



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



**Fiscal Year Ended June 30, 2025**

**Annual Comprehensive  
Financial Report  
Fiscal Year Ended June 30, 2025**



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

**City Manager Department  
Finance Division**

# City of Sierra Vista

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# Introductory Section

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# *City of Sierra Vista*

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

March 27, 2026

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

State law mandates that cities publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Sierra Vista, Arizona for the fiscal year ended June 30, 2025.

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

The City of Sierra Vista, Arizona's financial statements have been audited by Baker Tilly US, LLP., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Sierra Vista, Arizona for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Sierra Vista, Arizona's financial statements for the fiscal year ended June 30, 2025, and are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

## **PROFILE OF THE CITY**

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

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

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

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

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

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

## **AWARDS AND ACKNOWLEDGEMENTS**

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sierra Vista for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

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

Respectfully submitted,



Charles P. Potucek  
City Manager



David J. Felix, CPA  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Sierra Vista  
Arizona**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

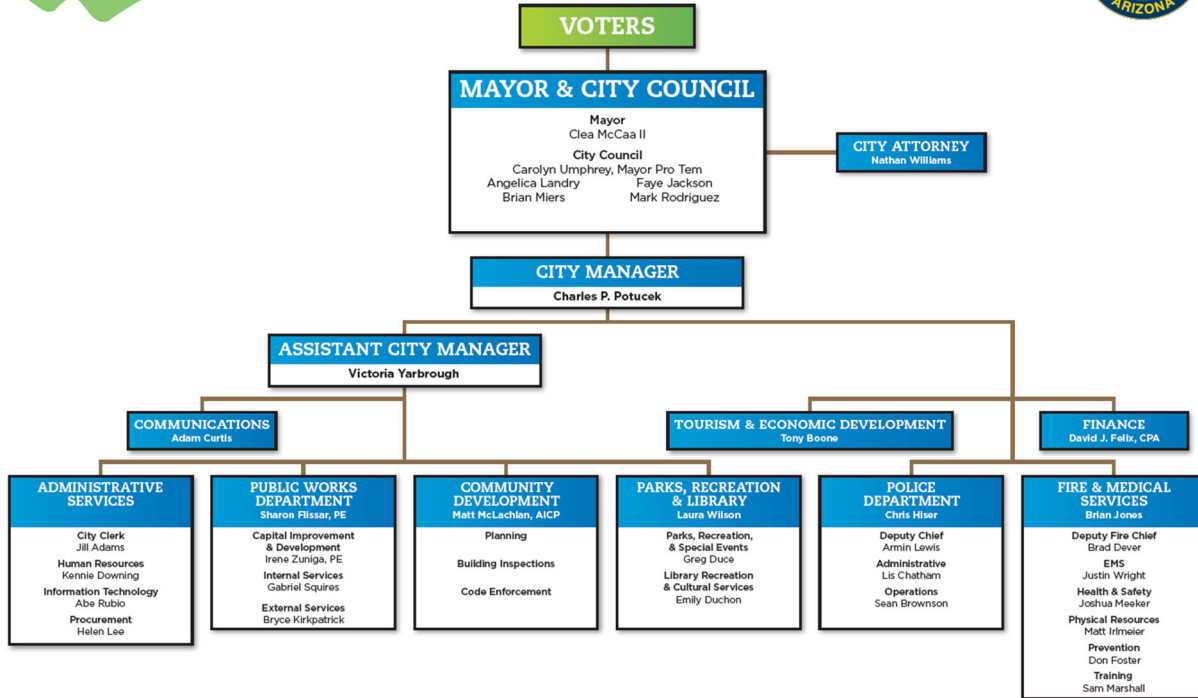
*Christopher P. Morrill*

Executive Director/CEO



# CITY OF SIERRA VISTA

## CHART OF ORGANIZATION



# City of Sierra Vista Officials

## **Mayor**

Clea McCaa II

## **City Council**

Carolyn Umphrey Mayor Pro Tem

Angelica Landry

Marta Messmer

Brian Miers

Mark Rodriguez

Vacant

## **City Manager**

Charles P. Potucek

## **Assistant City Manager**

Victoria Yarbrough

## **City Clerk**

Jill Adams

## **City Attorney**

Nathan Williams

## **Financial Section**

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## **Independent Auditors' Report**

To the City Council of  
City of Sierra Vista

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Sierra Vista (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of June 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Other Matters**

##### ***Compliance Over Use of Highway User Revenue Fund and Other Dedicated State Transportation Revenue Monies***

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to use highway user revenue fund monies received by the City pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the City solely for the authorized transportation purposes, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the use of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

#### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

### **Required Supplementary Information**

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

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

## **Restricted Use Relating to the Other Matter**

The communication related to compliance with the aforementioned indenture described in the Other Matter paragraph is intended solely for the information and use of the Arizona State Legislature, management and other responsible parties within the City and is not intended to be and should not be used by anyone other than these specified parties.

The image shows a handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Tempe, Arizona  
March 27, 2026



**Management's Discussion and Analysis (MD&A)  
(Required Supplementary Information)**

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As management of the City of Sierra Vista, Arizona (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. The management's discussion and analysis is presented as required supplementary information to the basic financial statements. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### **Financial Highlights**

The financial statements which follow the Management's Discussion and Analysis provide those significant key financial highlights for 2025 as follows.

- The City's total net position of governmental activities increased \$2.9 million to \$94.6 million and business-type activities decreased \$1.8 million to \$27.6 million representing 77.4% and 22.6%, respectively, of the total net position of \$122.2 million.
- General revenues from governmental activities accounted for \$56.3 million in revenue, or 71.5% of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$22.4 million or 28.5% of total governmental activities revenues.
- The City had \$75.8 million in expenses related to governmental activities; of which \$22.4 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$56.3 million were sufficient to provide for the remaining costs of these programs. The City had \$10.5 million in expenses related to business-type activities. These expenses were offset by program-specific revenues in the form of charges for services and grants and contributions of \$8.7 million.
- The General Fund had \$53.5 million in revenues, which primarily consisted of taxes, intergovernmental revenues and charges for services. The total expenditures of the General Fund were \$53.0 million. The General Fund's fund balance remained level at \$10.5 million.
- Net position for the Internal Service Funds decreased \$0.7 million from the prior year. Operating revenues of \$5.4 million did not exceed operating expenses of \$6.4 million and investment income of \$0.3 million did not exceed the operating loss.

### **Overview of Financial Statements**

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

### **Government-Wide Financial Statements**

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

The statement of net position presents information on all of the City's assets, liabilities and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

**Governmental Activities**

Governmental activities include most of the City's basic services, such as general government, public safety, public works, culture and recreation, and community development. Sales taxes, municipal and state taxes, intergovernmental revenues and charges for services finance most of these activities.

**Business Type Activities**

Business-type activities include the services provided by the City, which are sewer and refuse services. The services are financed through user fees and charges.

**Fund Financial Statements**

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

**Governmental Funds**

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

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

**Proprietary Funds**

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for sewer and refuse services. The proprietary fund provides the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides additional information for the Sewer and Refuse Funds, which are considered to be major funds of the City. The internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its self-insurance funds. Because these activities predominantly benefit governmental functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

**Fiduciary Funds**

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

**Notes to the Financial Statements**

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

**Other Information**

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

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

**Government-Wide Financial Analysis**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$122.2 million as of June 30, 2025, an increase of \$1.1 million from June 30, 2024.

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

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

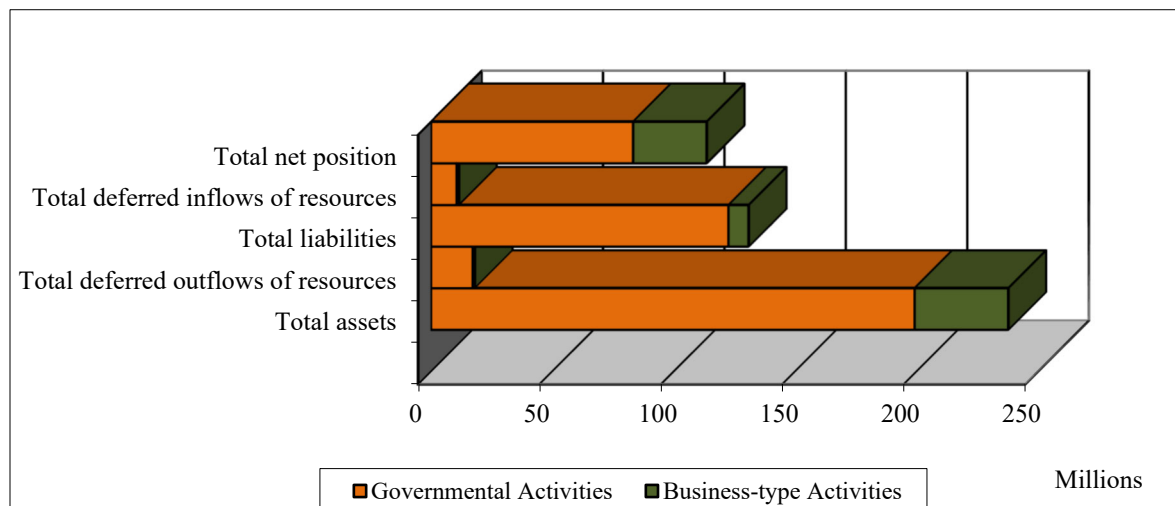
## City of Sierra Vista

### Management's Discussion and Analysis (MD&A)

June 30, 2025

The following table presents a summary of the City's net position for the fiscal year ended June 30, 2025 and 2024.

	2025 Governmental Activities	2024 Governmental Activities	2025 Business-Type Activities	2024 Business-Type Activities	2025 Total	2024 Total
Current and other assets	\$ 54,301,954	\$ 52,892,821	\$ (2,509,557)	\$ (1,648,167)	\$ 51,792,397	\$ 51,244,654
Capital assets, net	143,874,154	146,432,999	36,956,870	38,013,913	180,831,024	184,446,912
<b>Total assets</b>	<b>198,176,108</b>	<b>199,325,820</b>	<b>34,447,313</b>	<b>36,365,746</b>	<b>232,623,421</b>	<b>235,691,566</b>
Deferred outflows of resources	14,319,516	17,072,606	628,077	623,725	14,947,593	17,696,331
<b>Total deferred outflows of resources</b>	<b>14,319,516</b>	<b>17,072,606</b>	<b>628,077</b>	<b>623,725</b>	<b>14,947,593</b>	<b>17,696,331</b>
Current liabilities	12,772,041	11,659,191	1,734,928	1,400,364	14,506,969	13,059,555
Noncurrent liabilities	98,264,327	105,867,283	5,241,956	5,596,813	103,506,283	111,464,096
<b>Total liabilities</b>	<b>111,036,368</b>	<b>117,526,474</b>	<b>6,976,884</b>	<b>6,997,177</b>	<b>118,013,252</b>	<b>124,523,651</b>
Deferred inflows of resources	6,870,547	7,200,129	493,007	596,938	7,363,554	7,797,067
<b>Total deferred inflows of resources</b>	<b>6,870,547</b>	<b>7,200,129</b>	<b>493,007</b>	<b>596,938</b>	<b>7,363,554</b>	<b>7,797,067</b>
<b>Net position</b>						
Net investment in capital assets	116,531,520	116,259,767	35,654,337	36,040,866	152,185,857	152,300,633
Restricted	27,447,540	25,500,046	113,276	98,612	27,560,816	25,598,658
Unrestricted	(49,390,351)	(50,087,990)	(8,162,114)	(6,744,122)	(57,552,465)	(56,832,112)
<b>Total net position</b>	<b>\$ 94,588,709</b>	<b>\$ 91,671,823</b>	<b>\$ 27,605,499</b>	<b>\$ 29,395,356</b>	<b>\$ 122,194,208</b>	<b>\$ 121,067,179</b>



## City of Sierra Vista

### Management's Discussion and Analysis (MD&A)

June 30, 2025

#### Changes in Net Position

The City's total revenues for the fiscal year ended June 30, 2025, were \$87.4 million. The total cost of all programs and services was \$86.3 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2025 and 2024.

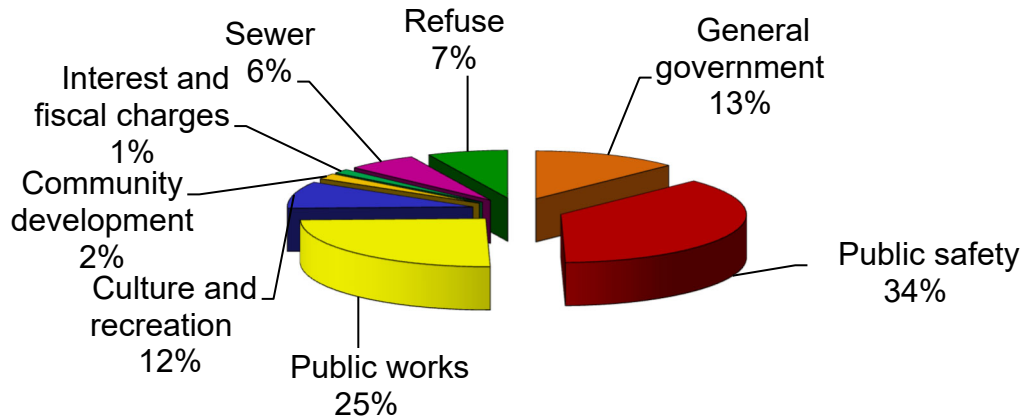
	2025 Governmental Activities	2024 Governmental Activities	2025 Business-Type Activities	2024 Business-Type Activities	2025 Total	2024 Total
Revenues:						
Program revenues:						
Charges for services	\$ 8,295,758	\$ 11,147,071	\$ 8,593,126	\$ 8,588,487	\$ 16,888,884	\$ 19,735,558
Operating grants and contributions	8,991,620	5,509,247	-	42,000	8,991,620	5,551,247
Capital grants and contributions	5,113,487	1,063,551	137,563	266,701	5,251,050	1,330,252
General revenues:						
Property taxes	382,499	368,523	-	-	382,499	368,523
Sales taxes	27,442,623	27,426,976	-	-	27,442,623	27,426,976
Franchise fees	1,351,408	1,470,220	-	-	1,351,408	1,470,220
State shared revenues	23,897,909	26,274,679	-	-	23,897,909	26,274,679
Other revenues	1,703,616	369,314	-	-	1,703,616	369,314
Investment income	1,506,384	1,673,508	-	837	1,506,384	1,674,345
<b>Total revenues</b>	<b>78,685,304</b>	<b>75,303,089</b>	<b>8,730,689</b>	<b>8,898,025</b>	<b>87,415,993</b>	<b>84,201,114</b>
Expenses:						
General government	10,899,925	9,150,476	-	-	10,899,925	9,150,476
Public safety	29,567,846	29,511,348	-	-	29,567,846	29,511,348
Public works	21,254,668	19,600,992	-	-	21,254,668	19,600,992
Culture and recreation	11,789,515	6,397,134	-	-	11,789,515	6,397,134
Community development	1,396,269	1,286,019	-	-	1,396,269	1,286,019
Interest and fiscal charges	860,195	923,707	-	-	860,195	923,707
Sewer	-	-	5,397,579	4,775,319	5,397,579	4,775,319
Refuse	-	-	5,122,967	4,939,888	5,122,967	4,939,888
<b>Total expenses</b>	<b>75,768,418</b>	<b>66,869,676</b>	<b>10,520,546</b>	<b>9,715,207</b>	<b>86,288,964</b>	<b>76,584,883</b>
Increase (decrease) in net position	2,916,886	8,433,413	(1,789,857)	(817,182)	1,127,029	7,616,231
Net position, beginning	91,671,823	83,238,410	29,395,356	30,212,538	121,067,179	113,450,948
Net position, ending	<u>\$ 94,588,709</u>	<u>\$ 91,671,823</u>	<u>\$ 27,605,499</u>	<u>\$ 29,395,356</u>	<u>\$ 122,194,208</u>	<u>\$ 121,067,179</u>

## City of Sierra Vista

### Management's Discussion and Analysis (MD&A)

June 30, 2025

#### Expenses



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

	2025		2024	
	Total Expenses	Net (Expense) Revenue	Total Expenses	Net (Expense) Revenue
<b>Governmental Activities:</b>				
General government	\$ 10,899,925	\$ (5,773,534)	\$ 9,150,476	\$ (8,148,344)
Public safety	29,567,846	(22,498,561)	29,511,348	(21,704,644)
Public works	21,254,668	(15,500,469)	19,600,992	(13,742,585)
Culture and recreation	11,789,515	(8,675,743)	6,397,134	(4,927,720)
Community development	1,396,269	(59,051)	1,286,019	297,193
Interest and fiscal charges	860,195	(860,195)	923,707	(923,707)
<b>Total expenses</b>	<b>\$ 75,768,418</b>	<b>\$ (53,367,553)</b>	<b>\$ 66,869,676</b>	<b>\$ (49,149,807)</b>
<b>Business-Type Activities:</b>				
Sewer	\$ 5,397,579	\$ (1,432,043)	\$ 4,775,319	\$ (655,087)
Refuse	5,122,967	(357,814)	4,939,888	(162,932)
<b>Total expenses</b>	<b>\$ 10,520,546</b>	<b>\$ (1,789,857)</b>	<b>\$ 9,715,207</b>	<b>\$ (818,019)</b>

## **Financial Analysis**

### **Overall**

The City had one item that accounted for most of the revenue growth. Operating grants and contributions are up \$3.5 million, or 63.2%, over last year

### **Governmental Funds**

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

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$37.8 million, an increase of \$2.0 million.

The General Fund is the principal operating fund of the City. There was no material change in fund balance in the General Fund for the fiscal year, remaining at \$10.5 million. The main reason is due to a 8.8% decrease in State Shared Revenues.

In June 2022, the City received the Pueblo del Sol Golf Course from the major development companies in the area. The City entered into a contract with Paradigm Golf Group for the management of the course.

### **Proprietary Funds**

Net position of the enterprise funds at the end of the year amounted to \$27.6 million. This is a decrease of \$1.8 million from 2024. The main reasons for the decrease was increased pension and depreciation costs.

## **Budgetary Highlights**

The City's budget policy calls for conservative revenue and expenditure estimates. This conservative approach is the main reason the General Fund Tax and State Shared revenue amounts are \$185,095 above budget. On the expenditure side, the two largest contributors to the budget variance were the delay in the construction of the expansion to the City Animal Care Center and delivery delays on a fire department ladder truck.

The City conducts a mid-year budget review which provides an opportunity to adjust the fiscal year budget. The fiscal year 2025 mid-year review focused on maintaining the General Fund ending fund balance.

## City of Sierra Vista

### Management's Discussion and Analysis (MD&A)

June 30, 2025

## Capital Assets and Debt Administration

### Capital Assets

As of June 30, 2025, the City had a net investment of \$180.8 million in capital assets, including buildings, facilities, vehicles, computers, equipment, infrastructure, and construction in progress assets. Total depreciation expense for the year was \$19.9 million.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2025 and 2024.

	2025		2024	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Land	\$ 11,486,499	\$ 1,488,882	\$ 10,556,499	\$ 1,488,882
Infrastructure	211,827,920	46,450,959	202,236,008	45,813,829
Buildings and improvements	80,482,961	9,575,707	77,638,513	10,000,290
Machinery and equipment	38,428,672	9,190,014	36,506,645	8,615,182
Construction in progress	651,951	-	944,034	18,418
Accumulated depreciation	(199,003,849)	(29,748,692)	(181,448,700)	(27,922,688)
Total	\$ 143,874,154	\$ 36,956,870	\$ 146,432,999	\$ 38,013,913

For additional information on the City's capital assets, see the capital asset section in the footnotes, starting on page 44.

### Debt Administration

At year-end, the City had \$28.5 million in long-term debt outstanding with \$3.1 million due within one year. The following table presents a summary of the City's outstanding long-term debt for the fiscal years ended June 30, 2025 and 2024.

	2025		2024	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Revenue Bonds	\$ 27,234,000	\$ 1,150,000	\$ 29,613,000	\$ 1,685,000
Financed purchases payable	-	121,691	-	241,783
Total	\$ 27,234,000	\$ 1,271,691	\$ 29,613,000	\$ 1,926,783

State statutes currently limit the amount of general obligation debt a city may issue. The City currently has no general obligation debt outstanding. For additional information on the City's debt, see the debt section in the footnotes, starting on page 46.

