



NOTICE OF REGULAR COUNCIL MEETING

In accordance with § 38-431.02 of the Arizona Revised Statutes of the State of Arizona, notice is hereby given to the Members of City Council and to the general public that the Mayor and Council of the City of San Luis, Arizona will hold a Regular City Council meeting at 6:00 p.m., Wednesday, January 28, 2026. The meeting will take place at the City Council Chambers, located at 1090 E. Union Street, San Luis, Arizona, 85349. The public is invited to attend the open meeting.

In accordance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, the City of San Luis does not discriminate on the basis of disability in the admission of or access to, or treatment or employment in its programs, activities, or services. For information regarding rights and provisions of the ADA or Section 504, or to request reasonable accommodations for participation in City programs, activities, or services contact: ADA/Section 504 Coordinator, City of San Luis Human Resources Department, 1090 E. Union Street, San Luis, Arizona, 85349; (928) 341-8520.

Notice is hereby given that pursuant to A.R.S. § 1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recordings. Parents in order to exercise their rights may either file written consent with the City Clerk to such recordings or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. § 1-602.A.9 have been waived.

THIS NOTICE IS GIVEN BY:

/s/ Sonia Cornelio, City Clerk

AVISO DE JUNTA REGULAR

De acuerdo con los Estatutos del Estado de Arizona A.R.S. § 38-431.02, se le informa a los miembros del Cabildo y al público en general que el Alcalde y el Cabildo, tendrán una Junta Regular a las 6:00 p.m., el día Miércoles, 28 de Enero del 2026. La junta se llevará a cabo en la Sala del Cabildo, ubicada en el 1090 E. Union Street, San Luis, Arizona, 85349. El público está invitado a la junta.

De acuerdo con el Acta de Americanos con Discapacidades y la Sección 504 del Acta de Rehabilitación del 1973, la Ciudad de San Luis, Arizona no discrimina por causa de discapacidad la admisión y acceso a sus programas, actividades, servicios o en el trato en cuanto a empleo. Para más información referente a derechos y provisiones del Acta de Americanos con Discapacidades o Sección 504, o para solicitar adaptaciones que sean razonables para la participación en programas, actividades o servicios de la Ciudad, contactar al: Coordinador del Acta de Americanos con Discapacidades/Sección 504, Departamento de Recursos Humanos de la Ciudad de San Luis, Arizona, ubicado en el 1090 E. Union Street, San Luis, Arizona, 85349; (928) 341-8520.

Por medio de este aviso y de acuerdo con los Estatutos del Estado de Arizona A.R.S § 1-602.A.9, sujeto a ciertas excepciones reglamentarias, los padres de familia tienen el derecho de dar el consentimiento ante el Estado o cualquiera de sus subdivisiones políticas para hacer una grabación de audio o video de su hijo menor de edad. Las juntas del Cabildo se graban en audio y/o video y como resultado, el hecho de que haya menores presentes puede ser sujeto a que sean grabados. Para que los padres de familia puedan ejercer sus derechos pueden dar el consentimiento por escrito con la Secretaria de la Ciudad a tal grabación, o tomar acción personal para asegurarse que su hijo menor no esté presente cuando la grabación se lleve a cabo. Si un menor de edad está presente en el momento de la grabación, la Ciudad asumirá que los padres de familia están cediendo los derechos sobre una posible grabación de acuerdo con los Estatutos del Estado de Arizona A.R.S. § 1-602.A.9.

ESTE AVISO ES DADO POR:

/f/ Sonia Cornelio, Actuaría de la Ciudad



AGENDA
Regular Meeting
San Luis City Council
Council Chambers
1090 E. Union Street
San Luis, AZ 85349
January 28, 2026
6:00 p.m.

