for the year ended June 30, 2021, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	<u>Active member - Pension</u>	<u>Town - Pension</u>	<u>Town-Health insurance premium</u>
PSPRS Police	7.65-11.65%	14.64%	0.73%
PSPRS Tier 3 risk pool	9.94%	12.71%	0.14%

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 10. Pensions and Other Postemployment Benefits, Continued**

The Town's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2021, were:

PSPRS - Police	Pension	Health insurance premium benefit
PSPRS	\$ 30,365	\$ 1,914
PSPRS Tier 3 risk pool	5,981	-

Also, statute required the Town to contribute at the actuarially determined rate of 2.91 percent of the annual covered payroll of Town employees who were PSPRS Tier 3 Risk Pool members, in addition to the Town's required contributions to the PSPRS Tier 3 Risk Pool for these employees.

**Liability** – At June 30, 2021, the Town reported the following assets and liabilities:

	Net pension (asset) liability	Net OPEB (asset) liability
PSPRS Police	\$ 487,276	\$ (9,501)

The net assets and net liabilities were measured as of June 30, 2020, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

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**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 10. Pensions and Other Postemployment Benefits, Continued**

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

PSPRS	
Actuarial valuation date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustments	1.75% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables.
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. The target allocation and best estimate of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS Asset class	Target allocation	Long-term expected geometric real rate of return
US public equity	23%	4.93%
International public equity	15%	6.09%
Global private equity	18%	8.42%
Other assets (capital appreciation)	7%	5.61%
Core bonds	2%	0.22%
Private credit	22%	5.31%
Diversifying strategies	12%	3.22%
Cash - Mellon	1%	-0.60%
Total	<u>100%</u>	

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 10. Pensions and Other Postemployment Benefits, Continued**

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**Discount Rate** –At June 30, 2020, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.30 percent. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the plan’s 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 benefit payments to determine the total pension/OPEB liability.

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**TOWN OF HUACHUCA CITY, ARIZONA**  
Notes to the Financial Statements  
June 30, 2021

**Note 10. Pensions and Other Postemployment Benefits, Continued**

**Changes in the Net Pension/OPEB Liability**

	Pension		Health insurance premium benefit		Net OPEB Liability (a) - (b)
	Total Pension Liability (a)	Increase (decrease)	Total OPEB Liability (a)	Increase (decrease)	
	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)	
Balances at June 30, 2020	\$ 1,088,131	\$ 124,731	\$ 34,824	\$ 34,727	\$ 97
Changes for the year:					
Service cost	47,409	47,409	1,914	-	1,914
Interest on total pension/OPEB liability	81,502	81,502	2,719	-	2,719
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience in the measurement of the pension/OPEB liability	320,342	320,342	(12,394)	-	(12,394)
Changes of assumptions	-	-	-	-	-
Contributions - employer	-	54,503	-	1,433	(1,433)
Contributions - employee	-	20,694	-	-	-
Net investment income	-	12,533	-	440	(440)
Benefit payments, including refunds of employee contributions	(38,162)	(38,162)	-	-	-
Plan administrative expenses	-	(1,022)	-	(36)	36
Other changes	-	-	-	-	-
Net changes	411,091	48,546	(7,761)	1,837	(9,598)
Balances at June 30, 2021	\$ 1,499,222	\$ 1,011,946	\$ 27,063	\$ 36,564	\$ (9,501)

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 10. Pensions and Other Postemployment Benefits, Continued**

**Sensitivity of the proportionate share of the net pension/OPEB (asset) liability to changes in the discount rate** – The following table presents the Town's net pension/OPEB (asset) liability calculated using the discount rate of 7.3 percent, as well as what the Town's net pension/OPEB (asset) 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 (6.30%)	Discount Rate (7.30%)	1% Increase (8.30%)
<b>PSPRS-Police</b>			
Net pension (asset) / liability	\$ 698,078	\$ 487,276	\$ 325,154
Net OPEB (asset)/ liability	(5,676)	(9,501)	(12,701)

**Plan fiduciary net position** – Detailed information about the pension plan's fiduciary net position is available in the separately issued PSPRS financial report.

**Expense** – For the year ended June 30, 2021, the Town recognized the following pension and OPEB expense:

	Pension expense	OPEB expense
PSPRS Police	\$ 74,710	\$ (3,109)

**Deferred outflows/inflows of resources** –At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 296,146	\$ 270,873	\$ 432	\$ 22,610
Changes in assumptions	51,210	-	255	1,175
Net difference between projected and actual earnings on pension/OPEB plan investments	53,217	-	1,948	-
Contributions subsequent to the measurement date	36,346	-	1,914	-
Total	\$ 436,919	\$ 270,873	\$ 4,549	\$ 23,785

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 10. Pensions and Other Postemployment Benefits, Continued**

The amounts reported as deferred outflows of resources related to PSPRS pensions and OPEB resulting from Town contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PSPRS pensions and OPEB will be recognized in pension expense as follows:

Year Ended June 30	PSPRS Police	
	Pension	Health Insurance Premium Benefit
2022	\$ 28,867	\$ (5,194)
2023	33,114	(5,001)
2024	30,497	(5,026)
2025	37,222	(2,977)
2026	-	(2,952)
Thereafter	-	-

**Note 11. Deferred Compensation**

The Town's employees (other than volunteer firemen and police officers) are covered under a defined contribution pension plan (401(k) plan), which provides retirement benefits for all of the Town's full-time employees. The plan is administered by John Hancock. The provisions of the plan were established by a pension board of the Town's council, which may amend the plan's provisions as necessary.

Employees are required to complete a six-month probationary period and attain permanent status before a certificate in the pension fund is issued. Once a certificate is issued in an employee's name, 5% of the employee's gross wages per pay period for the previous five months of employment are deposited in the pension fund. Upon completion of one year's service, all funds deposited on behalf of employees are 100% vested.

Withdrawals from the pension fund must meet the following criteria in accordance with the Equitable Life Insurance policy:

- a. Termination of employment, or
- b. Unforeseen emergencies, i.e., medical, dental, death, accident or other types of emergencies

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 11.       Deferred Compensation, Continued**

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Employees may deposit funds from their paychecks, up to predetermined amounts or one-third of their annual wages, whichever is less. Employees may be authorized to withdraw these deposited funds for the specified reasons noted above. A written request to do so must be submitted to the Pension Board for its determination. Equity Life Insurance requires that a balance of \$300 remain in an account prior to any withdrawals and in order to have an active certificate.

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**Note 12.       Firefighters' Relief and Pension Fund**

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The Volunteer Firefighters' Relief and pension Fund (VFRPF) is a defined contribution plan to provide pensions to volunteer firefighters only. State statute requires that after a volunteer firefighter has 20 years of service, he or she is entitled to a monthly pension, the amount of which is determined by the board of trustees of the VFRPF, not to exceed \$150, as determined by the board of trustees. If an employee resigns before completing 20 years of service, he or she is entitled to a refund of his or her contributions only. He or she is not entitled to any part of the employer's contributions, the amounts received from the State or earnings on any of the contributions. No contributions were made for the year ended June 30, 2021 as funds were available to provide for future benefits.

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**Note 13.       Risk Management**

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The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters.

The Town is a member of the Arizona Municipal Risk Retention Pool (AMRRP), a public entity risk pool currently operating as a common risk management and insurance program for Arizona municipalities. The Town pays an annual premium to AMRRP for its general insurance coverage. The Agreement for Formation of the AMRRP provides that AMRRP will be self-sustaining through member premiums and will reinsure through commercial companies for excess claims for each insured event.

The Town is also a member of the Arizona Municipal Workers Compensation Pool (AMWCP), a public entity risk pool. The pool provides member cities with workers' compensation coverage, as required by law, and risk management services. The Town is responsible for paying premiums based on an experience rating formula that allocates pool expenditures and liabilities among the members.

The Town carries commercial insurance for other risks of loss. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year nor the three prior years.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 14.           Contingent Liabilities and Significant Commitments**

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Federal grants: In the normal course of operations, the Town receives grant funds from various federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of audits of grant funds is not believed by Town officials to be material.

Litigation: The Town is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Each year, the Town may receive notices of claims for damages occurring. The filing of such claims commences a statutory period for initiating a lawsuit against the Town arising therefrom. The Town has comprehensive general liability insurance with Arizona Municipal Risk Retention Pool. The Town is not aware of any litigation that might result in a materially adverse outcome.

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**Note 15.           Adjustment to Beginning Net Position**

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During fiscal year 2021 it was determined that a liability to Lumen technologies had been inadvertently excluded from the government –wide statements. Therefore, beginning net position of the governmental activities was reduced by \$44,602 and the beginning balances of the long-term liabilities of the governmental activities were increased by this amount.

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**Note 16.           Subsequent Events**

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As of June 30, 2021, the Town had been approved for a \$1,770,000 Water Infrastructure Finance Authority Loan of which \$531,000 can be forgiven if certain requirements are met. This loan is to fund the clean closing of a wastewater lagoon system. As of June 30, 2021, no funds had been drawn down from the loan proceeds and no liability is included in the long-term liabilities as of that date.

**REQUIRED SUPPLEMENTARY INFORMATION**



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**TOWN OF HUACHUCA CITY, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Changes in the Net Pension/OPEB Liability and Related Ratios**  
**June 30, 2021**

	Reporting Fiscal Year (Measurement Date)						
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
<b>PSPRS - Pension</b>							
<b>Total pension liability</b>							
Service cost	\$ 47,409	\$ 60,962	\$ 64,002	\$ 77,901	\$ 76,816	\$ 69,307	\$ 51,492
Interest on total pension liability	81,502	91,300	88,347	82,472	64,911	45,503	35,530
Changes of benefit terms	-	-	-	19,415	111,340	-	(1,914)
Difference between expected and actual experience of the total net pension liability	320,342	(245,647)	(121,224)	(102,344)	(15,802)	128,678	19,856
Changes of assumptions	-	18,877	-	-	-	-	13,167
Benefit payments, including refunds of employee contributions	-	-	-	42,989	44,176	-	-
Net change in total pension liability	(38,162)	(20,377)	(19,976)	(18,497)	-	-	-
Total pension liability - beginning	411,091	(94,885)	11,149	101,936	281,441	243,488	118,131
Total pension liability - ending (a)	\$ 1,088,131	\$ 1,183,016	\$ 1,171,867	\$ 1,069,931	\$ 788,490	\$ 545,002	\$ 426,871
	\$ 1,499,222	\$ 1,088,131	\$ 1,183,016	\$ 1,171,867	\$ 1,069,931	\$ 788,490	\$ 545,002
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 54,503	\$ 60,931	\$ 78,110	\$ 59,415	\$ 65,465	\$ 66,642	\$ 66,189
Contributions - employee	20,694	20,201	24,618	35,965	41,048	37,135	33,116
Net investment income	12,533	48,166	54,497	80,385	3,376	13,985	31,663
Benefit payments, including refunds of employee contributions	(38,162)	(20,377)	(19,976)	(18,497)	-	-	-
Pension Plan Administrative Expense	(1,022)	(1,837)	(1,529)	(1,111)	(886)	(727)	-
Hall/Parker settlement	-	-	(51,583)	-	-	-	-
Other (net transfer)	-	(967)	7	(24,431)	33,985	79,324	(8,282)
Net change in plan fiduciary net position	48,546	106,117	84,144	131,726	142,988	196,359	122,686
Plan fiduciary net position - beginning	963,400	857,283	773,139	641,413	498,425	302,066	191,583
Plan fiduciary net position - ending (b)	\$ 1,011,946	\$ 963,400	\$ 857,283	\$ 773,139	\$ 641,413	\$ 498,425	\$ 314,269
<b>Net pension liability - ending (a) - (b)</b>	\$ 487,276	\$ 124,731	\$ 325,733	\$ 398,728	\$ 428,518	\$ 290,065	\$ 230,733
Plan fiduciary net position as a percentage of the total pension liability	67.50%	88.54%	72.47%	65.97%	59.95%	63.21%	57.66%
Covered valuation payroll	\$ 219,003	\$ 244,622	\$ 297,963	\$ 301,941	\$ 354,318	\$ 336,066	\$ 325,471
Net pension liability as a percentage of covered-employee payroll	222.50%	50.99%	109.32%	132.05%	120.94%	86.31%	70.89%

Note: The Town implemented GASB 68 in fiscal year 2015. Information prior to 2015 is not available.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Changes in the Net Pension/OPEB Liability and Related Ratios**  
**June 30, 2021**

	Reporting Fiscal Year (Measurement Date)		
	2021 (2020)	2020 (2019)	2018 (2017)
<b>PPSRS-Health Insurance Premium Benefit</b>			
<b>Total OPEB liability</b>			
Service cost	\$ 1,914	\$ 1,341	\$ 1,311
Interest on total OPEB liability	2,719	2,827	2,439
Changes of benefit terms*	-	-	38
Difference between expected and actual experience of the total net OPEB liability	(12,394)	(6,557)	804
Changes of assumptions or other inputs	-	358	-
Benefit payments	(7,761)	(2,031)	4,554
<b>Net change in total OPEB liability</b>	<u>34,824</u>	<u>36,855</u>	<u>32,301</u>
<b>Total OPEB liability - beginning</b>	<u>27,063</u>	<u>34,824</u>	<u>36,855</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 34,824</u>	<u>\$ 36,855</u>	<u>\$ 32,301</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 1,433	\$ 1,206	\$ 2,221
Contributions - employee	-	-	-
Net investment income	440	1,704	1,932
Benefit payments	-	-	-
Administrative expense	(36)	(29)	(24)
Other changes	-	967	-
<b>Net change in plan fiduciary net position</b>	<u>1,837</u>	<u>3,848</u>	<u>4,124</u>
<b>Plan fiduciary net position - beginning</b>	<u>34,727</u>	<u>30,879</u>	<u>26,755</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 36,564</u>	<u>\$ 34,727</u>	<u>\$ 26,755</u>
<b>Net OPEB liability - ending (a) - (b)</b>	<u>\$ (9,501)</u>	<u>\$ 97</u>	<u>\$ 5,546</u>
Plan fiduciary net position as a percentage of the total OPEB liability	135.11%	99.72%	83.79%
Covered employee payroll	\$ 219,003	\$ 244,622	\$ 297,963
Net OPEB liability as a percentage of covered-employee payroll	-4.34%	0.04%	2.01%
			\$ 301,941
			1.84%

Note: The Town implemented GASB 75 in fiscal year 2018. Information prior to 2018 is not available.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Pension/OPEB Contributions**  
**June 30, 2021**

	Reporting Fiscal Year (Measurement Date)						
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Actuarially determined contribution	\$ 54,503	\$ 60,931	\$ 78,110	\$ 59,415	\$ 65,465	\$ 66,642	\$ 66,189
Contributions in relation to the actuarially determined contribution	\$ (54,503)	\$ (60,931)	\$ (78,110)	\$ (59,415)	\$ (65,465)	\$ (66,642)	\$ (66,189)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 264,722	\$ 219,003	\$ 244,622	\$ 297,963	\$ 301,941	\$ 354,318	\$ 325,471
Contributions as a percentage of covered-employee payroll	20.59%	27.82%	31.93%	19.94%	21.68%	18.81%	20.34%

Note: The Town implemented GASB 68 in fiscal year 2015. Information prior to 2015 is not available.

**PSPRS-Health Insurance Premium Benefit**

	Reporting Fiscal Year (Measurement Date)			
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Actuarially determined contribution	\$ 1,433	\$ 1,206	\$ 2,221	\$ 2,862
Contributions in relation to the actuarially determined contribution	\$ (1,433)	\$ (1,206)	\$ (2,221)	\$ (2,862)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 264,722	\$ 219,003	\$ 244,622	\$ 297,963
Contributions as a percentage of covered-employee payroll	0.54%	0.55%	0.91%	0.96%

Note: The Town implemented GASB 75 in fiscal year 2018. Information prior to 2018 is not available.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Required Supplementary Information**  
**Notes to Pension/OPEB Plan Schedules**  
**June 30, 2021**

**Note 1. Actuarially Determined Contribution Rates**

Actuarially determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay, closed
Remaining amortization period as of the 2019 actuarial valuation	18 years
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%–8.0% to 3.5%–7.5% for PSPRS. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006–June 30, 2011.
Mortality	In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales.RP-2000 mortality table (adjusted by 105% for both males and females)

**Note 2. Factors that Affect Trends**

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.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Required Supplementary Information**  
**Notes to Pension/OPEB Plan Schedules**  
**June 30, 2021**

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**Note 2.            Factors that Affect Trends, Continued**

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These changes also increased the PSPRS required pension 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 in fiscal year 2019 for members who retired or will retire after the law's effective date. Also, the Town refunded excess employee contributions to PSPRS members. PSPRS allowed the Town to reduce its actual employer contributions for the refund amounts. As a result, the Town's pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULES**

**FOR THE FOLLOWING MAJOR FUNDS:**

- The **General Fund** is the Town's primary operating fund. It accounts for all financial resources of the general government, except for those accounted for in another fund.
- The **Streets Fund** accounts for the operation and maintenance of the Town's streets, rights of way and street lighting throughout the Town.



**TOWN OF HUACHUCA CITY, ARIZONA**  
**GENERAL FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes:				
City sales tax	\$ 328,787	\$ 328,787	\$ 345,694	\$ 16,907
Property taxes	105,326	105,326	89,574	(15,752)
Franchise taxes	21,300	21,300	16,655	(4,645)
Total taxes	<u>455,413</u> #	<u>455,413</u>	<u>451,923</u>	<u>(3,490)</u>
Fines and forfeitures	117,500	117,500	147,229	29,729
Licenses and permits	26,750	26,750	24,857	(1,893)
Intergovernmental:				
State sales tax	157,371	157,371	205,947	48,576
Auto lieu tax	110,974	110,974	109,635	(1,339)
Urban revenue sharing	248,099	248,099	248,099	-
Other Intergovernmental revenues	<u>2,810,000</u>	<u>2,810,000</u>	<u>129,390</u>	<u>(2,680,610)</u>
Total intergovernmental	<u>3,326,444</u>	<u>3,326,444</u>	<u>693,071</u>	<u>(2,633,373)</u>
Charges for services	56,000	56,000	14,709	(41,291)
Investment earnings	40,000	40,000	26,601	(13,399)
Other revenues:				
Landfill land lease	702,955	702,955	571,193	(131,762)
Contributions	15,000	15,000	5,359	(9,641)
Miscellaneous	<u>331,864</u>	<u>331,864</u>	<u>35,642</u>	<u>(296,222)</u>
Total other revenues	<u>1,049,819</u>	<u>1,049,819</u>	<u>612,194</u>	<u>(437,625)</u>
<b>Total revenues</b>	<u>5,071,926</u>	<u>5,071,926</u>	<u>1,970,584</u>	<u>(3,101,342)</u>
<b>EXPENDITURES:</b>				
General government				
Mayor and council	60,550	60,550	69,174	(8,624)
Administration	916,315	916,315	325,297	591,018
Information systems	71,545	71,545	38,062	33,483
Animal shelter	5,000	5,000	-	5,000
Public works administration	71,602	71,602	77,629	(6,027)
City bus	127,700	127,700	12,049	115,651
Building inspector	<u>66,620</u>	<u>66,620</u>	<u>58,737</u>	<u>7,883</u>
Total general government	<u>1,319,332</u>	<u>1,319,332</u>	<u>580,948</u>	<u>738,384</u>

(Continued)

**TOWN OF HUACHUCA CITY, ARIZONA**  
**GENERAL FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Public safety</b>				
Police department	753,176	753,176	645,847	107,329
Fire department	425,200	425,200	223,547	201,653
City magistrate	71,218	71,218	70,472	746
Total public safety	<u>1,249,594</u>	<u>1,249,594</u>	<u>939,866</u>	<u>309,728</u>
<b>Culture and recreation</b>				
Parks	12,260	12,260	8,535	3,725
Swimming pool	25,902	25,902	27,770	(1,868)
Library	323,948	323,948	134,147	189,801
Senior citizens' center	57,000	57,000	3,929	53,071
Total culture and recreation	<u>419,110</u>	<u>419,110</u>	<u>174,381</u>	<u>244,729</u>
Capital outlay	2,062,690	2,062,690	250,677	1,812,013
Debt service:				
Principal	31,154	31,154	48,367	(17,213)
Interest	20,046	20,046	20,046	-
Total debt service	<u>2,113,890</u>	<u>2,113,890</u>	<u>319,090</u>	<u>1,794,800</u>
<b>Total expenditures</b>	<u>5,101,926</u>	<u>5,101,926</u>	<u>2,014,285</u>	<u>3,087,641</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(30,000)</u>	<u>(30,000)</u>	<u>(43,701)</u>	<u>(13,701)</u>
<b>Other financing sources (uses):</b>				
Debt proceeds	-	-	124,864	124,864
Sale of capital assets	20,000	20,000	30,984	10,984
Gain/(loss) on investments	10,000	10,000	10,511	511
Transfer from other funds	-	-	2,855	2,855
Transfer to other funds	-	-	(8,542)	(8,542)
<b>Total other financing sources (uses)</b>	<u>30,000</u>	<u>30,000</u>	<u>160,672</u>	<u>130,672</u>
<b>Net change in fund balance</b>	-	-	116,971	116,971
Fund balance, beginning of year	<u>(1,922,948)</u>	<u>(1,922,948)</u>	<u>(1,922,948)</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ (1,922,948)</u>	<u>\$ (1,922,948)</u>	<u>\$ (1,805,977)</u>	<u>\$ 116,971</u>

**TOWN OF HUACHUCA CITY, ARIZONA**  
**STREETS FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Intergovernmental	\$ 329,125	\$ 329,125	\$ 165,953	\$ (163,172)
Miscellaneous	100	100	-	(100)
<b>Total revenues</b>	<u>329,225</u>	<u>329,225</u>	<u>165,953</u>	<u>(163,172)</u>
<b>EXPENDITURES:</b>				
Streets	303,500	303,500	10,323	293,177
Capital outlay	25,725	25,725	-	25,725
<b>Total expenditures</b>	<u>329,225</u>	<u>329,225</u>	<u>10,323</u>	<u>318,902</u>
<b>Excess of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>155,630</u>	<u>155,630</u>
<b>Net change in fund balance</b>	-	-	155,630	155,630
Fund balance, beginning of year	<u>1,166,232</u>	<u>1,166,232</u>	<u>1,166,232</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 1,166,232</u></u>	<u><u>\$ 1,166,232</u></u>	<u><u>\$ 1,321,862</u></u>	<u><u>\$ 155,630</u></u>

**SUPPLEMENTARY INFORMATION**  
**COMBINING STATEMENTS AND**  
**BUDGETARY COMPARISON SCHEDULES**  
**NON-MAJOR GOVERNMENTAL FUNDS**

**Special Revenue Funds**

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose.