**Economic Factors and Next Year's Budget**

Many factors were considered by the City's officials during the process of developing the fiscal year 2025-2026 budget. The priorities set for the fiscal year 2026 budget include the following:

- Extra conservative revenue forecasting due to uncertainty of local privilege tax revenues
- Maintaining the General Fund reserve level
- Completing objectives on the City Council's adopted strategic plan

**Contacting the City's Financial Management**

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



# Basic Financial Statements

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# **Government-Wide Financial Statements**

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**City of Sierra Vista**

 Statement of Net Position  
 June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and investments	\$ 43,112,607	\$ 529	\$ 43,113,136
Property taxes receivable	3,622,351	-	3,622,351
Intergovernmental receivable	1,921,692	-	1,921,692
Accounts receivable, net of allowance	1,182,720	278,479	1,461,199
Interfund balances	2,901,841	(2,901,841)	-
Due from custodial funds	77,062	-	77,062
Leases receivable	19,572	-	19,572
Notes receivable	31,659	-	31,659
Prepaid items	3,269	-	3,269
Inventories	174,877	-	174,877
Total current assets	<u>53,047,650</u>	<u>(2,622,833)</u>	<u>50,424,817</u>
<b>Noncurrent Assets</b>			
Leases receivable	337,664	-	337,664
Notes receivable	328,253	-	328,253
Net OPEB asset	588,387	113,276	701,663
Capital assets not being depreciated/amortized	12,138,450	1,488,882	13,627,332
Capital assets, being depreciated/amortized, net	131,735,704	35,467,988	167,203,692
Total noncurrent assets	<u>145,128,458</u>	<u>37,070,146</u>	<u>182,198,604</u>
Total assets	<u>198,176,108</u>	<u>34,447,313</u>	<u>232,623,421</u>
<b>Deferred Outflows of Resources</b>			
Pension plan and other post employment items	14,319,516	597,235	14,916,751
Charges on bond refinancing	-	30,842	30,842
Total deferred outflows of resources	<u>14,319,516</u>	<u>628,077</u>	<u>14,947,593</u>
Total assets and deferred outflows of resources	<u>212,495,624</u>	<u>35,075,390</u>	<u>247,571,014</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	6,776,815	604,316	7,381,131
Claims payable	440,718	-	440,718
Accrued salaries and employee benefits	1,059,468	216,290	1,275,758
Unearned revenue	172,148	359	172,507
Customer deposits	6,828	137,234	144,062
Current portion of:			
Compensated absences payable	1,866,064	95,038	1,961,102
Revenue bonds payable	2,450,000	560,000	3,010,000
Financed purchases payable	-	121,691	121,691
Total current liabilities	<u>12,772,041</u>	<u>1,734,928</u>	<u>14,506,969</u>
<b>Noncurrent Liabilities</b>			
Compensated absences payable	932,279	37,032	969,311
Revenue bonds payable	24,784,000	590,000	25,374,000
Net OPEB liability	17,574,709	1,602,453	19,177,162
Net pension liability	54,973,339	3,012,471	57,985,810
Total noncurrent liabilities	<u>98,264,327</u>	<u>5,241,956</u>	<u>103,506,283</u>
Total liabilities	<u>111,036,368</u>	<u>6,976,884</u>	<u>118,013,252</u>
<b>Deferred Inflows of Resources</b>			
Pension plan and other post employment items	6,504,094	493,007	6,997,101
Leases	366,453	-	366,453
Total deferred inflows of resources	<u>6,870,547</u>	<u>493,007</u>	<u>7,363,554</u>
Total liabilities and deferred inflows of resources	<u>117,906,915</u>	<u>7,469,891</u>	<u>125,376,806</u>
<b>Net Position</b>			
Net investment in capital assets	116,531,520	35,654,337	152,185,857
Restricted for:			
Airport	4,026,472	-	4,026,472
Capital projects	14,004,958	-	14,004,958
Donations	851,924	-	851,924
OPEB	588,387	113,276	701,663
Transit	1,381,901	-	1,381,901
Public safety	613,444	-	613,444
Streets	5,971,237	-	5,971,237
Unrestricted	(49,381,134)	(8,162,114)	(57,543,248)
Total net position	<u>\$ 94,588,709</u>	<u>\$ 27,605,499</u>	<u>\$ 122,194,208</u>

See notes to financial statements

**City of Sierra Vista**

Statement of Activities  
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Primary Government</b>							
Governmental activities:							
General government	\$ 10,899,925	\$ 133,243	\$ 3,881,549	\$ 1,111,599	\$ (5,773,534)	\$ -	\$ (5,773,534)
Public safety	29,567,846	3,419,964	2,649,321	1,000,000	(22,498,561)	-	(22,498,561)
Public works	21,254,668	3,475,408	1,190,648	1,088,143	(15,500,469)	-	(15,500,469)
Culture and recreation	11,789,515	1,171,686	51,797	1,890,289	(8,675,743)	-	(8,675,743)
Community development	1,396,269	95,457	1,218,305	23,456	(59,051)	-	(59,051)
Interest and fiscal charges	860,195	-	-	-	(860,195)	-	(860,195)
Total governmental activities	75,768,418	8,295,758	8,991,620	5,113,487	(53,367,553)	-	(53,367,553)
Business-type activities:							
Sewer	5,397,579	3,827,973	-	137,563	-	(1,432,043)	(1,432,043)
Refuse	5,122,967	4,765,153	-	-	-	(357,814)	(357,814)
Total business-type activities	10,520,546	8,593,126	-	137,563	-	(1,789,857)	(1,789,857)
Total primary government	\$ 86,288,964	\$ 16,888,884	\$ 8,991,620	\$ 5,251,050	(53,367,553)	(1,789,857)	(55,157,410)
<b>General Revenues</b>							
Property taxes					382,499	-	382,499
Franchise fees					1,351,408	-	1,351,408
Sales taxes					27,442,623	-	27,442,623
Unrestricted state shared revenues					23,897,909	-	23,897,909
Investment income					1,506,384	-	1,506,384
Other revenues					1,703,616	-	1,703,616
Total general revenues					56,284,439	-	56,284,439
Change in net position					2,916,886	(1,789,857)	1,127,029
<b>Net Position, Beginning</b>					91,671,823	29,395,356	121,067,179
<b>Net Position, Ending</b>					\$ 94,588,709	\$ 27,605,499	\$ 122,194,208

See notes to financial statements

## **Fund Financial Statements**

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**City of Sierra Vista**

Balance Sheet - Governmental Funds

June 30, 2025

	General	HURF	Formerly Major LTAF	Capital Improvements	Formerly Major Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Assets</b>							
Cash and investments	\$ 8,287,696	\$ 9,876,907	\$ -	\$ 11,461,773	\$ -	\$ 6,522,342	\$ 36,148,718
Intergovernmental receivable	3,219,179	593,233	-	-	-	1,731,631	5,544,043
Accounts receivable	1,156,606	6,210	-	-	-	56,708	1,219,524
Due from other funds	-	-	-	3,011,731	-	-	3,011,731
Prepaid items	-	-	-	-	-	3,269	3,269
Inventory	63,100	-	-	-	-	111,777	174,877
Leases receivable	-	-	-	-	-	357,236	357,236
Notes receivable	-	-	-	359,912	-	-	359,912
Total assets	<u>\$ 12,726,581</u>	<u>\$ 10,476,350</u>	<u>\$ -</u>	<u>\$ 14,833,416</u>	<u>\$ -</u>	<u>\$ 8,782,963</u>	<u>\$ 46,819,310</u>
<b>Liabilities</b>							
Accounts payable	\$ 1,336,770	\$ 4,465,924	\$ -	\$ 108,634	\$ -	\$ 842,294	\$ 6,753,622
Due to other funds	-	-	-	-	-	32,828	32,828
Accrued salaries and employee benefits	658,316	142,790	-	-	-	258,362	1,059,468
Customer deposits	-	6,828	-	-	-	-	6,828
Unearned revenues	2,078	-	-	-	-	170,070	172,148
Total liabilities	<u>1,997,164</u>	<u>4,615,542</u>	<u>-</u>	<u>108,634</u>	<u>-</u>	<u>1,303,554</u>	<u>8,024,894</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenues	230,641	-	-	359,912	-	17,039	607,592
Leases	-	-	-	-	-	366,453	366,453
Total deferred inflows of resources	<u>230,641</u>	<u>-</u>	<u>-</u>	<u>359,912</u>	<u>-</u>	<u>383,492</u>	<u>974,045</u>
Total liabilities and deferred inflows of resources	<u>2,227,805</u>	<u>4,615,542</u>	<u>-</u>	<u>468,546</u>	<u>-</u>	<u>1,687,046</u>	<u>8,998,939</u>
<b>Fund Balances (Deficits)</b>							
Nonspendable	63,100	-	-	359,912	-	111,777	534,789
Restricted:							
Capital Projects	-	-	-	14,004,958	-	-	14,004,958
Other Projects	-	-	-	-	-	6,873,741	6,873,741
Street Projects	-	5,860,808	-	-	-	110,429	5,971,237
Unassigned	10,435,676	-	-	-	-	(30)	10,435,646
Total fund balances (deficits)	<u>10,498,776</u>	<u>5,860,808</u>	<u>-</u>	<u>14,364,870</u>	<u>-</u>	<u>7,095,917</u>	<u>37,820,371</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 12,726,581</u>	<u>\$ 10,476,350</u>	<u>\$ -</u>	<u>\$ 14,833,416</u>	<u>\$ -</u>	<u>\$ 8,782,963</u>	<u>\$ 46,819,310</u>

See notes to financial statements

## City of Sierra Vista

### Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position June 30, 2025

Fund balances of governmental funds		\$ 37,820,371
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	\$ 342,878,003	
Less accumulated depreciation	<u>(199,003,849)</u>	143,874,154
Some receivables are not available to pay for current period expenditures, and therefore, are reported as unavailable resources in the funds:		
Intergovernmental receivable	247,680	
Notes receivable	<u>359,912</u>	607,592
Receivables that are not determined to be collectible are recorded as an allowance on the statement of net position but not in the governmental funds:		
Ambulance fees	<u>(190,000)</u>	(190,000)
Long-term assets are not due and receivable in the current period, therefore, are not reported in the funds.		
Long-term OPEB asset	<u>588,387</u>	588,387
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds.		
Revenue bonds payable	(27,234,000)	
Net OPEB liability	(17,574,709)	
Net pension liability	(54,973,339)	
Compensated absences payable	<u>(2,798,343)</u>	(102,580,391)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods, and therefore, are not reported in the funds:		
Deferred pension/OPEB plan inflows	(6,504,094)	
Deferred pension/OPEB plan outflows	<u>14,319,516</u>	7,815,422
Internal service funds are used by management to charge the cost of certain activities to the individual funds. The assets and liabilities of the funds are included in the statement of net position:		
Health and Accident Fund	6,434,051	
Self-Insured Retention Fund	140,026	
Unemployment Insurance Fund	<u>79,097</u>	6,653,174
Net position of governmental activities		<u><u>\$ 94,588,709</u></u>

**City of Sierra Vista**

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
 Year Ended June 30, 2025

	General	HURF	Formerly Major LTAF	Capital Improvements	Formerly Major Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 23,113,208	\$ -	\$ -	\$ 6,063,322	\$ -	\$ -	\$ 29,176,530
Licenses and permits	685,959	-	-	-	-	-	685,959
Intergovernmental	21,025,658	6,877,190	-	-	-	6,387,437	34,290,285
Charges for services	6,870,206	-	-	-	-	1,430,696	8,300,902
Fines	6,660	-	-	-	-	4,136	10,796
Investment income	393,236	266,352	-	333,452	-	172,516	1,165,556
Other revenues	1,449,674	35,412	-	1,392,546	-	919,364	3,796,996
Total revenues	<u>53,544,601</u>	<u>7,178,954</u>	<u>-</u>	<u>7,789,320</u>	<u>-</u>	<u>8,914,149</u>	<u>77,427,024</u>
<b>Expenditures</b>							
Current:							
General government	9,702,155	33,424	-	-	-	-	9,735,579
Public safety	25,560,414	-	-	-	-	2,909,227	28,469,641
Public works	6,817,327	3,191,055	-	-	-	3,260,729	13,269,111
Culture and recreation	5,379,219	-	-	-	-	56,993	5,436,212
Community development	1,274,600	-	-	-	-	186,084	1,460,684
Capital outlay	4,251,320	6,136,889	-	928,927	-	2,512,555	13,829,691
Debt service:							
Principal	-	-	-	-	-	2,379,000	2,379,000
Interest and fiscal charges	-	-	-	-	-	860,195	860,195
Total expenditures	<u>52,985,035</u>	<u>9,361,368</u>	<u>-</u>	<u>928,927</u>	<u>-</u>	<u>12,164,783</u>	<u>75,440,113</u>
Excess (deficiency) of revenues over expenditures	<u>559,566</u>	<u>(2,182,414)</u>	<u>-</u>	<u>6,860,393</u>	<u>-</u>	<u>(3,250,634)</u>	<u>1,986,911</u>
<b>Other Financing Sources (Uses)</b>							
Transfers out	(588,893)	-	-	(3,928,213)	-	(522,888)	(5,039,994)
Transfers in	-	688,054	-	334,834	-	4,017,106	5,039,994
Total other financing sources (uses)	<u>(588,893)</u>	<u>688,054</u>	<u>-</u>	<u>(3,593,379)</u>	<u>-</u>	<u>3,494,218</u>	<u>-</u>
Net change in fund balances	<u>(29,327)</u>	<u>(1,494,360)</u>	<u>-</u>	<u>3,267,014</u>	<u>-</u>	<u>243,584</u>	<u>1,986,911</u>
<b>Fund Balances, Beginning</b>	10,528,103	7,355,168	970,178	11,097,856	-	5,882,155	35,833,460
<b>Change within financial reporting entity</b>							
<b>From Major Fund to Nonmajor Fund</b>	<u>-</u>	<u>-</u>	<u>(970,178)</u>	<u>-</u>	<u>-</u>	<u>970,178</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 10,498,776</u>	<u>\$ 5,860,808</u>	<u>\$ -</u>	<u>\$ 14,364,870</u>	<u>\$ -</u>	<u>\$ 7,095,917</u>	<u>\$ 37,820,371</u>

See notes to financial statements

## City of Sierra Vista

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
to the Statement of Activities  
Year Ended June 30, 2025

Net change in fund balances - total government funds		\$	1,986,911
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, the statement of activities, the costs of these assets are allocated over their estimated useful lives as depreciation expense:			
Expenditures for capital assets	\$	15,718,711	
Current year depreciation		<u>(18,102,872)</u>	(2,384,161)
The gains and losses on the disposal of capital assets are not included as revenues or expenditures in governmental funds:			
Gain/loss on sale of capital assets		<u>(174,684)</u>	(174,684)
Governmental funds report principal payment received on notes receivable as revenues whereas the statement of activities does not recognize them as revenue:			
Notes receivable revenues		<u>26,346</u>	26,346
Governmental funds report revenues received more than 60 days after the end of the fiscal year as unavailable revenues whereas the statement of activities recognizes them as current year revenue:			
Unavailable revenue		<u>(1,019,183)</u>	(1,019,183)
Governmental funds report debt principal payments as expenditures and note proceeds as revenues whereas the statement of activities does not recognize note proceeds as income, nor principal payments as expenditures:			
Debt principal payments		<u>2,379,000</u>	2,379,000
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds:			
Bad debt expense, ambulance fees		20,000	
Pension and OPEB liability expenses		(6,442,926)	
Compensated absences		<u>20,361</u>	(6,402,565)
Government funds report pension and OPEB contributions as expenditures. However, they are reported as deferred outflows of resources in the statement of net position			
		9,198,817	9,198,817
Internal service funds are used by management to charge the cost of certain activities to the individual funds. The changes in net position of the internal service funds are included in the statement of activities:			
Health and Accident Fund		(741,961)	
Self-Insured Retention Fund		<u>48,366</u>	<u>(693,595)</u>
Change in net position of governmental activities			<u>\$ 2,916,886</u>

See notes to financial statements

**City of Sierra Vista**

 Statement of Net Position - Proprietary Funds  
 June 30, 2025

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>
			<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
	<b>Sewer</b>	<b>Refuse</b>		
<b>Assets</b>				
<b>Current Assets</b>				
Cash and investments	\$ -	\$ 529	\$ 529	\$ 6,963,889
Accounts receivable, net	130,338	148,141	278,479	153,196
Total current assets	130,338	148,670	279,008	7,117,085
<b>Noncurrent Assets</b>				
Net OPEB asset	53,152	60,124	113,276	-
Capital assets not being depreciated/amortized	1,440,797	48,085	1,488,882	-
Capital assets, being depreciated/amortized, net	33,070,816	2,397,172	35,467,988	-
Total noncurrent assets	34,564,765	2,505,381	37,070,146	-
Total assets	34,695,103	2,654,051	37,349,154	7,117,085
<b>Deferred Outflows of Resources</b>				
Pension and other post employment benefit	291,266	305,969	597,235	-
Charges on Bond Refinancing	30,842	-	30,842	-
Total deferred outflows of resources	322,108	305,969	628,077	-
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	518,536	85,780	604,316	23,193
Claims payable	-	-	-	440,718
Accrued salaries and employee benefits	93,448	122,842	216,290	-
Unearned revenue	-	359	359	-
Due to other funds	2,091,116	810,725	2,901,841	-
Customer deposits	10,596	126,638	137,234	-
Current portion of:				
Compensated absences payable	39,913	55,125	95,038	-
Revenue bonds payable, current	560,000	-	560,000	-
Financed purchases payable, current	-	121,691	121,691	-
Total current liabilities	3,313,609	1,323,160	4,636,769	463,911
<b>Noncurrent Liabilities</b>				
Compensated absences payable	10,188	26,844	37,032	-
Revenue bonds payable	590,000	-	590,000	-
Net OPEB liability	896,963	705,490	1,602,453	-
Net Pension liability	1,413,531	1,598,940	3,012,471	-
Total noncurrent liabilities	2,910,682	2,331,274	5,241,956	-
Total liabilities	6,224,291	3,654,434	9,878,725	463,911
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to pensions	269,435	223,572	493,007	-
Total deferred inflows of resources	269,435	223,572	493,007	-
<b>Net Position</b>				
Net investment in capital assets	33,330,771	2,323,566	35,654,337	-
Restricted for:				
OPEB	53,152	60,124	113,276	-
Unrestricted	(4,860,438)	(3,301,676)	(8,162,114)	6,653,174
Total net position	\$ 28,523,485	\$ (917,986)	\$ 27,605,499	\$ 6,653,174

See notes to financial statements

## City of Sierra Vista

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
Year Ended June 30, 2025

	Business-Type Activities			Governmental
	Sewer	Refuse	Total Enterprise Funds	Internal Service Funds
<b>Operating Revenues</b>				
Charges for services	\$ 3,697,700	\$ 4,762,537	\$ 8,460,237	\$ -
Contributions	-	-	-	4,775,987
Other revenues	130,273	2,616	132,889	612,451
Total operating revenues	3,827,973	4,765,153	8,593,126	5,388,438
<b>Operating Expenses</b>				
Salaries, wages and related expenses	2,036,657	1,781,741	3,818,398	-
Operations and maintenance	1,940,636	2,872,322	4,812,958	496,775
Depreciation and amortization expense	1,378,782	466,297	1,845,079	-
Benefits paid	-	-	-	5,214,287
Premiums paid	-	-	-	711,799
Total operating expenses	5,356,075	5,120,360	10,476,435	6,422,861
Operating income (loss)	(1,528,102)	(355,207)	(1,883,309)	(1,034,423)
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	-	-	-	340,828
Interest and fiscal charges	(41,504)	(2,607)	(44,111)	-
Total nonoperating revenues (expenses)	(41,504)	(2,607)	(44,111)	340,828
Income (loss) before contributions	(1,569,606)	(357,814)	(1,927,420)	(693,595)
<b>Capital Contributions</b>	137,563	-	137,563	-
Change in net position	(1,432,043)	(357,814)	(1,789,857)	(693,595)
<b>Net Position, Beginning</b>	29,955,528	(560,172)	29,395,356	7,346,769
<b>Net Position, Ending</b>	\$ 28,523,485	\$ (917,986)	\$ 27,605,499	\$ 6,653,174

See notes to financial statements

**City of Sierra Vista**

Statement of Cash Flows - Proprietary Funds  
Year Ended June 30, 2025

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Sewer</u>	<u>Refuse</u>	<u>Total Enterprise Funds</u>	<u>Activities Internal Service Funds</u>
<b>Cash Flows From Operating Activities</b>				
Cash received from customers	\$ 3,665,485	\$ 4,743,833	\$ 8,409,318	\$ 4,626,738
Cash paid to suppliers for goods and services	(1,551,393)	(3,029,241)	(4,580,634)	(6,191,319)
Cash paid to employees for services	(1,661,417)	(1,899,209)	(3,560,626)	-
Other operating revenues	130,273	2,616	132,889	612,451
Net cash provided by (used in) operating activities	<u>582,948</u>	<u>(182,001)</u>	<u>400,947</u>	<u>(952,130)</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Change in intrafund borrowing	<u>361,396</u>	<u>474,553</u>	<u>835,949</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>361,396</u>	<u>474,553</u>	<u>835,949</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Interest paid on financed purchases and bonds	(26,082)	(2,607)	(28,689)	-
Acquisition of capital assets	(520,825)	(169,324)	(690,149)	-
Principal paid on financed purchases and bonds	(535,000)	(120,092)	(655,092)	-
Connection fees	137,563	-	137,563	-
Net cash provided by (used in) capital and related financing activities	<u>(944,344)</u>	<u>(292,023)</u>	<u>(1,236,367)</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>				
Investment income	-	-	-	340,828
Net cash provided by (used in) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>340,828</u>
Net increase (decrease) in cash and cash equivalents	-	529	529	(611,302)
<b>Balances, Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,575,191</u>
<b>Balances, Ending</b>	<u>\$ -</u>	<u>\$ 529</u>	<u>\$ 529</u>	<u>\$ 6,963,889</u>

See notes to financial statements

**City of Sierra Vista**

Statement of Cash Flows - Proprietary Funds  
Year Ended June 30, 2025

	<u>Business-Type Activities</u>			<u>Governmental Activities Internal Service Funds</u>
	<u>Sewer</u>	<u>Refuse</u>	<u>Total Enterprise Funds</u>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>				
Operating income (loss)	\$ (1,528,102)	\$ (355,207)	\$ (1,883,309)	\$ (1,034,423)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,378,782	466,297	1,845,079	-
Changes in assets and liabilities:				
Decrease (increase) in gross accounts receivable	(33,190)	(24,063)	(57,253)	(149,249)
Increase (decrease) in operating portion of accounts payable	389,243	(156,919)	232,324	(449)
Increase (decrease) in claims payable	-	-	-	231,991
Increase (decrease) in accrued salaries	34,424	37,841	72,265	-
Increase (decrease) in customer deposits	975	5,273	6,248	-
Increase (decrease) in compensated absences	12,007	6,316	18,323	-
Increase (decrease) in unearned revenue	-	86	86	-
Increase (decrease) in OPEB liability	321,337	(61,811)	259,526	-
Increase (decrease) in net pension liability	35,933	10,094	46,027	-
Increase (decrease) in pension and OPEB inflows	7,366	(111,297)	(103,931)	-
Decrease (increase) in pension and OPEB outflows	(28,469)	8,695	(19,774)	-
Decrease (increase) in net OPEB asset	(7,358)	(7,306)	(14,664)	-
Net cash provided by (used in) operating activities	<u>\$ 582,948</u>	<u>\$ (182,001)</u>	<u>\$ 400,947</u>	<u>\$ (952,130)</u>
<b>Noncash Investing, Capital and Financing Activities</b>				
Acquisition of capital assets in exchange for note receivable	97,887		97,887	-
Amortization of deferred bond charges	<u>\$ 15,422</u>	<u>\$ -</u>	<u>\$ 15,422</u>	<u>\$ -</u>

See notes to financial statements

# City of Sierra Vista

## Statement of Fiduciary Net Position

June 30, 2025

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash and investments	\$ 252,997
Intergovernmental receivable	96,891
	<hr/>
Total assets	349,888
	<hr/>
<b>Liabilities</b>	
Accounts payable	55,922
Due to City	77,062
	<hr/>
Total liabilities	132,984
	<hr/>
<b>Net Position</b>	
Restricted for:	
Other agencies	216,904
	<hr/>
Total net position	\$ 216,904
	<hr/> <hr/>

See notes to financial statements

## City of Sierra Vista

### Statement of Changes in Fiduciary Net Position Year Ended June 30, 2025

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	<b>Custodial Funds</b>
<b>Additions</b>	
Intergovernmental	\$ 512,262
Investment earnings	<u>23</u>
Total additions	<u>512,285</u>
<b>Deductions</b>	
Payments to vendors	<u>492,818</u>
Total deductions	<u>492,818</u>
Net change in fiduciary net position	19,467
<b>Net Position, Beginning</b>	<u>197,437</u>
<b>Net Position, Ending</b>	<u><u>\$ 216,904</u></u>

See notes to financial statements

# City of Sierra Vista

Notes to Financial Statements

June 30, 2025

## 1. Summary of Significant Accounting Policies

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

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

### Reporting Entity

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

### Blended Component Units

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

### Government-Wide and Fund Financial Statements

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

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

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

## City of Sierra Vista

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Notes to Financial Statements  
June 30, 2025

Generally, the effect of interfund activity is removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements. Certain charges for interfund services provided and used, such as charges between the Enterprise Fund utility segments and various functional activities, were not eliminated if the charges approximated their exchange values. The "doubling up" effect of Internal Service Fund activity is removed from the government-wide statements with the expenses shown in the various functions and segments on the statement of activities.