PLEASE TAKE NOTICE THAT MEMBERS OF THE CITY COUNCIL WILL ATTEND EITHER IN PERSON, TELEPHONE, OR VIDEO CONFERENCE COMMUNICATION. THE MAYOR OR ACTING MAYOR FOR THIS MEETING MAY CHANGE THE ORDER OF THE ITEMS; IF AUTHORIZED BY LAW AND BY A MAJORITY VOTE OF A QUORUM OF CITY COUNCIL MEMBERS PRESENT, AN EXECUTIVE SESSION WILL BE HELD IMMEDIATELY FOLLOWING THE VOTE IN ACCORDANCE WITH A.R.S. § 38-431.03(A) AND THE MEETING WILL BE TEMPORARILY RECESSED WHILE THE CITY COUNCIL RETIRES TO EXECUTIVE SESSION WHICH WILL NOT BE OPEN TO THE PUBLIC.

TENGA EN CUENTA QUE LOS MIEMBROS DEL CABILDO DE LA CIUDAD ASISTIRÁN EN PERSONA, TELÉFONO O COMUNICACIÓN POR VIDEO CONFERENCIA. LA ALCALDESA O ALCALDE INTERINO DE ESTA REUNIÓN PUEDE CAMBIAR EL ORDEN DE LOS TEMAS; SI ESTÁ AUTORIZADO POR LA LEY Y POR MAYORÍA DE VOTOS DE UN QUÓRUM DE MIEMBROS DEL CABILDO PRESENTES, SE LLEVARÁ A CABO UNA SESIÓN EJECUTIVA INMEDIATAMENTE DESPUÉS DE LA VOTACIÓN DE ACUERDO CON LOS ESTATUTOS DEL ESTADO DE ARIZONA A.R.S. § 38-431.03 (A) Y LA REUNIÓN SERÁ TEMPORALMENTE RECESADA MIENTRAS EL CABILDO DE LA CIUDAD SE RETIRE A UNA SESIÓN EJECUTIVA QUE NO ESTARÁ ABIERTA AL PÚBLICO.

1. CALL TO ORDER/ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. INVOCATION

Any opening invocation that is offered before the official start of the Council meeting shall be the voluntary offering of a private person, to and for the benefit of the Council. The views or beliefs expressed by the invocation speaker have not been previously reviewed or approved by the City Council or the city staff. The city is not allowed by law to endorse the religious or non-religious beliefs or views of such speakers. Any invitation to stand during the Pledge of Allegiance or invocation shall not be construed as a demand, order, or any other type of command. No person in attendance at the meeting shall be required to participate in any Pledge of Allegiance or an opening invocation that is offered.

Toda invocación inicial que se ofrezca antes del inicio oficial de la sesión del Cabildo será una ofrenda voluntaria de una persona particular, para beneficio del Cabildo. Las opiniones o creencias expresadas por quien haga la invocación no han sido revisadas ni aprobadas previamente por el Cabildo ni por el personal de la ciudad. La ley no permite a la ciudad respaldar las creencias o puntos de vista religiosos o no religiosos de dichos oradores. Cualquier invitación a ponerse de pie durante el Juramento a la Bandera o la invocación no se interpretará como una exigencia, orden ni ningún otro tipo de mandato. Ninguna persona presente en la sesión estará obligada a participar en el Juramento a la Bandera ni en ninguna invocación inicial que se ofrezca.

4. CALL TO THE PUBLIC

This is the time for the public to comment. Under A.R.S. § 38-431.01(I), Members of the City Council shall not discuss or take legal action on matters raised during an open call to the public that are not properly noticed on this agenda for discussion and legal action. At the conclusion of an open call to the public, individual Members of the City Council may respond to criticism made by those who have addressed the City Council, may ask staff to review a matter, or may ask that a matter be put on a future agenda.