- The **Police Grants Fund** is used to account for federal and state grants and contributions that are restricted for police.
- The **Grant Opportunity Fund** is used to account for federal and state grants and other contributions that are restricted for specific use.
- The **Library Grant Fund** is used to account for federal and state grants and contributions that are restricted for the library's use.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2021**

	Special Revenue Funds			Total
ASSETS	Police Grants	Grant Opportunity	Library Grant	Non-major Funds
Cash and investments	\$ -	\$ 3,541	\$ -	\$ 3,541
Receivables:				
Intergovernmental	2,384	-	-	2,384
Total assets	\$ 2,384	\$ 3,541	\$ -	\$ 5,925
<b>LIABILITIES</b>				
Liabilities:				
Due to other funds	\$ 2,384	\$ -	\$ -	\$ 2,384
Total liabilities	2,384	-	-	2,384
<b>FUND BALANCES</b>				
Restricted for:				
Culture and recreation	-	3,541	-	3,541
Total fund balances (deficit)	-	3,541	-	3,541
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,384	\$ 3,541	\$ -	\$ 5,925

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2021**

	Special Revenue Funds				Total Non-major Funds
	Police Grants	Grant Opportunity	Library Grant		
<b>REVENUES</b>					
Intergovernmental revenue	\$ 17,127	\$ 210,305	-	-	\$ 227,432
<b>Total revenues</b>	<u>17,127</u>	<u>210,305</u>	<u>-</u>	<u>-</u>	<u>227,432</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	25,669	199,305	-	-	224,974
Community development	-	11,000	-	-	11,000
Culture and recreation	-	199	-	-	199
<b>Total expenditures</b>	<u>25,669</u>	<u>210,504</u>	<u>-</u>	<u>-</u>	<u>236,173</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(8,542)</u>	<u>(199)</u>	<u>-</u>	<u>-</u>	<u>(8,741)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	-	-	(2,855)	-	(2,855)
Transfers in	8,542	-	-	-	8,542
<b>Total other financing sources (uses)</b>	<u>8,542</u>	<u>-</u>	<u>(2,855)</u>	<u>-</u>	<u>5,687</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>(199)</u>	<u>(2,855)</u>	<u>(3,054)</u>	<u>(3,054)</u>
Fund balances (deficits), beginning of year	-	3,740	2,855	-	6,595
<b>Fund balances (deficits), end of year</b>	<u>\$ -</u>	<u>\$ 3,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,541</u>

**TOWN OF HUACHUCA CITY, ARIZONA**  
**POLICE GRANTS**  
**SPECIAL REVENUE FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<b>REVENUES</b>				
Intergovernmental revenue	\$ 185,000	\$ 185,000	\$ 17,127	\$ (167,873)
<b>Total revenues</b>	<u>185,000</u>	<u>185,000</u>	<u>17,127</u>	<u>(167,873)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	185,000	185,000	25,669	159,331
<b>Total expenditures</b>	<u>185,000</u>	<u>185,000</u>	<u>25,669</u>	<u>159,331</u>
<b>Excess of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>(8,542)</u>	<u>(8,542)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	8,542	8,542
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>8,542</u>	<u>8,542</u>
<b>Net change in fund balances</b>	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWN OF HUACHUCA CITY, ARIZONA**  
**GRANT OPPORTUNITY**  
**SPECIAL REVENUE FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<b>REVENUES</b>				
Intergovernmental revenue	\$ 250,000	\$ 250,000	\$ 210,305	\$ (39,695)
Contributions	6,000	6,000	-	(6,000)
<b>Total revenues</b>	<u>256,000</u>	<u>256,000</u>	<u>210,305</u>	<u>(45,695)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	-	-	199,305	(199,305)
Community development	-	-	11,000	(11,000)
Culture and recreation	6,000	6,000	199	5,801
<b>Total expenditures</b>	<u>6,000</u>	<u>6,000</u>	<u>210,504</u>	<u>(204,504)</u>
<b>Excess of revenues over (under) expenditures</b>	<u>250,000</u>	<u>250,000</u>	<u>(199)</u>	<u>(250,199)</u>
Fund balance, beginning of year	<u>3,740</u>	<u>3,740</u>	<u>3,740</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 253,740</u>	<u>\$ 253,740</u>	<u>\$ 3,541</u>	<u>\$ (250,199)</u>



**TOWN OF HUACHUCA CITY, ARIZONA**  
**LIBRARY GRANT**  
**SPECIAL REVENUE FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
<b>Total revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
<b>Total expenditures</b>	-	-	-	-
<b>Excess of revenues over (under) expenditures</b>	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(2,855)	2,855
<b>Total other financing sources (uses)</b>	-	-	(2,855)	2,855
<b>Net change in fund balances</b>	-	-	(2,855)	2,855
<b>Fund balance, beginning of year</b>	2,855	2,855	2,855	-
<b>Fund balance, end of year</b>	\$ 2,855	\$ 2,855	\$ -	\$ 2,855

**OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS**



**HINTONBURDICK**  
CPAs & ADVISORS

**Independent Auditors' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

The Honorable Mayor and  
Town Council  
Town of Huachuca City, Arizona

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Huachuca City, Arizona as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Huachuca City, Arizona's basic financial statements, and have issued our report thereon dated November 7, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Huachuca City, Arizona's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Huachuca City, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Huachuca City, Arizona's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control that we consider to be significant deficiencies.

2018-002      Misstatements and Reconciliations (reissued)

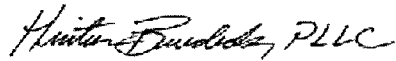
## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Huachuca City, Arizona's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

2018-003      General Fund Deficit and Interfund Payables (reissued)

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HintonBurdick, PLLC  
Gilbert, Arizona  
November 7, 2022



**HINTONBURDICK**  
CPA & ADVISORS

**Independent Auditors' Report on  
State Legal Compliance**

The Honorable Mayor and  
Town Council  
Town of Huachuca City, Arizona

We have audited the basic financial statements of the Town of Huachuca City, Arizona for the year ended June 30, 2021, and have issued our report thereon dated November 7, 2022. Our audit also included test work on the Town of Huachuca City's compliance with selected requirements identified in the State of Arizona Revised Statutes and the Arizona State Constitution including, but not limited to, Title 28, Chapter 18, Article 2.

The management of the Town of Huachuca City is responsible for the Town's compliance with all requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit; accordingly, we make the following statements:

The Town of Huachuca City has established separate funds to account for Highway User Revenue funds and Local Transportation Assistance funds. Highway user revenue fund monies received by the Town of Huachuca City pursuant to Title 28, Chapter 18, Article 2 and other dedicated state transportation revenues received during the current fiscal year appear to have been used solely for authorized purposes. The funds are administered in accordance with Generally Accepted Accounting Principles. Sources of revenues available and fund balances are reflected in the individual fund financial statements.

Our opinion regarding the Town's compliance with annual expenditure limitations has been issued separately with the Town's Annual Expenditure Limitation Report.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Town of Huachuca City complied, in all material respects, with the requirements identified above for the year ended June 30, 2021.

The purpose of this report is solely to describe the scope of our testing of the applicable compliance requirements identified in the Arizona Revised Statutes as noted above and the results of that testing based on the state requirements. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC  
Gilbert, Arizona  
November 7, 2022

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**HINTONBURDICK**  
CPAs & ADVISORS

**Findings and Recommendations  
For the Year Ended June 30, 2021**

The Honorable Mayor and  
Town Council  
Town of Huachuca City, Arizona

Professional standards require that we communicate, in writing, deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. We wish to commend the Town for their achievements with the Town's accounting and budgeting system. During our audit of the Town of Huachuca City, Arizona, for the fiscal year ended June 30, 2021, we noted a few areas needing corrective action in order for the Town to be in compliance with laws and regulations and we found a few circumstances that, if improved, would strengthen the Town's accounting system and control over its assets. These items are discussed below for your consideration.

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

**Material Weaknesses:**

None noted

**Significant Deficiencies:**

2018-002. Misstatements and Reconciliations (reissued)

**Criteria:** Auditing standards indicate that the identification by the auditor of misstatements in the financial statements may be a deficiency in the Town's internal controls.

**Condition:** Accruals and adjustments to the general ledger were required that were not initially identified by the Town's internal controls. Furthermore, we noted reconciliations for some general ledger accounts, including receivables, and payables are not being accurately and/or timely performed, which is contributing to the misstatements. We have provided additional details on reconciliation issues in a separate communication to management.

**Cause:** Timing restraints and/or size of finance department may be the cause for various adjustments. Procedures for year-end adjustments may also need to be revised or improved in order to properly identify certain adjustments.

**Effect:** The Town's financial statements would not have been fairly stated in all material respects without the proposed adjustments.

**Recommendation:** We recommend that management review and understand the adjustments proposed by the auditor. We also recommend that the Town continue to develop a plan to ensure that all significant and material adjustments are posted to the general ledger before the annual audit takes place. The plan should address the need to perform accurate and timely reconciliations of various general ledger accounts. The Town should continue to improve its internal controls to a level where they will identify significant misstatements.

**Control Deficiencies:**

None noted

**COMPLIANCE AND OTHER MATTERS:**

**Compliance:**

2018-003. General Fund Deficit and Interfund Payables (reissued)

**Criteria:** Governments are required to maintain positive fund balance

**Condition:** The General Fund reported a fund deficit of \$1,805,977 at June 30, 2021. Cash has been borrowed from other Funds to cover shortfalls. The outstanding payable to the other funds was \$2,213,281 as of June 30, 2021.

**Cause:** The deficit is a result of expenditures exceeding revenues in prior years.

**Effect:** The Town is not in compliance with State law.

**Recommendations:** We recommend the Town work to ensure fund deficits are avoided and interfund payables are repaid as soon as possible. We do recognize the deficit fund balance was reduced by \$116,971 in fiscal year 2021.

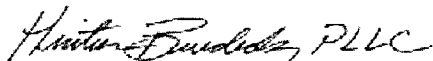
**Other Matters:**

None noted

Please respond to the above findings and recommendations in letter form.

It has been a pleasure to be of service to the Town this past year. We would like to express special thanks to all those who assisted us so efficiently in this year's audit. We invite you to ask questions of us throughout the year as you feel necessary. We look forward to a continued professional relationship.

Sincerely,



HintonBurdick, PLLC  
Gilbert, Arizona  
November 7, 2022





**HINTON BURDICK**  
CPAs & ADVISORS

To the Honorable Mayor and Town Council  
Town of Huachuca City, Arizona

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Huachuca City, Arizona for the year ended June 30, 2021, and have issued our report thereon dated November 7, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 14, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during fiscal year 2021.

We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of depreciation expense is based on the assigned depreciation lives.

Management's estimate of the allowance for doubtful accounts is based on percentages of outstanding receivable balances in the accounts receivable aging report at year end.

Management's estimate of the compensated absences accrual is based on current pay rates and accrued vacation pay hours.

We evaluated the key factors and assumptions used to develop the accounting estimates above in determining that they are reasonable in relation to the financial statements taken as a whole.

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, management's estimates have been determined on the same basis as they are reported by the Public Safety Personnel Retirement System (PSPRS).

The Town's PSPRS net pension/OPEB liability was measured as of June 30, 2020, and the total pension/OPEB liability used to calculate the net pension/OPEB liability was determined by an actuarial valuation as of that date. The key factors and assumptions used to develop the valuation and the accrual appear reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users such as long-term liabilities footnote number 8. The disclosures in the financial statements should be neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit. The change in the Town's accounting system did result in some difficulties and delays in performing this year's audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. All of the significant misstatements detected as a result of audit procedures have been corrected by management and accounting personnel have a list of all audit adjustments proposed by us. A list of adjustments has been provided to management.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 7, 2022.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, the Public Safety Personnel Retirement System schedule of funding progress and the budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements, which accompany the financial statements but are not RSI. With respect to the supplementary information, accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restricted on Use

This information is intended solely for the use of Town council and management of the Town and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Hinton Burdick, PLLC". The signature is written in a cursive, flowing style.

HintonBurdick, PLLC

Gilbert, Arizona

November 7, 2022

TOWN OF HUACHUCA CITY  
REVENUES WITH COMPARISON TO BUDGET  
FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>TAXES</u>					
10-31-100 AUTO LIEU TAX	8,135.03	28,926.44	109,768.00	80,841.56	26.4
10-31-200 REAL PROPERTY TAXES	4,146.78	10,206.84	99,754.00	89,547.16	10.2
10-31-240 FRANCHISE TAXES	1,768.79	3,374.70	20,604.00	17,229.30	16.4
10-31-250 CITY SALES TAXES	24,674.62	104,278.95	345,450.00	241,171.05	30.2
10-31-260 STATE SALES TAXES	18,979.20	65,655.69	232,737.00	167,081.31	28.2
<b>TOTAL TAXES</b>	<b>57,704.42</b>	<b>212,442.62</b>	<b>808,313.00</b>	<b>595,870.38</b>	<b>26.3</b>
<u>LICENSES AND PERMITS</u>					
10-32-100 BUILDING PERMITS	633.65	3,418.50	11,000.00	7,581.50	31.1
10-32-110 BUSINESS LICENSES	150.00	750.00	10,000.00	9,250.00	7.5
10-32-120 P&Z FEES	.00	.00	3,100.00	3,100.00	.0
<b>TOTAL LICENSES AND PERMITS</b>	<b>783.65</b>	<b>4,168.50</b>	<b>24,100.00</b>	<b>19,931.50</b>	<b>17.3</b>
<u>INTERGOVERNMENTAL REVENUE</u>					
10-33-100 STATE REVENUE SHARING	25,672.94	102,691.76	313,832.00	211,140.24	32.7
<b>TOTAL INTERGOVERNMENTAL REVENUE</b>	<b>25,672.94</b>	<b>102,691.76</b>	<b>313,832.00</b>	<b>211,140.24</b>	<b>32.7</b>
<u>CHARGES FOR SERVICE</u>					
10-34-140 AUCTION PROCEEDS	.00	.00	60,000.00	60,000.00	.0
10-34-160 ANIMAL CONTROL FEES/FINES	8.00	328.00	700.00	372.00	46.9
10-34-170 ADMIN GARBAGE FEES	.00	.00	10,000.00	10,000.00	.0
10-34-530 CITY BUS FEES/DONATIONS	43.00	411.60	1,500.00	1,088.40	27.4
<b>TOTAL CHARGES FOR SERVICE</b>	<b>51.00</b>	<b>739.60</b>	<b>72,200.00</b>	<b>71,460.40</b>	<b>1.0</b>
<u>FINES</u>					
10-35-100 POLICE FINES	5,796.51	19,566.42	105,000.00	85,433.58	18.6
10-35-110 IMPOUND FEES	499.00	1,084.00	7,500.00	6,416.00	14.5
10-35-112 TOWING FEES	255.00	714.00	3,500.00	2,786.00	20.4
10-35-120 LIBRARY FEES & FINES	119.45	487.08	2,200.00	1,712.92	22.1
10-35-125 IMPUND ADMIN FEES	300.00	300.00	4,000.00	3,700.00	7.5
<b>TOTAL FINES</b>	<b>6,969.96</b>	<b>22,151.50</b>	<b>122,200.00</b>	<b>100,048.50</b>	<b>18.1</b>

TOWN OF HUACHUCA CITY  
REVENUES WITH COMPARISON TO BUDGET  
FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>MISCELLANEOUS REVENUE</u>					
10-36-100 INTEREST	467.09	13,623.81	31,000.00	17,376.19	44.0
10-36-200 UNREALIZED GAIN	( 4,542.85)	( 15,975.86)	10,000.00	25,975.86	(159.8)
10-36-300 MISC. POLICE REVENUE	3.80	7.60	6,000.00	5,992.40	.1
10-36-400 SALE OF FIXED ASSETS	.00	.00	50,000.00	50,000.00	.0
10-36-500 PARKS & REC FACILITY RENTAL	50.00	573.00	1,500.00	927.00	38.2
10-36-515 SUMMER SPLASH REVENUE	.00	790.00	3,000.00	2,210.00	26.3
10-36-900 MISCELLANEOUS	510.00	3,391.98	10,000.00	6,608.02	33.9
10-36-902 WORKERS' COMP REIMBURSEMENTS	.00	.00	1,000.00	1,000.00	.0
10-36-903 DIESEL SALES (FIRE, SCHOOL)	.00	5,923.57	.00	( 5,923.57)	.0
10-36-904 WILDLAND REVENUE	.00	.00	3,000.00	3,000.00	.0
10-36-910 LANDFILL LAND LEASE	58,500.00	234,000.00	702,000.00	468,000.00	33.3
10-36-950 RICO REVENUE(ASSET FORFEITURE)	.00	.00	10,000.00	10,000.00	.0
10-36-966 BUILDING LEASE RENT	.00	.00	15,000.00	15,000.00	.0
10-36-970 WF SAVINGS TRANSFER IN	.00	.00	60,000.00	60,000.00	.0
10-36-971 TOWER LEASE	.00	.00	1.00	1.00	.0
10-36-990 MUFFIN MONSTER REPAYMENT	.00	.00	3,500.00	3,500.00	.0
10-36-999 DAILY CASH REC OVER/SHORT ACCT	.00	.00	100.00	100.00	.0
<b>TOTAL MISCELLANEOUS REVENUE</b>	<b>54,988.04</b>	<b>242,334.10</b>	<b>906,101.00</b>	<b>663,766.90</b>	<b>26.7</b>
<u>TOWN GRANTS</u>					
10-37-165 DONATIONS - ANIMAL CONTROL	.00	.00	1,000.00	1,000.00	.0
10-37-456 DONATIONS - LIBRARY	.00	627.00	3,000.00	2,373.00	20.9
10-37-457 LIBRARY GRANT	.00	6,250.00	50,000.00	43,750.00	12.5
10-37-458 SENIOR CENTER GRANT	.00	.00	25,000.00	25,000.00	.0
10-37-459 SUMMER SPLASH DONATION	.00	720.00	5,000.00	4,280.00	14.4
10-37-467 POLICE DONATIONS	10.00	10.00	5,000.00	4,990.00	.2
10-37-480 SUMMER SPLASH GRANT	.00	.00	5,000.00	5,000.00	.0
10-37-906 GRANTS - POLICE AZDOHS	.00	.00	250,000.00	250,000.00	.0
10-37-908 GRANTS - IT	.00	.00	15,000.00	15,000.00	.0
10-37-909 BUILDING REGULATION GRANT	.00	.00	10,000.00	10,000.00	.0
10-37-911 GRANTS - POLICE AZGOHS	.00	316.72	100,000.00	99,683.28	.3
10-37-913 USDA EQUIPMENT GRANT	.00	.00	60,000.00	60,000.00	.0
10-37-919 CITY BUS GRANT	.00	.00	100,000.00	100,000.00	.0
10-37-920 GENERAL ADMIN GRANT	.00	.00	50,000.00	50,000.00	.0
10-37-921 POLICE GRANT	.00	.00	180,000.00	180,000.00	.0
10-37-925 MISC GRANTS	.00	( 16,944.35)	150,000.00	166,944.35	( 11.3)
10-37-963 E-RATE	.00	.00	25,000.00	25,000.00	.0
10-37-965 SCBA GRANT	.00	.00	200,000.00	200,000.00	.0
10-37-968 PUBLIC WORKS GRANT	.00	.00	20,000.00	20,000.00	.0
10-37-969 COURT GRANT	.00	.00	10,000.00	10,000.00	.0
10-37-970 BACK TO SCHOOL DONATIONS	.00	1,225.00	5,000.00	3,775.00	24.5
10-37-971 COMMUNITY EVENTS DONATIONS	.00	.00	2,000.00	2,000.00	.0
<b>TOTAL TOWN GRANTS</b>	<b>10.00</b>	<b>( 7,795.63)</b>	<b>1,271,000.00</b>	<b>1,278,795.63</b>	<b>( .6)</b>

TOWN OF HUACHUCA CITY  
 REVENUES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
TOTAL FUND REVENUE	146,180.01	576,732.45	3,517,746.00	2,941,013.55	16.4