### **Basis of Presentation - Fund Accounting**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the combined financial statements. The City uses the following fund types:

#### **Governmental Funds**

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

**Special Revenue Funds** - The Special Revenue Funds are used to account for revenues derived from specific taxes, grants or other restricted revenue sources. City Ordinances or Federal and State Statutes specify the uses and limitations of each Special Revenue Fund. The Highway Users Fund (HURF) that accounts for the City's share of tax revenues legally restricted to the maintenance of the highways within the City's boundaries is presented as a major fund in the basic financial statements.

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

#### **Proprietary Funds**

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

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

#### **Internal Service Funds**

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

#### **Fiduciary Funds**

Fiduciary Funds account for assets held by the City on behalf of others and include the Abandon Property Fund, Cochise County Tourism Council Deposits Fund, 911 Fund, Upper San Pedro Partnership Deposits Fund, and the San Pedro Riparian National Conservation Area Active Management Group (SAMG) Fund.

### **Measurement Focus/Basis of Accounting**

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

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

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

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

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

### **Budgets and Budgetary Accounting**

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

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

### **Encumbrances**

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

# City of Sierra Vista

Notes to Financial Statements

June 30, 2025

## Inventories

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

## Capital Assets

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

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

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

	<u>Years</u>
Land improvements	5-30
Infrastructure	5-30
Building and improvements	5-30
Wastewater facility	30
Other improvements	5-100
Equipment	5-10

## Long-Term Obligations

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

## Compensated Absences

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

Under GASB Statement No. 101, *Compensated Absences*, the City has recorded all earned leave that is more likely than not to be used, paid or converted after year end as accrued compensated absences. The portion of accrued compensated absences liability related to governmental fund types is reported within the governmental activities column of the government-wide financial statements, as current amounts of that liability have been determined to be immaterial and are not recorded within the respective governmental funds.

**Statement of Cash Flows**

For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at June 30, 2025 were cash in bank, cash on hand and pooled investment with the State Treasurer.

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

**Interfund Services Provided and Used**

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

**Estimates**

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources until that time.

**Pensions and Other Postemployment Benefits (OPEB)**

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

## Net Position Flow Assumption

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

## Prepays

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

## Leases

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

## Expenditures Over Appropriations

Expenditures may not legally exceed budgeted appropriations at the function level for the General Fund and at the fund level for all other budgeted funds. The individual schedules of revenues, expenditures and changes in fund balances - budget and actual reports found in the required supplementary information and the supplementary information present all of the functions and funds which incurred an excess of expenditures/expenses over appropriations for the year ended June 30, 2025, if any.

## Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has issued several statements that have been adopted but are not yet effective for the fiscal year ending June 30, 2025. The City will implement these standards in future reporting periods as required. Those standards include:

- GASB Statement No. 103, *Financial Reporting Model Improvements*
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*

The City continues to monitor and evaluate the impact of these new standards, and any future accounting standards issued by GASB, to ensure compliance and accurate financial reporting on its future financial statements. The adoption of these standards is expected to enhance the transparency and comparability of the City's financial reporting. The City will provide additional disclosures in the financial statements for the periods in which these standards become effective.

## 2. Cash and Investments

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

## City of Sierra Vista

Notes to Financial Statements

June 30, 2025

The captions and carrying amounts of cash and investments at June 30, 2025, consist of the following.

	<u>Fair Value</u>
Cash on hand	\$ 5,937
Cash in bank	5,492,369
Investments with State Treasurer	37,546,554
Cash held by trustee	68,276
Cash held as fiscal agent (Fiduciary Funds)	<u>252,997</u>
Total	<u>\$ 43,366,133</u>

The City's total cash in bank/trustee (bank balance) was entirely covered by Federal depository insurance, except approximately \$6.6 million of the City's deposits were covered by collateral held by the pledging financial institution's trust department or fiscal agent, but not in the City's name.

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

Level 1 - Inputs are quoted prices in active markets for identical assets

Level 2 - Inputs are significant other observable inputs

Level 3 - Inputs are significant unobservable inputs.

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

Investments at June 30, 2025 were as follows:

	<u>Fair Value</u>	<u>Level</u>
State Treasurer's Investment Pool 5 - 44 days weighted-average maturity	\$ 37,546,554	Not applicable
Total	<u>\$ 37,546,554</u>	

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

**Credit Risk** - The City has no investment policy that would further limit its investment choices. The State Treasurer's Investment Pool 5 was rated AAA by Moody's at year end.

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

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

# City of Sierra Vista

Notes to Financial Statements  
June 30, 2025

### 3. Property Tax

Property taxes are levied and collected by the Cochise County Treasurer on behalf of the City. Property taxes are levied no later than the third Monday in August on property values assessed as of January 1 and are payable in two installments due October 1 and March 1. Taxes become delinquent after the first business day of November and May, respectively. Interest at the rate of 16% per annum attaches on installments following the delinquency date. Pursuant to A.R.S., a lien against property assessed attaches on the first day of January preceding the levy; however, according to case law, an enforceable legal claim to the asset does not arise.

The State Constitution and State law specify a property tax levy limitation system. The primary tax levy is limited to an increase of 2% over the previous year's maximum allowable primary levy, plus an increased dollar amount due to a net gain in property not taxed the previous year. Also, the primary tax from all taxing jurisdictions for homeowners may not exceed 1% of the market value of the home. If the combined primary property tax (for the City, County, etc.) exceed 1% of the market value of the homes, the school districts will reduce their rate until the homeowners rate is equal to or less than the allowable 1%.

The State will then subsidize the school districts for the reduced revenue. This 1% limitation applies to primary property taxes and does not affect the secondary property tax levy.

There is also a control on the assessed value of property for primary tax purposes. The base year for this tax system is fiscal year 1978-79. From this base year, two assessed values evolve. The primary assessed values are controlled by being allowed to grow or increase by no more than 10% a year. The dollar amount of the secondary property tax levy is "unlimited" and the assessed property is used in determining the tax rate.

### 4. Receivables

#### Intergovernmental Receivables

Intergovernmental receivables, net of allowance for uncollectibles, as of year-end for the City's individual major funds and nonmajor funds in the aggregate were as follows:

	<b>General Fund</b>	<b>HURF</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
Receivables due from:				
Federal government	\$ 53,648	\$ -	\$ 1,180,597	\$ 1,234,245
State government	3,028,994	466,630	3,291	3,498,915
Other government	136,537	126,603	547,743	810,883
Total intergovernmental receivables	<u>\$ 3,219,179</u>	<u>\$ 593,233</u>	<u>\$ 1,731,631</u>	<u>\$ 5,544,043</u>

# City of Sierra Vista

Notes to Financial Statements  
June 30, 2025

## Other Receivables

Other receivables, net of allowance for uncollectibles, as of year-end for the City's individual major funds and nonmajor funds in the aggregate were as follows:

	General Fund	HURF	Nonmajor Governmental Funds	Internal Service Funds	Total
Receivables:					
Ambulance	\$ 708,279	\$ -	\$ -	\$ -	\$ 708,279
Other	448,327	6,210	56,708	153,196	664,441
Net receivables	<u>\$ 1,156,606</u>	<u>\$ 6,210</u>	<u>\$ 56,708</u>	<u>\$ 153,196</u>	<u>\$ 1,372,720</u>

An allowance for uncollectible accounts totaling \$190,000 has been recorded in the government-wide financial statements for ambulance receivables.

## Notes Receivables

In November 2014 the Voters of Sierra Vista approved the sale of the King's Court property. In August 2021 the property was sold. The purchase price of \$500,000 is payable over the next 10 years at 3.5% interest and the final payment is due in February 2035. At June 30, 2025, the note receivable balance in the Capital Improvements Fund is \$359,912 and the corresponding revenue has been reported as deferred inflows as it is unavailable at year end.

In December 2020, the City Council approved the financing of interest due to the Sewer Fund from a 2002 development agreement for the Avenida del Sol sewer extension. The resolution financed \$995,084 over 10 years at 1.07% interest, with final payment due July 29, 2030. During the year ended June 30, 2025, the General Fund settled the remaining balance of the note receivable from Castle & Cooke, Inc. through a noncash transaction. The City received ownership of the Pueblo Del Sol Country Club and Golf Course, with an estimated fair value of approximately \$2.7 million, in exchange for relief of the outstanding note receivable of \$609,000.

## Lease Receivables

The City acts as a lessor for a cell tower agreement under the provisions of contracts classified as leases. The related receivable under the lease agreement has been recorded at the present value of the future minimum lease payments as of the inception date. Lease revenues of \$21,120 are recorded in the LTAF Fund. Future minimum lease payments to be received under the lease agreement at year-end is summarized as follows:

	Principal	Interest
Years ending June 30:		
2026	\$ 19,572	\$ 3,484
2027	19,947	3,285
2028	20,147	3,085
2029	20,349	2,883
2030	20,554	2,678
2031-2035	95,570	8,586
2036-2040	161,097	5,013
Total	<u>\$ 357,236</u>	<u>\$ 29,014</u>

## City of Sierra Vista

Notes to Financial Statements  
June 30, 2025

### 5. Capital Assets

A summary of capital asset activity for the fiscal year ended June 30, 2025 is as follows.

#### Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 10,556,499	\$ 930,000	\$ -	\$ 11,486,499
Construction in progress	944,034	2,460,543	(2,752,626)	651,951
Total capital assets not being depreciated	<u>11,500,533</u>	<u>3,390,543</u>	<u>-</u>	<u>12,138,450</u>
Capital assets, being depreciated:				
Infrastructure	202,236,008	10,068,323	(476,411)	211,827,920
Building and improvements	77,638,513	2,844,448	-	80,482,961
Machinery and equipment	36,506,645	2,168,023	(245,996)	38,428,672
Total capital assets being depreciated	<u>316,381,166</u>	<u>15,080,794</u>	<u>(722,407)</u>	<u>330,739,553</u>
Less accumulated depreciation for:				
Infrastructure	(109,507,576)	(10,661,958)	301,727	(119,867,807)
Building and improvements	(47,308,617)	(4,550,814)	-	(51,859,431)
Machinery and equipment	(24,632,507)	(2,890,100)	245,996	(27,276,611)
Total accumulated depreciation	<u>(181,448,700)</u>	<u>(18,102,872)</u>	<u>547,723</u>	<u>(199,003,849)</u>
Total capital assets being depreciated, net	<u>134,932,466</u>	<u>(3,022,078)</u>	<u>(174,684)</u>	<u>131,735,704</u>
Governmental activities capital assets, net	<u>\$ 146,432,999</u>	<u>\$ 368,465</u>	<u>\$ (174,684)</u>	<u>\$ 143,874,154</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 371,635
Public safety	2,515,241
Public works	8,547,698
Culture and recreation	6,668,298
Total depreciation expense	<u>\$ 18,102,872</u>

# City of Sierra Vista

Notes to Financial Statements  
June 30, 2025

## Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,488,882	\$ -	\$ -	\$ 1,488,882
Construction in progress	18,418	-	(18,418)	-
Total capital assets not being depreciated	1,507,300	-	(18,418)	1,488,882
Capital assets, being depreciated:				
Infrastructure	45,813,829	637,130	-	46,450,959
Building and improvements	9,575,707	-	-	9,575,707
Machinery and equipment	9,039,765	169,324	(19,075)	9,190,014
Total capital assets being depreciated	64,429,301	806,454	(19,075)	65,216,680
Less accumulated depreciation for:				
Infrastructure	(13,313,031)	(968,753)	-	(14,281,784)
Building and improvements	(9,099,123)	(180,492)	-	(9,279,615)
Machinery and equipment	(5,510,534)	(695,834)	19,075	(6,187,293)
Total accumulated depreciation	(27,922,688)	(1,845,079)	19,075	(29,748,692)
Total capital assets being depreciated, net	36,506,613	(1,038,625)	-	35,467,988
Business-type activities capital assets, net	\$ 38,013,913	\$ (1,038,625)	\$ (18,418)	\$ 36,956,870

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

Sewer	\$ 1,378,782
Refuse	466,297
Total depreciation expense	\$ 1,845,079

## City of Sierra Vista

Notes to Financial Statements  
June 30, 2025

### 6. Long-Term Debt

#### Governmental Activities

Principal at June 30, 2025 is as follows:

##### Revenue Bonds

A. 2020 Municipal Facilities Revenue Bonds (private placement) issued to construct various City facilities; due in varying annual installments through January 2030 at 2.48% (paid by Debt Service Fund).	\$ 6,594,000
B. 2022 Municipal Facilities Revenue Bonds (private placement) issued to construct various City facilities; due in varying annual installments through July 2039 at 3.10% (paid by Debt Service Fund)	<u>20,640,000</u>
	27,234,000
Less current portion of revenue bonds	<u>(2,450,000)</u>
Total governmental activities long-term debt	<u>\$ 24,784,000</u>

#### Business-Type Activities

Principal at June 30, 2025 is as follows:

##### Revenue Bonds

A. 2017 Sierra Vista Municipal Property Corporation Lease Revenue Bonds (private placement) issued to refinance the 2012 Sewer Plant upgrades note payable, due in varying annual installments thru January 2027 at 1.84%; (paid by Sewer Fund).	\$ 1,150,000
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##### Financed Purchases Payable

B. Financed purchases payable in quarterly installments of \$ 30,675 including interest at 1.32% until June 2026; collateralized by specified vehicles (paid by Refuse Fund).	<u>121,691</u>
	1,271,691
Less current portion of revenue bonds	(560,000)
Less current portion of financed purchases payable	<u>(121,691)</u>
Total business-type activities long-term debt	<u>\$ 590,000</u>

# City of Sierra Vista

Notes to Financial Statements

June 30, 2025

## Changes in Long-Term Obligations

	Balance at June 30, 2024	Additions	Repayments/ Retirements	Balance at June 30, 2025	Current Portion
Governmental activities:					
Revenue bonds	\$ 29,613,000	\$ -	\$ (2,379,000)	\$ 27,234,000	\$ 2,450,000
Net OPEB liability	18,548,999	-	(974,290)	17,574,709	-
Net pension liability	59,096,491	413,210	(4,536,362)	54,973,339	-
Compensated absences	2,818,704	-	(20,361)	2,798,343	1,866,064
	<u>\$ 110,077,194</u>	<u>\$ 413,210</u>	<u>\$ (7,910,013)</u>	<u>\$ 102,580,391</u>	<u>\$ 4,316,064</u>

Compensated absences are generally liquidated with the General Fund.

	Balance at June 30, 2024	Additions	Repayments/ Retirements	Balance at June 30, 2025	Current Portion
Business-type activities:					
Revenue bonds	\$ 1,685,000	\$ -	\$ (535,000)	\$ 1,150,000	\$ 560,000
Financed purchases	241,783	-	(120,092)	121,691	121,691
Net OPEB liability	1,342,927	259,526	-	1,602,453	-
Net pension liability	2,966,444	46,027	-	3,012,471	-
Compensated absences	113,747	18,323	-	132,070	95,038
	<u>\$ 6,349,901</u>	<u>\$ 323,876</u>	<u>\$ (655,092)</u>	<u>\$ 6,018,685</u>	<u>\$ 776,729</u>

## Debt Service Requirements to Maturity

The annual requirements to amortize all bonds and financed purchases outstanding as of June 30, 2025, is detailed below.

Fiscal Years Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 2,450,000	\$ 755,679	\$ 681,691	\$ 17,017
2027	2,516,000	719,292	590,000	5,428
2028	2,588,000	647,943	-	-
2029	2,661,000	574,527	-	-
2030	2,739,000	498,944	-	-
2031-2035	7,435,000	1,736,911	-	-
2036-2039	6,845,000	493,684	-	-
	<u>\$ 27,234,000</u>	<u>\$ 5,426,980</u>	<u>\$ 1,271,691</u>	<u>\$ 22,445</u>

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

# City of Sierra Vista

Notes to Financial Statements  
June 30, 2025

## Continuing Disclosure Requirements

The City has pledged its future excise tax revenues to repay outstanding municipal facilities revenue bonds. Included in the excise taxes pledged are the City's transaction privilege taxes and State shared sales and income taxes. The outstanding principal balance of these bonds as of June 30, 2025 was \$28.4 million. The following table shows the total excise taxes pledged, annual debt service and coverage ratio of excise taxes to debt service. The City is obligated, by bond indenture, to maintain a three times coverage ratio of prior year pledged excise tax revenues to current year debt service.

	<b>Pledged Excise Taxes</b>	<b>MFRG's</b>	<b>Coverage</b>
Year Ending June 30:			
2014	\$ 27,381,922	\$ 3,445,220	-
2015	28,681,141	3,436,845	7.97
2016	28,499,069	3,425,570	8.37
2017	33,275,383	3,428,376	8.31
2018	34,878,944	3,418,101	9.74
2019	36,499,491	3,294,954	10.59
2020	37,607,107	3,302,960	11.05
2021	40,352,459	4,679,518	8.04
2022	44,189,069	3,462,262	11.65
2023	50,393,246	3,775,490	11.70
2024	54,076,630	3,782,403	13.32
2025	52,169,960	3,795,377	14.25
2026	-	3,781,687	13.80
2027	-	3,830,720	-
2028	-	3,235,943	-
2029	-	3,235,527	-
2030	-	3,237,944	-
2031	-	1,833,874	-
2032	-	1,834,616	-
2033	-	1,833,863	-
2034	-	1,836,613	-
2035	-	1,832,945	-
2036	-	1,832,781	-
2037	-	1,835,964	-
2038	-	1,832,571	-
2039	-	1,837,368	-

# City of Sierra Vista

Notes to Financial Statements

June 30, 2025

## 7. Pensions and Other Post Employment Benefits

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

### Aggregate Amounts

At June 30, 2025, the City reported the following aggregate amounts related to pensions and other post-employment benefits (OPEB) for all plans to which it contributes.

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Net pension and OPEB liability	\$ 72,548,048	\$ 4,614,924	\$ 77,162,972
Net OPEB asset	588,387	113,276	701,663
Deferred outflows of resources	14,319,516	597,235	14,916,751
Deferred inflows of resources	6,504,094	493,007	6,997,101
Pension/OPEB expense	6,442,926	266,782	6,709,708

The City reported \$9.2 million of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

### Arizona State Retirement System

#### Plan Description

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

#### Benefits Provided

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

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

\*With actuarially reduced benefits

# City of Sierra Vista

Notes to Financial Statements

June 30, 2025

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

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

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

## Contributions

In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.27% (12.12% for retirement and 0.15% for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 12.27% (12.05% for retirement, 0.07% for health insurance premium benefit, and 0.15% for long-term disability) of the members' annual covered payroll. The City's contributions for the year ended June 30, 2025 were as follow:

	<u>Contributions</u>
Pension	\$ 1,976,063
Health insurance premium	11,479
Long-term disability	24,598

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The City was required by statute to contribute at the actuarially determined rate of 10.19% (10.14% for retirement and 0.05% for long-term disability). ACR contributions are included in employer contributions presented above.

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

## City of Sierra Vista

Notes to Financial Statements

June 30, 2025

### Pension and OPEB Assets/Liability

The net pension and OPEB assets/liability were measured as of June 30, 2024. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total asset or liability from an actuarial valuation as of June 30, 2023, to the measurement date of June 30, 2024. The City's proportion of the net assets/liability was based on the City's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2024.

At June 30, 2025, the City reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2024, the City's percentage proportion for each plan and the related change from its proportion measured as of June 30, 2023 was:

	<u>Net (Assets) Liability</u>	<u>City % Proportion</u>	<u>Increase (Decrease)</u>
Pension	\$ 18,694,559	0.11683	0.0043
Health insurance premium	(702,959)	0.11642	0.0042
Long-term disability	3,035	0.11634	0.0042

### Pension/OPEB Expense and Deferred Outflows/Inflows of Resources

The City has deferred outflows and inflows of resources related to the net pension and OPEB assets/liabilities. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2025, the City recognized pension and OPEB expense as follows:

	<u>Expense</u>
Pension	\$ 1,917,696
Health insurance premium	(102,849)
Long-term disability	13,981

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

	<u>Deferred Outflows of Resources</u>		
	<u>Pension</u>	<u>Health Insurance Premium</u>	<u>Long-Term Disability</u>
Differences between expected and actual experience	\$ 1,043,513	\$ 20,343	\$ 11,159
Changes of assumptions or other inputs	-	-	2,196
Difference between actual and projected earnings	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	568,736	2,253	1,812
Contributions subsequent to the measurement date	1,976,063	11,479	24,598
Total	<u>\$ 3,588,312</u>	<u>\$ 34,075</u>	<u>\$ 39,765</u>

## City of Sierra Vista

Notes to Financial Statements

June 30, 2025

	<b>Deferred Inflows of Resources</b>		
	<b>Pension</b>	<b>Health Insurance Premium</b>	<b>Long-Term Disability</b>
Differences between expected and actual experience	\$ -	\$ 169,737	\$ 8,082
Changes of assumptions or other inputs	-	7,292	18,168
Net difference between projected and actual earnings on investments	1,193,852	48,322	3,315
Changes in proportion and differences between contributions and proportionate share of contributions	-	14,997	1,577
<b>Total</b>	<b>\$ 1,193,852</b>	<b>\$ 240,348</b>	<b>\$ 31,142</b>

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

	<b>Pension</b>	<b>Health Insurance Premium</b>	<b>Long-Term Disability</b>
Years ending June 30:			
2026	\$ (195,129)	\$ (132,952)	\$ (5,023)
2027	1,134,815	(32,525)	(471)
2028	(302,203)	(32,821)	(5,039)
2029	(219,086)	(15,995)	(4,826)
2030	-	(3,459)	(1,989)
Thereafter	-	-	1,373

### Actuarial Assumptions

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

	<b>Pension</b>	<b>OPEB</b>
Actuarial valuation date	June 30, 2023	June 30, 2023
Actuarial roll forward date	June 20, 2024	June 20, 2024
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.0%	7.0%
Projected salary increases	2.9 - 8.4%	Not Applicable
Inflation	2.3%	2.3%
Permanent base increases	Included	Not Applicable
Mortality rates	2017 SRA Scale U-MP premium benefit	2017 SRA Scale U-MP premium benefit
Recovery rate	Not Applicable	2012 GLTD for long-term disability
Healthcare cost trend rate	Not Applicable	Not Applicable

## City of Sierra Vista

Notes to Financial Statements

June 30, 2025

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020.

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

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

	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Asset Class:		
Public equity	44 %	4.48 %
Credit	23	4.40
Real estate	17	6.05
Private equity	10	6.11
Interest rate sensitive	<u>6</u>	-0.45
Total	<u><u>100 %</u></u>	

### Discount Rate

At June 30, 2024, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

### Sensitivity of the Proportionate Share of the Net Pension and OPEB Asset/Liability to Changes in the Discount Rate

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

	<u>Proportionate Share of the Net (Assets) Liability</u>		
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Rate	6.0%	7.0%	8.0%
Pension	\$ 28,625,192	\$ 18,694,559	\$ 10,418,243
Health Insurance Premium	(511,046)	(702,959)	(866,123)
Long-Term Disability	10,442	3,035	(4,252)

**Contributions Payable**

The City's accrued payroll and employee benefits included \$168,031 of outstanding pension and OPEB contribution amounts payable to ASRS for the year ending June 30, 2025.