TOWN OF HUACHUCA CITY  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>COUNCIL</u>					
10-42-100 PERSONNEL SERVICES	1,800.00	4,500.00	11,000.00	6,500.00	40.9
10-42-130 EMPLOYEE BENEFITS	142.06	355.15	950.00	594.85	37.4
10-42-220 ATTORNEY FEES	5,545.00	5,545.00	45,000.00	39,455.00	12.3
10-42-290 OFFICE SUPPLIES	.00	.00	800.00	800.00	.0
10-42-530 COMMUNITY RELATIONS	.00	.00	300.00	300.00	.0
10-42-640 MEMBERSHIPS	.00	5,772.00	8,000.00	2,228.00	72.2
10-42-660 TRAVEL AND TRAINING	.00	.00	2,000.00	2,000.00	.0
<b>TOTAL COUNCIL</b>	<b>7,487.06</b>	<b>16,172.15</b>	<b>68,050.00</b>	<b>51,877.85</b>	<b>23.8</b>
<u>GENERAL ADMINISTRATION</u>					
10-43-100 PERSONNEL SERVICES	15,949.85	48,694.68	141,107.20	92,412.52	34.5
10-43-102 NEW HIRE	69.00	103.50	2,300.00	2,196.50	4.5
10-43-105 OVERTIME	.76	20.70	100.00	79.30	20.7
10-43-122 MISCELLANEOUS	1,088.48	1,143.44	500.00	( 643.44)	228.7
10-43-130 EMPLOYEE BENEFITS	2,719.86	8,725.89	33,620.00	24,894.11	26.0
10-43-250 ADVERTISING	.00	1,307.69	5,000.00	3,692.31	26.2
10-43-271 TELEPHONE	300.89	1,403.02	5,000.00	3,596.98	28.1
10-43-280 INSURANCE	34.45	2,603.35	13,750.00	11,146.65	18.9
10-43-290 OFFICE SUPPLIES	.00	883.79	.00	( 883.79)	.0
10-43-300 PRINTING	54.56	91.17	750.00	658.83	12.2
10-43-340 UTILITIES	1,339.19	4,849.89	9,500.00	4,650.11	51.1
10-43-366 INMATE LABOR	36.00	424.08	1,800.00	1,375.92	23.6
10-43-440 POSTAGE	.00	190.37	900.00	709.63	21.2
10-43-460 SUPPLIES	.00	628.00	6,000.00	5,372.00	10.5
10-43-462 PEST CONTROL	.00	.00	468.00	468.00	.0
10-43-470 VEHICLE EXPENSE	.00	.00	1,000.00	1,000.00	.0
10-43-475 FUEL EXPENSE	.00	.00	800.00	800.00	.0
10-43-480 COMPUTER EXPENSE	201.00	402.00	6,000.00	5,598.00	6.7
10-43-610 EQUIPMENT MAINTENANCE	.00	21.10	100.00	78.90	21.1
10-43-640 MEMBERSHIP	.00	1,000.00	1,660.00	660.00	60.2
10-43-650 AUDIT	.00	.00	45,000.00	45,000.00	.0
10-43-660 TRAVEL AND TRAINING	.00	( 444.00)	4,500.00	4,944.00	( 9.9)
10-43-690 ELECTION SUPPLIES	.00	.00	1,000.00	1,000.00	.0
10-43-703 CODIFYING/DIGITIZING	.00	.00	3,000.00	3,000.00	.0
10-43-704 HUNT PROJECT	.00	.00	50,000.00	50,000.00	.0
10-43-705 DEBT:CAP LEASE EXP (830 AZ ST)	407.91	27,139.41	34,000.00	6,860.59	79.8
10-43-840 CAPITAL OUTLAY - EQUIPMENT	167.60	502.80	2,011.00	1,508.20	25.0
10-43-841 CAPITAL OUTLAY - PROJECTS	.00	.00	10,000.00	10,000.00	.0
10-43-850 DEBT: HURF REPAYMENT	.00	.00	3,000.00	3,000.00	.0
10-43-960 TRANSFER TO SAVINGS	.00	.00	104,297.94	104,297.94	.0
<b>TOTAL GENERAL ADMINISTRATION</b>	<b>22,369.55</b>	<b>99,690.88</b>	<b>487,164.14</b>	<b>387,473.26</b>	<b>20.5</b>

TOWN OF HUACHUCA CITY  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>MAGISTRATE</u>					
10-45-100 PERSONNEL SERVICES	2,777.34	8,010.13	24,048.00	16,037.87	33.3
10-45-105 OVERTIME	8.27	97.95	250.00	152.05	39.2
10-45-120 PROSECUTION FEES	1,622.00	1,622.00	9,000.00	7,378.00	18.0
10-45-130 EMPLOYEE BENEFITS	705.10	2,169.71	8,766.00	6,596.29	24.8
10-45-221 COURT APPT ATTORNEYS	.00	1,700.00	7,000.00	5,300.00	24.3
10-45-250 CONTRACT LABOR-PRO TEM	.00	300.00	800.00	500.00	37.5
10-45-290 OFFICE SUPPLIES	.00	.00	500.00	500.00	.0
10-45-360 CONTRACT LABOR-JUDGE	2,100.00	5,250.00	14,400.00	9,150.00	36.5
10-45-361 CONTRACT LABOR - SECURITY	.00	135.00	.00	( 135.00)	.0
10-45-480 COMPUTER EXPENSE	1,211.52	1,211.52	2,500.00	1,288.48	48.5
10-45-650 AUDIT	.00	.00	4,000.00	4,000.00	.0
10-45-660 TRAVEL/TRAINING	34.65	34.65	2,000.00	1,965.35	1.7
10-45-810 JAIL FEES	.00	318.06	.00	( 318.06)	.0
<b>TOTAL MAGISTRATE</b>	<b>8,458.88</b>	<b>20,849.02</b>	<b>73,264.00</b>	<b>52,414.98</b>	<b>28.5</b>
<u>IT</u>					
10-48-100 PERSONNEL SERVICES	.00	.00	15,600.00	15,600.00	.0
10-48-101 CONTRACT LABOR	.00	.00	7,000.00	7,000.00	.0
10-48-130 EMPLOYEE BENEFITS	.00	.00	1,290.00	1,290.00	.0
10-48-210 SUBSCRIPTIONS	1,824.12	1,918.23	29,000.00	27,081.77	6.6
10-48-275 CELL PHONE	1,402.38	5,758.62	16,800.00	11,041.38	34.3
10-48-450 EQUIPMENT	.00	.00	7,500.00	7,500.00	.0
10-48-481 INTERNET	1,124.85	4,499.40	13,000.00	8,500.60	34.6
10-48-804 SOFTWARE LICENSING	.00	402.00	2,462.00	2,060.00	16.3
<b>TOTAL IT</b>	<b>4,351.35</b>	<b>12,578.25</b>	<b>92,652.00</b>	<b>80,073.75</b>	<b>13.6</b>



TOWN OF HUACHUCA CITY  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>POLICE</u>					
10-51-100 PERSONNEL SERVICES	37,294.78	114,015.45	314,652.00	200,636.55	36.2
10-51-105 OVERTIME	2,216.59	6,500.51	13,000.00	6,499.49	50.0
10-51-110 UNIFORM EXPENSE	325.00	1,125.00	3,600.00	2,475.00	31.3
10-51-130 EMPLOYEE BENEFITS	6,943.90	24,533.30	109,046.00	84,512.70	22.5
10-51-135 PUBLIC SAFETY RETIREMENT	7,674.28	24,670.86	62,507.00	37,836.14	39.5
10-51-222 SEACOM/CCSO CONTRACT	20,487.50	20,487.50	81,950.00	61,462.50	25.0
10-51-230 PROFESSIONAL SERVICES	.00	290.00	1,500.00	1,210.00	19.3
10-51-231 PSPRS ATTORNEY	108.00	108.00	4,500.00	4,392.00	2.4
10-51-271 TELEPHONE	188.25	768.48	3,500.00	2,731.52	22.0
10-51-290 OFFICE SUPPLIES	.00	831.99	1,000.00	168.01	83.2
10-51-295 PRINTING	53.50	258.77	1,000.00	741.23	25.9
10-51-340 UTILITIES	433.77	1,666.43	6,711.03	5,044.60	24.8
10-51-366 INMATE LABOR	4.00	35.29	.00	( 35.29)	.0
10-51-430 HUMANE SUPPLIES	.00	207.15	.00	( 207.15)	.0
10-51-460 MAINTENANCE AND SUPPLIES	.00	587.46	1,500.00	912.54	39.2
10-51-462 PEST CONTROL	.00	146.00	468.00	322.00	31.2
10-51-463 MEDICINE/VACCINE	.00	.00	500.00	500.00	.0
10-51-466 WEAPONS AND AMMUNITION	.00	.00	2,000.00	2,000.00	.0
10-51-467 SV CONTRACT PAYMENT	.00	.00	6,000.00	6,000.00	.0
10-51-470 VEHICLE EXPENSE	95.00	3,891.26	5,000.00	1,108.74	77.8
10-51-475 POLICE FUEL EXPENSE	.00	.00	13,400.00	13,400.00	.0
10-51-505 VEHICLE IMPOUND FEE	411.00	671.00	3,000.00	2,329.00	22.4
10-51-510 IMPOUND ADMIN	.00	( 600.00)	.00	600.00	.0
10-51-620 EQUIP REPAIR AND MAINTENANCE	.00	809.39	1,400.00	590.61	57.8
10-51-640 MEMBERSHIP	.00	.00	725.00	725.00	.0
10-51-660 TRAVEL AND TRAINING	1,905.00	1,997.00	12,000.00	10,003.00	16.6
10-51-665 COMMUNITY RELATIONS	.00	.00	1,000.00	1,000.00	.0
10-51-705 CAPITAL LEASE	67.87	203.61	1,200.00	996.39	17.0
10-51-804 SOFTWARE LICENSING	.00	.00	9,700.00	9,700.00	.0
10-51-810 JAIL FEES	.00	.00	4,000.00	4,000.00	.0
10-51-841 VEHICLE LEASE	.00	.00	26,994.00	26,994.00	.0
10-51-850 NEW EQUIPMENT	.00	.00	1,000.00	1,000.00	.0
10-51-856 BODY WORN CAMERA PROG.	.00	.00	7,499.00	7,499.00	.0
10-51-950 RICO (ASSET FORFEITURE)	.00	.00	10,000.00	10,000.00	.0
<b>TOTAL POLICE</b>	<b>78,208.44</b>	<b>203,204.45</b>	<b>710,352.03</b>	<b>507,147.58</b>	<b>28.6</b>

TOWN OF HUACHUCA CITY  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>FIRE</u>					
10-53-100 PERSONNEL SERVICES	700.00	7,650.00	30,000.00	22,350.00	25.5
10-53-130 EMPLOYEE BENEFITS	78.75	860.64	4,000.00	3,139.36	21.5
10-53-340 UTILITIES	433.78	1,754.42	6,711.00	4,956.58	26.1
10-53-360 FIRE SERVICES	90,800.25	90,800.25	360,000.00	269,199.75	25.2
10-53-450 EQUIPMENT/SUPPLIES	.00	1,226.71	10,000.00	8,773.29	12.3
10-53-470 VEHICLE EXPENSE	.00	897.60	2,000.00	1,102.40	44.9
10-53-475 FUEL EXPENSE	.00	.00	2,000.00	2,000.00	.0
10-53-516 PRESUMPTIVE CANCER COVERAGE	.00	4,179.21	5,000.00	820.79	83.6
10-53-610 EQUIPMENT MAINTENANCE	.00	.00	5,000.00	5,000.00	.0
<b>TOTAL FIRE</b>	<b>92,012.78</b>	<b>107,368.83</b>	<b>424,711.00</b>	<b>317,342.17</b>	<b>25.3</b>
<u>BUILDING REGULATION</u>					
10-54-360 CONTRACT LABOR	8,804.79	13,204.79	55,000.00	41,795.21	24.0
10-54-760 BLDG REGULATION SUPPLIES	.00	.00	1,000.00	1,000.00	.0
10-54-801 ABATEMENT	.00	.00	12,000.00	12,000.00	.0
<b>TOTAL BUILDING REGULATION</b>	<b>8,804.79</b>	<b>13,204.79</b>	<b>68,000.00</b>	<b>54,795.21</b>	<b>19.4</b>
<u>PUBLIC WORKS</u>					
10-57-100 PERSONNEL SERVICES	1,413.08	4,303.07	16,262.83	11,959.76	26.5
10-57-105 OVERTIME	34.02	188.96	500.00	311.04	37.8
10-57-110 UNIFORM EXPENSE	25.74	120.12	390.00	269.88	30.8
10-57-130 EMPLOYEE BENEFITS	343.19	1,043.01	8,500.00	7,456.99	12.3
10-57-340 UTILITIES	2,547.62	9,982.20	30,000.00	20,017.80	33.3
10-57-366 INMATE LABOR	8.00	173.66	1,400.00	1,226.34	12.4
10-57-460 MAINTENANCE AND SUPPLIES	6.49	11.00	1,500.00	1,489.00	.7
10-57-470 VEHICLE REPAIR/MAINT	.00	155.03	2,500.00	2,344.97	6.2
10-57-475 FUEL EXPENSE	.00	238.16	2,000.00	1,761.84	11.9
10-57-500 BUILDING MAINTENANCE	.00	.00	25,000.00	25,000.00	.0
10-57-540 SMALL TOOLS	.00	.00	2,000.00	2,000.00	.0
10-57-610 EQUIPMENT MAINTENANCE	.00	.00	5,000.00	5,000.00	.0
<b>TOTAL PUBLIC WORKS</b>	<b>4,378.14</b>	<b>16,215.21</b>	<b>95,052.83</b>	<b>78,837.62</b>	<b>17.1</b>
<u>CITY POOL</u>					
10-58-100 PERSONNEL SERVICES	.00	9,192.64	14,282.00	5,089.36	64.4
10-58-130 EMPLOYEE BENEFITS	.00	1,043.37	1,750.00	706.63	59.6
10-58-340 UTILITIES	649.82	2,414.51	6,000.00	3,585.49	40.2
10-58-460 MAINTENANCE AND SUPPLIES	577.61	1,134.23	4,000.00	2,865.77	28.4
10-58-660 CERTIFYING	.00	.00	500.00	500.00	.0
<b>TOTAL CITY POOL</b>	<b>1,227.43</b>	<b>13,784.75</b>	<b>26,532.00</b>	<b>12,747.25</b>	<b>52.0</b>

TOWN OF HUACHUCA CITY  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>SUMMER SPLASH</u>					
10-59-100 PERSONNEL SERVICES	.00	1,828.25	6,856.00	5,027.75	26.7
10-59-130 EMPLOYEE BENEFITS	.00	166.39	643.00	476.61	25.9
10-59-460 SUPPLIES	.00	.00	300.00	300.00	.0
TOTAL SUMMER SPLASH	.00	1,994.64	7,799.00	5,804.36	25.6
<u>PARKS &amp; RECREATION</u>					
10-60-340 UTILITIES	228.92	1,006.73	6,000.00	4,993.27	16.8
10-60-460 SUPPLIES	.00	.00	1,600.00	1,600.00	.0
10-60-530 COMMUNITY RELATIONS/JULY 4TH	99.31	599.31	12,000.00	11,400.69	5.0
TOTAL PARKS & RECREATION	328.23	1,606.04	19,600.00	17,993.96	8.2
<u>LIBRARY AND COMMUNITY SERVICES</u>					
10-62-100 PERSONNEL SERVICES	10,544.00	29,587.17	90,000.00	60,412.83	32.9
10-62-130 EMPLOYEE BENEFITS	1,444.44	4,619.13	18,581.00	13,961.87	24.9
10-62-271 TELEPHONE	129.18	504.54	2,340.00	1,835.46	21.6
10-62-300 PRINTING	62.40	155.73	1,000.00	844.27	15.6
10-62-340 UTILITIES	751.04	3,129.11	7,500.00	4,370.89	41.7
10-62-366 INMATE LABOR	40.00	609.20	1,800.00	1,190.80	33.8
10-62-460 SUPPLIES	.00	366.21	2,500.00	2,133.79	14.7
10-62-462 PEST CONTROL	.00	117.00	468.00	351.00	25.0
10-62-476 FUEL	.00	.00	100.00	100.00	.0
10-62-480 COMPUTER EXPENSE	.00	.00	1,500.00	1,500.00	.0
10-62-481 INTERNET	.00	894.48	3,800.00	2,905.52	23.5
10-62-620 VEHICLE REPAIR & MAINT	236.17	236.17	300.00	63.83	78.7
10-62-621 DEBT: E-RATE	.00	2,400.00	9,600.00	7,200.00	25.0
10-62-640 MEMBERSHIP	.00	.00	130.00	130.00	.0
10-62-660 TRAVEL AND TRAINING	.00	.00	500.00	500.00	.0
10-62-703 COMMUNITY RELATIONS	.00	.00	200.00	200.00	.0
10-62-705 CAPITAL LEASE	67.87	203.61	1,800.00	1,596.39	11.3
TOTAL LIBRARY AND COMMUNITY SERVICES	13,275.10	42,822.35	142,119.00	99,296.65	30.1
<u>CITY BUS</u>					
10-65-100 PERSONNEL SERVICES	1,190.40	2,009.60	10,941.00	8,931.40	18.4
10-65-130 EMPLOYEE BENEFITS	.00	.00	875.00	875.00	.0
10-65-475 FUEL EXPENSE	506.19	770.47	3,600.00	2,829.53	21.4
10-65-480 VEHICLE REPAIR & MAINTENANCE	.00	.00	2,000.00	2,000.00	.0
TOTAL CITY BUS	1,696.59	2,780.07	17,416.00	14,635.93	16.0

TOWN OF HUACHUCA CITY  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>SENIOR CENTER</u>					
10-68-290 SUPPLIES	120.00	120.00	1,000.00	880.00	12.0
10-68-340 UTILITIES	221.29	1,053.31	4,000.00	2,946.69	26.3
10-68-450 EQUIPMENT	.00	.00	600.00	600.00	.0
10-68-462 PEST CONTROL	.00	117.00	468.00	351.00	25.0
10-68-463 EQUIPMENT REPAIR	.00	.00	1,000.00	1,000.00	.0
<b>TOTAL SENIOR CENTER</b>	<b>341.29</b>	<b>1,290.31</b>	<b>7,068.00</b>	<b>5,777.69</b>	<b>18.3</b>
<u>TOWN GRANTS</u>					
10-69-800 DONATIONS - ANIMAL CONTROL	.00	.00	1,000.00	1,000.00	.0
10-69-802 LIBRARY DONATIONS EXP	1,746.26	1,746.26	3,000.00	1,253.74	58.2
10-69-803 IT GRANT EXP	.00	.00	15,000.00	15,000.00	.0
10-69-804 MISC GRANT EXP	.00	.00	150,000.00	150,000.00	.0
10-69-805 BUILDING REGULATION EXP	.00	.00	10,000.00	10,000.00	.0
10-69-806 LIBRARY GRANTS EXP	18,932.70	19,706.70	50,000.00	30,293.30	39.4
10-69-807 SENIOR CENTER GRANT EXP	.00	.00	25,000.00	25,000.00	.0
10-69-808 SUMMER SPLASH GRANT EXP	.00	.00	5,000.00	5,000.00	.0
10-69-810 E-RATE GRANT EXP	.00	3,577.92	25,000.00	21,422.08	14.3
10-69-815 PUBLIC WORKS GRANT EXP	.00	.00	20,000.00	20,000.00	.0
10-69-816 COURT GRANT EXP	.00	.00	10,000.00	10,000.00	.0
10-69-817 SUMMER SPLASH DONATION EXP	.00	.00	5,000.00	5,000.00	.0
10-69-818 POLICE DONATION EXP	.00	.00	5,000.00	5,000.00	.0
10-69-819 GENERAL ADMIN GRANT EXP	.00	.00	50,000.00	50,000.00	.0
10-69-845 POLICE GRANT EXP	.00	.00	180,000.00	180,000.00	.0
10-69-846 AZDOHS GRANT EXPENDITURES	.00	.00	250,000.00	250,000.00	.0
10-69-847 AZGOHS GRANT EXPENDITURES	.00	.00	100,000.00	100,000.00	.0
10-69-849 BUS LINE EXP	156.78	3,216.58	100,000.00	96,783.42	3.2
10-69-850 SCBA GRANT EXP	.00	.00	200,000.00	200,000.00	.0
10-69-851 USDA EQUIPMENT GRANT	.00	.00	60,000.00	60,000.00	.0
10-69-857 BACK TO SCHOOL DONATIONS EXPEN	.00	.00	5,000.00	5,000.00	.0
10-69-900 COMMUNITY EVENTS DONATIONS EXP	.00	.00	2,000.00	2,000.00	.0
<b>TOTAL TOWN GRANTS</b>	<b>20,835.74</b>	<b>28,247.46</b>	<b>1,271,000.00</b>	<b>1,242,752.54</b>	<b>2.2</b>
<b>TOTAL FUND EXPENDITURES</b>	<b>263,775.37</b>	<b>581,809.20</b>	<b>3,510,780.00</b>	<b>2,928,970.80</b>	<b>16.6</b>
<b>NET REVENUE OVER EXPENDITURES</b>	<b>( 117,595.36)</b>	<b>( 5,076.75)</b>	<b>6,966.00</b>	<b>12,042.75</b>	<b>( 72.9)</b>

TOWN OF HUACHUCA CITY  
 REVENUES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

POLICE - DHS GRANT - BP OT

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>REVENUE</u>						
12-30-700	GOHS (DUI TASK FORCE)	.00	.00	10,000.00	10,000.00	.0
12-30-800	DHS STONEGARDEN	.00	4,205.86	60,340.00	56,134.14	7.0
TOTAL REVENUE		.00	4,205.86	70,340.00	66,134.14	6.0
TOTAL FUND REVENUE		.00	4,205.86	70,340.00	66,134.14	6.0

TOWN OF HUACHUCA CITY  
 EXPENDITURES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

POLICE - DHS GRANT - BP OT

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>EXPENDITURES</u>					
12-40-105 STONE GARDEN OVERTIME	.00	.00	32,233.00	32,233.00	.0
12-40-130 EMPLOYEE BENEFITS	133.25	586.72	12,228.00	11,641.28	4.8
12-40-131 DUI TASK FORCE OVER TIME	.00	228.00	6,000.00	5,772.00	3.8
12-40-135 PUBLIC SAFETY RETIREMENT	319.11	1,400.06	13,539.00	12,138.94	10.3
12-40-840 MILEAGE	1,243.13	5,289.96	6,340.00	1,050.04	83.4
TOTAL EXPENDITURES	1,695.49	7,504.74	70,340.00	62,835.26	10.7
TOTAL FUND EXPENDITURES	1,695.49	7,504.74	70,340.00	62,835.26	10.7
NET REVENUE OVER EXPENDITURES	( 1,695.49)	( 3,298.88)	.00	3,298.88	.0