**Pension and OPEB Plan Fiduciary Net Position**

Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

**Public Safety Personnel Retirement System**

**Plan Description**

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

The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

**Benefits Provided**

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

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

# City of Sierra Vista

Notes to Financial Statements

June 30, 2025

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

Health insurance premium benefits are available to retired or disabled members with five 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, 2025, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS - Police		PSPRS - Fire	
	Pension	Health Insurance	Pension	Health Insurance
Retirees and beneficiaries	51	51	34	34
Inactive, nonretired members	13	3	12	4
Active members	29	29	26	26
<b>Total</b>	<b>93</b>	<b>83</b>	<b>72</b>	<b>64</b>

## Contributions

State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2025, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS - Police	PSPRS - Fire
Active members, pension	7.65% - 11.65%	7.65% - 11.65%
City:		
Pension	70.01%	57.39%
Health Insurance	1.33%	1.22%

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

	PSPRS - Police	PSPRS - Fire
Pension:		
Contributions made	\$ 4,468,747	\$ 2,921,556
Health insurance premium benefit:		
Contributions made	75,633	44,507

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

# City of Sierra Vista

Notes to Financial Statements

June 30, 2025

## Pension and OPEB Assets/Liabilities

At June 30, 2025, the City reported the following assets and liabilities.

	<u>Net (Assets) Liability</u>	
	<u>PSPRS - Police</u>	<u>PSPRS - Fire</u>
Pension	\$ 25,838,129	\$ 13,487,555
Health insurance	411,859	240,966

The net assets and net liabilities were measured as of June 30, 2024, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

## Actuarial Assumptions

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

	<u>Pension</u>	<u>OPEB</u>
Actuarial valuation date	June 30, 2024	June 30, 2024
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.2%	7.2%
Wage inflation	3-6.25%	Not applicable
Price Inflation	2.5%	Not applicable
Cost-of-living adjustment	1.85% maximum	Not applicable
Mortality rates	PubS-2010	PubS-2010
Healthcare cost trend rate	Not applicable	Not applicable

Actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2021

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

	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Asset Class:		
U.S. public equity	24 %	3.62 %
International public equity	16	4.47
Global private equity	27	7.05
Core bonds	6	2.44
Private credit	20	6.24
Diversifying strategies	5	3.15
Cash, Mellon	2	0.89
	<u>100 %</u>	
Total		

# City of Sierra Vista

Notes to Financial Statements

June 30, 2025

## Discount Rates

At June 30, 2024, the discount rate used to measure the total pension and OPEB liability was 7.2%. The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between the actuarial determined contribution rate and the member rate. Based on these assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected payments for these plans to determine the total pension and OPEB liability.

## Changes in Net Assets/Liabilities

PSPRS - Police	Pension Increase (Decrease)			Health Insurance Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net (Assets) Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net (Assets) Liability
Balances, June 30, 2024	\$ 59,458,439	31,339,153	28,119,286	1,301,170	863,165	438,005
Changes for the year:						
service cost	539,000	-	539,000	11,917	-	11,917
Interest on the total liability	4,187,801	-	4,187,801	91,566	-	91,566
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the liability	1,953,240	-	1,953,240	6,837	-	6,837
Changes of assumptions	-	-	-	-	-	-
Contributions, employer	-	5,206,505	(5,206,505)	-	53,634	(53,634)
Contributions, employee	-	318,722	(318,722)	-	-	-
Net investment income	-	3,460,809	(3,460,809)	-	83,368	(83,368)
Benefit payments, including refunds of employee contributions	(3,667,084)	(3,667,084)	-	(82,678)	(82,678)	-
Administrative expense	-	(24,838)	24,838	-	(536)	536
Other changes	-	-	-	-	-	-
Net changes	3,012,957	5,294,114	(2,281,157)	27,642	53,788	(26,146)
Balances, June 30, 2025	\$ 62,471,396	\$ 36,633,267	\$ 25,838,129	\$ 1,328,812	\$ 916,953	\$ 411,859

# City of Sierra Vista

## Notes to Financial Statements

June 30, 2025

PSPRS - Fire	Pension Increase (Decrease)			Health Insurance Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net (Assets) Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net (Assets) Liability
Balances, June 30, 2024	\$ 41,517,725	25,774,965	15,742,760	922,851	634,109	288,742
Changes for the year						
Service cost	593,643	-	593,643	10,910	-	10,910
Interest on the total liability	2,940,498	-	2,940,498	64,853	-	64,853
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the liability	689,683	-	689,683	(24,667)	-	(24,667)
Changes of assumptions	-	-	-	-	-	-
Contributions, employer	-	3,495,626	(3,495,626)	-	38,045	(38,045)
Contributions, employee	-	195,349	(195,349)	-	-	-
Net investment income	-	2,807,311	(2,807,311)	-	61,203	(61,203)
Benefit payments, including refunds of employee contributions	(2,542,249)	(2,542,249)	-	(66,048)	(66,048)	-
Administrative expense	-	(19,257)	19,257	-	(376)	376
Other changes	-	-	-	-	-	-
Net changes	1,681,575	3,936,780	(2,255,205)	(14,952)	32,824	(47,776)
Balances, June 30, 2025	\$ 43,199,300	\$ 29,711,745	\$ 13,487,555	\$ 907,899	\$ 666,933	\$ 240,966

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

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

	1% Decrease	Current Discount Rate	1% Increase
<b>PSPRS - Police</b>			
Rate	6.20%	7.20%	8.20%
Net pension (assets) liability	\$ 34,099,134	\$ 25,838,129	\$ 19,089,787
Net OPEB (assets) liability	547,775	411,859	296,993
<b>PSPRS - Fire</b>			
Rate	6.20%	7.20%	8.20%
Net pension (assets) liability	\$ 19,302,290	\$ 13,487,555	\$ 8,725,620
Net OPEB (assets) liability	334,570	240,966	161,622

### Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued PSPRS financial report. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

## City of Sierra Vista

Notes to Financial Statements  
June 30, 2025

### Pension and OPEB Expense

For the year ended June 30, 2025, the City recognized the following pension and OPEB expense:

	Expenses	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 5,015,290	\$ 2,059,813
Health insurance	76,667	24,098

### Pension and OPEB Deferred Outflows/Inflows of Resource

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PSPRS - Police</b>				
Differences between expected and actual experience	\$ 976,620	\$ -	\$ 45,947	\$ -
Changes of assumptions or other inputs	-	-	2,829	-
Net difference between projected and actual earnings plan investments	-	747,401	-	7,537
Contributions subsequent to the measurement date	4,468,747	-	75,633	-
Total	<u>\$ 5,445,367</u>	<u>\$ 747,401</u>	<u>\$ 124,409</u>	<u>\$ 7,537</u>

	Pension		Health Insurance	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PSPRS - Fire</b>				
Differences between expected and actual experience	\$ 1,590,068	\$ 18,764	\$ 29,522	\$ 39,098
Changes of assumptions or other inputs	236,672	-	9,121	60
Net difference between projected and actual earnings plan investments	-	558,209	-	6,021
Contributions subsequent to the measurement date	2,921,556	-	44,507	-
Total	<u>\$ 4,748,296</u>	<u>\$ 576,973</u>	<u>\$ 83,150</u>	<u>\$ 45,179</u>

## City of Sierra Vista

Notes to Financial Statements

June 30, 2025

The amounts reported as deferred outflows of resources related to pension and OPEB contributions subsequent to the measurement date will be recognized as an adjustment of the net pension and OPEB assets/liabilities in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

	PSPRS - Police		PSPRS - Fire	
	Pension	Health Insurance	Pension	Health Insurance
Year Ending June 30:				
2026	\$ 356,681	\$ 33,619	\$ 223,797	\$ (11,620)
2027	388,473	16,946	982,587	17,199
2028	(288,257)	(4,869)	225,554	(3,868)
2029	(227,678)	(4,457)	(182,171)	(8,247)
2030	-	-	-	-
Thereafter	-	-	-	-

### Contributions Payable

The City's accrued payroll and employee benefits included \$47,598 of outstanding pension and OPEB contribution amounts payable to PSPRS for the year ended June 30, 2025.

### Single Employer OPEB Plan

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

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

City Healthcare:	
Retirees and beneficiaries	65
Active members	376
	<hr/>
Total	441
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## City of Sierra Vista

Notes to Financial Statements

June 30, 2025

The City's total OPEB liability of \$18,390,591 was measured as of June 30, 2025:

Total OPEB liability, beginning of year	<u>\$ 19,150,481</u>
Changes for the year:	
Service cost	1,009,284
Interest	763,954
Change of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	(258,344)
Change of assumptions or other inputs	(1,450,863)
Benefit payments	<u>(823,921)</u>
Net changes	<u>(759,890)</u>
Total OPEB liability, end of year	<u><u>\$ 18,390,591</u></u>

The total OPEB liability as of June 30, 2025, reflects changes in plan benefits made during the fiscal year to include employees hired after July 1, 2012 who retire normally with ASRS or PSPRS, and are eligible to enroll in the State's health insurance program. For these employees, the City will reimburse the retirees' health insurance premiums until they are Medicare eligible. Previously these members were not eligible for retiree health care benefits.

The plan is not accounted for as a trust fund. The City's Health and Accident Insurance Fund has net position of \$6,434,051 that can be used to help fund its OPEB liability. However, the City has not elected to establish an irrevocable trust and restrict any of that net position at this time. The plan does not issue a separate financial report.

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

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1%</u> <u>Increase</u>
<b>Discount rate:</b>			
Rate	4.20%	5.20%	6.20%
Total OPEB liability	\$20,111,805	\$18,390,591	\$16,853,721
<b>Healthcare cost:</b>			
Rate	4.20%	5.20%	6.20%
Total OPEB liability	\$16,527,235	\$18,390,591	\$20,565,435

# City of Sierra Vista

Notes to Financial Statements

June 30, 2025

## OPEB Deferred Outflows/Inflows of Resources

For the period ended June 30, 2025, the City recognized OPEB expense of (\$533,216). At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 485,378	\$ 2,508,077
Changes of assumptions or other inputs	462,188	1,739,775
<b>Total</b>	<b>\$ 947,566</b>	<b>\$ 4,247,852</b>

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

Years ending June 30:

2026	\$ (1,541,206)
2027	(262,114)
2028	(328,666)
2029	(328,666)
2030	(328,666)
2031	(307,027)
2032	(203,941)
Thereafter	-

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The total OPEB liability in the June 30, 2025 actuarial valuation was determined by using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date:	June 30, 2025
Measurement Date:	June 30, 2025
Actuarial Cost Method:	Entry Age
Discount Rate:	5.20%
Future Payroll Increases:	2.9-13%
Ultimate Rate of Medical Inflation:	7.75% downgraded to 3.50%

The discount rate is based upon the estimate of expected long-term plan experience. At June 30, 2025, the discount rate used to measure the total OPEB liability was 5.20%, which was changed from 3.97% used as of June 30, 2024. Mortality rates were based on the following:

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

# City of Sierra Vista

Notes to Financial Statements  
June 30, 2025

## Termination Benefits

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

## 8. Construction Commitments

At June 30, 2025, the City had \$3,791,762 in unperformed construction contracts and commitments outstanding.

General	\$	33,216
Donations		106
HURF		2,625,226
LTAf		915,513
Grants		16,446
Airport		122,540
Capital Improvements		49,075
Sewer		29,640
		<hr/>
Total	\$	<u>3,791,762</u>

## 9. Stewardship, Compliance and Accountability

### Negative Fund Balances/Net Positions

The Grants Fund had negative fund balances and the Refuse Fund had a negative Net Position on June 30, 2025. The negative balance in the Grants Fund is due to the deferred inflow of unavailable revenues. A rate increase in the Refuse Fund will address the negative net position.

## 10. Fund Balances

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

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

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

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

# City of Sierra Vista

## Notes to Financial Statements

June 30, 2025

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

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

	<u>General</u>	<u>HURF</u>	<u>Capital Improvements</u>	<u>Nonmajor Funds</u>	<u>Governmental Funds</u>
Fund balances (deficit):					
Nonspendable	\$ 63,100	\$ -	\$ 359,912	\$ 102,560	\$ 525,572
Restricted:					
Capital projects	-	-	14,004,958	-	14,004,958
Other projects	-	-	-	6,882,958	6,882,958
Street projects	-	5,860,808	-	110,429	5,971,237
Unassigned	<u>10,435,676</u>	<u>-</u>	<u>-</u>	<u>(30)</u>	<u>10,435,646</u>
Total fund balance (deficits)	<u>\$ 10,498,776</u>	<u>\$ 5,860,808</u>	<u>\$ 14,364,870</u>	<u>\$ 7,095,917</u>	<u>\$ 37,820,371</u>

### 11. Contingencies

The City is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations. At June 30, 2025, it is the opinion of City management, based on the advice of the City Attorney, that there is not any pending litigation that would have a material effect on the City's financial position.

### 12. Risk Management

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

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

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

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

## City of Sierra Vista

Notes to Financial Statements

June 30, 2025

The City has designated the \$79,097 net position of the Unemployment Insurance Fund as future catastrophe loss reserves. The Self-Insured Retention Fund received restitution payments of \$269,264 during the year. Employees paid from the General, Special Revenue and Enterprise Funds participate in the Health and Accident Insurance Fund and make payments based on historical experience estimates of the amounts needed to pay prior and current year claims.

The claims liabilities reported in the Funds at June 30, 2025 are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the claims liability amounts in fiscal years 2023-2024 and 2024-2025 were:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
Health and Accident Insurance:				
2023-24	\$ 277,206	\$ 3,823,929	\$ 3,892,408	\$ 208,727
2024-25	208,727	5,214,287	4,982,296	440,718
Unemployment Insurance:				
2023-24	-	-	-	-
2024-25	-	-	-	-
Self-Insured Retention:				
2023-24	-	-	-	-
2024-25	-	-	-	-

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

### 13. Interfund Balances and Transfers

Individual interfund balances for due to/from to other funds at June 30, 2025 are as follows.

	<u>Due to Other Funds</u>	<u>Due From Other Funds</u>
Fund:		
Capital Improvements	\$ -	\$ 3,011,731
Sewer	2,091,116	-
Refuse	810,725	-
SAMG	77,062	-
Nonmajor Governmental Funds	32,828	-
	<u>\$ 3,011,731</u>	<u>\$ 3,011,731</u>
Total		

All due to other funds is to remove negative cash balances from the funds. The SAMG Fund will repay during the year as grant reimbursements are received. The three development fee funds will repay as development fees are received. The Sewer Fund will repay as connection fees are received.

## City of Sierra Vista

Notes to Financial Statements  
June 30, 2025

Individual interfund transfers for fiscal year 2025 were:

	<u>Transfers Out</u>	<u>Transfers In</u>
Fund:		
General Fund	\$ 588,893	\$ -
Highway Users Fund	-	688,054
Capital Improvements	3,928,213	334,834
Nonmajor Governmental Funds	522,888	4,017,106
	<u>5,039,994</u>	<u>4,017,106</u>
Total	<u>\$ 5,039,994</u>	<u>\$ 5,039,994</u>

The City receives the majority of its transaction privilege taxes into the Capital Improvements Fund, some of which are restricted for payments on capital infrastructure and debt payments for capital related financing. Transfers to the Debt Service Fund from Capital Improvements Fund of \$3,239,195 is to cover debt service payments for capital related financing. The transfers to the HURF Fund of \$688,054 from the Capital Improvements and Infrastructure Development Funds are to cover major road projects. The transfers to the LTAF Fund of \$718,483 from Capital Improvements and General Funds are to cover major road infrastructure projects and cover grant matches and LTAF operations.

### 14. Net Investment in Capital Assets

The net investment in capital assets on the statement of net position are calculated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net investment in capital asset:		
Nondepreciable capital assets	\$ 12,632,666	\$ 1,488,882
Depreciable capital assets, net of accumulated depreciation	131,241,488	35,467,988
Less long-term debt outstanding	27,234,000	1,150,000
Less financed purchases outstanding	-	121,691
Less retainages payable	108,634	-
Less charges on bond refinancing	-	30,842
	<u>116,531,520</u>	<u>35,654,337</u>
Total	<u>\$ 116,531,520</u>	<u>\$ 35,654,337</u>

## **Required Supplementary Information**

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### **Schedules of Revenues, Expenses and Changes in Fund Balances - Budget and Actual**

**General Fund  
HURF Fund**



## City of Sierra Vista

### Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 23,357,536	\$ 23,357,536	\$ 23,113,208	\$ (244,328)
Licenses and permits	900,000	900,000	685,959	(214,041)
Intergovernmental	20,596,235	20,596,235	21,025,658	429,423
Charges for services	6,197,200	6,197,200	6,870,206	673,006
Fines	-	-	6,660	6,660
Investment income	250,000	250,000	393,236	143,236
Contributions	47,000	47,000	1,000,166	953,166
Other revenues	577,753	577,753	449,508	(128,245)
<b>Total revenues</b>	<b>51,925,724</b>	<b>51,925,724</b>	<b>53,544,601</b>	<b>1,618,877</b>
<b>Expenditures</b>				
Current:				
General government	9,283,172	9,283,172	9,702,155	(418,983)
Public safety	25,474,429	25,474,429	25,560,414	(85,985)
Public works	6,754,824	6,754,824	6,817,327	(62,503)
Culture and recreation	5,532,191	5,532,191	5,379,219	152,972
Community development	1,299,763	1,299,763	1,274,600	25,163
Capital outlay	6,401,804	6,401,804	4,251,320	2,150,484
<b>Total expenditures</b>	<b>54,746,183</b>	<b>54,746,183</b>	<b>52,985,035</b>	<b>1,761,148</b>
Excess (deficiency) of revenues over expenditures	(2,820,459)	(2,820,459)	559,566	3,380,025
<b>Other Financing Sources (Uses)</b>				
Transfers out	(638,603)	(638,603)	(588,893)	49,710
Transfers in	(2,296,082)	(2,296,082)	-	2,296,082
Notes payable proceeds	1,162,980	1,162,980	-	(1,162,980)
Noncash acquisition of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(1,771,705)</b>	<b>(1,771,705)</b>	<b>(588,893)</b>	<b>1,182,812</b>
<b>Net change in fund balances</b>	<b>(4,592,164)</b>	<b>(4,592,164)</b>	<b>(29,327)</b>	<b>4,562,837</b>
<b>Fund Balances, Beginning</b>	<b>-</b>	<b>-</b>	<b>10,528,103</b>	<b>10,528,103</b>
<b>Fund Balances, Ending</b>	<b>\$ (4,592,164)</b>	<b>\$ (4,592,164)</b>	<b>\$ 10,498,776</b>	<b>\$ 15,090,940</b>

## City of Sierra Vista

### Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

#### Special Revenue Funds

#### HURF Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 56,385,048	\$ 56,385,048	\$ 6,877,190	\$ (49,507,858)
Investment income	-	-	266,352	266,352
Other revenues	-	-	35,412	35,412
<b>Total revenues</b>	<b>56,385,048</b>	<b>56,385,048</b>	<b>7,178,954</b>	<b>(49,206,094)</b>
<b>Expenditures</b>				
Current:				
General government	33,424	33,424	33,424	-
Public works	3,487,798	3,487,798	3,191,055	296,743
Capital outlay	61,174,663	61,174,663	6,136,889	55,037,774
<b>Total expenditures</b>	<b>64,695,885</b>	<b>64,695,885</b>	<b>9,361,368</b>	<b>55,334,517</b>
Excess (deficiency) of revenues over expenditures	(8,310,837)	(8,310,837)	(2,182,414)	6,128,423
<b>Other Financing Sources (Uses)</b>				
Transfers in	700,000	700,000	688,054	(11,946)
<b>Net change in fund balances</b>	<b>(7,610,837)</b>	<b>(7,610,837)</b>	<b>(1,494,360)</b>	<b>6,116,477</b>
<b>Fund Balances, Beginning</b>	<b>7,610,837</b>	<b>7,610,837</b>	<b>7,355,168</b>	<b>(255,669)</b>
<b>Fund Balances, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,860,808</b>	<b>\$ 5,860,808</b>

## **Required Supplementary Information**

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### **Required Pension Information and Notes**



**City of Sierra Vista**

Schedule of the Proportionate Share of the Net Pension Liability - Arizona State Retirement System  
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Measurement Date</b>	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
City's proportion of the net pension liability (asset)	0.12%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%
City's proportionate share of the net pension liability (asset)	\$ 18,694,559	\$ 18,200,889	\$ 17,983,824	\$ 14,813,535	\$ 19,797,282	\$ 16,533,033	\$ 15,710,712	\$ 17,182,590	\$ 18,263,547	\$ 17,080,214
City's covered payroll	\$ 16,398,863	\$ 15,383,624	\$ 14,823,507	\$ 13,162,348	\$ 12,707,047	\$ 12,555,231	\$ 12,033,184	\$ 11,246,193	\$ 10,791,929	\$ 10,622,940
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	114.00%	118.31%	121.32%	112.54%	155.80%	131.68%	130.56%	152.79%	169.23%	160.79%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

See notes to required supplementary information

**City of Sierra Vista**

Schedule of Contributions - All Pension Plans  
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Arizona State Retirement System</b>										
Actuarially determined contribution	\$ 1,976,063	\$ 1,850,650	\$ 1,766,963	\$ 1,580,798	\$ 1,480,372	\$ 1,437,575	\$ 1,345,310	\$ 1,225,909	\$ 1,163,370	\$ 1,152,589
Contributions in relation to the actuarially determined contribution	<u>1,976,063</u>	<u>1,850,650</u>	<u>1,766,963</u>	<u>1,580,798</u>	<u>1,480,372</u>	<u>1,437,575</u>	<u>1,345,310</u>	<u>1,225,909</u>	<u>1,163,370</u>	<u>1,152,589</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 16,398,863	\$ 15,383,624	\$ 14,823,507	\$ 13,162,348	\$ 12,707,047	\$ 12,555,231	\$ 12,033,184	\$ 11,246,193	\$ 10,791,929	\$ 10,622,940
Contributions as a percentage of covered payroll	12.05%	12.03%	11.92%	12.01%	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%
<b>Public Safety Personnel Retirement System - Police</b>										
Actuarially determined contribution	\$ 3,981,269	\$ 4,634,612	\$ 2,792,323	\$ 2,453,804	\$ 2,752,345	\$ 2,461,018	\$ 2,301,287	\$ 2,080,895	\$ 2,148,783	\$ 1,905,744
Contributions in relation to the actual contribution	<u>4,468,747</u>	<u>5,088,674</u>	<u>3,776,851</u>	<u>3,294,662</u>	<u>3,196,653</u>	<u>2,962,243</u>	<u>2,873,218</u>	<u>2,330,895</u>	<u>2,148,783</u>	<u>1,905,744</u>
Contribution deficiency (excess)	<u>\$ (487,478)</u>	<u>\$ (454,062)</u>	<u>\$ (984,528)</u>	<u>\$ (840,858)</u>	<u>\$ (444,308)</u>	<u>\$ (501,225)</u>	<u>\$ (571,931)</u>	<u>\$ (250,000)</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,686,715	\$ 6,981,940	\$ 2,879,878	\$ 4,097,869	\$ 4,337,817	\$ 4,186,829	\$ 4,105,775	\$ 4,164,656	\$ 4,721,562	\$ 4,511,705
Contributions as a percentage of covered payroll	70.01%	66.38%	96.96%	59.88%	63.45%	58.78%	69.98%	55.97%	45.51%	42.24%
<b>Public Safety Personnel Retirement System - Fire</b>										
Actuarially determined contribution	\$ 2,093,303	\$ 2,076,769	\$ 1,917,639	\$ 1,745,345	\$ 1,783,799	\$ 1,401,604	\$ 1,418,176	\$ 1,417,035	\$ 1,079,972	\$ 1,010,635
Contributions in relation to the actuarially determined contribution	<u>2,921,556</u>	<u>2,893,646</u>	<u>1,917,639</u>	<u>1,745,345</u>	<u>1,783,799</u>	<u>1,401,604</u>	<u>1,780,874</u>	<u>1,432,035</u>	<u>1,079,972</u>	<u>1,010,635</u>
Contribution deficiency (excess)	<u>\$ (828,253)</u>	<u>\$ (816,877)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (362,698)</u>	<u>\$ (15,000)</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,648,140	\$ 3,829,557	\$ 3,309,698	\$ 3,051,302	\$ 2,932,433	\$ 2,742,865	\$ 2,785,106	\$ 2,936,938	\$ 2,951,548	\$ 2,715,301
Contributions as a percentage of covered payroll	57.38%	54.23%	57.94%	57.20%	60.83%	51.10%	63.94%	48.76%	36.59%	37.22%

See notes to required supplementary information

**City of Sierra Vista**

Schedule of Changes in the Net Pension Liability and Related Ratios - PSPRS - Police  
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Measurement Date</b>	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
<b>Total Pension Liability</b>										
Service cost	\$ 539,000	\$ 569,381	\$ 610,241	\$ 701,393	\$ 735,321	\$ 812,671	\$ 797,803	\$ 1,034,647	\$ 898,658	\$ 811,577
Interest	4,187,801	3,890,899	3,687,802	3,621,970	3,408,499	3,254,002	3,192,682	2,883,989	2,667,016	2,585,621
Changes of benefit terms	-	-	-	-	-	-	-	526,933	1,360,707	-
Differences between expected and actual experience	1,953,240	3,409,554	1,624,745	(891,620)	1,078,782	608,962	(1,101,429)	488,807	271,019	(291,544)
Changes of assumptions	-	-	840,139	-	-	690,402	-	1,935,164	1,445,654	-
Benefit payments, including refunds	(3,667,084)	(3,764,542)	(2,634,742)	(2,242,825)	(2,285,995)	(2,853,846)	(2,094,518)	(2,025,396)	(2,439,783)	(1,784,836)
Net change in total pension liability	3,012,957	4,105,292	4,128,185	1,188,918	2,936,607	2,512,191	794,538	4,844,144	4,203,271	1,320,818
<b>Total Pension Liability, Beginning</b>	<u>59,458,439</u>	<u>55,353,147</u>	<u>51,224,962</u>	<u>50,036,044</u>	<u>47,099,437</u>	<u>44,587,246</u>	<u>43,792,708</u>	<u>38,948,564</u>	<u>34,745,293</u>	<u>33,424,475</u>
<b>Total Pension Liability, Ending</b>	<u>\$ 62,471,396</u>	<u>\$ 59,458,439</u>	<u>\$ 55,353,147</u>	<u>\$ 51,224,962</u>	<u>\$ 50,036,044</u>	<u>\$ 47,099,437</u>	<u>\$ 44,587,246</u>	<u>\$ 43,792,708</u>	<u>\$ 38,948,564</u>	<u>\$ 34,745,293</u>
<b>Plan Fiduciary Net Position</b>										
Contributions, employer	\$ 5,206,505	\$ 3,775,726	\$ 3,325,029	\$ 2,973,607	\$ 3,441,524	\$ 2,463,043	\$ 2,347,269	\$ 2,139,214	\$ 1,889,021	\$ 1,231,440
Contributions, employee	318,722	271,672	277,827	302,361	324,687	316,504	378,637	524,228	626,104	458,242
Net investment income	3,460,809	2,378,560	(1,233,274)	6,636,803	262,683	1,074,001	1,179,235	1,753,496	84,142	516,861
Benefit payments, including refunds	(3,667,084)	(3,764,542)	(2,634,742)	(2,242,825)	(2,285,995)	(2,853,846)	(2,094,518)	(2,025,396)	(2,439,783)	(1,784,836)
Administrative expense	(24,838)	(18,963)	(22,231)	(30,514)	(21,420)	(19,659)	(18,648)	(15,915)	(12,508)	(12,992)
Other	-	-	-	-	-	-	200	(23,167)	(133,215)	60,401
<b>Net Change in Plan Fiduciary Net Position</b>	5,294,114	2,642,453	(287,391)	7,639,432	1,721,479	980,043	1,792,175	2,352,460	13,761	469,116
<b>Plan Fiduciary Net Position, Beginning</b>	31,339,153	28,696,700	28,984,091	21,344,659	19,683,071	18,733,000	16,940,825	14,588,365	14,574,604	14,105,488
Adjustment to beginning of year	-	-	-	-	(59,891)	(29,972)	-	-	-	-
<b>Plan Fiduciary Net Position, Ending</b>	<u>\$ 36,633,267</u>	<u>\$ 31,339,153</u>	<u>\$ 28,696,700</u>	<u>\$ 28,984,091</u>	<u>\$ 21,344,659</u>	<u>\$ 19,683,071</u>	<u>\$ 18,733,000</u>	<u>\$ 16,940,825</u>	<u>\$ 14,588,365</u>	<u>\$ 14,574,604</u>
<b>Net Pension Liability, Ending</b>	<u>\$ 25,838,129</u>	<u>\$ 28,119,286</u>	<u>\$ 26,656,447</u>	<u>\$ 22,240,871</u>	<u>\$ 28,691,385</u>	<u>\$ 27,416,366</u>	<u>\$ 25,854,246</u>	<u>\$ 26,851,883</u>	<u>\$ 24,360,199</u>	<u>\$ 20,170,689</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	58.64%	52.71%	51.84%	56.58%	42.66%	41.79%	42.01%	38.68%	37.46%	41.95%
<b>Covered Payroll</b>	\$ 3,435,748	\$ 2,879,878	\$ 4,097,869	\$ 4,337,817	\$ 4,186,829	\$ 4,105,775	\$ 4,164,656	\$ 4,721,562	\$ 4,511,705	\$ 4,105,641
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	752.04%	976.41%	650.50%	512.72%	685.28%	667.75%	620.80%	568.71%	539.93%	491.29%

See notes to required supplementary information

**City of Sierra Vista**

Schedule of Changes in the Net Pension Liability and Related Ratios - PSPRS - Fire  
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Measurement Date</b>	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
<b>Total Pension Liability</b>										
Service cost	\$ 593,643	\$ 608,974	\$ 564,858	\$ 584,070	\$ 569,254	\$ 639,495	\$ 644,401	\$ 681,249	\$ 554,766	\$ 509,564
Interest	2,940,498	2,764,706	2,651,287	2,569,848	2,434,216	2,321,406	2,240,785	2,041,000	1,857,264	1,842,910
Changes of benefit terms	-	-	-	-	-	-	-	296,509	1,364,984	-
Differences between expected and actual experience	689,683	1,388,757	444,243	(93,820)	371,121	153,405	(386,881)	351,794	84,858	(533,875)
Changes of assumptions	-	-	591,682	-	-	628,209	-	1,125,596	1,007,378	-
Benefit payments, including refunds	(2,542,249)	(2,068,860)	(2,364,140)	(1,486,428)	(1,576,416)	(1,818,004)	(1,634,245)	(1,186,097)	(1,571,062)	(1,745,628)
Net change in total pension liability	1,681,575	2,693,577	1,887,930	1,573,670	1,798,175	1,924,511	864,060	3,310,051	3,298,188	72,971
<b>Total Pension Liability, Beginning</b>	<u>41,517,725</u>	<u>38,824,148</u>	<u>36,936,218</u>	<u>35,362,548</u>	<u>33,564,373</u>	<u>31,639,862</u>	<u>30,775,802</u>	<u>27,465,751</u>	<u>24,167,563</u>	<u>24,094,592</u>
<b>Total Pension Liability, Ending</b>	<u>\$ 43,199,300</u>	<u>\$ 41,517,725</u>	<u>\$ 38,824,148</u>	<u>\$ 36,936,218</u>	<u>\$ 35,362,548</u>	<u>\$ 33,564,373</u>	<u>\$ 31,639,862</u>	<u>\$ 30,775,802</u>	<u>\$ 27,465,751</u>	<u>\$ 24,167,563</u>
<b>Plan Fiduciary Net Position</b>										
Contributions, employer	\$ 3,495,626	\$ 2,633,873	\$ 2,327,923	\$ 2,127,133	\$ 2,098,632	\$ 1,533,388	\$ 1,436,658	\$ 1,138,470	\$ 1,101,774	\$ 714,263
Contributions, employee	195,349	229,747	227,519	222,660	228,426	222,284	273,616	506,327	350,230	303,093
Net investment income	2,807,311	1,902,954	(997,036)	5,335,202	221,300	907,570	1,017,694	1,542,492	74,132	469,999
Benefit payments, including refunds	(2,542,249)	(2,068,860)	(2,364,140)	(1,486,428)	(1,576,416)	(1,818,004)	(1,634,245)	(1,186,097)	(1,571,062)	(1,745,628)
Administrative expense	(19,257)	(15,175)	(17,980)	(24,887)	(18,048)	(16,772)	(16,189)	(14,048)	(11,067)	(11,851)
Other	-	-	-	-	16,677	-	(11,588)	1,271	(90,098)	(72,095)
<b>Net Change in Plan Fiduciary Net Position</b>	3,936,780	2,682,539	(823,714)	6,173,680	970,571	828,466	1,065,946	1,988,415	(146,091)	(342,219)
<b>Plan Fiduciary Net Position, Beginning</b>	25,774,965	23,092,426	23,916,140	17,742,460	16,771,888	15,961,175	14,895,229	12,906,814	13,052,905	13,395,124
Adjustment to beginning of year	-	-	-	-	1	(17,753)	-	-	-	-
<b>Plan Fiduciary Net Position, Ending</b>	<u>\$ 29,711,745</u>	<u>\$ 25,774,965</u>	<u>\$ 23,092,426</u>	<u>\$ 23,916,140</u>	<u>\$ 17,742,460</u>	<u>\$ 16,771,888</u>	<u>\$ 15,961,175</u>	<u>\$ 14,895,229</u>	<u>\$ 12,906,814</u>	<u>\$ 13,052,905</u>
<b>Net Pension Liability, Ending</b>	<u>\$ 13,487,555</u>	<u>\$ 15,742,760</u>	<u>\$ 15,731,722</u>	<u>\$ 13,020,078</u>	<u>\$ 17,620,088</u>	<u>\$ 16,792,485</u>	<u>\$ 15,678,687</u>	<u>\$ 15,880,573</u>	<u>\$ 14,558,937</u>	<u>\$ 11,114,658</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	68.78%	62.08%	59.48%	64.75%	50.17%	49.97%	50.45%	48.40%	46.99%	54.01%
<b>Covered Payroll</b>	2,447,352	2,486,805	\$ 3,051,302	\$ 2,932,433	\$ 2,742,865	\$ 2,785,106	\$ 2,936,938	\$ 2,951,548	\$ 2,715,301	\$ 2,366,612
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	551.11%	633.05%	515.57%	444.00%	642.40%	602.94%	533.84%	538.04%	536.18%	469.64%

See notes to required supplementary information

**City of Sierra Vista**

Schedule of the Proportionate Share of the Net OPEB Liability Arizona State Retirement System - Health Insurance Premium  
Last Eight Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Measurement Date</b>	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
City's proportion of the net OPEB (assets) liability	0.12%	0.11%	0.11%	0.11%	0.12%	0.12%	0.11%	0.11%
City's proportionate share of the net OPEB (assets) liability	\$ (702,959)	\$ (605,043)	\$ (612,569)	\$ (549,814)	\$ (82,036)	\$ (31,832)	\$ (41,070)	\$ (60,673)
City's covered payroll	\$ 16,398,863	\$ 15,383,624	\$ 13,162,340	\$ 12,707,047	\$ 12,555,231	\$ 12,033,184	\$ 11,246,193	\$ 10,791,929
City's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	-4.29%	-3.93%	-4.65%	-4.33%	-0.65%	-0.26%	-0.37%	-0.56%
Plan fiduciary net position as a percentage of the total OPEB liability		134.37%	137.79%	130.24%	104.33%	101.62%	102.20%	103.57%

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

*See notes to required supplementary information*

**City of Sierra Vista**

Schedule of the Proportionate Share of the Net OPEB Liability Arizona State Retirement System - Long-Term Disability

Last Eight Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Measurement Date</b>	June 30 2024	June 30 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
City's proportion of the net OPEB (assets) liability	0.12%	0.11%	0.11%	0.11%	0.12%	0.11%	0.11%	0.11%
City's proportionate share of the net OPEB (assets) liability	\$ 3,035	\$ 14,698	\$ 10,167	\$ 23,264	\$ 87,316	\$ 74,630	\$ 58,950	\$ 40,086
City's covered payroll	\$ 16,398,863	\$ 15,383,624	\$ 13,162,340	\$ 12,707,047	\$ 12,555,231	\$ 12,033,184	\$ 11,246,193	\$ 10,791,929
City's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.02%	0.10%	0.08%	0.18%	0.70%	0.62%	0.52%	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	98.77%	93.70%	95.40%	90.38%	68.01%	72.85%	77.83%	84.44%

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

See notes to required supplementary information

**City of Sierra Vista**

Schedule of OPEB Contributions - All OPEB Plans  
Last Eight Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018
<b>Arizona State Retirement System - Health Insurance Premium</b>								
Actuarially determined contribution	\$ 11,479	\$ 16,922	\$ 16,306	\$ 27,640	\$ 49,556	\$ 61,521	\$ 55,352	\$ 49,486
Contributions in relation to the actuarially determined contribution	11,479	16,922	16,306	27,640	49,556	61,521	55,352	49,486
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 16,398,571	\$ 15,383,636	\$ 14,823,507	\$ 13,162,348	\$ 12,707,047	\$ 12,555,231	\$ 12,033,184	\$ 11,246,193
Contributions as a percentage of covered payroll	0.07%	0.11%	0.11%	0.21%	0.39%	0.49%	0.46%	0.44%
<b>Arizona State Retirement System - Long-Term Disability</b>								
Actuarially determined contribution	\$ 24,598	\$ 23,075	\$ 20,753	\$ 25,010	\$ 22,872	\$ 21,344	\$ 19,253	\$ 17,995
Contributions in relation to the actuarially determined contribution	24,598	23,075	20,753	25,010	22,872	21,344	19,253	17,995
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 16,398,571	\$ 15,383,636	\$ 14,823,507	\$ 13,162,348	\$ 12,707,047	\$ 12,555,231	\$ 12,033,184	\$ 11,246,193
Contributions as a percentage of covered payroll	0.15%	0.15%	0.14%	0.19%	0.18%	0.17%	0.16%	0.16%
<b>Public Safety Personnel Retirement System - Police - Health Insurance Premium</b>								
Actuarially determined contribution	\$ 75,633	\$ 78,198	\$ 48,539	\$ 50,404	\$ 44,680	\$ 42,287	\$ 36,952	\$ 49,326
Contributions in relation to the actuarially determined contribution	75,633	78,198	48,539	50,404	44,680	42,287	36,952	49,326
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 5,686,692	\$ 6,981,964	\$ 4,412,647	\$ 4,097,869	\$ 4,337,817	\$ 4,186,829	\$ 4,105,775	\$ 4,164,656
Contributions as a percentage of covered payroll	1.33%	1.12%	1.10%	1.23%	1.03%	1.01%	0.90%	1.18%
<b>Public Safety Personnel Retirement System - Fire - Health Insurance Premium</b>								
Actuarially determined contribution	\$ 44,507	\$ 45,572	\$ 42,364	\$ 35,700	\$ 30,204	\$ 24,686	\$ 24,230	\$ 27,388
Contributions in relation to the actuarially determined contribution	44,507	45,572	42,364	35,700	30,204	24,686	24,230	27,388
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 3,648,115	\$ 3,829,580	\$ 3,309,698	\$ 3,051,302	\$ 2,932,433	\$ 2,742,865	\$ 2,785,106	\$ 2,936,938
Contributions as a percentage of covered payroll	1.22%	1.19%	1.28%	1.17%	1.03%	0.90%	0.87%	0.93%

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

See notes to required supplementary information

## City of Sierra Vista

### Schedule of Changes in the Net OPEB Liability and Related Ratios - PSPRS - Police - Health Insurance Premium Last Eight Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Measurement Date</b>	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB Liability</b>								
Service cost	\$ 11,917	\$ 13,340	\$ 15,273	\$ 17,949	\$ 18,896	\$ 13,389	\$ 12,995	\$ 17,641
Interest	91,566	82,470	79,767	85,490	76,898	79,227	79,040	84,722
Changes of benefit terms	-	-	-	-	-	-	-	1,540
Differences between expected and actual experience	6,837	110,766	17,866	(116,424)	102,069	(71,813)	(34,823)	(81,762)
Changes of assumptions or other inputs	-	-	11,315	-	-	6,643	-	(17,248)
Benefit payments	(82,678)	(74,968)	(64,167)	(61,313)	(68,642)	(60,202)	(62,961)	(65,215)
Net change in total OPEB liability	27,642	131,608	60,054	(74,298)	129,221	(32,756)	(5,749)	(60,322)
<b>Total OPEB Liability, Beginning</b>	1,301,170	1,169,562	1,109,508	1,183,806	1,054,585	1,087,341	1,093,090	1,153,412
<b>Total OPEB Liability, Ending</b>	<u>\$ 1,328,812</u>	<u>\$ 1,301,170</u>	<u>\$ 1,169,562</u>	<u>\$ 1,109,508</u>	<u>\$ 1,183,806</u>	<u>\$ 1,054,585</u>	<u>\$ 1,087,341</u>	<u>\$ 1,093,090</u>
<b>Plan Fiduciary Net Position</b>								
Contributions, employer	\$ 53,634	\$ 44,611	\$ 48,041	\$ 37,511	\$ 38,225	\$ 34,993	\$ 13,833	\$ 50,296
Contributions, employee	-	-	-	-	-	-	-	-
Net investment income	83,368	60,931	(33,784)	189,306	8,943	37,250	47,391	75,038
Benefit payments	(82,678)	(74,968)	(64,167)	(61,313)	(68,642)	(60,202)	(62,961)	(65,215)
Administrative expense	(536)	(518)	(601)	(778)	(727)	(643)	(721)	(664)
Other	-	-	-	-	-	-	-	-
<b>Net Change In Plan Fiduciary Net Position</b>	53,788	30,056	(50,511)	164,726	(22,201)	11,398	(2,458)	59,455
<b>Plan Fiduciary Net Position, Beginning</b>	863,165	833,109	883,620	718,894	741,095	699,726	702,184	642,729
Adjustment to beginning of year balance	-	-	-	-	-	29,971	-	-
<b>Plan Fiduciary Net Position, Ending</b>	<u>\$ 916,953</u>	<u>\$ 863,165</u>	<u>\$ 833,109</u>	<u>\$ 883,620</u>	<u>\$ 718,894</u>	<u>\$ 741,095</u>	<u>\$ 699,726</u>	<u>\$ 702,184</u>
<b>Net OPEB (Assets) Liability, Ending</b>	<u>\$ 411,859</u>	<u>\$ 438,005</u>	<u>\$ 336,453</u>	<u>\$ 225,888</u>	<u>\$ 464,912</u>	<u>\$ 313,490</u>	<u>\$ 387,615</u>	<u>\$ 390,906</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	69.01%	66.34%	71.23%	79.64%	60.73%	70.27%	64.35%	64.24%
<b>Covered Payroll</b>	\$ 3,435,748	\$ 2,879,878	\$ 4,097,869	\$ 4,337,817	\$ 4,186,829	\$ 4,105,775	\$ 4,164,656	\$ 4,721,562
<b>Net OPEB (Assets) Liability as a Percentage of Covered Payroll</b>	11.99%	15.21%	8.21%	5.21%	11.10%	7.64%	9.31%	8.28%

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

See notes to required supplementary information

## City of Sierra Vista

### Schedule of Changes in the Net OPEB Liability and Related Ratios - PSPRS - Fire - Health Insurance Premium Last Eight Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Measurement Date</b>	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB Liability</b>								
Service cost	\$ 10,910	\$ 12,507	\$ 11,746	\$ 12,596	\$ 12,365	\$ 9,291	\$ 9,291	\$ 9,996
Interest	64,853	62,701	63,101	61,590	58,166	59,597	60,012	60,052
Changes of benefit terms	-	-	-	-	-	-	-	4
Differences between expected actual experience	(24,667)	22,215	(20,940)	7,609	45,263	(46,626)	(28,923)	(6,161)
Changes of assumptions or other inputs	-	-	15,507	-	-	9,565	-	(2,836)
Benefit payments	(66,048)	(65,824)	(61,624)	(58,862)	(57,856)	(50,610)	(50,664)	(50,190)
<b>Net Change in Total OPEB Liability</b>	(14,952)	31,599	7,790	22,933	57,938	(18,783)	(10,284)	10,865
<b>Total OPEB Liability, Beginning</b>	922,851	891,252	883,462	860,529	802,591	821,374	831,658	820,793
<b>Total OPEB Liability, Ending</b>	<u>\$ 907,899</u>	<u>\$ 922,851</u>	<u>\$ 891,252</u>	<u>\$ 883,462</u>	<u>\$ 860,529</u>	<u>\$ 802,591</u>	<u>\$ 821,374</u>	<u>\$ 831,658</u>
<b>Plan Fiduciary Net Position</b>								
Contributions, employer	\$ 38,045	\$ 40,871	\$ 34,637	\$ 26,244	\$ 23,432	\$ 25,046	\$ 8,621	\$ 26,447
Contributions, employee	-	-	-	-	-	-	-	-
Net investment income	61,203	44,589	(25,275)	145,472	7,046	29,850	38,143	61,041
Benefit payments	(66,048)	(65,824)	(61,624)	(58,862)	(57,856)	(50,610)	(50,664)	(50,190)
Administrative expense	(376)	(379)	(450)	(598)	(573)	(515)	(581)	(539)
Other	-	-	-	-	-	-	1	-
<b>Net Change in Plan Fiduciary Net Position</b>	32,824	19,257	(52,712)	112,256	(27,951)	3,771	(4,480)	36,759
<b>Plan Fiduciary Net Position, Beginning</b>	634,109	614,852	667,564	555,308	583,259	561,735	566,215	529,456
Adjustment to beginning of year balance	-	-	-	-	-	17,753	-	-
<b>Plan Fiduciary Net Position, Ending</b>	<u>\$ 666,933</u>	<u>\$ 634,109</u>	<u>\$ 614,852</u>	<u>\$ 667,564</u>	<u>\$ 555,308</u>	<u>\$ 583,259</u>	<u>\$ 561,735</u>	<u>\$ 566,215</u>
<b>Net OPEB (Assets) Liability, Ending</b>	<u>\$ 240,966</u>	<u>\$ 288,742</u>	<u>\$ 276,400</u>	<u>\$ 215,898</u>	<u>\$ 305,221</u>	<u>\$ 219,332</u>	<u>\$ 259,639</u>	<u>\$ 265,443</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	73.46%	68.71%	68.99%	75.56%	64.53%	72.67%	68.39%	68.08%
<b>Covered Payroll</b>	\$ 2,447,352	\$ 2,486,805	\$ 3,051,302	\$ 2,932,433	\$ 2,742,865	\$ 2,785,106	\$ 2,936,938	\$ 2,951,548
<b>Net OPEB (Assets) Liability as a Percentage of Covered Payroll</b>	9.85%	11.61%	9.06%	7.36%	11.13%	7.88%	8.84%	8.99%

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

See notes to required supplementary information

## City of Sierra Vista

### Schedule of Changes in the Total OPEB Liability and Related Ratios Other Postemployment Benefits Plan Last Eight Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Measurement Date</b>	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b>Total OPEB Liability</b>								
Service cost	\$ 1,009,284	\$ 961,203	\$ 484,639	\$ 841,963	\$ 974,887	\$ 1,131,255	\$ 1,093,000	\$ 1,121,000
Interest	763,954	739,138	555,885	395,738	583,190	1,027,009	1,015,000	937,000
Changes in benefit terms	-	-	1,816,825	-	-	-	-	-
Differences between expected and actual experience	(258,344)	(1,009,021)	1,257,821	(3,830,501)	(5,872,873)	(8,961,963)	-	-
Changes of assumptions or other inputs	(1,450,863)	121,636	384,837	(2,036,419)	2,032,814	2,147,687	1,721,000	(1,296,000)
Benefit payments	<u>(823,921)</u>	<u>(661,058)</u>	<u>(647,461)</u>	<u>(830,256)</u>	<u>(857,490)</u>	<u>(753,004)</u>	<u>(737,000)</u>	<u>(604,000)</u>
Net change in total OPEB liability	(759,890)	151,898	3,852,546	(5,459,475)	(3,139,472)	(5,409,016)	3,092,000	158,000
<b>Total OPEB Liability, Beginning</b>	<u>19,150,481</u>	<u>18,998,583</u>	<u>15,146,037</u>	<u>20,605,512</u>	<u>23,744,984</u>	<u>29,154,000</u>	<u>26,062,000</u>	<u>25,904,000</u>
<b>Total OPEB Liability, Ending</b>	<u><u>\$ 18,390,591</u></u>	<u><u>\$ 19,150,481</u></u>	<u><u>\$ 18,998,583</u></u>	<u><u>\$ 15,146,037</u></u>	<u><u>\$ 20,605,512</u></u>	<u><u>\$ 23,744,984</u></u>	<u><u>\$ 29,154,000</u></u>	<u><u>\$ 26,062,000</u></u>
<b>Covered Employee Payroll</b>	\$ 21,795,786	\$ 21,148,350	\$ 19,929,535	\$ 13,752,278	\$ 10,565,294	\$ 13,752,754	\$ 12,033,184	\$ 11,246,193
<b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	84.38%	90.55%	95.33%	110.13%	195.03%	172.66%	242.28%	231.74%

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

See notes to required supplementary information

## 1. Budgetary Basis of Accounting

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

## 2. Pension and OPEB Plan Schedules

### Actuarial Assumptions for Valuations Performed

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

### Factors that Affect Trends

The actuarial assumptions used in the June 30, 2022, valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2021. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2021 actuarial valuation.