TOWN OF HUACHUCA CITY  
 REVENUES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

TRUST FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>REVENUE</u>					
20-30-200 FINES AND BAILS	9,348.98	37,623.42	174,000.00	136,376.58	21.6
20-30-300 BONDS	.00	.00	100.00	100.00	.0
20-30-400 RESTITUTION	.00	.00	100.00	100.00	.0
20-30-500 JCEF	.00	.00	100.00	100.00	.0
<b>TOTAL REVENUE</b>	<b>9,348.98</b>	<b>37,623.42</b>	<b>174,300.00</b>	<b>136,676.58</b>	<b>21.6</b>
<b>TOTAL FUND REVENUE</b>	<b>9,348.98</b>	<b>37,623.42</b>	<b>174,300.00</b>	<b>136,676.58</b>	<b>21.6</b>

TOWN OF HUACHUCA CITY  
 EXPENDITURES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

TRUST FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>EXPENDITURES</u>					
20-40-200 FINES AND BAILS	10,408.24	28,419.75	174,000.00	145,580.25	16.3
20-40-400 RESTITUTION	.00	50.00	100.00	50.00	50.0
20-40-401 BOND	.00	.00	100.00	100.00	.0
20-40-500 JCEF	.00	.00	100.00	100.00	.0
<b>TOTAL EXPENDITURES</b>	<b>10,408.24</b>	<b>28,469.75</b>	<b>174,300.00</b>	<b>145,830.25</b>	<b>16.3</b>
<b>TOTAL FUND EXPENDITURES</b>	<b>10,408.24</b>	<b>28,469.75</b>	<b>174,300.00</b>	<b>145,830.25</b>	<b>16.3</b>
<b>NET REVENUE OVER EXPENDITURES</b>	<b>( 1,059.26)</b>	<b>9,153.67</b>	<b>.00</b>	<b>( 9,153.67)</b>	<b>.0</b>



TOWN OF HUACHUCA CITY  
 REVENUES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

ROAD USER FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>REVENUE</u>					
23-30-300 GAS TAX REVENUES - HURF	12,316.38	50,720.63	170,042.00	119,321.37	29.8
23-30-320 HURF REPAYMENT	.00	.00	17,000.00	17,000.00	.0
23-30-910 BANK TRANSFER	.00	.00	70,000.00	70,000.00	.0
TOTAL REVENUE	12,316.38	50,720.63	257,042.00	206,321.37	19.7
TOTAL FUND REVENUE	12,316.38	50,720.63	257,042.00	206,321.37	19.7

TOWN OF HUACHUCA CITY  
 EXPENDITURES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

ROAD USER FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>ROAD USERS ADMIN</u>					
23-40-460 MAINTENANCE AND SUPPLIES	.00	.00	5,000.00	5,000.00	.0
23-40-475 FUEL	.00	476.39	7,000.00	6,523.61	6.8
23-40-490 ROAD REPAIR	.00	.00	110,042.00	110,042.00	.0
23-40-610 EQUIPMENT REPAIR	.00	568.09	15,000.00	14,431.91	3.8
23-40-831 CAPITAL OUTLAY	.00	.00	50,000.00	50,000.00	.0
23-40-920 TIP PROJECTS MATCH	.00	.00	70,000.00	70,000.00	.0
TOTAL ROAD USERS ADMIN	.00	1,044.48	257,042.00	255,997.52	.4
TOTAL FUND EXPENDITURES	.00	1,044.48	257,042.00	255,997.52	.4
NET REVENUE OVER EXPENDITURES	12,316.38	49,676.15	.00	( 49,676.15)	.0

TOWN OF HUACHUCA CITY  
 EXPENDITURES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

		STATE HURF				
		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
		-----	-----	-----	-----	-----
<u>STATE HURF EXPENDITURES</u>						
28-40-122	AUTHORIZED EXPENDITURES	.00	.00	150,000.00	150,000.00	.0
	TOTAL STATE HURF EXPENDITURES	.00	.00	150,000.00	150,000.00	.0
	TOTAL FUND EXPENDITURES	.00	.00	150,000.00	150,000.00	.0
	NET REVENUE OVER EXPENDITURES	.00	.00	( 150,000.00)	( 150,000.00)	.0

TOWN OF HUACHUCA CITY  
 REVENUES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

GRANT OPPORTUNITY

		<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>UNEXPENDED</u>	<u>PCNT</u>
<u>GRANT REVENUE</u>						
29-30-800	GRANT REVENUE CDBG	.00	.00	449,420.00	449,420.00	.0
	TOTAL GRANT REVENUE	.00	.00	449,420.00	449,420.00	.0
	TOTAL FUND REVENUE	.00	.00	449,420.00	449,420.00	.0

TOWN OF HUACHUCA CITY  
 EXPENDITURES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

GRANT OPPORTUNITY

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>UNEXPENDED</u>	<u>PCNT</u>
<u>GRANT EXPENDITURES</u>					
29-40-840 AUTHORIZED EXPENDITURES	10,932.50	15,567.50	449,420.00	433,852.50	3.5
TOTAL GRANT EXPENDITURES	10,932.50	15,567.50	449,420.00	433,852.50	3.5
TOTAL FUND EXPENDITURES	10,932.50	15,567.50	449,420.00	433,852.50	3.5
NET REVENUE OVER EXPENDITURES	( 10,932.50)	( 15,567.50)	.00	15,567.50	.0

TOWN OF HUACHUCA CITY  
 REVENUES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

WATER FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>REVENUE</u>					
51-30-100 INTEREST EARNINGS	.00	.00	100.00	100.00	.0
51-30-200 WATER SALES	29,370.73	129,382.82	360,000.00	230,617.18	35.9
51-30-202 RC: RECONNECT FEE	40.00	160.00	1,003.00	843.00	16.0
51-30-300 CONNECTION FEES	105.00	645.00	2,000.00	1,355.00	32.3
51-30-400 PENALTIES & FORFEITURES	.00	.00	7,000.00	7,000.00	.0
51-30-900 WATER ADMIN FEE	.00	.00	1,000.00	1,000.00	.0
51-30-950 WF SAVINGS TRANSFERS IN	.00	.00	41,541.00	41,541.00	.0
TOTAL REVENUE	29,515.73	130,187.82	412,644.00	282,456.18	31.6
TOTAL FUND REVENUE	29,515.73	130,187.82	412,644.00	282,456.18	31.6

TOWN OF HUACHUCA CITY  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

WATER FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>WATER EXPENDITURES</u>					
51-40-100 PERSONNEL SERVICES	13,218.31	39,995.09	112,382.00	72,386.91	35.6
51-40-105 OVERTIME	256.36	1,487.49	2,000.00	512.51	74.4
51-40-110 UNIFORM EXPENSE	115.71	385.70	1,800.00	1,414.30	21.4
51-40-130 EMPLOYEE BENEFITS	2,888.97	9,321.81	40,000.00	30,678.19	23.3
51-40-280 INSURANCE	.00	2,500.00	13,750.00	11,250.00	18.2
51-40-290 OFFICE SUPPLIES	179.95	309.13	2,000.00	1,690.87	15.5
51-40-340 UTILITIES	3,896.72	16,736.79	38,000.00	21,263.21	44.0
51-40-366 INMATE LABOR	36.00	1,027.93	7,500.00	6,472.07	13.7
51-40-370 SALES TAX	.00	.00	30,000.00	30,000.00	.0
51-40-440 POSTAGE	.00	666.27	3,150.00	2,483.73	21.2
51-40-460 MAINTENANCE & SUPPLIES	1,120.70	1,283.60	11,000.00	9,716.40	11.7
51-40-470 VEHICLE EXPENSE	.00	2,543.59	9,000.00	6,456.41	28.3
51-40-472 METER REPLACEMENT	.00	.00	9,000.00	9,000.00	.0
51-40-475 FUEL EXPENSE	.00	.00	8,000.00	8,000.00	.0
51-40-476 DIESEL	.00	2,143.69	5,000.00	2,856.31	42.9
51-40-480 SOFTWARE LICENSING	201.00	804.00	2,462.00	1,658.00	32.7
51-40-510 WATER TESTS	74.50	587.00	7,500.00	6,913.00	7.8
51-40-516 ADEQ FEES	2,087.55	7,149.89	.00	( 7,149.89)	.0
51-40-610 EQUIPMENT MAINTENANCE	.00	.00	15,300.00	15,300.00	.0
51-40-640 MEMBERSHIP	.00	.00	1,200.00	1,200.00	.0
51-40-650 PROFESSIONAL SERVICES	526.50	2,003.50	36,000.00	33,996.50	5.6
51-40-660 TRAVEL & TRAINING	.00	.00	1,000.00	1,000.00	.0
51-40-840 WATER CAPITAL OUTLAY	.00	3,200.00	35,000.00	31,800.00	9.1
51-40-845 CONTINGENCY EXP	.00	.00	21,100.00	21,100.00	.0
51-40-900 BAD DEBT EXPENSE	.00	.00	500.00	500.00	.0
<b>TOTAL WATER EXPENDITURES</b>	<b>24,602.27</b>	<b>92,145.48</b>	<b>412,644.00</b>	<b>320,498.52</b>	<b>22.3</b>
<b>TOTAL FUND EXPENDITURES</b>	<b>24,602.27</b>	<b>92,145.48</b>	<b>412,644.00</b>	<b>320,498.52</b>	<b>22.3</b>
<b>NET REVENUE OVER EXPENDITURES</b>	<b>4,913.46</b>	<b>38,042.34</b>	<b>.00</b>	<b>( 38,042.34)</b>	<b>.0</b>

TOWN OF HUACHUCA CITY  
 REVENUES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

SEWER FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>REVENUE</u>					
52-30-100 INTEREST EARNINGS	.00	.00	100.00	100.00	.0
52-30-200 SEWER SERVICES	20,087.15	88,440.10	254,000.00	165,559.90	34.8
52-30-300 CONNECTION FEES	.00	.00	1,000.00	1,000.00	.0
52-30-950 WF SAVINGS TRANSFERS IN	.00	.00	18,575.00	18,575.00	.0
<b>TOTAL REVENUE</b>	<b>20,087.15</b>	<b>88,440.10</b>	<b>273,675.00</b>	<b>185,234.90</b>	<b>32.3</b>
<b>TOTAL FUND REVENUE</b>	<b>20,087.15</b>	<b>88,440.10</b>	<b>273,675.00</b>	<b>185,234.90</b>	<b>32.3</b>



TOWN OF HUACHUCA CITY  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

SEWER FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>SEWER EXPENDITURES</u>					
52-40-100 PERSONNEL SERVICES	11,493.16	34,418.69	92,487.00	58,068.31	37.2
52-40-105 OVERTIME	253.20	1,435.21	500.00	( 935.21)	287.0
52-40-110 UNIFORM EXPENSE	115.71	539.98	1,800.00	1,260.02	30.0
52-40-130 EMPLOYEE BENEFITS	2,469.01	7,941.67	32,375.00	24,433.33	24.5
52-40-280 INSURANCE	.00	2,500.00	13,750.00	11,250.00	18.2
52-40-300 PRINTING	179.95	304.42	3,000.00	2,695.58	10.2
52-40-340 UTILITIES	67.92	1,629.52	5,806.00	4,176.48	28.1
52-40-360 CONTRACT LABOR	400.00	400.00	.00	( 400.00)	.0
52-40-366 INMATE LABOR	36.00	834.37	7,500.00	6,665.63	11.1
52-40-440 POSTAGE	.00	666.27	3,150.00	2,483.73	21.2
52-40-460 MAINTENANCE AND SUPPLIES	.00	223.01	4,000.00	3,776.99	5.6
52-40-470 VEHICLE EXPENSE	.00	.00	2,000.00	2,000.00	.0
52-40-475 FUEL	.00	1,905.48	8,000.00	6,094.52	23.8
52-40-480 COMPUTER EXPENSE	201.00	603.00	2,462.00	1,859.00	24.5
52-40-516 ADEQ FEES	.00	.00	1,000.00	1,000.00	.0
52-40-610 EQUIPMENT MAINTENANCE	.00	6,530.00	4,000.00	( 2,530.00)	163.3
52-40-650 PROFESSIONAL SERVICES	.00	400.00	16,952.00	16,552.00	2.4
52-40-702 SEWAGE POND COMPLIANCE	991.50	1,478.50	6,000.00	4,521.50	24.6
52-40-750 DEBT SERVICE	.00	.00	10,000.00	10,000.00	.0
52-40-846 CONTINGENCY EXP	.00	.00	631.04	631.04	.0
52-40-900 BAD DEBT EXPENSE	.00	.00	500.00	500.00	.0
52-40-925 MUFFIN MONSTER PAYMENT	.00	.00	3,000.00	3,000.00	.0
52-40-950 PAYMENT ON WIFA LOAN	.00	41,802.34	54,761.96	12,959.62	76.3
<b>TOTAL SEWER EXPENDITURES</b>	<b>16,207.45</b>	<b>103,612.46</b>	<b>273,675.00</b>	<b>170,062.54</b>	<b>37.9</b>
<b>TOTAL FUND EXPENDITURES</b>	<b>16,207.45</b>	<b>103,612.46</b>	<b>273,675.00</b>	<b>170,062.54</b>	<b>37.9</b>
<b>NET REVENUE OVER EXPENDITURES</b>	<b>3,879.70</b>	<b>( 15,172.36)</b>	<b>.00</b>	<b>15,172.36</b>	<b>.0</b>

TOWN OF HUACHUCA CITY  
 REVENUES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

GARBAGE FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>REVENUE</u>					
54-30-200 SALES RECEIPTS	11,861.81	47,450.06	157,677.00	110,226.94	30.1
TOTAL REVENUE	11,861.81	47,450.06	157,677.00	110,226.94	30.1
TOTAL FUND REVENUE	11,861.81	47,450.06	157,677.00	110,226.94	30.1

TOWN OF HUACHUCA CITY  
 EXPENDITURES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

GARBAGE FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>GARBAGE EXPENDITURES</u>					
54-40-360 CONTRACT LABOR	12,853.06	39,093.78	157,677.00	118,583.22	24.8
TOTAL GARBAGE EXPENDITURES	12,853.06	39,093.78	157,677.00	118,583.22	24.8
TOTAL FUND EXPENDITURES	12,853.06	39,093.78	157,677.00	118,583.22	24.8
NET REVENUE OVER EXPENDITURES	( 991.25)	8,356.28	.00	( 8,356.28)	.0

TOWN OF HUACHUCA CITY  
REVENUES WITH COMPARISON TO BUDGET  
FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

LANDFILL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>REVENUE</u>					
55-30-100 INTEREST EARNINGS	.00	.00	500.00	500.00	.0
55-30-200 SALES - LANDFILL	118,803.10	464,151.70	1,450,099.00	985,947.30	32.0
55-30-201 LATE PENALTIES	.00	.00	500.00	500.00	.0
55-30-205 MISC.REVENUE	360.00	780.00	92,000.00	91,220.00	.9
55-30-210 TIPPING FEES	14,764.20	65,102.33	157,550.00	92,447.67	41.3
<b>TOTAL REVENUE</b>	<b>133,927.30</b>	<b>530,034.03</b>	<b>1,700,649.00</b>	<b>1,170,614.97</b>	<b>31.2</b>
<u>SOURCE 36</u>					
55-36-400 SALE OF FIXED ASSETS	.00	.00	50,000.00	50,000.00	.0
<b>TOTAL SOURCE 36</b>	<b>.00</b>	<b>.00</b>	<b>50,000.00</b>	<b>50,000.00</b>	<b>.0</b>
<b>TOTAL FUND REVENUE</b>	<b>133,927.30</b>	<b>530,034.03</b>	<b>1,750,649.00</b>	<b>1,220,614.97</b>	<b>30.3</b>

TOWN OF HUACHUCA CITY  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

LANDFILL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>LANDFILL EXPENDITURES</u>					
55-40-100 PERSONNEL SERVICES	21,832.59	60,662.24	273,720.00	213,057.76	22.2
55-40-105 OVERTIME	3,946.00	12,356.00	10,000.00	( 2,356.00)	123.6
55-40-110 UNIFORM EXPENSE	474.68	1,947.04	6,000.00	4,052.96	32.5
55-40-130 EMPLOYEE BENEFITS	4,888.77	15,153.50	97,700.00	82,546.50	15.5
55-40-265 BANK COSTS/FEES	3,585.06	6,839.53	38,000.00	31,160.47	18.0
55-40-280 INSURANCE	.00	2,500.00	13,750.00	11,250.00	18.2
55-40-290 OFFICE SUPPLIES	104.71	358.51	1,000.00	641.49	35.9
55-40-337 PROPERTY LEASE	58,500.00	234,000.00	702,000.00	468,000.00	33.3
55-40-338 LF FINANCIAL ASSURANCE	.00	.00	40,000.00	40,000.00	.0
55-40-340 UTILITIES	943.72	3,542.51	13,200.00	9,657.49	26.8
55-40-350 SAFETY EQUIPMENT	1,275.00	1,275.00	1,000.00	( 275.00)	127.5
55-40-360 CONTRACT LABOR	2,355.00	8,069.20	22,000.00	13,930.80	36.7
55-40-366 INMATE LABOR	40.00	679.19	4,730.00	4,050.81	14.4
55-40-440 POSTAGE	.00	380.73	1,800.00	1,419.27	21.2
55-40-460 MAINTENANCE & SUPPLIES	1,339.53	6,126.84	30,000.00	23,873.16	20.4
55-40-470 VEHICLE EXPENSE	.00	.00	5,000.00	5,000.00	.0
55-40-475 FUEL EXPENSE	.00	4,592.59	2,500.00	( 2,092.59)	183.7
55-40-476 DIESEL	4,522.34	47,396.05	92,000.00	44,603.95	51.5
55-40-480 COMPUTER EXPENSE	201.00	1,291.29	.00	( 1,291.29)	.0
55-40-511 WATER MONITORING	.00	.00	2,000.00	2,000.00	.0
55-40-515 ENGINEERING SERVICES	.00	.00	2,000.00	2,000.00	.0
55-40-516 ADEQ FEES	.00	3,763.87	10,000.00	6,236.13	37.6
55-40-610 EQUIPMENT MAINTENANCE	2,065.80	12,169.33	70,000.00	57,830.67	17.4
55-40-640 MEMBERSHIP	.00	.00	200.00	200.00	.0
55-40-650 PROFESSIONAL SERVICES/AUDIT	.00	.00	20,000.00	20,000.00	.0
55-40-660 TRAVEL - TRAVEL/TRAINING	.00	.00	3,000.00	3,000.00	.0
55-40-705 CAPITAL LEASE	29,564.69	56,623.45	81,180.00	24,556.55	69.8
55-40-710 CAPITAL EQUIPMENT	.00	.00	30,000.00	30,000.00	.0
55-40-804 SOFTWARE LICENSING	.00	.00	4,000.00	4,000.00	.0
55-40-846 CONTINGENCY EXP	4,873.42	19,573.42	167,369.00	147,795.58	11.7
55-40-855 METHANE MONITORING	.00	.00	6,000.00	6,000.00	.0
55-40-900 BAD DEBT EXPENSE	.00	.00	500.00	500.00	.0
<b>TOTAL LANDFILL EXPENDITURES</b>	<b>140,512.31</b>	<b>499,300.29</b>	<b>1,750,649.00</b>	<b>1,251,348.71</b>	<b>28.5</b>
<b>TOTAL FUND EXPENDITURES</b>	<b>140,512.31</b>	<b>499,300.29</b>	<b>1,750,649.00</b>	<b>1,251,348.71</b>	<b>28.5</b>
<b>NET REVENUE OVER EXPENDITURES</b>	<b>( 6,585.01)</b>	<b>30,733.74</b>	<b>.00</b>	<b>( 30,733.74)</b>	<b>.0</b>

TOWN OF HUACHUCA CITY  
 REVENUES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

HOLIDAY FUND

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>UNEXPENDED</u>	<u>PCNT</u>
<u>REVENUE</u>					
86-30-200 HOLIDAY FUND DONATION	425.00	725.00	4,000.00	3,275.00	18.1
TOTAL REVENUE	425.00	725.00	4,000.00	3,275.00	18.1
TOTAL FUND REVENUE	425.00	725.00	4,000.00	3,275.00	18.1

TOWN OF HUACHUCA CITY  
 EXPENDITURES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

HOLIDAY FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>HOLIDAY FUND EXPENDITURES</u>					
86-40-100 CHILDREN'S FUND GIFTS/FOOD	.00	.00	4,000.00	4,000.00	.0
TOTAL HOLIDAY FUND EXPENDITURES	.00	.00	4,000.00	4,000.00	.0
TOTAL FUND EXPENDITURES	.00	.00	4,000.00	4,000.00	.0
NET REVENUE OVER EXPENDITURES	425.00	725.00	.00	( 725.00)	.0

TOWN OF HUACHUCA CITY  
 REVENUES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

AMERICAN RELIEF PROGRAM ACT

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>SOURCE 30</u>					
88-30-200 ARPA FUNDS	.00	289,894.76	289,894.76	.00	100.0
88-30-300 FUND BALANCE	.00	.00	289,894.76	289,894.76	.0
TOTAL SOURCE 30	.00	289,894.76	579,789.52	289,894.76	50.0
TOTAL FUND REVENUE	.00	289,894.76	579,789.52	289,894.76	50.0



TOWN OF HUACHUCA CITY  
 EXPENDITURES WITH COMPARISON TO BUDGET  
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2022

AMERICAN RELIEF PROGRAM ACT

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>UNEXPENDED</u>	<u>PCNT</u>
88-40-100 AUTHORIZED EXPENDITURES	.00	.00	579,789.52	579,789.52	.0
TOTAL DEPARTMENT 40	.00	.00	579,789.52	579,789.52	.0
TOTAL FUND EXPENDITURES	.00	.00	579,789.52	579,789.52	.0
NET REVENUE OVER EXPENDITURES	.00	289,894.76	.00	( 289,894.76)	.0

CONTRACT FOR SERVICES BY AND BETWEEN  
THE TOWN OF HUACHUCA CITY, A MUNICIPAL CORPORATION  
HEREINAFTER REFERRED TO AS "TOWN"  
AND  
THE HONORABLE KEITH BARTH, TOWN MAGISTRATE  
HEREINAFTER REFERRED TO AS "CONTRACTOR"

WHEREAS, this Agreement under which the Parties shall be operating begins on January 1, 2023, and expires on the 31st day of December 2024; and,

WHEREAS, the Mayor and Common Council of the Town passed and approved a motion, on the 8th day of December, 2022, reappointing Contractor as its Town Magistrate for the term cited above; and,

WHEREAS, it is the intention of the Parties that Contractor is and shall remain, at all times, an Independent Contractor.

THE PARTIES HERETO MUTUALLY AGREE to the following:

1. That Contractor possesses the knowledge, skills, and experience to be the Town's Municipal Judge.
2. That in keeping with the separation of powers between the judicial and legislative, and the judicial and executive branches of government, Contractor, so long as he performs his duties in a competent manner and commits no act nor fails to act in such a manner that gives good cause for the Town to terminate this Agreement, shall be independent of those other branches of the Town's government and shall be free of restrictions in performing his judicial duties.
3. Contractor shall have limited administrative duties insofar as it is necessary to administer the Court and its personnel, but said duties shall not interfere with the Town personnel assigned to the Court insofar as the Town's Personnel Rules and Regulations are concerned. Court personnel's salaries and wages, as well as their rights and obligations, shall remain under the control of the Town provided, however, that this provision shall not in any way deprive Contractor of sufficient, adequate, and competent personnel necessary for Contractor to properly perform his judicial duties and his limited administrative duties.
4. The Town, with the assistance of the Contractor, will make available, independently or in conjunction with Cochise County, at all times during the term of his Agreement, adequate and comfortable physical facilities in which to perform his duties, including filing facilities, supplies, and equipment deemed necessary for the expedient and orderly operation of the Municipal Court.
5. The Town has already engaged judges pro tempore. However, Contractor may, as necessary, recommend to the Town's Common Council, other competent individuals to perform Contractor's duties in cases where Contractor may be prohibited by law, ethics, illness, vacations, overload, and other reasonable reasons from performing his duties. Extended periods during which Contractor is unable or unwilling to perform his duties due to illness, absences, incapacitation, or suspension by higher judicial authority, may be cause for the Town to terminate this Agreement or, at his option, shall allow the Town to withhold installment payments to Contractor and use said sums to compensate temporary or permanent replacement of Contractor. It is understood by Contractor that he is an Independent Contractor and not entitled to all rights and benefits afforded Town employees save and except for cost-of-living adjustments specifically awarded Contractor by the Town's Common Council, if any, from time to time. Due to one (1) or more Internal Revenue Service rulings, Contractor shall have deducted from his bi-weekly installments any and all Federal and State withholding and taxes, including FICA payments, but Contractor shall not be covered under Workers' Compensation and Unemployment Benefits.
6. It is understood that various Judicial Commissions, the State Legislature or the Arizona Supreme Court may impose additional obligations, duties, and limitations upon Contractor, in which event the provisions of this Agreement shall be modified or terminated, as the case may be, to the extent such Commission, Legislative, or Court directives are imposed and enforced.

7. Contractor recognizes that this Agreement is personal to him, and the benefits accruing to him and duties imposed on him hereunder may not be transferred or assigned, save and except this Paragraph does not alter the provision set forth in Paragraph "5" above.
8. The term of this Agreement shall be for a period of approximately 2 years beginning on January 1, 2023, and expiring on December 31, 2024.
9. The Town hereby agrees to compensate Contractor in the sum of \$ \$1,320 per month, while the court stays at 2 days per month. \$1,320.00 compensation shall be payable in monthly. If and when the court goes back to 4 days per month, as approved by the Town Manager, in place of the \$1320 per month, Contractor will be provided with the Town's medical insurance coverage for him, and his spouse [if any], in lieu of any other payment or compensation. The insurance coverage shall be with the provider selected by the Town, at the Town's sole discretion. The Town's medical insurance is currently provided by Cigna, and valued at approximately \$ 1649.00.00 per month for Contractor and his spouse. The insurance premium shall be paid to the coverage provider in the Town's normal course of business. The contractor has the right to request payment to himself of the amount of the insurance premium in lieu of having the insurance coverage. If, during the term of this Agreement, the Town's Common Council specifically awards Contractor with one (1) or more cost-of-living increases, it shall be added to the above-mentioned compensation and paid over to the Contractor.
10. The Town hereby agrees to pay registration fees for all mandatory training courses as required by the State Judicial Court System, including pre-approved travel expenses.
11. Irrespective of the provision contained in Paragraph "6" above, and in addition thereto, the Town may terminate this Agreement and cease installments hereunder if, during the term of this Agreement either the Town Council, the Judicial or Legislative Branch, or both, or the State of Arizona, modify, merge, or abolish the lower Court Judicial System, or the Town's Magistrate Court, so as to make performance of this Agreement by Contractor impossible or impractical. Notwithstanding any other provision of this Agreement, the Town's Common Council may cancel this Agreement for "cause", but only after affording Contractor a Due Process hearing. "Cause" is herein defined to mean misfeasance or malfeasance in office.
12. It is understood that if on one (1) or more occasions Contractor, for whatever reason, cannot perform a duty required of him and a substitute Judge is called in to perform such duties, the costs and fees for such substitute Judge or Judges shall be at the sole expense of the Contractor. This provision does not apply in cases where the Rules of Criminal Procedure A.R.S. require the Contractor to recuse himself and not hear a matter. In such cases where the Contractor has a conflict of interest, the Town shall pay for a *Pro Tem* Judge.
13. *Compliance with Applicable Legal Authorities.* Contractor shall be responsible for his and the Magistrate Court's compliance with all requirements of any federal, state, county or local ordinances, statutes, charters, codes, rules, regulations, or any other governmental requirements, including, but not limited to, the federal and state constitutions and the rules of criminal procedure.
14. *Non Discrimination.* Neither Party shall discriminate against any individual in any way because of that person's age, race, creed, color, religion, sex, sexual orientation, genetic information, disability, familial status, political affiliation or national origin in the course of carrying out the duties pursuant to this Agreement. Both Parties shall comply with applicable provisions of Executive Order 75-5, as amended by Executive Order 2009-09 of the Governor of Arizona, which are incorporated into this Agreement by reference as if set forth in full herein, and of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36, as well as the Genetic Information Nondiscrimination Act of 2008.
15. *Governing Law.* This Agreement, and the rights and obligations of the Parties hereunder, shall be construed and enforced in accordance with, and shall be governed by, the laws of the State of Arizona, statutory and decisional, in effect from time to time. The Parties consent to personal jurisdiction in Arizona, and venue for any action to enforce this Agreement or resolve disputes hereunder shall be in Cochise County, Arizona. Each and every provision of Arizona state or federal law which is required to be in this Agreement, is hereby deemed to be incorporated herein by this reference.

CONTRACTOR: Hon. Keith Barth

TOWN: Town of Huachuca City, Arizona

\_\_\_\_\_  
Signature

Date Signed: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Brandy Thorpe, Town Clerk

\_\_\_\_\_  
Johann Wallace, Mayor

Date Signed: \_\_\_\_\_

APPROVED AS TO FORM: Town Attorney

\_\_\_\_\_  
Thomas Benavidez

Date Signed: \_\_\_\_\_

# Proposed Regular Council Meeting Schedule for January thru December 2023

January 12  
January 26  
February 9  
February 23  
March 9  
March 23  
April 13  
April 27  
May 11  
May 25  
June 8  
June 22  
July 6  
July 20  
August 10  
August 24  
September 14  
September 28  
October 12  
October 26  
November 9  
December 14

**Special and Work Sessions continuing to be scheduled on Thursdays that are not Regular Council Meeting weeks.**



December 04, 2022

**Town of Huachuca City**  
City Manager,  
Suzanne Harvey  
500 Gonzales Blvd.  
Huachuca City, AZ 85616

**RE: Letter of Intent to Purchase  
830 Arizona Ave.  
Huachuca City, Arizona 85616**

Dear Mrs. Harvey:

On behalf of Taylormade Seamless Gutters or Assignee ("Purchaser"), we are pleased to present the following proposal which outlines the general terms and conditions under which Purchaser would purchase the above referenced property.

1. Property: 830 Arizona Ave. Huachuca City, 85616 comprised of approximately 3284 SF building. Parcel #106-48-143.
2. Purchase Price: \$175,000 subject to customary pro-rations and adjustments ("Purchase Price"), payable in cash at closing. (from the sale or refinance of residential property)

Within five (5) business days after execution of the Purchase and Sale Agreement and escrow instructions ("Agreement"), Purchaser will deposit Three Thousand Dollars and No Cents (\$3,000.00) of earnest money ("Earnest Money") with the Title Company, as defined below. If the Purchaser elects to terminate the transaction in accordance with the Agreement, as defined below, the Earnest Money shall be returned to Purchaser at Purchaser's sole direction. Title insurance shall be obtained through Pioneer Title Agency Inc., April Leistikow (520) 459-4592 ("Title Company"), Sierra Vista, Arizona. The Earnest Money shall constitute liquidated damages, which shall be the sole remedy of Seller in the event of Purchaser's default. Said deposit shall be held in an interest-bearing account and shall be applied, with interest, to the Purchase Price at closing. Said Earnest Money shall become non-refundable upon the expiration of the Due Diligence Period (as defined below).

3. Due Diligence: (a) Property Documents. To the extent that such are in Seller's possession, Seller shall provide, within seven (7) business days of Opening of Escrow, Purchaser with copies of the following documents concerning the Property: real and personal property tax bills; any environmental and engineering reports, including surveys, site plans, geotechnical reports, Phase I reports, etc.; any architectural plans or guidelines, including CC&R's, development conditions, material specifications, etc.; any governmental permits or approvals; a copy of the existing title policy, and any other information as Purchaser shall reasonably require (collectively "Property Documents"). Purchaser shall keep the Property Documents confidential.

Buyer shall have a period of ninety (90) calendar days from the Opening of Escrow ("Feasibility Period") to determine that the Property is satisfactory for construction and development in the manner contemplated by the Buyer. Buyer, its representatives, and agents shall have access to the property in order to conduct physical inspections, to include any tests deemed necessary by Buyer, verifications of the ability to obtain permits, licenses and approvals required for Buyer's intended use. Any such inspections and tests Buyer will conduct at its sole cost with proper indemnities to the Seller. Buyer agrees that Buyer shall purchase the Property in its as-is, where-is condition, with no representations, warranties or covenants on the part of Seller with respect thereto, including with respect to development, zoning, environmental or site condition matter, except as expressly set forth in the Purchase Agreement.

4. Sale Agreement: Purchaser shall draft the purchase contract.
5. Closing: Buyer will close thirty (30) days or sooner after the inspection period and waiver of all contingencies. Buyer and Seller will each have one (1) election to extend closing by fifteen (15) days
6. Representations & Warranties:

(a) Seller represents that the Property is not encumbered by any leases, options or right of first refusals.

(b) Seller represents that the Property does not have a mortgage on the property being sold.

7. Environmental Site Assessment and Remedial Work: Purchaser shall have the right to conduct and obtain, at Purchaser's expense, a Phase I and Phase II (if required) Environmental Site Assessment reports ("Reports") and satisfy itself with the conditions of the site.

8. Agency Disclosure

Purchaser and Seller agree that First West Properties Corporation represents the Purchaser (“Selling Broker”) Candice Bushnell-White of FWPC and Candice Bushnell-White with Frank Moro (Broker) of FWPC also represent the Seller (“Listing Broker”). Dual Agency

Purchaser and Seller agree that except for agents listed above there are no other brokers, agents, finders or intermediaries with whom they have dealt with in connection with this transaction, and agree to indemnify each other against all claims for fees, commission or other compensation claimed to be due to any broker, finder or intermediary with whom the indemnifying party may have dealt in connection with this transaction.

9. Contingencies:

Purchaser and Seller each acknowledge that a transaction of this type involves terms and conditions which have not yet been agreed upon and that this proposal is in no way intended to be a complete or definitive statement of all of the terms and conditions of the proposed transaction, but contemplates, and is subject to, the negotiation and execution of the Agreement.

10. 1031 Exchange:

Buyer and Seller, subject to proper notice, shall have the right to complete this transaction as part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasibility with the provision of the Section 1031 of the Internal Revenue Code.

11. Exclusivity:

During the period following the execution of the Agreement and thereafter until the Closing Date, neither Seller nor any of its agents, employees or representatives shall negotiate with respect to or enter into any agreement pertaining to the Property without the prior written consent of Purchaser. Further, by execution of this letter, Seller confirms that it has full authority to sell the Property under the terms and conditions outlined without the need for further approvals, and that such a sale is not prohibited or otherwise constrained by any agreements to which the Seller or the Property is subject.

12. Expiration:


This proposal is valid until 5:00 p.m. AZ time on December 9th, 2022, after which time it shall become void and of no further effect.

The transmission of this proposal is for review and discussion purposes only and shall not be deemed an offer to sell/purchase the Property described herein. In all events, the proposed purchase (“Purchase”) shall not be in any way valid and enforceable unless and until Seller and Purchaser shall have each executed and delivered a mutually acceptable purchase and sale agreement for the Property referenced above.



If you agree to sell the Property upon these terms and conditions, please indicate so by signing on the line provided below and returning an executed copy of this letter by 5:00 P.M. MST on December 9th, 2022. Upon receipt, we will prepare a draft of a purchase agreement, and the parties agree to negotiate in good faith to execute a final purchase agreement by December 10th, 2022. Please feel free to call me directly at (520) 266-4754 if you have any questions. We look forward to working with you on this acquisition.

Tylormade Seamless Gutters, and Home Maintenance

By  dotloop verified  
12/04/22 1:43 AM MST  
FHSZ-LRSK-CDSV-QZT1  
Its President  
Date 12/03/2022

Best Regards,  
First West Properties Corporation  
Candice Bushnell-White



## Town of Huachuca City



ATTN: Mayor, Council, Staff and Citizens

Subject: Addendum to LESO Program State Plan of Operation (SPO)

### Term Definitions

LESO = Law Enforcement Support Office (1033 Program)

SPO = State Plan of Operation

SC = State Coordinator

2 - Controlled Property > DOD maintains ownership

3-B-C - Acquiring or Retaining controlled Property

4 - Electronic Notification to CBG and community

4-C-I - FEPMIS = Federal Excess Property Management Information System

DEMIL = Demilitarization (Defense Logistics Agency)

12/7/2022

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## LESO



- Overview of the Program
- Our Participation – history
- How Equipment is currently utilized or future uses
- New Compliance Requirements – Addendum

12/7/2022

2

2





## Town of Huachuca City



- Notification to Civilian Governing Body and Local Community.
- Current SOP signed 4/5/2021. HCPD is in compliance.
- New State plan with Addendum (Presidential Executive Order 14074) becomes effective January 1, 2023.

12/7/2022

5

5



## UPCOMING YEAR 2023



- Keep current inventory.
- Request additional equipment:
- Future requests of equipment will require public notice and authorization from the council.

12/7/2022

6

6



## COMPLETE BY DECEMBER 31, 2022



- DD Form 1348 = Issue release/receipt document.
- Notification to Civilian Governing Body and Local Community.
- Current SOP signed 4/5/2021. HCPD is in compliance.
- New State plan with Addendum (Presidential Executive Order 14074) becomes effective January 1, 2023.

12/7/2022

7

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## FUTURE ACQUISITION AND ACTIONS



- HCPD will attempt to acquire a mobile command post for Critical Incidents within our operational jurisdiction during 2023.
- HCPD will evaluate the need for our HUMVEE and possibly return it to the military during 2023.
- HCPD will return the M16A1 rifles during 2023.  
This weapons platform is not needed for the department mission going forward.

12/7/2022

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**DEFENSE LOGISTICS AGENCY  
DISPOSITION SERVICES  
74 WASHINGTON AVENUE NORTH  
BATTLE CREEK, MICHIGAN 49037-3092**

GPL

August 15, 2022

**MEMORANDUM FOR LAW ENFORCEMENT SUPPORT OFFICE (LESO) PROGRAM  
PARTICIPATING LAW ENFORCEMENT AGENCY (LEA)**

**SUBJECT: Addendum to LESO Program State Plan of Operation (SPO)**

This addendum amends the existing State Plan of Operation (dated February 2021) between the State and Law Enforcement Agency (LEA) and is herein referred to as the SPO Addendum. The SPO Addendum implements requirements found within Presidential Executive Order (EO) 14074 (Section 12), signed on May 25, 2022. In accordance with current SPO-Paragraph 17, notice is being provided of a unilateral change to the SPO. Unless an LEA takes immediate action to terminate the current SPO, the modifications or amendments will become binding.

**1) ROLES AND RESPONSIBILITIES** The State Shall:

- a) Ensure each LESO Program participating Law Enforcement Agency (LEA) has signed the LESO-approved SPO Addendum no later than January 1, 2023. The SPO Addendum will be signed by the Chief Law Enforcement Official (CLEO) (or assigned designee) and the current State Coordinator (SC) (or authorized State Point of Contact [SPOC]).
- b) Provide LESO with a comprehensive list of LEAs who do not sign the SPO Addendum by January 1, 2023. LESO will restrict the LEA to ensure LEA may not request or receive "controlled" property as defined within this addendum.

**2) MODIFICATION TO DEFINITION OF "CONTROLLED" PROPERTY** This SPO Addendum adds the below items to the "controlled" property definitions currently found in the 2021 SPO. These items are added pursuant to EO 14074 which reestablishes EO 13688. In 2017, the Law Enforcement Equipment Working Group (established by EO 13688), further added, deleted and refined the definitions of "controlled" items in their annual equipment list review. Provisions within the 2021 MOA applicable to "controlled" property apply to the items listed below (regardless of DEMIL and/or DEMIL Integrity Code). Title and ownership of the "controlled" property listed below remains with the DoD in perpetuity and will not be relinquished to the LEA (regardless of DEMIL and/or Integrity Code). The LESO retains final authority to determine what items qualify as "controlled" property. The below items listed in Section 1.2 of Law Enforcement Equipment Working Group (LEEWG) Recommendations (as modified in 2017), will be managed and issued as controlled property unless other restrictions or conditions are noted:

- a) *Manned Aircraft, Fixed Wing:* Powered aircraft with a crew aboard, such as airplanes, that use a fixed wing for lift. (Note: These items were previously listed as controlled in LESO Program. Any aircraft without commercial application are prohibited).
- b) *Manned Aircraft Rotary Wing:* Powered aircraft with a crew aboard, such as helicopters, that use a rotary wing for lift. (Note: These items were previously listed as controlled in LESO Program. Any aircraft without commercial application are prohibited).

c) *Unmanned Aerial Vehicles*: A remotely piloted powered aircraft without a crew onboard. (Note: These items are not currently issued in the LESO Program).

d) *Armored Vehicles, Wheeled*: Any wheeled vehicle either purpose-built or modified to provide ballistic protection to its occupants, such as a Mine-Resistant Ambush Protected (MRAP) vehicle or an Armored Personnel Carrier (APC). These vehicles are sometimes used by law enforcement personnel involved in dangerous operating conditions, including active shooter or similar high-threat situations. These vehicles often have weapon-firing ports. (Note: These vehicles were previously considered controlled due to DEMIL code and are now prohibited unless certification requirements in Section 3 are met).

e) *Tactical Vehicles, Wheeled*: A vehicle purpose-built to operate on- and off- road in support of military operations, such as a High Mobility Multi-purpose Wheeled Vehicle (HMMWV), 2.5-ton truck, 5-ton truck, or a vehicle with a breaching or entry apparatus attached. These vehicles are sometimes used by law enforcement in rough terrain or inclement weather for search and rescue operations, as well as other law enforcement functions. This excludes commercially available vehicles not tactical in nature, such as pick-up trucks or SUVs. (Note 1: This is LEEWG modified definition from 2017. Note 2: All tactical vehicles will now be considered controlled, and title will not pass. Note 3: Armored vehicles in this category will be considered prohibited unless certification requirements in Section 3 are met).

f) *Command and Control Vehicles*: Any wheeled vehicle either purpose-built or modified to facilitate the operational control and direction of public safety units responding to an incident. Command and control vehicles provide a variety of capabilities to incident Commander, including, but not limited to, the provision for enhanced communications and other situational awareness capabilities. Command and Control Vehicles are similar to a recreational vehicle and can accommodate multiple people at multiple workstations in the command center. This category does not include SUVs and is not intended for other types of vehicles that could serve as a command-and-control center. (Note 1: This is the LEEWG modified definition from 2017. Note 2: Armored vehicles in this category will be considered prohibited unless certification requirements in Section 3 are met).

g) *Specialized Firearms and Ammunition Under .50-Caliber (excludes firearms and ammunition designed for regularly assigned duties) and less lethal launchers*: Weapons and corresponding ammunition for specialized operations or assignment. This includes launchers specifically designed and built to launch less lethal projectiles. This excludes weapons such as service issued handguns, rifles or shotguns that are issued or approved by the agency to be used by all sworn officers/deputies during the course of regularly assigned duties. (Note 1: This is the LEEWG modified definition from 2017. Note 2: The LESO Program only issues weapons under .50 caliber that are designed for regularly assigned duties).

h) *Explosives and Pyrotechnics*: Includes "flash bangs" as well as explosive breaching tools often used by special operations units. (Note: These items were previously prohibited in the LESO Program and are now specifically prohibited in EO 14074).

i) *Breaching Apparatus*: Tools designed to provide rapid entry into a building or through a secured doorway. These tools may be mechanical in nature (a battering ram connected to a vehicle or a propellant), ballistic (slugs), or explosive. This category does not include dual purpose tools such as a sledgehammer or bolt cutter. (Note: This is the LEEWG modified definition from 2017).

j) *Riot/Crowd Control Batons*: Non-expandable of greater length (more than 24 inches) than service-issued types and are intended to protect its wielder during crowd control situations by providing distance from assailants. This category includes all batons with advanced features such as tear gas discharge, electronic or "stun" capabilities. (Note: This is the LEEWG modified definition from 2017).

k) *Riot Helmets*: Helmets designed to protect the wearer's face and head from injury during melees from projectiles including rocks, bricks, liquids, etc. Riot helmets include a visor which protects the face. (Note 1: The LEEWG removed these items from the controlled list in 2017. Note 2: LESO does not issue Kevlar helmets based on DoD policy).

l) *Riot/Crowd Control Shields*: Shields intended to protect wielders from their head to their knees in crowd control situations. Most are designed for the protection of the user from projectiles including rocks, bricks, and liquids. Some afford limited ballistic protection as well. (Note: This is the LEEWG modified definition from 2017).