The actuarial assumptions used in the June 30, 2023 valuation of PSPRS were based on the results of an actuarial experience study for the five year period ended June 30, 2022. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The PSPRS Board adopted the experience study recommended changes which were applied to the June 30, 2023 actuarial valuation. The total pension liabilities as of June 30, 2023 reflect changes in the actuarial assumptions based on the results of an actuarial experience study for the five-year period ended June 30, 2022, including decreasing the discount rate from 7.3% to 7.2%, changing the wage inflation rate from 3.5% to a range of 3.0% - 6.25%.

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

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



# **Supplementary Information**

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## **Combining Statements and Schedules**

### **All Nonmajor Governmental Funds - By Fund Type**

#### **Nonmajor Special Revenue Funds**

#### **All Internal Service Funds**

#### **Fiduciary Funds**



# City of Sierra Vista

## Combining Balance Sheet - All Nonmajor Governmental Funds - By Fund Type

June 30, 2025

	<b>Special Revenue Funds</b>	<b>Formerly Major Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>			
Cash and investments	\$ 6,522,342	\$ -	\$ 6,522,342
Intergovernmental receivable	1,731,631	-	1,731,631
Accounts receivable	56,708	-	56,708
Prepaid items	3,269	-	3,269
Inventory	111,777	-	111,777
Leases receivable	357,236	-	357,236
	<u>8,782,963</u>	<u>-</u>	<u>8,782,963</u>
Total assets	<u>\$ 8,782,963</u>	<u>\$ -</u>	<u>\$ 8,782,963</u>
<b>Liabilities</b>			
Accounts payable	\$ 842,294	\$ -	\$ 842,294
Due to other funds	32,828	-	32,828
Accrued salaries and employee benefits	258,362	-	258,362
Unearned revenues	170,070	-	170,070
	<u>1,303,554</u>	<u>-</u>	<u>1,303,554</u>
Total liabilities	<u>1,303,554</u>	<u>-</u>	<u>1,303,554</u>
<b>Deferred Inflows</b>			
Unavailable revenues	17,039	-	17,039
Leases	366,453	-	366,453
	<u>383,492</u>	<u>-</u>	<u>383,492</u>
Total deferred inflows of resources	<u>383,492</u>	<u>-</u>	<u>383,492</u>
Total liabilities and deferred inflows of resources	<u>1,687,046</u>	<u>-</u>	<u>1,687,046</u>
<b>Fund Balances (Deficits)</b>			
Nonspendable	111,777	-	111,777
Restricted:			
Other Projects	6,873,741	-	6,873,741
Street Projects	110,429	-	110,429
Unassigned	(30)	-	(30)
	<u>7,095,917</u>	<u>-</u>	<u>7,095,917</u>
Total fund balances (deficits)	<u>7,095,917</u>	<u>-</u>	<u>7,095,917</u>
Total liabilities, deferred inflows and fund balances (deficits)	<u>\$ 8,782,963</u>	<u>\$ -</u>	<u>\$ 8,782,963</u>

## City of Sierra Vista

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Nonmajor

Governmental Funds - By Fund Type

Year Ended June 30, 2025

	<b>Special Revenue Funds</b>	<b>Formerly Major Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>			
Intergovernmental	\$ 6,387,437	\$ -	\$ 6,387,437
Charges for services	1,430,696	-	1,430,696
Fines, forfeitures and penalties	4,136	-	4,136
Investment income	172,516	-	172,516
Other revenues	919,364	-	919,364
	<u>8,914,149</u>	<u>-</u>	<u>8,914,149</u>
<b>Expenditures</b>			
Current:			
Public safety	2,909,227	-	2,909,227
Public works	3,260,729	-	3,260,729
Culture and recreation	56,993	-	56,993
Community development	186,084	-	186,084
Capital outlay	2,512,555	-	2,512,555
Debt service:			
Principal	-	2,379,000	2,379,000
Interest and fiscal charges	-	860,195	860,195
	<u>8,925,588</u>	<u>3,239,195</u>	<u>12,164,783</u>
Excess (deficiency) of revenues over expenditures	<u>(11,439)</u>	<u>(3,239,195)</u>	<u>(3,250,634)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers out	(522,888)	-	(522,888)
Transfers in	777,911	3,239,195	4,017,106
	<u>255,023</u>	<u>3,239,195</u>	<u>3,494,218</u>
Total other financing sources (uses)	<u>255,023</u>	<u>3,239,195</u>	<u>3,494,218</u>
Net change in fund balances	243,584	-	243,584
<b>Fund Balances, Beginning</b>	5,882,155	-	5,882,155
<b>Change within financial reporting entity From Major Fund to Nonmajor Fund</b>	<u>970,178</u>	<u>-</u>	<u>970,178</u>
<b>Fund Balances, Ending</b>	<u>\$ 7,095,917</u>	<u>\$ -</u>	<u>\$ 7,095,917</u>

## Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

**Park Development Fee Fund** - To account for fees collected from subdivision developers to expand current facilities and add new equipment to maintain the City's current level of parks service. Any unused monies must be returned to the developers after 10 years.

**Police Development Fee Fund** - To account for fees collected from subdivision developers to expand current facilities and add new equipment to maintain the City's current level of police service. Any unused monies must be returned to the developers after 10 years.

**Infrastructure Development Fee Fund** - To account for fees collected from subdivision developers to construct certain infrastructure improvements attributable to new growth. Any unused monies must be returned to the developers after 10 years.

**Fire Development Fee Fund** - To account for fees collected from subdivision developers to expand current facilities and add new equipment to maintain the City's current level of fire service. Any unused monies must be returned to the developers after 10 years.

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

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



**City of Sierra Vista**

Combining Balance Sheet - Nonmajor Special Revenue Funds  
June 30, 2025

	Miscellaneous Donations	Formerly Major LTAF	Police Special Programs	Grants	Judicial Collection Enhancement	Airport	Park Development Fee	Police Development Fee	Infrastructure Development Fee	Fire Development Fee	SVMPO	SEACOM	Total Nonmajor Special Revenue Funds
<b>Assets</b>													
Cash and investments	\$ 857,321	\$ 730,133	\$ 362,635	\$ 158,504	\$ 299	\$ 4,151,287	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 262,163	\$ 6,522,342
Intergovernmental receivable	-	902,535	-	84,901	-	25,765	-	-	-	-	173,680	544,750	1,731,631
Accounts receivable	-	17,753	-	-	-	28,905	-	3,350	3,350	3,350	-	-	56,708
Prepaid items	-	-	-	3,269	-	-	-	-	-	-	-	-	3,269
Inventory	-	-	-	-	-	111,777	-	-	-	-	-	-	111,777
Leases receivable	-	357,236	-	-	-	-	-	-	-	-	-	-	357,236
<b>Total assets</b>	<b>\$ 857,321</b>	<b>\$ 2,007,657</b>	<b>\$ 362,635</b>	<b>\$ 246,674</b>	<b>\$ 299</b>	<b>\$ 4,317,734</b>	<b>\$ -</b>	<b>\$ 3,350</b>	<b>\$ 3,350</b>	<b>\$ 3,350</b>	<b>\$ 173,680</b>	<b>\$ 806,913</b>	<b>\$ 8,782,963</b>
<b>Liabilities</b>													
Accounts payable	\$ 5,397	\$ 177,619	\$ 3,232	\$ 65,359	\$ -	\$ 165,141	\$ -	\$ -	\$ -	\$ -	\$ 27,951	\$ 397,595	\$ 842,294
Due to other funds	-	-	-	-	-	-	-	3,350	3,350	3,350	22,778	-	32,828
Accrued salaries and employee benefits	-	75,922	31,484	-	-	14,344	-	-	-	-	12,522	124,090	258,362
Unearned revenues	-	-	-	170,068	-	-	-	-	-	-	-	2	170,070
<b>Total liabilities</b>	<b>5,397</b>	<b>253,541</b>	<b>34,716</b>	<b>235,427</b>	<b>-</b>	<b>179,485</b>	<b>-</b>	<b>3,350</b>	<b>3,350</b>	<b>3,350</b>	<b>63,251</b>	<b>521,687</b>	<b>1,303,554</b>
<b>Deferred inflows</b>													
Unavailable revenues	-	5,762	-	11,277	-	-	-	-	-	-	-	-	17,039
Leases	-	366,453	-	-	-	-	-	-	-	-	-	-	366,453
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>372,215</b>	<b>-</b>	<b>11,277</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>383,492</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>5,397</b>	<b>625,756</b>	<b>34,716</b>	<b>246,704</b>	<b>-</b>	<b>179,485</b>	<b>-</b>	<b>3,350</b>	<b>3,350</b>	<b>3,350</b>	<b>63,251</b>	<b>521,687</b>	<b>1,687,046</b>
<b>Fund Balances (Deficits)</b>													
Nonspendable	-	-	-	-	-	111,777	-	-	-	-	-	-	111,777
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Projects	851,924	1,381,901	327,919	-	299	4,026,472	-	-	-	-	-	285,226	6,873,741
Street Projects	-	-	-	-	-	-	-	-	-	-	110,429	-	110,429
Unassigned	-	-	-	(30)	-	-	-	-	-	-	-	-	(30)
<b>Total fund balances (deficits)</b>	<b>851,924</b>	<b>1,381,901</b>	<b>327,919</b>	<b>(30)</b>	<b>299</b>	<b>4,138,249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,429</b>	<b>285,226</b>	<b>7,095,917</b>
<b>Total liabilities, deferred inflows and fund balances (deficits)</b>	<b>\$ 857,321</b>	<b>\$ 2,007,657</b>	<b>\$ 362,635</b>	<b>\$ 246,674</b>	<b>\$ 299</b>	<b>\$ 4,317,734</b>	<b>\$ -</b>	<b>\$ 3,350</b>	<b>\$ 3,350</b>	<b>\$ 3,350</b>	<b>\$ 173,680</b>	<b>\$ 806,913</b>	<b>\$ 8,782,963</b>

**City of Sierra Vista**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds  
 Year Ended June 30, 2025

	Miscellaneous Donations	Formerly Major LTAF	Police Special Programs	Grants	Judicial Collection Enhancement	Airport	Park Development Fee	Police Development Fee	Infrastructure Development Fee	Fire Development Fee	SVMPO	SEACOM	Total Nonmajor Special Revenue Funds
<b>Revenues</b>													
Intergovernmental	\$ -	\$ 2,323,951	\$ -	\$ 682,069	\$ -	\$ 161,799	\$ -	\$ -	\$ -	\$ -	\$ 802,116	\$ 2,417,502	\$ 6,387,437
Charges for services	-	-	6,804	-	25	1,335,801	36,883	19,861	14,376	16,946	-	-	1,430,696
Fines, forfeitures and penalties	-	-	4,136	-	-	-	-	-	-	-	-	-	4,136
Investment income	-	-	53,602	-	-	118,914	-	-	-	-	-	-	172,516
Other revenues	450,427	30,723	89,231	75,033	-	273,950	-	-	-	-	-	-	919,364
<b>Total revenues</b>	<b>450,427</b>	<b>2,354,674</b>	<b>153,773</b>	<b>757,102</b>	<b>25</b>	<b>1,890,464</b>	<b>36,883</b>	<b>19,861</b>	<b>14,376</b>	<b>16,946</b>	<b>802,116</b>	<b>2,417,502</b>	<b>8,914,149</b>
<b>Expenditures</b>													
Current:													
Public safety	61,131	-	27,244	32,529	-	-	-	-	-	-	-	2,788,323	2,909,227
Public works	-	1,333,221	-	-	-	1,166,589	-	-	-	-	760,919	-	3,260,729
Culture and recreation	39,869	-	-	17,124	-	-	-	-	-	-	-	-	56,993
Community development	9,384	-	-	176,700	-	-	-	-	-	-	-	-	186,084
Capital outlay	33,825	1,328,213	2,183	421,852	-	726,482	-	-	-	-	-	-	2,512,555
<b>Total expenditures</b>	<b>144,209</b>	<b>2,661,434</b>	<b>29,427</b>	<b>648,205</b>	<b>-</b>	<b>1,893,071</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>760,919</b>	<b>2,788,323</b>	<b>8,925,588</b>
Excess (deficiency) of revenues over expenditures	306,218	(306,760)	124,346	108,897	25	(2,607)	36,883	19,861	14,376	16,946	41,197	(370,821)	(11,439)
<b>Other Financing Sources (Uses)</b>													
Transfers out	-	-	-	-	-	-	(334,834)	-	(188,054)	-	-	-	(522,888)
Transfers in	-	718,483	-	15,490	-	-	-	11,879	-	32,059	-	-	777,911
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>718,483</b>	<b>-</b>	<b>15,490</b>	<b>-</b>	<b>-</b>	<b>(334,834)</b>	<b>11,879</b>	<b>(188,054)</b>	<b>32,059</b>	<b>-</b>	<b>-</b>	<b>255,023</b>
<b>Net change in fund balances</b>	<b>306,218</b>	<b>411,723</b>	<b>124,346</b>	<b>124,387</b>	<b>25</b>	<b>(2,607)</b>	<b>(297,951)</b>	<b>31,740</b>	<b>(173,678)</b>	<b>49,005</b>	<b>41,197</b>	<b>(370,821)</b>	<b>243,584</b>
<b>Fund Balances, Beginning</b>	<b>545,706</b>	<b>-</b>	<b>203,573</b>	<b>(124,417)</b>	<b>274</b>	<b>4,140,856</b>	<b>297,951</b>	<b>(31,740)</b>	<b>173,678</b>	<b>(49,005)</b>	<b>69,232</b>	<b>656,047</b>	<b>5,882,155</b>
<b>Change within financial reporting entity From Major Fund to Nonmajor Fund</b>	<b>-</b>	<b>970,178</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>970,178</b>
<b>Fund Balances, Ending</b>	<b>\$ 851,924</b>	<b>\$ 1,381,901</b>	<b>\$ 327,919</b>	<b>\$ (30)</b>	<b>\$ 299</b>	<b>\$ 4,138,249</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 110,429</b>	<b>\$ 285,226</b>	<b>\$ 7,095,917</b>

**City of Sierra Vista**

Combining Schedule of Revenues, Expenditures and Changes Fund Balances - Budget and Actual  
 Nonmajor Special Revenue Funds  
 Year Ended June 30, 2025

	Miscellaneous Donations			LTAF			Police Special Programs		
	Original and Final Budget	Actual	Variance With Budget	Original and Final Budget	Actual	Variance With Budget	Original and Final Budget	Actual	Variance With Budget
<b>Revenues</b>									
Intergovernmental	\$ -	\$ -	\$ -	\$ 6,146,248	\$ 2,323,951	\$ (3,822,297)	\$ 50,000	\$ -	\$ (50,000)
Charges for services	-	-	-	-	-	-	-	6,804	6,804
Fines	-	-	-	-	-	-	-	4,136	4,136
Investment income	-	-	-	-	-	-	-	53,602	53,602
Other revenues	603,465	450,427	(153,038)	21,400	30,723	9,323	75,000	89,231	14,231
<b>Total revenues</b>	<b>603,465</b>	<b>450,427</b>	<b>(153,038)</b>	<b>6,167,648</b>	<b>2,354,674</b>	<b>(3,812,974)</b>	<b>125,000</b>	<b>153,773</b>	<b>28,773</b>
<b>Expenditures</b>									
Current:									
General government	6,010	-	6,010	-	-	-	-	-	-
Public safety	203,110	61,131	141,979	-	-	-	185,000	27,244	157,756
Public works	-	-	-	1,737,664	1,333,221	404,443	-	-	-
Culture and recreation	718,589	39,869	678,720	-	-	-	-	-	-
Community development	8,715	9,384	(669)	-	-	-	-	-	-
Capital outlay	-	33,825	(33,825)	6,375,199	1,328,213	5,046,986	150,000	2,183	147,817
<b>Total expenditures</b>	<b>936,424</b>	<b>144,209</b>	<b>792,215</b>	<b>8,112,863</b>	<b>2,661,434</b>	<b>5,451,429</b>	<b>335,000</b>	<b>29,427</b>	<b>305,573</b>
Excess (deficiency) of revenues over expenditures	(332,959)	306,218	639,177	(1,945,215)	(306,760)	1,638,455	(210,000)	124,346	334,346
<b>Other Financing Sources (Uses)</b>									
Transfers out	(50,000)	-	50,000	-	-	-	-	-	-
Transfers in	-	-	-	718,483	718,483	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(50,000)</b>	<b>-</b>	<b>50,000</b>	<b>718,483</b>	<b>718,483</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(382,959)	306,218	689,177	(1,226,732)	411,723	1,638,455	(210,000)	124,346	334,346
<b>Fund Balances, Beginning</b>	<b>(382,959)</b>	<b>545,706</b>	<b>162,747</b>	<b>(1,226,732)</b>	<b>970,178</b>	<b>(256,554)</b>	<b>(210,000)</b>	<b>203,573</b>	<b>(6,427)</b>
<b>Fund Balances, Ending</b>	<b>\$ -</b>	<b>\$ 851,924</b>	<b>\$ 851,924</b>	<b>\$ -</b>	<b>\$ 1,381,901</b>	<b>\$ 1,381,901</b>	<b>\$ -</b>	<b>\$ 327,919</b>	<b>\$ 327,919</b>

**City of Sierra Vista**

Combining Schedule of Revenues, Expenditures and Changes Fund Balances - Budget and Actual  
 Nonmajor Special Revenue Funds  
 Year Ended June 30, 2025

	Grants			Judicial Collection Enhancement			Airport		
	Original and Final Budget	Actual	Variance With Budget	Original and Final Budget	Actual	Variance With Budget	Original and Final Budget	Actual	Variance With Budget
<b>Revenues</b>									
Intergovernmental	\$ 1,213,172	\$ 682,069	\$ (531,103)	\$ -	\$ -	\$ -	\$ 8,308,501	\$ 161,799	\$ (8,146,702)
Charges for services	-	-	-	10	25	15	2,005,000	1,335,801	(669,199)
Fines	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	100,000	118,914	18,914
Other revenues	877,500	75,033	(802,467)	-	-	-	262,500	273,950	11,450
<b>Total revenues</b>	<b>2,090,672</b>	<b>757,102</b>	<b>(1,333,570)</b>	<b>10</b>	<b>25</b>	<b>15</b>	<b>10,676,001</b>	<b>1,890,464</b>	<b>(8,785,537)</b>
<b>Expenditures</b>									
Current:									
General government	-	-	-	300	-	300	-	-	-
Public safety	527,186	32,529	494,657	-	-	-	-	-	-
Public works	-	-	-	-	-	-	1,972,165	1,166,589	805,576
Culture and recreation	55,000	17,124	37,876	-	-	-	-	-	-
Community development	417,172	176,700	240,472	-	-	-	-	-	-
Capital outlay	1,167,700	421,852	745,848	-	-	-	10,411,401	726,482	9,684,919
<b>Total expenditures</b>	<b>2,167,058</b>	<b>648,205</b>	<b>1,518,853</b>	<b>300</b>	<b>-</b>	<b>300</b>	<b>12,383,566</b>	<b>1,893,071</b>	<b>10,490,495</b>
Excess (deficiency) of revenues over expenditures	(76,386)	108,897	185,283	(290)	25	315	(1,707,565)	(2,607)	1,704,958
<b>Other Financing Sources (Uses)</b>									
Transfers out	-	-	-	-	-	-	-	-	-
Transfers in	65,200	15,490	(49,710)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>65,200</b>	<b>15,490</b>	<b>(49,710)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(11,186)	124,387	135,573	(290)	25	315	(1,707,565)	(2,607)	1,704,958
<b>Fund Balances, Beginning</b>	<b>(11,186)</b>	<b>(124,417)</b>	<b>(113,231)</b>	<b>(290)</b>	<b>274</b>	<b>(16)</b>	<b>(1,707,565)</b>	<b>4,140,856</b>	<b>2,433,291</b>
<b>Fund Balances, Ending</b>	<b>\$ (22,372)</b>	<b>\$ (30)</b>	<b>\$ 22,342</b>	<b>\$ -</b>	<b>\$ 299</b>	<b>\$ 299</b>	<b>\$ -</b>	<b>\$ 4,138,249</b>	<b>\$ 4,138,249</b>