**3) PROHIBITED ITEMS THAT MAY BE ISSUED FOR LIMITED PURPOSES** EO 14074 lists the below items as "prohibited" for issue under the LESO Program; however identifies specific authorized uses for these "prohibited" items if requested, utilized and annually certified as being used only in authorized manners. When utilized in an authorized manner (as indicated in the below example descriptions), the items are categorized as "controlled" property.

a) *Long Range Acoustic Devices (LRAD) that do not have commercial application*- LRADs are capable of directing sound over great distances at extreme volume in more geographical precision than an ordinary speaker. Certain LRAD capabilities which are aimed at dispersing individuals or groups as a kinetic use-of-force shall not be used. Examples of LRAD capabilities that shall not be used include (but are not limited to) attention commanding alert tones, powerful warning tones and/or deterrent tones.

i) *Authorized uses*- LRADs may only be utilized as a public address system for commercial purposes. Any other use is not authorized.

ii) *Annual Certification Requirements*- During the LESO Program annual inventory, LEAs with LRADs must certify that the LRAD is utilized exclusively as a public address system for commercial purposes. An LEAs signature on the SPO Addendum agreeing to these new terms will serve as initial certification.

iii) LEAs that do not have a current SPO Addendum on file by January 1, 2023 or who fail to annually certify the LRAD is being used in an authorized manner must return LRAD(s) to DLA Disposition Services.

b) *Vehicles that do not have commercial application*- This includes all tracked and armored vehicles, such as a Mine-Resistant Ambush Protected (MRAP), Armored Personnel Carrier (APC), or Armored HMMWV. (Note: This category excludes vehicles with commercial application, such as pick-up trucks, non-armored HMMWVs, 2.5-ton trucks, 5-ton trucks, or SUVs. The LESO Program identifies/defines vehicles with "commercial application" as items with a DEMIL Code of "A" or DEMIL "Q" (with an Integrity Code of 6) that may be sold to the general public under DoD sales programs).

i) *Authorized uses*- EO 14074 allows limited transfer of vehicles that do not have commercial application if the LEA certifies that the vehicle will be used exclusively for disaster-related emergencies; active shooter scenarios; hostage or other search and rescue operations; or anti-terrorism preparedness, protection, prevention, response, recovery, or relief. Any other use of these vehicles is not authorized.

ii) *Annual Certification Requirements*- During the LESO Program annual inventory, LEAs with these vehicles must certify that the vehicle(s) is utilized exclusively for disaster-related emergencies; active shooter scenarios; hostage or other search and rescue operations; or anti-terrorism preparedness, protection, prevention, response, recovery, or relief. An LEAs signature on the SPO Addendum agreeing to these new terms will serve as initial certification.



iii) LEAs that do not have a current SPO Addendum on file by January 1, 2023 or who fail to annually certify that the vehicle(s) use is exclusively for disaster-related emergencies; active shooter scenarios; hostage or other search and rescue operations; or anti-terrorism preparedness, protection, prevention, response, recovery, or relief must return vehicle(s) to DLA Disposition Services.

**4) ACQUIRING (OR RETAINING) CONTROLLED PROPERTY** The State shall:

a) Review, verify and only submit to LESO for approval, requests for controlled property by LEAs who have current SPO and SPO Addendum on file with the state.

b) Ensure LEAs return controlled property to DLA Disposition Services if the Department of Justice (DOJ) determines or a Federal, State, Tribal, local, or territorial court enters a final judgment finding that the LEA has engaged in a pattern or practice of civil rights violations.

c) Ensure that prior to requesting/acquiring any controlled property, the LEAs:

i) Provide written or electronic notification to the local community of its intent to request controlled property. The notification must be translated into appropriate languages to inform individuals with limited English proficiency. The LESO Program would *recommend* that LEAs provide a notice of intent to request controlled property to the local community on or before January 1, 2023 and at the beginning of each fiscal year (October 1st) thereafter. This notification should include a comprehensive list of any controlled property that may be requested throughout the year. If this notice of intent does not include a specific controlled property item, such item may not be requested in the LESO Program until 30-days after an updated notice is published.

ii) Provide written or electronic notification to the city council or appropriate local Civilian Governing Body (CGB) of its intent to request controlled property and allow “reasonable opportunity to review” (normally 30-days). The LESO Program would *recommend* that LEAs provide a notice of intent to the CGB on or before January 1, 2023 and at the beginning of each fiscal year (October 1st) thereafter. This notification should include a comprehensive list of any controlled property that may be requested throughout the year. If this notice of intent does not include a specific controlled property item, such item may not be requested in the LESO Program until 30-days after an updated notice is published. Requests for controlled property must comport with all applicable approval requirements of the CGB.

(1) The above requirement includes elected Sheriff’s who also shall notify their CGB or city or county government within their jurisdiction.

(2) In cases of disagreement between requesting LEAs and CGB, the Governor appointed LESO Program State Coordinator (SC) will obtain an advisory opinion from the States Attorney General’s Office on whether CGBs are authorized by state law to deny the request.

iii) *Campus LEAs operating in Institutions of Higher Education (IHE)*- LEAs operating in IHEs otherwise referred to as “Campus Police” or “Campus LEAs” must also adhere to the requirements identified below:

(1) Obtain the IHE Board of Governors (or an equivalent body) *explicit approval* for the acquisition of controlled property. Such approval must be evidenced in the Campus LEAs request submitted to the LESO Program. Silence or inaction by the Campus LEAs Board of Governors does not constitute evidence of approval, and the “reasonable opportunity to review” (normally 30-days) standard does not apply to Campus LEA applications.

(2) Certify that their policies and training include specific provisions on using controlled property in a way that does not chill speech, is not disruptive to the educational environment, and does not foster a hostile climate among students.

(3) Campus LEAs who receive controlled vehicles are required to remove the militaristic appearance (i.e., painting the vehicle a different color).

**5) REGIONAL SHARING AGREEMENTS** LESO Program participants who are part of a regional sharing agreement must also adhere to the following requirements. LEAs shall:

a) Provide information regarding the size of the region, including the number and size of the LEA with access to the requested controlled property and the estimated population served.

b) Ensure any controlled property providing support in a regional sharing agreement is utilized in accordance with the LESO Program SPO and this SPO Addendum.

c) Ensure that only LESO Program participants within the regional sharing agreement utilize the controlled property. Agencies/activities who are not LESO Program participants may not utilize or direct the use of controlled property obtained via the LESO Program.

d) Obtain SC/SPOC approval to temporarily conditionally loan property to another LESO Program participant within the regional sharing agreement (if mission requires). If the SC/SPOC approves the temporary conditional loan, it shall be done using an acceptable Equipment Custody Receipt (ECR). At the end of the temporary conditional loan, the item (s) shall be returned to the original LEA for accountability. All requests for conditional loans will be based on bona fide law enforcement requirements.

i) The LESO Program participant with controlled property on their inventory must certify that the other LESO Program participant in the regional sharing agreement requesting the property under a conditional loan:

(1) Has adopted requisite protocols (in Section 6 below) or will adopt those protocols before their personnel use the controlled property,

(2) Have provided requisite training (in Section 7 below) or will provide that training before their personnel use the controlled property, and

(3) Will adhere to the information collection and retention requirements (in Section 8 below).

ii) The LEA conditionally loaning the controlled property will remain accountable to the LESO Program to ensure the above provisions are met.

**6) POLICIES/PROCEDURES** LEAs must establish policies/procedures that are consistent with the standards listed below, in order to request or maintain controlled property. LEAs must:

a) Adopt and comply with general policing standards.

i) *Community Policing-* LEA policies/procedures should reflect the concept that trust and mutual respect between police and the communities they serve are critical to public safety. Community policing fosters relationships between law enforcement and the local community which promotes public confidence in LEAs therefore increasing LEA ability to investigate crimes and keep the peace.

ii) *Constitutional Policing*- LEA policies/procedures must emphasize that all police work should be carried out in a manner consistent with the requirements of the U.S. Constitution and federal law. Policies/procedures must include First, Fourth, and Fourteenth Amendment principles in law enforcement activity, as well as compliance with Federal and State civil rights laws. LEA certified law enforcement officers receive training on the rights embodied by such Constitutional Amendments and how these amendments inform policing policies/procedures.

iii) *Community Input and Impact*- LEA policies/procedures must identify mechanisms that LEAs will use to engage the communities they serve to inform them and seek their input about LEAs actions, role in, and relationships with the community. LEAs should make particular efforts to seek the input of communities where controlled property is likely to be used so as to mitigate the effect that such use may have on public confidence in the police. This could be achieved through the LEAs regular interactions with the public through community forums, town halls, or meetings with the Chief, or community outreach divisions.

b) Adopt and comply with controlled property standards.

i) *Appropriate Use of Controlled Property*- LEA policies/procedures must define appropriate use of controlled property; officers who are authorized to use controlled property must be trained on these policies/procedures. LEAs should examine scenarios in which controlled property will likely be deployed, the decision-making processes that will determine whether controlled property is used, and the potential that both use and misuse of controlled property could create fear and distrust in the community. Policies/procedures should consider whether measures can be taken to mitigate that effect (i.e., keep armored vehicles at a staging area until needed) and any alternatives to the use of such property and tactics to minimize negative effects on the community, while preserving officer safety.

ii) *Supervision of Use*- LEA policies/procedures must specify appropriate supervision of personnel operating or utilizing controlled property. Supervision must be tailored to the type of controlled property being used and the nature of the engagement or operation during which the property will be used. Policies/procedures must describe when a supervisor of appropriate authority is required to be present and actively overseeing the property being used.

iii) *Effectiveness Evaluation*- LEA policies/procedures must articulate that the LEA will regularly monitor and evaluate the effectiveness and value of controlled property to determine whether continued deployment and use is warranted on operational, tactical, and technical grounds. LEAs should routinely review after-action reports and analyze any data on, for example, how often controlled property is used or whether controlled property is used more frequently in certain law enforcement operations or in particular locations or neighborhoods.

iv) *Auditing and Accountability*- LEA must establish policies/procedures that are designed to prevent misuse, unauthorized use and/or loss of controlled property. LEA will hold personnel accountable to agree and comply with State, local, Tribal and Federal controlled property use policies/procedures.

v) *Transparency and Notice*- LEA policies/procedures must articulate that LEA will engage the community regarding controlled property, policies/procedures governing its use, and review of "significant incidents" (as defined in Section 8), with the understanding that there are reasonable limitations on disclosures of certain information and law enforcement sensitive operations and procedures.

c) Must adopt and comply with record-keeping requirements for controlled property.

i) Upon LESO request, LEAs must provide a copy of the general policing standards and specific controlled property standards that were adopted, to include any related policies/procedures.

ii) *Record-Keeping Requirement*- LEAs must retain comprehensive training records, either in the personnel file of the officer who was trained or by the LEAs training division or equivalent entity, for a period of at least three (3) years, and must provide a copy of these records, upon LESO request.

**7) TRAINING** LEAs that request or have acquired controlled property via the LESO Program must establish written policies/procedures for controlled property use, and all personnel who are authorized to use the controlled property will be trained on these policies/procedures. LEAs must:

a) Provide annual training on general policing standards to personnel who may use the controlled property.

b) Provide annual training on property standards to personnel who may use the controlled property.

c) Provide controlled property operational and technical training to personnel and ensure personnel are proficient prior to using controlled property.

d) Provide scenario-based training to personnel that combines constitutional and community policing principles with controlled property specific training. LEA personnel authorizing or directing the use of controlled property should have enhanced scenario-based training to examine, deliberate, and review the circumstances in which controlled property should or should not be used.

**8) DOCUMENTATION REQUIRED FOR "SIGNIFICANT INCIDENTS"** LEAs must collect and retain the information (described below) when any law enforcement activity involves a "Significant Incident" which requires (or results in) the use of controlled property on the LEAs inventory. A "Significant Incident" is defined as any law enforcement operation or action that involves: 1) a violent encounter among civilians or between civilians and the police, 2) a use-of-force that causes death or serious bodily injury, 3) a demonstration or other public exercise of First Amendment rights, or 4) an event that draws, or could be reasonably expected to draw, a large number of attendees or participants, such as those where advanced planning is needed. LEAs must:

a) Collect and retain documentation for controlled property used in a "Significant Incident" for a minimum of three (3) years after the incident has occurred. The LEA must provide documentation to LESO upon request.

i) Documentation should also be made available to the community the LEA serves in accordance with applicable policies/procedures with exemptions made concerning the disclosure of any sensitive information.

b) No new report or format is required for "Significant Incident" reports so long as information is easily accessible and organized. The required information may already exist in a police report, operations plan, officer daily log, incident report, after-action report or described in a use-of-force report. If required information (annotated below) is contained in a pre-existing reports, the LEA must simply ensure that the report includes information that controlled property was used. Required information is listed below:

i) Name and quantity of controlled property used, including relevant details such as make/model/serial number of controlled property used.

- ii) Description of the LEA action/operation involving the controlled property.
- iii) Identification of LEA personnel who used and directed the use of the controlled property.
- iv) Identify or describe civilians who were the subject or target of LEA action/operation. For large crowds or multiple persons, the LEA must provide general description of the civilians (i.e., a crowd of approximately 250 people).
- v) Result of the action/operation in which controlled property was used (i.e., arrests, citations, injuries or fatalities, use-of-force, victim extraction, or property damage).

**9) ANNUAL CERTIFICATIONS** By signing the SPO Addendum, the LEA agrees to the below certification statements. In addition, the LEA must annually certify compliance with the below certification statements during the Annual LESO Program Inventory. LEAs must:

- a) Certify they have authorization from their CGB to participate in the LESO Program.
- b) Certify they have provided their CGB and local community a comprehensive list of controlled property that may be requested through the LESO Program.
  - i) Notification may be made electronically or in writing and must be translated into appropriate languages to inform individuals with limited English proficiency. It is recommended this notification be done on an annual basis.
  - ii) If controlled property is not identified in the comprehensive list provided to the CGB and local community, an updated notification to CGB and local community must be made. The CGB and local community will be afforded 30-days to review what additional items are being requested.
- c) Certify the request for controlled property comports/complies with all applicable approval requirements of the CGB.
- d) Certify they have adopted and comply with controlled property standards (i.e., appropriate use, supervision of use, effectiveness evaluation, auditing/accountability of use, transparency/notice of use, and record-keeping requirements).
- e) Certify they have provided annual training to personnel on the maintenance, sustainment, and appropriate use of controlled property, including respect for the rights of citizens under the Constitution of the United States and de-escalation of force.
- f) (*LEAs with LRADs*) Certify that the LRAD is utilized exclusively as a public address system for commercial purposes.
- g) Certify that controlled property vehicle(s) are utilized exclusively for disaster-related emergencies; active shooter scenarios; hostage or other search and rescue operations; or anti-terrorism preparedness, protection, prevention, response, recovery, or relief.
- h) Certify that controlled property requiring a license (or other authorization), is only utilized by personnel who hold license (or other authorization) to operate such property.
- i) Certify that controlled property will be returned to DLA Disposition Services when no longer needed.
- j) Certify that they are abiding by the current LESO Program SPO and SPO Addendum, and maintain a signed copy of these documents on file.

k) Certify the Application for Participation on-file with LESO Program is current and accurately reflects the number of officers in the agency when fully staffed. (Note: If Application for Participation is not accurate, LEA must provide an updated Application for Participation to State Coordinators Office).

l) Certify they are compliant with LESO Program allocation limits. (Note: Property allocation limits are based on the number of officers at an LEA when fully staffed).

m) Certify that they agree to return the controlled property if the Department of Justice (DOJ) determines or a Federal, State, Tribal, local, or territorial court enters a final judgment finding that the LEA has engaged in a pattern or practice of civil rights violations.

n) *Campus LEAs (as described in Section 4)* must also certify that their policies and training include specific provisions on using controlled property in a way that does not chill speech, is not disruptive to the educational environment, and does not foster a hostile climate among students.

o) *Program participants who are part of a regional sharing agreement (as described in Section 5)*, must also certify that the other LESO Program participant in the regional sharing agreement requesting the property under a conditional loan: 1) Have adopted requisite protocols in (as described in Section 6) or will adopt those protocols before their personnel use the controlled property, 2) Have provided requisite training (as described in Section 7) or will provide that training before their personnel use the controlled property, and 3) Will adhere to the information collection and retention requirements (as described in Section 8).

**10) SAVINGS CLAUSE/INTERPRETATION** Nothing in this SPO Addendum shall be construed to impair or otherwise affect the requirements under the existing SPO between the State and LEA (dated February 2021), unless expressly amended herein. To the extent there is a disagreement concerning the interpretation of this SPO Addendum or the extent this SPO Addendum affects requirements under the existing SPO, the disagreement shall be resolved at the exclusive discretion of the LESO Program.

**11) AGREEMENTS OF PARTIES** By signing this SPO Addendum, the State and LEA acknowledges and accepts these changes. The SPO Addendum must be signed by LEAs no later than January 1, 2023 to remain eligible for LESO Program participation. The changes contained in this SPO Addendum are acknowledged and accepted by the following:

Governor-appointed State Coordinator State of ARIZONA

Title (Print): AZ LESO STATE COORDINATOR

Name (Print): MATT Van Camp

Signature (Sign):  Date MM/DD/YYYY: 8-23-2022

Law Enforcement Agency Name: \_\_\_\_\_

Chief Law Enforcement Official (CLEO) Title (Print): \_\_\_\_\_

Name (Print): \_\_\_\_\_

Signature (Sign): \_\_\_\_\_ Date MM/DD/YYYY: \_\_\_\_\_



# Town of Huachuca City

The Sunset City

500 N Gonzales Blvd • Huachuca City, Arizona 85616

Phone: (520) 456-1354 • TDD: (520) 456-1353 • Fax: (520) 456-9208



December 8, 2022

**SUBJECT:** Notification to Civilian Governing Body and Local Community

On May 25, 2022, Presidential Executive Order (EO) 14074 “Advancing Effective, Accountable Policing and Criminal Justice Practices to Enhance Public Trust and Public Safety” was signed.

In accordance with EO 14074 (Section 12), State, Tribal, local, and Territorial Law Enforcement agencies (LEAs) must:

- 1) Notify their Civilian Governing Body (CGB) (*i.e.*, *City Council, County Government or other local governing body*) of its intent to request property from Federal sources (to include Federal funds or grants.)
- 2) Notify the Local Community of its request for property transfers, purchases from Federal funds, agencies or subcontractors (including existing transfer contracts or grants).

The Huachuca City Police Department may request the below controlled property items from the Law Enforcement Support Office (LESO) or other Federal Source:

Controlled Property Description
Mobile Command Post

Pursuant to EO 14074 (Section 12), this memo fulfills the requirement to notify the Civilian Governing Body (CGB) and Local Community of my agency’s intent to request the controlled property items identified above. A copy of our current inventory of LESO controlled property is attached.

James L. Thies  
Chief of Police  
Huachuca City Police Department



# Town of Huachuca City



Item Name	Dmil Code	Dmil Integrity Code	Creation Date	Quantity	Status	Tracked
RIFLE,5.56 MILLIM...	D	1	November 8, 2013	1	ASSIGNED	Y
RIFLE,5.56 MILLIM...	D	1	December 10, 2013	1	ASSIGNED	Y
RIFLE,5.56 MILLIM...	D	1	December 10, 2013	1	ASSIGNED	Y
RIFLE,5.56 MILLIM...	D	1	December 10, 2013	1	ASSIGNED	Y
RIFLE,5.56 MILLIM...	D	1	December 10, 2013	1	ASSIGNED	Y
RIFLE,5.56 MILLIM...	D	1	December 20, 2013	1	ASSIGNED	Y
RIFLE,5.56 MILLIM...	D	1	December 20, 2013	1	ASSIGNED	Y
SIGHT,REFLEX	D	1	December 23, 2013	1	ASSIGNED	Y
VEST,TACTICAL LOA...	A	1	April 15, 2014	8	CLOSED	Y
TRUCK,UTILITY	Q	6	April 24, 2014	1	ASSIGNED	Y
SIGHT,REFLEX	D	1	October 31, 2017	1	ASSIGNED	Y
SIGHT,REFLEX	D	1	October 31, 2017	1	ASSIGNED	Y
SIGHT,REFLEX	D	1	October 31, 2017	1	ASSIGNED	Y
SIGHT,REFLEX	D	0	October 31, 2017	1	ASSIGNED	Y
SIGHT,REFLEX	D	0	November 1, 2017	1	ASSIGNED	Y
SIGHT,REFLEX	D	0	November 1, 2017	1	ASSIGNED	Y
RACK,STORAGE,SMAL...A	A	1	July 24, 2019	4	CLOSED	Y
TRUCK,RESCUE	A	1	July 24, 2019	1	CLOSED	Y
0 SHREDDER	A	1	September 26, 2019	1	CLOSED	Y



**State Plan of Operation (SPO) between:**

**THE STATE OF ARIZONA and the**  
*(State/United States Territory)*

Huachuca City Police Department  
*Law Enforcement Agency (LEA)*

**1) PURPOSE** This State Plan of Operation (SPO) is entered into between the State/United States (U.S.) Territory and Law Enforcement Agency (as identified above), to set forth the terms and conditions which will be binding on the parties with respect to Department of Defense (DoD) excess personal property conditionally transferred pursuant to 10 USC § 2576a, in order to promote the efficient, expeditious transfer of property and to ensure accountability of the same.

**2) AUTHORITY** The Secretary of Defense (SECDEF) is authorized by 10 USC § 2576a to transfer to Federal and State Law Enforcement Agencies (LEAs), personal property that is excess to the needs of the DoD, including small arms and ammunition, that the Secretary determines is suitable to be used by such agencies in law enforcement activities, with preferences for counter-drug/counter-terrorism, disaster-related emergency preparedness or border security activities, under such terms prescribed by the Secretary. The SECDEF has delegated program management authority to the DLA. The DLA Disp Svcs LESO administers the program in accordance with (IAW) 10 USC § 2576a, 10 USC § 280, DoDM 4160.21 and DLAI 4140.11. The DLA defines "law enforcement activities" as activities performed by governmental agencies whose primary function is the enforcement of applicable federal, State, and local laws and whose compensated law enforcement officers have powers of arrest and apprehension.

**A. Operational Authority**

a. The Governor of the State of Arizona has appointed Matt Van Camp as the State Coordinator in writing with a effective date of May 26<sup>th</sup> 2015 to implement this program statewide as well as conduct management and oversight of this program. The Tonto Apache Tribal Police Department provides funding / budgeting to administer this program. The LESO program is a division of the Arizona Public Safety Procurement Program or the AZPSPP.

**B. Membership Fee**

a. The AZPSPP may institute a membership fee to cover administrative costs associated with managing the LESO program. The AZPSPP uses a budget year of July 1<sup>st</sup> thru June 30<sup>th</sup> as it's yearly cycle. Membership fees are due after July 1<sup>st</sup> of the current year. The AZPSPP currently has a \$250.00 per year membership fee for each participating agency. Membership fees can be paid by check to the Tonto Apache Tribal Police Department LESO Program by Mail at 30 Tonto Apache Reservation Payson, AZ 85541.

b. The provided funding is used to support the mandates in this plan for Program Compliance Reviews (PCR'S) and customer service. This includes computer / telephone assistance and physical visits to the LEA for training.

**3) GENERAL TERMS AND CONDITIONS** "DoD excess personal property" also known as "items", "equipment", "program property", or "property". "DLA Disposition Services Law Enforcement Support Office" also known as "1033 Program", "LESO Program", "the program", or "LESO". "State or U.S. Territory" also known as "the State", "State Coordinator (SC)", "State Point of Contact (SPOC)", or "SC/SPOC". "Law Enforcement Activities" also known as "agencies in law enforcement activities", "Law Enforcement Agency (LEA)", "program participant", or "State/LEA".

a) Property made available under this agreement is not for personal use and is for the use of authorized program participants only. All requests for property shall be based on bona fide law enforcement requirements. Authorized participants who receive property from the program will not loan, donate, or otherwise provide property to other groups or entities (i.e., public works, county garage, schools, etc.) that are not otherwise authorized to participate in the program. Property will not be obtained by program participants for the purpose

of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan. To receive such property, on an annual basis the LEA shall certify that they have:

- i) Obtained authorization of the relevant local governing body authority (i.e., city council, mayor, etc.).
  - ii) Adopted publicly available protocols for the appropriate use of controlled property, the supervision, and the evaluation of the effectiveness of such use, including auditing and accountability policies.
  - iii) Annual training in place and provides it to relevant personnel on the maintenance, sustainment, and appropriate use of controlled property, including respect for the rights of citizens under the Constitution of the U.S. and de-escalation of force.
- b) All costs associated with the transportation, turn-in, transfer, repair, maintenance, insurance, disposal, repossession or other expenses related to property are the sole responsibility of the State/LEA. The State/LEA shall also be responsible to reimburse the U.S Government (USG) for costs incurred in retrieving and/or repossessing property impermissibly transferred by the State/LEA to unauthorized participants.
- c) The State/LEA will maintain and enforce regulations designed to impose adequate security and accountability measures for controlled property to mitigate the risk of loss or theft of property. Program participants shall implement controls to ensure property made available under this agreement is used for official law enforcement use only. The State/LEA shall take appropriate administrative and/or disciplinary action against individuals that violate provisions of the Memorandum of Agreement (MOA) between the Federal Government and the State/U.S. Territory and/or this SPO, including unauthorized use of property.
- d) All property transferred to the State/LEA via the program is on an as-is, where-is basis.
- e) LESO reserves the right to recall property issued to a State/LEA at any time.
- f) General use of definitions/terms:
- i) Demilitarization (DEMIL code)-a code assigned to DoD property that indicates the degree of required physical destruction, identifies items requiring specialized capabilities or procedures, and identifies items which do not require DEMIL but may require Trade Security Controls (TSC). Program participants are not authorized to conduct physical demilitarization of property.
  - ii) "Controlled property"-items with a DEMIL code of B, C, D, E, F, G, and Q (with an Integrity Code of "3"). Title and ownership of controlled property remains with the DoD in perpetuity and will not be relinquished to the State/LEA. When a State/LEA no longer has a legitimate law enforcement use for controlled property, they shall notify the LESO and the property will be transferred to another program participating State/LEA (via standard transfer process) or returned to DLA Disp Svcs for disposition.
  - iii) "Non-controlled" property"-items with a DEMIL code of A or Q (with an Integrity Code of "6"). These items are conditionally transferred to the State/LEA and will remain on State/LEA accountable inventory for one year from the ship date. However, after one year from the ship date, DLA will relinquish ownership and title for the property to the State/LEA without issuance of further documentation. During this one year period, the State/LEA remains responsible for the accountability and physical control of the property and the LESO retains the right to recall the property. Participants should return any property in this one year period that becomes excess to their needs or they otherwise determine is not serviceable.
- (1) The LEA receives title and ownership of DEMIL "A" and "Q6" property as governmental entities. Title and ownership of this property does not pass from DoD to any private individual or State/LEA official in their private capacity. Such property shall be maintained and ultimately disposed of IAW provisions in State and local laws that govern public property.

(2) Sales/gifting of DEMIL "A" and "Q6" property after one year from the ship date inconsistent with State/local law may constitute grounds to deny future participation in the program. If the LEA's policy allows for disposal of DEMIL "A" and "Q6" property by sale or auction, all funds generated by the sale of DoD acquired property will be restricted for the LEA's use only. It cannot be transferred to the General Fund of the LEA's parent Governing body's budget. DoD acquired property will be fully utilized or offered to another program participant by the LEA prior to disposal. DoD property will not be acquired to supplement the LEA's budget.

(3) After one year from ship date, DEMIL "A" and "Q6" property may be transferred, cannibalized for usable parts, sold, donated, or scrapped. All usable/repairable DEMIL "A" and "Q6" property that was obtained from the LESO program will be offered to other State, Local or Federal participants of the LESO program through the State Coordinators Office prior to being disposed of per agency policy. A Photo and description of the item shall be emailed to the State Coordinators Office for dissemination to all Arizona participants of the program. After 15 days of being offered to other program participants, the LEA may follow their agencies policy for disposal.

(4) Once the property is no longer on the LEA accountable inventory, the property is no longer subject to the annual physical inventory requirements and will not be inventoried during a LESO Program Compliance Review (PCR).

g) All physical transfers of property require LESO approval. Program participants will not physically transfer property until the LESO approval process is complete. Program participants may request their SC/SPOC approval to temporarily conditionally loan property to another program participant (if mission requires). If the SC/SPOC approves the temporary conditional loan, it shall be done using an acceptable Equipment Custody Receipt (ECR). At the end of the temporary conditional loan, the item (s) shall be returned to the original LEA for accountability. All requests for conditional loans will be based on bona fide law enforcement requirements.

h) The program may authorize digital signatures on required program documentation.

i) The State/LEA is not required to maintain insurance on controlled property, aircraft or other property with special handling requirements that remain titled to DoD. However, the State/LEA will be advised that if they elect to carry insurance and the insured property is on the program inventory at the time of loss or damage, the recipient will submit a check made payable to DLA for insurance proceeds received in excess of their actual costs of acquiring and rehabilitating the property prior to its loss, damage, or destruction.

#### 4) STATE PLAN OF OPERATION The State shall:

a) Assist in training LEAs with enrollment, property requests, transfers, turn-ins, and disposal procedures.

b) Adhere to the requirements outlined in the MOA between the Federal Government and the State/U.S. Territory and ensure MOA amendments or modifications are incorporated into this SPO and program participants are notified and acknowledge responsibility to comply with changes.

c) Submit a SPO to LESO that shall address procedures for determining LEA eligibility, allocation, equitable distribution of property, accountability, inventory, training, and education, State-level internal PCRs, export control requirements, procedures for turn-in, transfer, and disposal and other responsibilities concerning property.

d) Enter into written agreement with each LEA, via the LESO-approved SPO, to ensure program participants acknowledge the terms, conditions, and limitations applicable to property. This SPO must be signed by the current Chief Law Enforcement Official (CLEO) (or designee) and the current SC/SPOC.

e) Provide program participants the following information:

i) The LESO Program State POCs:

State Coordinator (SC): Matt Van Camp Tonto Apache Tribal Police Department

State Point of Contact (SPOC): Larry Hall Buckeye Police Department 623-695-0418

State Point of Contact (SPOC): \_\_\_\_\_

State Point of Contact (SPOC): \_\_\_\_\_

ii) SC/SPOC Facility Information:

Physical Mailing Address: 30 Tonto Apache Reservation Payson, AZ 85541

Email: AZ1033/1122@paysonaz.us

Phone Number: CELL 928-595-4020 / 928-978-0010 Office 928-468-1050

Website: \_\_\_\_\_

Hours of Operation: Monday thru Friday 8:00 AM to 5:00PM Hours could vary based on work assignments.

iii) Funding to administer the LESO Program at the State-level is provided via:

Tonto Apache Tribal Police Department

30 Tonto Apache Reservation Payson, AZ 85541

5) **PROPERTY ACCOUNTING SYSTEM** The State will maintain access to Federal Excess Property Management Information System (FEPMIS) (or current property accounting system), to ensure LEAs maintain property books, to include, but not limited to, transfers, turn-ins, and disposal requests from an LEA or to generate these requests at the State-level and forward all approvals to the LESO for action. The State will:

- a) Conduct quarterly reconciliations of State property records.
- b) Ensure at least one person per LEA maintains access to the property accounting system. Users may be "active" or "inactive" in the system, so long as they are registered. Ensure registered users are employees of the State/LEA.
- c) Ensure LEAs receive and account for property in the property accounting system within 30 days.

6) **LESO WEBSITE** The State shall access the LESO website for timely and accurate guidance, information, and links concerning the program and ensure that all relevant information is passed to the program participants.

7) **ANNUAL TRAINING** 10 USC § 280 provides that the SECDEF, in cooperation with the U.S. Attorney General, shall conduct an annual briefing of law enforcement personnel of each State (including law enforcement personnel of the political subdivisions of each State). Individuals who wish to attend are responsible for funding their own travel expenses. The briefing will include information on training, technical support, equipment, and facilities that are available to civilian law enforcement personnel from the DoD. The state shall provide program participants training material as discussed during the annual LESO training which includes information on property management best practices to include (but not limited to) searching for property, accounting for property on inventory, transfer and turn-in of property when it is no longer needed or serviceable.

**8) ENROLLMENT** The LESO shall establish and implement program eligibility criteria IAW 10 USC § 2576a, DLA Instructions and Manuals and this SPO and retains final approval/disapproval authority for application packages forwarded by the State. Non-governmental law enforcement entities such as private railroad police, private security, private academies, correctional departments, prisons, or security police at private schools/colleges are not eligible to participate. Fire departments (by definition) are not eligible to participate and should be referred to the DLA Fire Fighter program administered by USDA. Law enforcement agencies requesting program participation shall have at least one full-time law enforcement officer. Program property may only be issued to full-time/part-time law enforcement officers. Non-compensated reserve officers are not authorized to receive property. State law enforcement training facilities/ academies may be authorized to participate in the program given their primary function is the training of bona fide State/local law enforcement officers. Law enforcement training facilities/academies will be reviewed on a case-by-case basis. The State shall:

a) Validate the authenticity of state/LEAs that are applying for program participation. Only submit to the LESO those application packages that the SC/SPOC recommends/certifies are government agencies whose primary function is the enforcement of applicable federal, State, and local laws and whose compensated officers have the powers of arrest and apprehension. If the State forwards an unauthorized participant application package, this may result in a formal suspension of the State.

b) Have sole discretion to disapprove state/LEA application packages in their State. The SC/SPOC should provide notification to the LESO when application packages are disapproved at the State-level.

c) Ensure that screeners listed in the application package are employees of the LEA. A screener may only screen property for two LEAs. Contractors may not conduct screening on behalf of a LEA.

d) Make recommendation on what constitutes a "full-time" or "part-time" law enforcement officer.

e) Ensure LEAs update their account information annually, or as needed. This may require the LEA to submit an updated application package. An updated application package shall be submitted for (but is not limited to) the following: a change in CLEO, the addition or removal of a screener, a change in the LEA physical address or contact information, etc.

f) Provide the LEA a comprehensive program overview once approved by the LESO for enrollment. The overview will be done within 90-days of a LEA being approved to participate.

## **9) PROPERTY ALLOCATION**

a) The LESO shall:

i) Upon receipt of a SC/SPOC validated request for property through the RTD website, will review and give preference to requisitions indicating that the requested property will be used in the counter-drug, counter-terrorism, disaster-related emergency preparedness, or border security activities of the requesting LEA. Program participants that request vehicles used for disaster-related emergency preparedness, such as high-water rescue vehicles, should receive the highest preference.

ii) Require additional justification for small arms, aircraft, ammunition, and vehicles and to the greatest extent possible, ensure fair and equitable distribution of property based on current LEA inventory and justification for property.

iii) Reserve the right to determine and/or adjust allocation limits, to include the type, quantity and location of property allocated to the State/LEA. Generally, no more than one item (per part-time/full-time officer) will be allocated. Quantity exceptions may be granted by the LESO on a case-by-case basis based on the justification provided by the LEA. Currently, the following allocation limits apply:

- (1) Robots: one (of each type) for every ten officers (full-time/part-time).
- (2) High Mobility Multipurpose Wheeled Vehicle (HMMWV)/Up-Armored HMMWV (UAH): one vehicle for every three officers (full-time/part-time).
- (3) Mine Resistant Ambush Protected (MRAP) / Armored Vehicles: two vehicles per LEA.
- (4) Small arms: one (of each type) per officer (full-time/part-time).

(a) LESO may authorize over allocations of small arms in preparation for inevitable scenarios, i.e. training, equipment downtime (damage, routine maintenance, inspections) or other law enforcement needs. The chart below is the standard for small arms acceptable over-allocations:

<b>Small Arms Acceptable Over-Allocations</b>	
<b># of Officers</b>	<b># by type</b>
1-10	2 or less
11-25	3 or less
26-100	5 or less
101-299	8 or less
300 or more	10 or less

(b) In instances where small arm allocation amounts exceed the “acceptable over-allocation” levels, the LESO will coordinate with States to verify accuracy of the officer count. If small arm allocation is still beyond acceptable levels, LESO may authorize one of the following:

- 1) an exception to policy, 2) a transfer, or 3) a turn-in.

b) The State shall:

i) Assist the LEA in the use of electronic screening of property via the RTD website and shall access the RTD website a minimum of once daily (Monday-Friday) to review and process LEA requests for property. Property justifications shall be validated to ensure they meet the intent of 10 USC § 2576a as suitable for use by agencies in law enforcement activities. Prior to approving a request or transfer, review the LEAs property allocation report to prevent over allocation.

ii) Upon receipt of a valid LEA request for property, provide a recommendation to the LESO on the preference to be given to those requisitions for property that will be used in counter-drug, counter-terrorism, disaster-related emergency preparedness or border security activities of the recipient agency. Requests for vehicles used for disaster-related emergency preparedness, such as high-water rescue vehicles, should receive the highest preference. The State shall consider the fair and equitable distribution of property based on current LEA inventory and LEA justifications for property. The State shall ensure the type and quantity of property being requested by LEAs is reasonable and justifiable given the number of officers (full-time/part-time) and prior requisitions for similar items they have received (both controlled and non-controlled property). Generally, no more than one of any item per officer (full-time/part-time) will be allocated.

**10) PROPERTY MANAGEMENT** Certain controlled equipment shall have a documented chain of custody (i.e. an acceptable ECR), including a signature of the recipient. Controlled property requiring an ECR: small arms (including parts and accessories), aircraft, vehicles, optics, and robots. It is encouraged to utilize ECRs for all controlled property. LEAs may request cannibalization on aircraft or vehicles. Cannibalization requests shall be submitted to the State for review. Cannibalization must be approved by the LESO prior to any cannibalization actions. The cannibalized end item shall be returned to DLA Disp Svcs within the timeframes determined by the LESO.

a) Aircraft-Aircraft will not be obtained by LEAs for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan and shall be reported to the LESO at the end of their useful life. All aircraft are considered controlled property, regardless of DEMIL code. Aircraft that are no longer needed or serviceable shall be reported to the General Services Administration (GSA) for final disposition by the LESO Program Aircraft Specialist.

b) Vehicles-Program participants that request vehicles used for disaster-related emergency preparedness, such as high-water rescue vehicles, should receive the highest preference. Vehicles will not be obtained by LEAs for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan and vehicles that are considered controlled property will be returned to DLA Disp Svcs at the end of their useful life. DLA Disp Svcs Field Activity/Site will identify qualifying DEMIL A or Q6 vehicles and may issue (upon LEA request) a Standard Form (SF) SF-97 to the LEA upon physical transfer of the vehicle. The LEA may modify the vehicle during the one year conditional transfer period.

c) Ammunition-LESO will support the U.S. Army (USA), in allocating ammunition to program participants. Ammunition obtained via the program will be for training use only. At the time of request, the LEA will certify in writing that the ammunition will be used for training use/purposes only. The USA will issue approved transfers directly to the State/LEA. The State/LEA is responsible for funding all packing, crating, handling, and shipping costs for ammunition. The LEA will make reimbursements directly to the USA. Ammunition will not be obtained by LEAs for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan. Ammunition obtained via the program shall not be sold. Ammunition will be treated as a consumable item and not tracked in any DLA inventory system or inspected during PCRs. LESO shall track and maintain necessary records of ammunition that has been transferred to LEAs and will post all requests, approvals, and denials on the LESO public website.

d) Small arms:

i) Small arms will not be obtained by LEAs for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan and shall be returned to DLA Disp Svcs at the end of their useful life. Cannibalization of small arms is not authorized.

ii) Temporary modifications to small arms are authorized; permanent modifications to small arms are not authorized (i.e. drilling holes in the lower receiver of a small arm). In cases of temporary modifications, all parts are to be retained and accounted for in a secured location under the original serial number for the small arm until final disposition is determined. If the modified small arm is transferred to another LEA, all parts will accompany the small arm to the receiving LEA.

iii) Small arms will be issued utilizing an acceptable ECR which obtains certain information about the property being issued to include (but is not limited to) the signature of the law enforcement officer who is accepting responsibility for the small arm(s), the serial number of the small arm, the date in which the law enforcement officer took possession of the small arm, etc.

iv) Small arms that are not carried on an officer's person or in the officer's immediate physical vicinity will be secured using "two levels of physical security". Two levels of physical security meaning two distinct lockable barriers, each specifically designed to render a small arm inaccessible and unusable to unauthorized persons. Lockable barriers meeting this description may be either manual or electronic.

v) Program participants no longer requiring program small arm(s) shall request authorization to transfer the small arm to another participating LEA or request authorization to turn-in/return the small arm.

Transfers and turn-in requests shall receive final approval from the LESO; small arms will not physically move until the LESO provides official notification that the approval process is complete. When turning-in small arms to Anniston Army Depot, the LEA shall follow LESO turn-in guidance.

vi) Local destruction (DEMIL) of small arms is not authorized.

vii) Lost, Stolen or Destroyed (LSD) small arms:

(1) Program participants with multiple instances of LSD small arms in a five-year window will be assessed by DLA Disp Svcs to determine if a systemic problem exists IAW DLAI 4140.11.

(2) DLA OIG investigations may be initiated if small arms are improperly disposed of or become LSD while in program inventory. The State/LEA may be required to reimburse DLA the fair market value of the small arms when negligence, willful misconduct, or a violation of the MOA between the Federal Government and the State/U.S. Territory and/or this SPO is confirmed at the conclusion of the Financial Liability Investigation of Property Loss (FLIPL).

(a) Reimbursement will be within 60-days of the completion of the FLIPL.

(b) Title will never transfer to the recipient regardless of the status of the small arm.