**City of Sierra Vista**

Combining Schedule of Revenues, Expenditures and Changes Fund Balances - Budget and Actual  
 Nonmajor Special Revenue Funds  
 Year Ended June 30, 2025

	Park Development Fee			Police Development Fee			Infrastructure Development Fee		
	Original and Final Budget	Actual	Variance With Budget	Original and Final Budget	Actual	Variance With Budget	Original and Final Budget	Actual	Variance With Budget
<b>Revenues</b>									
Intergovernmental	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	50,000	36,883	(13,117)	-	19,861	19,861	-	14,376	14,376
Fines	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>50,000</b>	<b>36,883</b>	<b>(13,117)</b>	<b>-</b>	<b>19,861</b>	<b>19,861</b>	<b>-</b>	<b>14,376</b>	<b>14,376</b>
<b>Expenditures</b>									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	50,600	-	50,600	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-
Capital outlay	350,000	-	350,000	-	-	-	-	-	-
<b>Total expenditures</b>	<b>350,000</b>	<b>-</b>	<b>350,000</b>	<b>50,600</b>	<b>-</b>	<b>50,600</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	(300,000)	36,883	336,883	(50,600)	19,861	70,461	-	14,376	14,376
<b>Other Financing Sources (Uses)</b>									
Transfers out	-	(334,834)	(334,834)	-	-	-	(200,000)	(188,054)	11,946
Transfers in	-	-	-	50,600	11,879	(38,721)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(334,834)</b>	<b>(334,834)</b>	<b>50,600</b>	<b>11,879</b>	<b>(38,721)</b>	<b>(200,000)</b>	<b>(188,054)</b>	<b>11,946</b>
Net change in fund balances	(300,000)	(297,951)	2,049	-	31,740	31,740	(200,000)	(173,678)	26,322
<b>Fund Balances, Beginning</b>	<b>(300,000)</b>	<b>297,951</b>	<b>(2,049)</b>	<b>-</b>	<b>(31,740)</b>	<b>(31,740)</b>	<b>(200,000)</b>	<b>173,678</b>	<b>(26,322)</b>
<b>Fund Balances, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**City of Sierra Vista**

Combining Schedule of Revenues, Expenditures and Changes Fund Balances - Budget and Actual  
 Nonmajor Special Revenue Funds  
 Year Ended June 30, 2025

	Fire Development Fee			SVMPO			SEACOM		
	Original and Final Budget	Actual	Variance With Budget	Original and Final Budget	Actual	Variance With Budget	Original and Final Budget	Actual	Variance With Budget
<b>Revenues</b>									
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,101,094	\$ 802,116	\$ (298,978)	\$ 2,483,565	\$ 2,417,502	\$ (66,063)
Charges for services	-	16,946	16,946	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>16,946</b>	<b>16,946</b>	<b>1,101,094</b>	<b>802,116</b>	<b>(298,978)</b>	<b>2,483,565</b>	<b>2,417,502</b>	<b>(66,063)</b>
<b>Expenditures</b>									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	64,900	-	64,900	-	-	-	2,641,569	2,788,323	(146,754)
Public works	-	-	-	1,101,094	760,919	340,175	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	386,000	-	386,000
<b>Total expenditures</b>	<b>64,900</b>	<b>-</b>	<b>64,900</b>	<b>1,101,094</b>	<b>760,919</b>	<b>340,175</b>	<b>3,027,569</b>	<b>2,788,323</b>	<b>239,246</b>
Excess (deficiency) of revenues over expenditures	(64,900)	16,946	81,846	-	41,197	41,197	(544,004)	(370,821)	173,183
<b>Other Financing Sources (Uses)</b>									
Transfers out	-	-	-	-	-	-	-	-	-
Transfers in	64,900	32,059	(32,841)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>64,900</b>	<b>32,059</b>	<b>(32,841)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	49,005	49,005	-	41,197	41,197	(544,004)	(370,821)	173,183
<b>Fund Balances, Beginning</b>	<b>-</b>	<b>(49,005)</b>	<b>(49,005)</b>	<b>-</b>	<b>69,232</b>	<b>69,232</b>	<b>(544,004)</b>	<b>656,047</b>	<b>112,043</b>
<b>Fund Balances, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 110,429</b>	<b>\$ 110,429</b>	<b>\$ -</b>	<b>\$ 285,226</b>	<b>\$ 285,226</b>

## Debt Service Fund

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

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



## City of Sierra Vista

### Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Debt Service Fund

Year Ended June 30, 2025

	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u>
<b>Expenditures</b>			
Debt service:			
Principal	\$ 2,379,000	\$ 2,379,000	\$ -
Interest and fiscal charges	861,194	860,195	999
Total expenditures	<u>3,240,194</u>	<u>3,239,195</u>	<u>999</u>
Excess (deficiency) of revenues over expenditures	<u>(3,240,194)</u>	<u>(3,239,195)</u>	<u>999</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	<u>3,240,194</u>	<u>3,239,195</u>	<u>(999)</u>
Total other financing sources (uses)	<u>3,240,194</u>	<u>3,239,195</u>	<u>(999)</u>
Net change in fund balances	-	-	-
<b>Fund Balances, Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



# Capital Projects Fund

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

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



## City of Sierra Vista

### Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

#### Capital Improvements

Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 5,518,647	\$ 5,518,647	\$ 6,063,322	\$ 544,675
Intergovernmental	1,000,000	1,000,000	-	(1,000,000)
Investment income	200,000	200,000	333,452	133,452
Other revenues	50,000	50,000	1,392,546	1,342,546
Total revenues	<u>6,768,647</u>	<u>6,768,647</u>	<u>7,789,320</u>	<u>1,020,673</u>
<b>Expenditures</b>				
Capital outlay	<u>3,547,800</u>	<u>3,547,800</u>	<u>928,927</u>	<u>2,618,873</u>
Total expenditures	<u>3,547,800</u>	<u>3,547,800</u>	<u>928,927</u>	<u>2,618,873</u>
Excess (deficiency) of revenues over expenditures	<u>3,220,847</u>	<u>3,220,847</u>	<u>6,860,393</u>	<u>3,639,546</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(6,246,856)	(6,246,856)	(3,928,213)	2,318,643
Transfers in	<u>-</u>	<u>-</u>	<u>334,834</u>	<u>334,834</u>
Total other financing sources (uses)	<u>(6,246,856)</u>	<u>(6,246,856)</u>	<u>(3,593,379)</u>	<u>2,653,477</u>
Net change in fund balances	(3,026,009)	(3,026,009)	3,267,014	6,293,023
<b>Fund Balances, Beginning</b>	<u>3,026,009</u>	<u>3,026,009</u>	<u>11,097,856</u>	<u>8,071,847</u>
<b>Fund Balances, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,364,870</u>	<u>\$ 14,364,870</u>



## All Internal Service Funds

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

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

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

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



**City of Sierra Vista**

## Combining Statement of Net Position - All Internal Service Funds

June 30, 2025

	<b>Health and Accident Insurance</b>	<b>Self-Insured Retention</b>	<b>Unemployment Insurance</b>	<b>Total</b>
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 6,732,447	\$ 152,345	\$ 79,097	\$ 6,963,889
Accounts receivable	152,230	966	-	153,196
Total current assets	<u>6,884,677</u>	<u>153,311</u>	<u>79,097</u>	<u>7,117,085</u>
Total assets	<u>6,884,677</u>	<u>153,311</u>	<u>79,097</u>	<u>7,117,085</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	9,908	13,285	-	23,193
Claims payable	440,718	-	-	440,718
Total current liabilities	<u>450,626</u>	<u>13,285</u>	<u>-</u>	<u>463,911</u>
Total liabilities	<u>450,626</u>	<u>13,285</u>	<u>-</u>	<u>463,911</u>
<b>Net Position</b>				
Unrestricted	<u>6,434,051</u>	<u>140,026</u>	<u>79,097</u>	<u>6,653,174</u>
Total net position	<u>\$ 6,434,051</u>	<u>\$ 140,026</u>	<u>\$ 79,097</u>	<u>\$ 6,653,174</u>

**City of Sierra Vista**Combining Statement of Revenues, Expenses and Changes in Net Position - All Internal Service Funds  
Year Ended June 30, 2025

	<b>Health and Accident Insurance</b>	<b>Self-Insured Retention</b>	<b>Unemployment Insurance</b>	<b>Total</b>
<b>Operating Revenues</b>				
Contributions	\$ 4,775,987	\$ -	\$ -	\$ 4,775,987
Other revenues	343,187	269,264	-	612,451
Total operating revenues	<u>5,119,174</u>	<u>269,264</u>	<u>-</u>	<u>5,388,438</u>
<b>Operating Expenses</b>				
Operations and maintenance	275,877	220,898	-	496,775
Benefits paid	5,214,287	-	-	5,214,287
Premiums paid	711,799	-	-	711,799
Total operating expenses	<u>6,201,963</u>	<u>220,898</u>	<u>-</u>	<u>6,422,861</u>
Operating income (loss)	<u>(1,082,789)</u>	<u>48,366</u>	<u>-</u>	<u>(1,034,423)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	<u>340,828</u>	<u>-</u>	<u>-</u>	<u>340,828</u>
Total nonoperating revenues (expenses)	<u>340,828</u>	<u>-</u>	<u>-</u>	<u>340,828</u>
Change in net position	(741,961)	48,366	-	(693,595)
<b>Net Position, Beginning</b>	<u>7,176,012</u>	<u>91,660</u>	<u>79,097</u>	<u>7,346,769</u>
<b>Net Position, Ending</b>	<u>\$ 6,434,051</u>	<u>\$ 140,026</u>	<u>\$ 79,097</u>	<u>\$ 6,653,174</u>

**City of Sierra Vista**Combining Statement of Cash Flows - All Internal Service Funds  
Year Ended June 30, 2025

	<u>Health and Accident Insurance</u>	<u>Self-Insured Retention</u>	<u>Unemployment Insurance</u>	<u>Total</u>
<b>Cash Flows From Operating Activities</b>				
Cash received from customers	\$ 4,626,738	\$ -	\$ -	\$ 4,626,738
Cash paid to suppliers for goods and services	(5,977,356)	(213,963)	-	(6,191,319)
Other operating revenues	343,187	269,264	-	612,451
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net cash provided by (used in) operating activities	(1,007,431)	55,301	-	(952,130)
<b>Cash Flows From Investing Activities</b>				
Investment income	340,828	-	-	340,828
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net cash provided by (used in) investing activities	340,828	-	-	340,828
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net increase (decrease) in cash and cash equivalents	(666,603)	55,301	-	(611,302)
<b>Balances, Beginning of Year</b>	<u>7,399,050</u>	<u>97,044</u>	<u>79,097</u>	<u>7,575,191</u>
<b>Balances, End of the Year</b>	<u>\$ 6,732,447</u>	<u>\$ 152,345</u>	<u>\$ 79,097</u>	<u>\$ 6,963,889</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>				
Operating income (loss)	\$ (1,082,789)	\$ 48,366	\$ -	\$ (1,034,423)
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	(149,249)	-	-	(149,249)
Increase (decrease) in operating portion of accounts payable	(7,384)	6,935	-	(449)
Increase (decrease) in claims payable	231,991	-	-	231,991
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net cash provided by (used in) operating activities	<u>\$ (1,007,431)</u>	<u>\$ 55,301</u>	<u>\$ -</u>	<u>\$ (952,130)</u>



## Fiduciary Funds

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

**Abandoned Property Fund** - To account for abandon property.

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

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

**SAMG Fund** - To account for monies held by the City on behalf of the San Pedro Riparian National Conservation Area (SPRNCA) Active Management Group (SAMG) for the adaptive management of water resources in the SPRNCA and to fund regional hydrological monitoring. The City is acting as fiscal agent for the Group.



## City of Sierra Vista

Combining Statement of Fiduciary Net Position - Custodial Funds

June 30, 2025

	Abandoned Property	USPP	CCTC	SAMG	Total Custodial Funds
<b>Assets</b>					
Cash and investments	\$ 9,060	\$ 209,874	\$ 34,063	\$ -	\$ 252,997
Intergovernmental receivable	-	-	-	96,891	96,891
Total assets	<u>9,060</u>	<u>209,874</u>	<u>34,063</u>	<u>96,891</u>	<u>349,888</u>
<b>Liabilities</b>					
Accounts payable	-	35,330	763	19,829	55,922
Due to City	-	-	-	77,062	77,062
Total liabilities	<u>-</u>	<u>35,330</u>	<u>763</u>	<u>96,891</u>	<u>132,984</u>
<b>Net Position</b>					
Restricted for:					
Other agencies	<u>9,060</u>	<u>174,544</u>	<u>33,300</u>	<u>-</u>	<u>216,904</u>
Total net position	<u>\$ 9,060</u>	<u>\$ 174,544</u>	<u>\$ 33,300</u>	<u>\$ -</u>	<u>\$ 216,904</u>

## City of Sierra Vista

### Combining Statement of Changes in Fiduciary Net Position - Custodial Funds

Year Ended June 30, 2025

	Abandoned Property	USPP	CCTC	SAMG	Total Custodial Funds
<b>Additions</b>					
Intergovernmental	\$ -	\$ 120,000	\$ 129,500	\$ 262,762	\$ 512,262
Investment earnings	-	23	-	-	23
Total additions	-	120,023	129,500	262,762	512,285
<b>Deductions</b>					
Payments to vendors	14,600	109,284	106,172	262,762	492,818
Total deductions	14,600	109,284	106,172	262,762	492,818
Net increase (decrease) in fiduciary net position	(14,600)	10,739	23,328	-	19,467
<b>Net Position, Beginning of Year</b>	23,660	163,805	9,972	-	197,437
<b>Net Position, End of Year</b>	\$ 9,060	\$ 174,544	\$ 33,300	\$ -	\$ 216,904

## Statistical Section

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

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

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

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

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

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



**City of Sierra Vista**

Net Position by Component  
Last 10 Years  
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 98,246,265	\$ 99,349,505	\$ 100,465,079	\$ 98,465,677	\$ 97,228,504	\$ 101,335,054	\$ 112,241,329	\$ 121,987,509	\$ 116,259,767	\$ 116,531,520
Restricted	8,033,660	4,863,722	4,107,197	9,366,097	12,291,210	13,381,797	16,044,367	16,666,643	25,500,046	27,447,540
Unrestricted	(54,647,190)	(57,454,383)	(65,868,132)	(69,481,084)	(70,700,244)	(64,712,419)	(59,339,473)	(55,415,742)	(50,087,990)	(49,390,351)
Total governmental activities net position	\$ 51,632,735	\$ 46,758,844	\$ 38,704,144	\$ 38,350,690	\$ 38,819,470	\$ 50,004,432	\$ 68,946,223	\$ 83,238,410	\$ 91,671,823	\$ 94,588,709
<b>Business-Type Activities</b>										
Net investment in capital assets	\$ 35,650,689	\$ 33,923,064	\$ 34,325,116	\$ 34,056,919	\$ 34,252,030	\$ 35,560,071	\$ 35,294,180	\$ 35,849,642	\$ 36,040,866	\$ 35,654,337
Restricted	51,233	51,233	-	-	-	-	-	101,923	98,612	113,276
Unrestricted	(5,463,562)	(4,621,357)	(5,407,181)	(5,277,802)	(5,998,875)	(6,867,752)	(4,784,458)	(5,739,027)	(6,744,122)	(8,162,114)
Total business-type activities net position	\$ 30,238,360	\$ 29,352,940	\$ 28,917,935	\$ 28,779,117	\$ 28,253,155	\$ 28,692,319	\$ 30,509,722	\$ 30,212,538	\$ 29,395,356	\$ 27,605,499
<b>Primary Government</b>										
Net investment in capital assets	\$ 133,896,954	\$ 133,272,569	\$ 134,790,195	\$ 132,522,596	\$ 131,480,534	\$ 136,895,125	\$ 147,535,509	\$ 157,837,151	\$ 152,300,633	\$ 152,185,857
Restricted	8,084,893	4,914,955	4,107,197	9,366,097	12,291,210	13,381,797	16,044,367	16,768,566	25,598,658	27,560,816
Unrestricted	(60,110,752)	(62,075,740)	(71,275,313)	(74,758,886)	(76,699,119)	(71,580,171)	(64,123,931)	(61,154,769)	(56,832,112)	(57,552,465)
Total primary government net position	\$ 81,871,095	\$ 76,111,784	\$ 67,622,079	\$ 67,129,807	\$ 67,072,625	\$ 78,696,751	\$ 99,455,945	\$ 113,450,948	\$ 121,067,179	\$ 122,194,208

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

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

**City of Sierra Vista**

Changes in Net Position  
Last 10 Years  
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Expenses</b>										
Governmental activities:										
General government	\$ 7,299,648	\$ 6,628,073	\$ 6,856,884	\$ 6,996,456	\$ 7,167,118	\$ 7,225,450	\$ 7,592,570	\$ 8,794,094	\$ 9,150,476	\$ 10,899,925
Public safety	18,164,895	22,560,672	21,714,387	21,839,622	24,919,339	23,291,439	21,329,588	25,546,021	29,511,348	29,567,846
Public works	15,572,233	15,218,602	15,329,956	14,620,116	14,767,173	14,783,180	15,440,774	17,206,469	19,600,992	21,254,668
Culture and recreation	3,679,116	4,584,022	4,662,675	4,256,316	5,213,946	4,080,249	5,191,172	6,249,878	6,397,134	11,789,515
Community development	869,175	856,310	934,551	2,028,572	1,123,834	2,029,442	994,437	1,299,194	1,286,019	1,396,269
Interest and fiscal charges	774,429	656,506	319,566	256,553	581,077	438,217	497,432	996,573	923,707	860,195
Total governmental activities expenses	46,359,496	50,504,185	49,818,019	49,997,635	53,772,487	51,847,977	51,045,973	60,092,229	66,869,676	75,768,418
Business-type activities:										
Sewer	3,957,011	3,861,004	3,912,622	3,789,592	3,928,742	3,871,150	3,889,950	4,234,176	4,775,319	5,397,579
Refuse	4,188,929	4,385,874	4,263,011	4,391,923	4,917,805	4,683,428	4,639,708	4,842,660	4,939,888	5,122,967
Total business-type activities expenses	8,145,940	8,246,878	8,175,633	8,181,515	8,846,547	8,554,578	8,529,658	9,076,836	9,715,207	10,520,546
Total primary government expenses	54,505,436	58,751,063	57,993,652	58,179,150	62,619,034	60,402,555	59,575,631	69,169,065	76,584,883	86,288,964
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	1,364,244	3,861,004	2,378,403	1,711,699	2,540,772	2,044,093	1,744,608	2,033,891	839,261	\$ 133,243
Public safety	1,704,179	4,385,874	1,991,175	2,320,282	2,217,835	2,170,792	2,419,996	2,809,232	3,797,668	3,419,964
Public works	2,542,471	3,020,506	2,572,341	2,628,271	3,638,990	3,304,528	4,840,490	3,610,450	4,513,305	3,475,408
Culture and recreation	1,051,700	1,064,926	1,124,607	1,165,869	716,286	486,225	1,024,591	1,119,220	1,140,808	1,171,686
Community development	619,315	572,304	466,122	365,108	382,280	505,314	856,140	900,591	856,029	95,457
Operating grants and contributions	1,572,360	1,597,066	2,240,538	2,919,900	5,073,337	10,725,364	8,964,979	8,822,040	5,509,247	8,991,620
Capital grants and contributions	1,801,904	1,893,296	2,042,965	311,754	968,573	1,432,438	3,996,799	3,077,081	1,063,551	5,113,487
Total governmental activities program revenues	10,656,173	16,394,976	12,816,151	11,422,883	15,538,073	20,668,754	23,847,603	22,372,505	17,719,869	22,400,865
Business-type activities:										
Charges for services:										
Sewer	3,839,006	3,824,136	3,881,815	3,650,091	3,586,287	3,802,013	3,808,416	3,789,417	3,811,531	3,827,973
Refuse	4,235,371	3,687,135	3,671,272	4,151,074	4,399,965	4,668,625	4,785,752	4,736,819	4,776,956	4,765,153
Operating grants and contributions	-	-	-	-	-	-	125,000	-	42,000	-
Capital grants and contributions	-	-	184,378	241,532	323,837	522,609	622,162	247,029	266,701	137,563
Total business-type activities program revenues	8,074,377	7,511,271	7,737,465	8,042,697	8,310,089	8,993,247	9,341,330	8,773,265	8,897,188	8,730,689
Total primary government program revenues	18,730,550	23,906,247	20,553,616	19,465,580	23,848,162	29,662,001	33,188,933	31,145,770	26,617,057	31,131,554
<b>Net (Expense) Revenue</b>										
Governmental activities	(35,703,323)	(34,109,209)	(37,001,868)	(38,574,752)	(38,234,414)	(31,179,223)	(27,198,370)	(37,719,724)	(49,149,807)	(53,367,553)
Business-type activities	(71,563)	(735,607)	(438,168)	(138,818)	(536,458)	438,669	811,672	(303,571)	(818,019)	(1,789,857)
Total primary government net expense	(35,774,886)	(34,844,816)	(37,440,036)	(38,713,570)	(38,770,872)	(30,740,554)	(26,386,698)	(38,023,295)	(49,967,826)	(55,157,410)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	359,567	364,542	358,082	358,153	363,530	370,510	368,131	386,286	368,523	382,499
Sales taxes / franchise fees	17,749,083	18,092,696	18,875,557	20,040,690	21,031,942	23,377,588	25,331,979	27,302,381	28,897,196	28,794,031
State shared revenues	14,666,533	14,880,201	15,419,313	15,589,252	16,746,716	18,151,433	19,270,550	22,719,476	26,274,679	23,897,909
Investment income	17,288	31,188	44,597	83,055	53,794	4,792	48,935	1,122,910	1,673,508	1,506,384
Other revenues	374,195	431,580	519,619	557,624	507,212	459,862	1,120,566	480,858	369,314	1,703,616
Transfers	149,813	149,813	-	-	-	-	-	-	-	-
Total governmental activities	33,316,479	33,950,020	35,217,168	36,628,774	38,703,194	42,364,185	46,140,161	52,011,911	57,583,220	56,284,439
Business-type activities:										
Investment income	-	-	3,163	-	10,496	495	10,647	587	837	-
Other revenues	-	-	-	-	-	-	-	5,800	-	-
Transfers	(149,813)	(149,813)	-	-	-	-	-	-	-	-
Total business-type activities	(149,813)	(149,813)	3,163	-	10,496	495	10,647	6,387	837	-
Total primary government	33,166,666	33,800,207	35,220,331	36,628,774	38,713,690	42,364,680	46,150,808	52,018,298	57,584,057	56,284,439
<b>Change in Net Position</b>										
Governmental activities	(2,386,844)	(159,189)	(1,784,700)	(1,945,978)	468,780	11,184,962	18,941,791	14,292,187	8,433,413	2,916,886
Business-type activities	(221,376)	(885,420)	(435,005)	(138,818)	(525,962)	439,164	822,319	(297,184)	(817,182)	(1,789,857)
Total primary government	\$ (2,608,220)	\$ (1,044,609)	\$ (2,219,705)	\$ (2,084,796)	\$ (57,182)	\$ 11,624,126	\$ 19,764,110	\$ 13,995,003	\$ 7,616,231	\$ 1,127,029