(c) Payments due to DLA Disp Svcs, based upon the findings of the FLIPL, may be paid by one of three methods: 1) credit card via pay.gov, 2) cashier/ business check, or 3) wire transfer.

(3) In instances of LSD small arm recovery, DoD retains title in perpetuity and the small arm shall be immediately relinquished/surrendered back to the program.

## 11) PROGRAM COMPLIANCE REVIEWS (PCR)

a) The LESO shall:

i) Conduct PCRs to ensure that the SC/SPOC, and all LEAs within a State are compliant with the terms and conditions of the program as required by 10 USC § 2576a, the MOA between the Federal Government and the State/U.S. Territory and/or this SPO and any DLA Instructions and manuals regarding the program. PCRs are conducted to ensure property accountability, program compliance, and program eligibility.

ii) Conduct PCRs for participating States every 2 years, providing training to the State/LEA as needed.

iii) Reserve the right to conduct no notice PCRs, or require an annual review, or similar inspection, on a more frequent basis for any State/LEA.

iv) Intend to physically inventory 100% of property selected for review at each LEA during a PCR. The use of ECRs in lieu of physical inspection is discouraged during PCRs. Extensive use of the ECR (without prior coordination with LESO) may result in a non-compliance finding during the PCR.

v) Intend to review as much property as possible during a PCR.

(1) The goal is to review 20% of a State's overall small arms inventory.

(2) The goal for inventory selections (at LEAs selected for review) is 15% of an LEAs general



- property to include non-controlled property (DEMIL code A and Q6).
- vi) Select LEAs not visited during the last three regularly scheduled PCR cycles (as applicable).
- vii) Recommend corrective actions (which may include suspending a State/LEA from program participation) for findings of non-compliance identified during a PCR.
- (1) The LESO shall issue corrective actions (with suspense dates) to the State, which will identify what is needed to rectify the identified deficiencies within the State/LEA.
  - (2) If the State/LEA fails to correct identified deficiencies within the LESO suspense dates, the LESO may move to restrict, suspend, or terminate the State/LEA from program participation.
  - (3) States found non-compliant for a PCR will be suspended for a minimum of 60-days and will not be reinstated until the State successfully passes a LESO-conducted PCR.
- viii) Ensure the State/LEA understand that property shall be transferred to a participating agency with SC/SPOC and LESO approval or returned to DLA Disp Svcs when no longer needed or serviceable.

b) The State shall:

- i) Assist the LESO as required, prior to, during and upon completion of the PCR.
- ii) Assist in the coordination of the PCR daily schedule of events and forward the schedule to LEAs that have been selected for review.
- iii) Contact LEAs that have been selected for the PCR via phone, email or in person to ensure they are aware of the schedule and are prepared for the PCR.
- iv) Receive inventory selections from the LESO and forward them to the selected LEAs. The State shall ensure the LEA physically gathers the selected property in a central location (to the greatest extent possible) which will allow the LESO to physically inventory the property efficiently during the PCR.
- v) Coordinate the use of any ECR with the LESO prior to the PCR.
- vi) Ensure LEAs understand property shall be transferred to a participating agency with SC and LESO approval or returned to DLA Disp Svcs when deemed no longer needed or serviceable.
- vii) Conduct State-level (internal) PCRs of participating LEAs to ensure property accountability, program compliance and program eligibility utilizing a PCR checklist provided by the LESO, or equivalent (for uniformity purposes).
  - (1) Ensure a State-level (internal) PCR of at least 8% of LEAs with program inventory is completed annually (3% of which will be focused on program participants with no controlled property). Results of the State-level (internal) PCR will be kept on-file with the State. Documentation shall be provided to the LESO for each LEA that received a State-level PCR.
  - (2) The State-level (internal) PCR will include, at minimum:
    - (a) A review of the dually-signed SPO, ensuring it is uploaded to the property accounting system.
    - (b) A review of the LEA application package to confirm authenticity and eligibility of the LEA.

(c) An inventory of property selected for review at each LEA.

(d) A review of each selected LEA files for any of the following which may include turn-in/transfer DD Form 1348-1A, ECR, small arm documentation, FLIPL documents, exception to policy letters, approved cannibalization requests, or other pertinent documentation as required.

(3) Request that the LESO restrict, suspend or terminate an LEA based on findings during State-level internal PCR or due to non-compliance with terms of the MOA between the Federal Government and the State/U.S. Territory and/or this SPO, DLA Instruction/Manual or any statute or regulation regarding the program.

(4) Notify the LESO and initiate an investigation into any questionable activity or action involving property issued to a LEA that comes to the attention of the State and is otherwise within the authority of the Governor/State to investigate. Upon conclusion of any such investigation, take appropriate action and/or make appropriate recommendations on restriction, suspension, or termination of the State/LEA to the LESO. The SC may suspend or terminate a State/LEA participation in the program at any time for non-compliance.

**12) ANNUAL PHYSICAL INVENTORY** Each State/LEA is required to conduct an annual physical inventory of all property on the active property book and provide certification in the property accounting system. DEMIL "A" and "Q6" property records will not be closed during the annual physical inventory period.

In the State of Arizona, the annual physical inventory and certification in the property accounting system process starts on July 1<sup>st</sup> and must be completed by August 31st. The State shall:

a) Provide training to LEAs to properly conduct the annual physical inventory and complete the certification of property in the property accounting system.

b) Ensure an approved and current SPO is uploaded in the property accounting system for each LEA.

c) Validate the annual physical inventory certifications submitted by LEAs.

d) Adhere to annual physical inventory certification requirements as identified by the LESO. Physical inventories and certification statements will be maintained on file IAW the DLA records schedule.

e) Annually certify property is utilized and is within allocation limits IAW the MOA between the Federal Government and the State/U.S. Territory and this SPO.

f) Recommend suspension of program participants who fail to complete or submit the certified annual physical inventory.

**13) REPORTING LOST, STOLEN, OR DESTROYED (LSD) PROPERTY** Any property identified as LSD on a LEA current inventory, shall be reported to the State/LESO. A FLIPL (aka the DD Form 200) shall be submitted to the State/LESO for LSD property. Program participants agree to cooperate with investigations into LSD property by any federal, state, or local investigative body and, when requested, assist with recovery of LSD property.

a) LSD controlled property shall be reported to the State/LESO within 24-hours. Program participants may be required to provide their SC/SPOC additional documentation which may include (but is not limited to):

1) Comprehensive police report, 2) NCIC report/entry, and 3) Contact information for the Civilian Governing Body (CGB) over the LEA involved, to include: Title, Name, Email, and mailing address.

b) LSD property with a DEMIL code of "A" and "Q6" shall be reported to the State/LESO within 7-days.

**14) RESTRICTION, SUSPENSION OR TERMINATION** Program participants are required to abide by the terms and conditions of the MOA between the Federal Government and the State/U.S. Territory and this SPO in order to maintain active program participation status. If a State/LEA fails to comply with any term or condition of the MOA, SPO, DLA Instruction or Manual, federal statute or regulation, the State/LEA may be suspended, terminated, or placed on restricted status. Restriction, suspension, or termination notifications will be in writing and will identify remedial measures required for reinstatement (if applicable). *Suspension*-A specified period in which an entire State/LEA is prohibited from requesting or receiving additional property through the program. Additional requirements may be implemented, to include the State/LEA requirement to return specifically identified controlled property. Suspensions will be for a minimum of 60-days. *Termination*-The removal of a State/LEA from program participation. The terminated State/LEA shall transfer or turn-in all controlled property previously received through the program at the expense of the State/LEA involved. *Restricted Status*-A specified period in which a State/LEA is restricted from receiving an item or commodity due to isolated issues with the identified item or commodity. Restricted status may also include restricting a State/LEA from all controlled property.

a) State termination-The SC/SPOC will coordinate with LESO to identify a realistic timeframe to complete the transfer or turn-in of all property. The LESO retains final authority to determine timeframe requirements.

b) LEA termination-The SC/SPOC will coordinate with LESO to identify a realistic timeframe to complete the transfer or turn-in of all property. The LESO retains final authority to determine timeframe requirements.

c) In the event of a termination, the State/LEA will make every attempt to transfer the property of the terminated State/LEA to an authorized State/LEA, as applicable, prior to requesting a turn-in of the property to DLA Disp Svcs. In cases that require a repossession or turn-in of property, the State/LEA will bear all expenses related to the repossession, turn-in or transfer of property to DLA Disp Svcs.

d) The State shall:

i) Suspend LEAs for a minimum of 60-days in all situations relating to the suspected or actual abuse of property or requirements and/or repeated non-compliance related to the terms and conditions of this SPO. Suspension may lead to termination. The State shall also issue corrective action guidance to the LEA with suspense dates to rectify issues and/or discrepancies that caused the restriction, suspension, or termination. The State shall require the LEA to submit results on completed police investigations and/or reports on LSD property to include the LEA CAP. The LESO retains final discretion on reinstatement requests. Reinstatement to full participation from a restriction, suspension or termination is not automatic.

ii) Initiate corrective action to rectify suspensions or terminations of the LEA for non-compliance to the terms and conditions of the program. The State shall also make contact (until resolved) with suspended LEAs to ensure corrective actions are rectified within required timeframes provided by the LESO.

iii) Require the LEA to complete and submit results on completed police investigations or reports regarding LSD property. The State will submit all documentation to LESO upon receipt.

iv) Provide documentation to LESO when actionable items are rectified for the State/LEA.

v) Request that the LESO suspend or terminate an LEA based upon their findings during State-level internal PCR or due to non-compliance with any term of this SPO, DLA Instruction/Manual or any statute or regulation regarding the program.

vi) Notify the LESO and initiate an investigation into any questionable activity or action involving property issued to an LEA that comes to the attention of the State and is otherwise within the authority of the Governor/State to investigate. Upon conclusion of any such investigation, take appropriate action and/or make appropriate recommendations on restriction, suspension, or termination of the LEA to the LESO. The SC may revoke or terminate concurrence for LEA participation in the program at any time.

vii) Provide written request to the LESO for reinstatement of an LEA for full participation status at the conclusion of a restriction or suspension period. Written verification shall be provided that the SC/SPOC has validated the LEA CAP.

**15) RECORDS MANAGEMENT** The LESO, SC/SPOC, and LEAs participating in the program will maintain program records IAW the DLA records schedule. Records for property acquired through the program have retention controls based on the DEMIL code. Property records will be filed, retained, and destroyed IAW DLA records schedule. Records may include, but are not limited to: DD Form 1348-1A for transfers, turn-ins, requisitions, Bureau of Alcohol, Tobacco, Firearms and Explosives (BATFE) Forms 5 and 10.

**16) TRADE SECURITY CONTROL (TSC) and COMPLIANCE WITH EXPORT CONTROL REGULATIONS** Items transferred to program participants, including DEMIL A and Q (with an Integrity Code of 6) property, may be subject to export control restrictions. Program participants shall comply with U.S. export control laws and regulations if they contemplate further transfers of any property. Once title transfers, LEAs should consult with the Department of State (DoS) and Department of Commerce (DoC) export control regulators about the type of export controls that may apply to items, regardless of DEMIL code. Program participants may request a formal Commodity Classification from the DoC, Bureau of Industry and Security (BIS), or submit a general correspondence request to the DoS, Directorate of Defense Trade Controls. Information on managing exports of CCI items can be found at the U.S. DoC Bureau of Industry and Security website. Program participants shall notify all subsequent purchasers or transferees, in writing, of their responsibility to comply with U.S. export control laws and regulations.

**17) NOTICES** Any notices, communications, or correspondence related to this SPO shall be provided by email, the U.S. Postal Service (USPS), express service, or facsimile to the appropriate DLA office. The LESO may (from time to time) make unilateral modifications or amendments to the provisions of the MOA between the Federal Government and the State/U.S. Territory and/or this SPO. Notice of these changes will be provided to the State in writing. Unless the State takes immediate action to terminate the MOA between the Federal Government and the State/U.S. Territory and/or this SPO, such modifications or amendments will become binding. In such cases, reasonable opportunity will (insofar as practicable) be afforded the State/LEA to conform to changes affecting their operations.

**18) ANTI-DISCRIMINATION** By signing or accepting property, the State/LEA pledges agreement to comply with provisions of the national policies prohibiting discrimination: 1) On the basis of race, color, or national origin, in Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) as implemented by DoD regulations 32 CR Part 195, 2) On the basis of age, in the Age Discrimination Act of 1975 (42 USC 6101, et seq) as implemented by Department of Health and Human Services regulations in 45 CFR Part 90 and 3) On the basis of handicap, in Section 504 of the Rehabilitation Act of 1973, P.L. 93-112, as amended by the Rehabilitation Act Amendments of 1974, P.L. 93-516 (29 USC 794), as implemented by Department of Justice (DoJ) regulations in 28 CFR Part 41 and DoD regulations at 32 CFR Part 56. These elements are the minimum essential ingredients for establishment of a satisfactory business agreement between the State and the DoD.

**19) INDEMNIFICATION CLAUSE** The State/LEA is required to maintain adequate liability insurance to cover damages or injuries to persons or property relating to the use of property issued under the program. Self-insurance by the State/LEA is considered acceptable. The USG assumes no liability for damages or injuries to any person(s) or property arising from the use of property issued under the program. It is recognized that State and local law generally limit or preclude the State/LEA from agreeing to open ended indemnity provisions. However, to the extent permitted by State and local laws, the State/LEA shall indemnify and hold the USG harmless from any and all actions, claims, debts, demands, judgments, liabilities, cost, and attorney's fees arising out of, claimed on account of, or in any manner predicated upon loss of, or damage to property and injuries, illness or disabilities to, or death of any and all persons whatsoever, including members of the general public, or to the property of any legal or political entity including States, local and interstate bodies, in any manner caused by or contributed to by the State/LEA, its agents, servants, employees, or any person subject to its control while the property is in the possession of, used by, or subject to the control of the State/LEA, its agents, servants, or employees after the property has been removed from USG control.

20) **TERMINATION** This SPO may be terminated by either party, provided the other party receives a thirty (30) day notice (in writing) or as otherwise stipulated by Public Law. The undersigned SC hereby agrees to comply with all provisions set forth herein and acknowledges that any violation of the terms and conditions of this SPO may be grounds for immediate termination and possible legal consequences, to include pursuit of criminal prosecution if so warranted.

21) **AGREEMENT OF PARTIES** The parties below agree to enter this agreement as of the last date below:

Governor-appointed SC/SPOC, State of: Arizona


Full Name (Print): MATT Van Camp

Signature (Sign):  Date (MM/DD/YYYY): 04-05-2021

Chief Law Enforcement Official (CLEO) (or designee): Houma, La. City Police Department

Title (Print): Chief of Police

Full Name (Print): James L. Thies

Signature (Sign):  Date (MM/DD/YYYY): 4-5-2021

# Memo

**To:** Mayor and Council  
**From:** Dr. Jim Johnson, Building Official  
**cc:** Suzanne Harvey, Town Manager  
**Date:** October 4, 2022  
**Re:** Vegetation Abatement of 3 properties

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Mayor and Council,

Attached are proposals from Grasshopper Landscaping to abate the vegetation overgrowth at three properties. The owners of each of these properties have deceased and no heirs have come forward; therefore, the Town has no one to enforce cleanup of the properties. We chose Grasshopper Landscaping because they are a local business and they are properly licensed and insured. Each of the properties are described as follows:

- 1) **303 Apache Street.** The owners have been deceased for several years. Originally, the Town abated the removal of a burned-out mobile home from the property in 2017. Then because of a complaint received from a neighbor, the vegetation overgrowth was abated in 2021. We have not received any complaints yet this year, but the property is in need of abatement again. The attached proposal for \$810.91 includes cleanup of the alleyway behind the property.
- 2) **217 Pima Street.** The owner has been deceased for a couple years now. Due to complaints received, the vegetation overgrowth was originally abated in May 2021. Due to the monsoon rains the vegetation overgrowth was abated again in November 2021. We have not received any complaints yet this year, but the property is in need of abatement again. The attached proposal for \$3,967.21 does not include the right-of-way around the property—Public Works has agreed to cut this area back.
- 3) **115 Apache Street.** The owners have been deceased for several years, and the last occupant of the property (not the owner) passed away earlier this year. Vegetation overgrowth on this property has been an issue for many years. In fact, the Lions Club has assisted the occupant the last couple of years. We received a complaint from a neighbor about the overgrowth a few weeks ago so the Town needs to abate it. The attached proposal for \$1,969.04 includes abatement of the weeds around the entire property, as well of trimming the bushes down to 4'. The home itself is in pretty rough shape and we will need to address this as well at some point in the future. Right now, I want to address the vegetation overgrowth.

Once we get clearance for these abatement cases, we will proceed with the proper onsite postings and newspaper publications and scheduling the work to be completed. If you have any questions, please do not hesitate to contact me.



# Southwest Desert Images, LLC

4938 East Buffalo Soldier Trail | Sierra Vista, AZ 85650 |

520-803-0063 | barbhsouthwestdesert@gmail.com |

License#-Landscape ROC140113-- Pool ROC 327443-- Herbicide QA31961

## Notes Continued...

changes or change orders. Cost differentials, either plus or minus, will be specifically annotated on the change order.

3. Customer agrees to provide an initial down payment of 50%. Weekly progress payments in proportion to work completed will also be requested for larger projects when appropriate. Final payment will be due upon project completion.

4. The Contract description of work along with associated plan(s), detail(s) and/ or drawing(s) represent the contractual scope of work. Please review these documents in detail to ensure all components are addressed and accurate. Any components not specifically addressed are not included in the estimate.

5. For your safety please understand and observe a 50 foot buffer around all equipment and Construction processes.

6. Not all planted designed or selected will be available from Arizona vendors. If a plant is available out of area the customer will be given an option to purchase with added costs. This can result in construction delays or returning to job once plant is available. Plant substitutions in this instance are recommended

7. Payment in full is due upon job completion. A 2% per month late payment fee will be assessed on any unpaid balances remaining after 30 days.

8. The project start date and completion date are estimated, being subject to crew availability, material availability, weather conditions, and acts of God

## CONTRACT WARRANTY PROVISIONS

1. Irrigation/ LV Lighting One (1) year parts and labor for complete system installations. For partial system installations the warranty is defined per project at the discretion of Southwest Desert Images (SDI). Any irrigation components that have a manufacturers warranty for longer than one year carry the manufacturers warranty for the component only. This warranty does not cover replacement of bulbs for LV lights unless it is demonstrated to have been caused by an electrical issue.

2. Trees and Plants 1. Southwest Desert Images (SDI) will warranty most sizes of plants for three (3) months if the following conditions are present: A. The plant was supplied and installed by SDI. B. The plant is located in a position appropriate for the health of the plant(s). C. And the plant (excluding cactus or other plants requiring 'no water') is irrigated 'properly.'

2. SDI will not warranty plant(s) under the following conditions: A. Natural situations or other 'Acts of God' (i.e. unseasonably cold temperatures, excessive winds, etc.), which affect the health of the plant. B. Animals who come into contact with the plant, causing damage or ill health to the plant.

3. Unless specified in this contract, no plant or planting comes with staking. Plants damaged due to not having staking will not be warranted.

4. In the event a plant is lost, or thought to be dying, proceed with the following:

A. For a 15 gallon or larger box size plant, SDI will verify the plant health on site (where planted) and replace (including labor) if above conditions are met. B. For a 5 gallon or smaller plant, the Owner is responsible for bringing the plant in to the Nursery on Buffalo Soldier Trail. SDI will replace the plant if covered under this warranty (does NOT include planting cost).

3. Artificial Turf Artificial turf is warranted for two years for against installation defect. This primarily includes lifting of turf (rolls) and seam separation. The turf is further warranted against manufacturing defect under manufacturer's written warranty. SDI only uses products made in the USA and all products include a ten year limited warranty. The manufacturers warranty covers manufacturing defects, UV degradation, and fading. Reference manufacturers warranty for terms, conditions and limitations.

4. Precast Concrete Pavers Pavers are warranted for two years. The warranty includes the following: 1. Settling. SDI will repair any settling that occurs as long the settling occurs in the course of normal use and is not due to an act of God (flooding, etc) 2. Soldier and sailor course borders. These borders are covered against stone separation or any other defect.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



# Southwest Desert Images, LLC

4938 East Buffalo Soldier Trail | Sierra Vista, AZ 85650 |  
520-803-0063 | barbhsouthwestdesert@gmail.com |  
License#-Landscape ROC140113-- Pool ROC 327443-- Herbicide QA31961

**RECIPIENT:**

**Town of Huachuca City**

502 Gonzales Boulevard  
Huachuca City, Arizona 85616  
Phone: 520-249-5504

**Estimate #1659**

Sent on 11/20/2022  
SW Desert Images LLC 140113  
Date \_\_\_\_\_

**Total \$2,017.50**

PRODUCT / SERVICE	DESCRIPTION	QTY.	UNIT PRICE	TOTAL
Address: 115 Apache St	Trim Photini to 4ft high in front yard Lift Pine Tree Mow with D/R Trimmer in back yard Weedeat in backyard Haul Debris to Approved Green Waste Facility	1	\$785.00	\$785.00
Address: 303 Apache Street	Mow with riding mower in backyard Weed eat in backyard	1	\$297.50	\$297.50
Address: 200 Block of Pima St	Mow with Ambusher Weedeat area after mowing is done	1	\$935.00	\$935.00

**Total \$2,017.50**

This quote is valid for the next 30 days, after which values may be subject to change. If the quote and attached contract provisions are to your satisfaction please sign it and return to Southwest Desert Images, LLC.

**CONTRACT PROVISIONS**

1. All work will be completed in a professional manner for the amount priced above. Contractor reserves the right to withdraw the proposal if not accepted within 30 days.
2. Changes to this contract will be documented and completed via written change order. SDI reserves the right to administer a fee of a minimum of \$25 for any