**City of Sierra Vista**

Fund Balances, Governmental Funds  
 Last 10 Years  
 (Modified Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>General Fund</b>										
Unassigned	\$ 4,076,911	\$ 4,098,515	\$ 4,098,515	\$ 5,762,990	\$ 5,961,579	\$ 6,423,769	\$ 7,010,738	\$ 9,679,062	\$ 10,469,402	\$ 10,435,676
Nonspendable	52,031	75,647	138,478	82,999	55,351	73,866	163,791	90,660	58,701	63,100
Total general fund balance	<u>4,128,942</u>	<u>4,174,162</u>	<u>4,236,993</u>	<u>5,845,989</u>	<u>6,016,930</u>	<u>6,497,635</u>	<u>7,174,529</u>	<u>9,769,722</u>	<u>10,528,103</u>	<u>10,498,776</u>
<b>All Other Governmental Funds</b>										
Restricted	8,033,660	7,809,861	7,554,217	9,266,201	12,178,559	13,317,127	39,413,413	23,316,437	24,993,615	26,859,153
Nonspendable	73,438	118,913	113,184	99,896	112,651	64,670	76,692	206,373	516,904	462,472
Unassigned	<u>(4,631,568)</u>	<u>(5,663,027)</u>	<u>(5,511,407)</u>	<u>(5,629,619)</u>	<u>(5,179,618)</u>	<u>(381,345)</u>	<u>(185,717)</u>	<u>(165,559)</u>	<u>(205,162)</u>	<u>(30)</u>
Total all other governmental funds	<u>3,475,530</u>	<u>2,265,747</u>	<u>2,155,994</u>	<u>3,736,478</u>	<u>7,111,592</u>	<u>13,000,452</u>	<u>39,304,388</u>	<u>23,357,251</u>	<u>25,305,357</u>	<u>27,321,595</u>
Total all governmental funds	<u>\$ 7,604,472</u>	<u>\$ 6,439,909</u>	<u>\$ 6,392,987</u>	<u>\$ 9,582,467</u>	<u>\$ 13,128,522</u>	<u>\$ 19,498,087</u>	<u>\$ 46,478,917</u>	<u>\$ 33,126,973</u>	<u>\$ 35,833,460</u>	<u>\$ 37,820,371</u>

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

**City of Sierra Vista**

Changes in Fund Balances, Governmental Funds  
Last 10 Years  
(Modified Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues</b>										
Taxes	\$ 18,108,650	\$ 18,457,238	\$ 19,233,639	\$ 20,398,843	\$ 21,395,472	\$ 23,748,099	\$ 25,700,110	\$ 27,688,667	\$ 29,265,719	\$ 29,176,530
Licenses and permits	1,553,851	1,729,991	1,998,204	1,921,499	1,993,234	1,829,125	2,102,253	2,509,293	863,781	685,959
Intergovernmental	16,336,187	18,205,719	17,768,716	18,624,860	22,563,071	30,029,366	32,033,365	32,439,403	32,754,098	34,290,285
Charges for services	5,707,852	6,194,348	5,810,644	6,196,544	6,650,654	6,207,699	8,576,040	7,862,148	9,198,454	8,300,902
Fines	20,206	19,020	21,430	19,535	10,868	2,175	5,504	5,664	7,915	10,796
Investment income	17,288	31,188	44,597	83,055	53,794	4,792	48,935	1,122,910	1,301,575	1,165,556
Contributions	1,704,611	164,844	909,675	196,072	225,555	279,870	198,964	1,377,192	-	-
Other revenues	374,195	431,560	519,619	557,624	507,212	459,862	706,302	472,213	1,334,461	3,796,996
<b>Total revenues</b>	<b>43,822,840</b>	<b>45,233,908</b>	<b>46,306,524</b>	<b>47,998,032</b>	<b>53,399,860</b>	<b>62,560,988</b>	<b>69,371,473</b>	<b>73,477,490</b>	<b>74,726,003</b>	<b>77,427,024</b>
<b>Expenditures</b>										
General government	6,354,521	6,198,461	6,384,018	6,800,502	6,752,031	7,081,543	7,578,460	8,371,726	8,613,174	9,735,579
Public safety	15,352,722	17,387,613	18,210,858	19,765,952	21,901,308	22,693,352	22,755,498	25,464,073	29,518,620	28,469,641
Public works	13,211,542	15,453,133	12,854,850	11,284,364	12,007,575	14,484,400	11,879,222	11,309,902	13,530,940	13,269,111
Culture and recreation	3,150,038	3,384,473	3,483,371	4,529,600	4,280,076	5,981,964	4,521,199	5,303,316	5,235,402	5,436,212
Community development	873,558	862,021	939,144	896,691	1,099,326	1,066,685	1,074,782	1,288,456	1,282,750	1,460,684
Capital outlay	524,409	372,698	49,056	-	12,750,668	-	15,374,325	31,681,946	10,599,923	13,829,691
Debt service:										
Interest and fiscal charges	774,429	656,506	196,057	191,304	419,078	372,968	292,182	996,573	923,707	860,195
Bond issuance costs	-	-	123,509	-	96,750	-	140,000	-	-	-
Payment to refunding bond escrow agent	-	-	1,749,506	-	-	-	-	-	-	-
Principal	3,024,798	3,145,487	3,228,533	2,907,663	4,261,993	4,510,511	2,774,975	2,413,442	2,315,000	2,379,000
<b>Total expenditures</b>	<b>43,266,017</b>	<b>47,460,392</b>	<b>47,218,902</b>	<b>46,376,076</b>	<b>63,568,805</b>	<b>56,191,423</b>	<b>66,390,643</b>	<b>86,829,434</b>	<b>72,019,516</b>	<b>75,440,113</b>
Excess (deficiency) of revenues over expenditures	556,823	(2,226,484)	(912,378)	1,621,956	(10,168,945)	6,369,565	2,980,830	(13,351,944)	2,706,487	1,986,911
<b>Other Financing Sources (Uses)</b>										
Transfers out	(4,768,674)	(5,237,077)	(4,418,200)	(3,763,962)	(5,068,766)	(9,197,622)	(6,505,414)	(6,793,956)	(11,109,745)	(5,039,994)
Transfer in	4,868,487	5,361,890	4,393,200	3,738,962	5,068,766	9,197,622	6,505,414	6,793,956	11,109,745	5,039,994
Issuance of revenue bonds	-	-	-	-	13,715,000	-	24,000,000	-	-	-
Issuance of refunding bonds	-	-	11,345,000	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	(11,221,491)	-	-	-	-	-	-	-
Proceeds from installment purchase	-	937,088	766,947	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>99,813</b>	<b>1,061,901</b>	<b>865,456</b>	<b>(25,000)</b>	<b>13,715,000</b>	<b>-</b>	<b>24,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 656,636</b>	<b>\$ (1,164,583)</b>	<b>\$ (46,922)</b>	<b>\$ 1,596,956</b>	<b>\$ 3,546,055</b>	<b>\$ 6,369,565</b>	<b>\$ 26,980,830</b>	<b>\$ (13,351,944)</b>	<b>\$ 2,706,487</b>	<b>\$ 1,986,911</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>9.7%</b>	<b>9.4%</b>	<b>8.1%</b>	<b>7.5%</b>	<b>9.8%</b>	<b>9.9%</b>	<b>6.0%</b>	<b>6.2%</b>	<b>5.3%</b>	<b>5.3%</b>

**City of Sierra Vista**

Sales Tax by Category

Last 10 Years

(Modified Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Business Category</b>										
Utilities	914,616	1,038,117	1,071,019	1,127,563	1,074,415	1,076,888	1,159,601	1,350,265	1,315,601	\$ 1,216,476
Communications	274,829	219,084	232,131	239,953	216,536	151,774	159,301	178,195	248,738	149,653
Publication	45,105	47,353	43,627	38,606	35,651	35,135	16,007	9,104	8,479	7,636
Restaurant and bar	1,956,725	2,176,936	2,252,588	2,391,663	2,318,154	2,637,676	2,816,755	3,007,782	3,056,316	3,197,190
Contracting, prime	621,019	519,852	723,807	828,653	708,650	503,461	642,633	995,592	770,119	851,187
Retail sales	8,042,943	9,230,031	9,519,169	10,064,496	10,599,143	12,033,089	12,927,769	13,310,434	13,075,806	12,885,102
Use tax purchases	533,442	509,904	625,414	760,457	722,244	796,415	755,174	742,398	729,469	841,085
Use tax from inventory	27,328	8,975	9,359	8,361	8,576	12,070	11,065	12,888	12,418	8,479
Residential rental	374,580	399,242	410,991	432,682	452,833	497,024	531,864	550,317	564,042	311,573
Retail food for home consumption	1,920,150	2,205,658	2,342,216	2,428,222	2,743,032	2,921,812	3,058,705	3,492,895	3,758,678	3,825,970
Commercial rental	384,082	370,495	362,403	369,639	356,607	362,874	345,910	368,806	361,160	374,284
Tangible property rental	177,405	222,022	213,311	259,529	231,317	238,315	258,565	297,910	297,761	386,422
Extended stay	714,949	897,679	909,068	917,068	860,399	930,791	1,270,073	1,329,063	1,296,116	1,282,714
Online sales	-	-	-	-	586,917	1,091,943	1,237,370	1,357,916	1,511,979	1,655,800
Other	106,767	105,786	160,454	173,798	117,468	88,321	141,187	298,816	420,294	449,052
Under old classifications	1,655,143	141,562	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 17,749,082</b>	<b>\$ 18,092,696</b>	<b>\$ 18,875,557</b>	<b>\$ 20,040,690</b>	<b>\$ 21,031,942</b>	<b>\$ 23,377,588</b>	<b>\$ 25,331,979</b>	<b>\$ 27,302,381</b>	<b>\$ 27,426,976</b>	<b>\$ 27,442,623</b>

Source:

Arizona Department of Revenue

Notes:

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

## City of Sierra Vista

Direct and Overlapping Sales Tax Rates, Retail Category  
Last 10 Years

<b>Fiscal Year</b>	<b>City Direct Rate</b>	<b>County Rate</b>	<b>State Rate</b>	<b>Total Rate</b>
2016	1.95%	0.50%	5.60%	8.05%
2017	1.95%	0.50%	5.60%	8.05%
2018	1.95%	0.50%	5.60%	8.05%
2019	1.95%	0.50%	5.60%	8.05%
2020	1.95%	0.50%	5.60%	8.05%
2021	1.95%	0.50%	5.60%	8.05%
2022	1.95%	0.50%	5.60%	8.05%
2023	1.95%	0.50%	5.60%	8.05%
2024	1.95%	0.50%	5.60%	8.05%
2025	1.95%	1.00%	5.60%	8.55%

## City of Sierra Vista

### Ratios of Outstanding Debt by Type

Last 10 Years

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Per Capita	Percentage of Personal Income
	Revenue Bonds	Financed Purchases	Revenue Bonds	Financed Purchases			
2016	\$ 15,515,000	\$ 1,601,569	\$ 6,810,883	\$ 6,810,883	\$ 30,738,335	698	N/A
2017	12,710,000	2,198,170	7,671,641	7,671,641	30,251,452	690	N/A
2018	8,600,000	2,481,584	5,430,000	2,000,934	18,512,518	408	N/A
2019	6,205,000	1,968,921	4,760,000	1,550,181	14,484,102	336	N/A
2020	16,182,000	1,444,928	4,080,000	1,089,874	22,796,802	503	N/A
2021	12,602,000	514,417	3,390,000	619,801	17,126,218	377	N/A
2022	34,179,000	162,442	2,685,000	616,995	37,643,437	828	N/A
2023	31,928,000	-	2,195,000	360,298	34,483,298	776	N/A
2024	29,613,000	-	1,685,000	241,783	31,539,783	N/A	N/A
2025	27,234,000	-	1,150,000	121,691	28,505,691	N/A	N/A

Note: Details of the City's outstanding debt can be found in the notes to the financial statements as of 2013, Per Capita Income no longer available 2024 population estimates not available.

**City of Sierra Vista**

Legal Debt Margin and Direct/Overlapping Debt Information  
Last 10 Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Estimated Property Value</b>	<u>\$ 2,935,601,712</u>	<u>\$ 2,894,459,540</u>	<u>\$ 2,904,374,277</u>	<u>\$ 2,971,854,584</u>	<u>\$ 3,086,344,607</u>	<u>\$ 3,124,198,356</u>	<u>\$ 3,219,136,069</u>	<u>\$ 3,401,305,101</u>	<u>\$ 3,582,871,437</u>	<u>\$ 3,758,723,563</u>
<b>Assessed Property Value</b>	<u>\$ 319,072,042</u>	<u>\$ 316,232,149</u>	<u>\$ 316,754,103</u>	<u>\$ 324,172,815</u>	<u>\$ 336,377,878</u>	<u>\$ 340,383,802</u>	<u>\$ 384,173,594</u>	<u>\$ 401,340,123</u>	<u>\$ 417,373,668</u>	<u>\$ 433,202,057</u>
<b>Debt Limits</b>										
Legal Debt Limit - 20% Bonds	\$ 63,814,408	\$ 63,246,430	\$ 63,350,821	\$ 64,834,563	\$ 67,275,576	\$ 68,076,760	\$ 76,834,719	\$ 80,268,025	\$ 83,474,734	\$ 86,640,411
Amount of Debt applicable to debt limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin - 20% Bonds	<u>\$ 63,814,408</u>	<u>\$ 63,246,430</u>	<u>\$ 63,350,821</u>	<u>\$ 64,834,563</u>	<u>\$ 67,275,576</u>	<u>\$ 68,076,760</u>	<u>\$ 76,834,719</u>	<u>\$ 80,268,025</u>	<u>\$ 83,474,734</u>	<u>\$ 86,640,411</u>
Legal Debt Limit - 6% Bonds	\$ 19,144,323	\$ 18,973,929	\$ 19,005,246	\$ 19,450,369	\$ 20,182,673	\$ 20,423,028	\$ 23,050,416	\$ 24,080,407	\$ 25,042,420	\$ 25,992,123
Amount of Debt applicable to debt limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin - 6% Bonds	<u>\$ 19,144,323</u>	<u>\$ 18,973,929</u>	<u>\$ 19,005,246</u>	<u>\$ 19,450,369</u>	<u>\$ 20,182,673</u>	<u>\$ 20,423,028</u>	<u>\$ 23,050,416</u>	<u>\$ 24,080,407</u>	<u>\$ 25,042,420</u>	<u>\$ 25,992,123</u>
<b>Direct Government Activities Debt</b>										
City of Sierra Vista	<u>\$ 17,116,569</u>	<u>\$ 14,908,170</u>	<u>\$ 11,081,584</u>	<u>\$ 8,173,921</u>	<u>\$ 17,626,928</u>	<u>\$ 13,116,417</u>	<u>\$ 29,615,024</u>	<u>\$ 29,615,024</u>	<u>\$ 29,613,000</u>	<u>\$ 27,234,000</u>
<b>Overlapping Governmental Activities Debt</b>										
Jurisdiction:										
Sierra Vista Public Schools	None	\$ 16,075,000	\$ 16,075,000	\$ 16,075,000	\$ 16,075,000	\$ 16,075,000	\$ 16,075,000	\$ 16,075,000	\$ 16,075,000	N/A
Cochise College	\$ 24,310,000	None	None	None	None	None	None	None	10,695,000	8,635,000
Cochise County	<u>1,292,713</u>	<u>1,292,713</u>	<u>1,292,713</u>	<u>1,292,713</u>	<u>1,292,713</u>	<u>1,292,713</u>	<u>1,292,713</u>	<u>1,292,713</u>	None	None
Total	<u>\$ 25,602,713</u>	<u>\$ 17,367,713</u>	<u>\$ 17,367,713</u>	<u>\$ 17,367,713</u>	<u>\$ 17,367,713</u>	<u>\$ 17,367,713</u>	<u>\$ 17,367,713</u>	<u>\$ 17,367,713</u>	<u>\$ 26,770,000</u>	<u>\$ 8,635,000</u>
<b>Estimated Amount Applicable to the City</b>										
Jurisdiction:										
Sierra Vista Public Schools	None	None	None	None	None	None	None	None	None	None
Cochise College	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cochise County	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	None	None	None	None	None	None	None	None	None	None
<b>Direct and Overlapping Governmental Activities Debt</b>										
Jurisdiction:										
City of Sierra Vista	\$ 17,116,569	\$ 14,908,170	\$ 11,081,584	\$ 8,173,921	\$ 17,626,928	\$ 13,116,417	\$ 29,615,024	\$ 29,615,024	\$ 29,613,000	\$ 27,234,000
Sierra Vista Public Schools	None	16,075,000	16,075,000	16,075,000	16,075,000	16,075,000	16,075,000	16,075,000	16,075,000	N/A
Cochise College	24,310,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cochise County	<u>1,292,713</u>	<u>1,292,713</u>	<u>1,292,713</u>	<u>1,292,713</u>	<u>1,292,713</u>	<u>1,292,713</u>	<u>1,292,713</u>	<u>1,292,713</u>	None	None
Total	<u>\$ 42,719,282</u>	<u>\$ 32,275,883</u>	<u>\$ 28,449,297</u>	<u>\$ 25,541,634</u>	<u>\$ 34,994,641</u>	<u>\$ 30,484,130</u>	<u>\$ 46,982,737</u>	<u>\$ 46,982,737</u>	<u>\$ 45,688,000</u>	<u>\$ 27,234,000</u>

Sources:

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

# City of Sierra Vista

Pledged-Revenue Coverage  
Last 10 Years

Fiscal Year	Municipal Facility Revenue Bonds			
	Pledged Revenues	Principal	Interest	Coverage
2016	28,499,069	2,690,000	735,570	8.37
2017	33,275,383	2,805,000	623,376	8.31
2018	34,878,944	2,915,000	503,101	9.74
2019	36,499,491	3,065,000	229,954	10.59
2020	37,607,107	3,105,000	197,960	11.05
2021	40,352,459	4,270,000	409,518	8.04
2022	44,189,069	3,128,000	334,262	11.65
2023	50,393,246	2,741,000	1,034,490	11.70
2024	54,076,630	2,825,000	957,403	13.32
2025	52,169,960	3,010,000	771,687	13.80

## City of Sierra Vista

### Demographic and Economic Statistics

Last 10 Years

Fiscal Year	Population	Per Capita Income	Total Personal Income	Unemployment Rate		
				City	County	State
2016	44,023	N/A	N/A	5.10%	6.10%	5.20%
2017	43,824	N/A	N/A	4.70%	5.40%	4.90%
2018	45,359	N/A	N/A	4.90%	5.80%	4.90%
2019	43,045	N/A	N/A	5.00%	5.70%	4.70%
2020	45,308	N/A	N/A	6.40%	7.00%	7.90%
2021	45,479	N/A	N/A	5.90%	6.90%	5.20%
2022	45,439	N/A	N/A	3.90%	4.30%	4.00%
2023	44,431	N/A	N/A	4.00%	4.00%	3.20%
2024	N/A	N/A	N/A	4.40%	4.70%	4.00%
2025	N/A	N/A	N/A	5.10%	5.30%	4.50%

Sources:

Population estimates from Arizona Department of Economic Security.

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

Unemployment rates for 2024 from Arizona Department of Commerce 2025 Population data not available.

## City of Sierra Vista

Approved Full-Time Positions

Last 10 years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General Government</b>										
City Manager	20	21	21	22	23	23	22	23	24	25
Administrative Services	21	21	21	21	23	23	23	24	26	27
Court and Legal	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
Police	95	97	95	82	85	87	87	91	95	98
SEACOM				12	25	26	26	26	26	26
Fire	55	56	58	66	69	69	72	75	81	82
<b>Public Works</b>										
Public Works	49	50	50	38	38	38	40	42	41	43
Streets and Traffic	22	17	18	18	18	18	19	20	21	21
Airport	1	1	1	2	1	1	1	2	1	1
Transit	11	10	10	10	10	10	10	11	11	12
Sewer	12	12	12	12	13	13	13	12	12	15
Refuse	14	14	15	17	17	17	18	18	18	18
<b>Culture and Recreation</b>	23	28	27	38	46	46	48	48	49	49
<b>Community Development</b>	12	11	11	11	9	9	9	9	9	10
	<u>336</u>	<u>339</u>	<u>340</u>	<u>350</u>	<u>378</u>	<u>381</u>	<u>389</u>	<u>402</u>	<u>415</u>	<u>428</u>

Source: City of Sierra Vista

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

## City of Sierra Vista

Operating Indicators by Function/Program  
Last 10 Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Police</b>										
UCR Part 1 clearance rate	39.7%	37.6%	35.8%	34.0%	36.0%	45.3%	N/A	N/A	N/A	N/A
UCR Part 1 recovery rate	28.6%	27.1%	31.0%	33.5%	30.3%	70.5%	N/A	N/A	N/A	N/A
Group A NIBRS crimes clearance rate	N/A	N/A	N/A	N/A	N/A	N/A	43.2%	47.9%	47.9%	44.3%
Traffic Citations	3,506	3,389	2,321	2,453	2,112	2,199	1,590	1,906	1,906	1,982
Animals adopted	786	628	678	739	852	708	674	618	618	741
<b>Refuse</b>										
Tons of refuse collected per year	19,694	17,781	16,491	19,448	N/A	16,123	11,072	10,185	10,185	19,812
<b>Sewer</b>										
Acre-feet of effluent treated per year	2,831	2,877	2,027	2,715	2,036	2,700	2,946	2,934	2,934	3,495
<b>Transit</b>										
Number of riders	188,458	140,960	146,578	146,578	146,271	102,540	66,451	70,077	70,077	98,981
<b>Parks and Leisure Services</b>										
Number of program participants	289,184	267,008	325,627	309,735	392,367	193,179	146,963	N/A	N/A	N/A

Notes: In 2021, the Sierra Vista Police Department changed from UCR reporting to NIBRS reporting.

## City of Sierra Vista

### Capital Asset Statistics by Function/Program Last 10 Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
<b>Fire</b>										
Stations	3	3	3	3	3	3	4	4	4	4
<b>Refuse</b>										
Refuse trucks	16	19	19	18	18	17	17	18	14	14
<b>Parks and Leisure Services</b>										
Acres of developed parkland	119	119	119	119	119	119	119	119	119	119
Number of baseball/softball diamonds	5	5	5	5	5	5	5	5	5	5
Number of multi-use sports complexes	2	2	2	2	2	2	2	2	2	2
Number of soccer fields	2	2	2	2	2	2	2	2	2	2
<b>Library</b>										
Libraries	1	1	1	1	1	1	1	1	1	1
<b>Sewer</b>										
Plant capacity (acre feet per year)	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
<b>Transit</b>										
Buses	13	14	14	14	14	14	14	14	8	9