5. PROCLAMATIONS/PRESENTATIONS

5. A. Proclamation on SkillsUSA Week - February 2-6, 2026

5. B. Proclamation on Career and Technical Education Month - February 2026

5. C. Proclamation on Teen Dating Violence Prevention and Awareness Month - February 2026

5. D. Presentation by San Luis High School on their Career Technical Education Programs. **(San Luis High School CTE Leaders)**

5. E. Presentation by the Yuma County Recorder's Office on fraud alert for properties.
(Cinthya Romero, Recording Supervisor and David Lara, Recorder)
[Link to Recorder Alert PSA video](#)

5. F. Presentation and recognition to Ms. Kay Marion Macuil for her 12 years of dedicated service to the City of San Luis, serving as Assistant City Attorney from 2014 to 2015 and as City Attorney from 2015 to present. **(Mayor and City Council)**

6. CONSENT AGENDA

All matters are considered to be routine by the City Council and will be enacted by one motion. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

6. A. MINUTES OF

- Special Council meeting held December 17, 2025

6. B. DISBURSEMENTS

From January 3, 2026 to January 20, 2026

Total \$2,180,588.61 (Two Million, One Hundred Eighty Thousand, Five Hundred Eighty-Eight Dollars and Sixty-One Cents)

7. DISCUSSION AND POSSIBLE ACTION ITEMS:

- 7. A.** Discussion and possible action on any and all matters regarding the acceptance and approval for the filing of the Annual Comprehensive Financial Report for the City of San Luis, Fiscal Year Ended June 30, 2025. **(Roula Encinas, Director of Finance, and Brittney Williams, Audit Partner from Heinfeld, Meech & Co., P.C.)**
- 7. B.** Discussion and possible action on any and all matters regarding the appointment of a Council Member to serve on the Yuma County Library District Board of Trustees. **(Jenny Torres, Acting City Manager)**
- 7. C.** Presentation update to City Council followed by discussion and possible direction to staff on any and all matters regarding the West Wastewater Treatment Plant Expansion Project. **(Eulogio Vera, Director of Public Works)**
- 7. D.** Discussion and possible action on any and all matters regarding the re-appointment of three (3) City of San Luis residents to serve on the City of San Luis Planning and Zoning Commission. **(Jose A. Guzman, Director of Development Services)**
- 7. E.** Discussion and possible action on any and all matters regarding Resolution No. 2391. A Resolution of the Mayor and City Council of the City of San Luis, Arizona, authorizing the submission of an FY 2026 Arizona State Parks & Trails Historic Preservation Heritage Fund grant application and approving all actions necessary to implement the proposed historic revitalization activities. **(Armando Esparza, Director of Economic Development)**
- 7. F.** Discussion and possible action on any and all matters regarding the approval and adoption of Order No. 2026-01. An Order of the Mayor and City Council of the City of San Luis, Arizona to authorize the City of San Luis Police Department to receive funding for equipment by approving an Intergovernmental Agreement and authorizing execution of the Agreement Regarding the Local Border Support Grant, between the State of Arizona, through its Department of Public Safety, and the City of San Luis, Arizona authorized through the San Luis Police Department. **(Damian Miller, Police Lieutenant)**
- 7. G.** Discussion and possible action on any and all matters regarding Ordinance No. 478. An Ordinance of the Mayor and City Council of the City of San Luis, Arizona, repealing Section 2.05.250 and replacing Section 2.05.220 of the City Code to clarify the timing of the oath of office and to create a consistent date to take office for the Mayor and City Council. (ITEM CONTINUED FROM THE SPECIAL COUNCIL MEETING HELD ON JANUARY 16, 2026) **(Council Members Luis E. Cabrera, Lizeth Servin and Javier Vargas)**

- A. Action on Reading of Ordinance No. 478 by title only
B. Action on Ordinance No. 478

7. H. Discussion and possible action on any and all matters regarding payment for legal work of the city's outside counsel, Gammage & Burnham, for the federal lawsuit against the city, Gethsemani Baptist Church v. San Luis. **(Kay Marion Macuil, City Attorney)**
7. I. Discussion and possible action on any and all matters regarding Ordinance No. 480. An Ordinance of the Mayor and City Council of the City of San Luis, Arizona, amending city code sections 6.05.085 and 10.05.010 to update the definition for Animal Control Enforcement Officer and authorize Transit Enforcement Officer duties. **(Kay Marion Macuil, City Attorney)**
- A. Action on Reading of Ordinance No. 480 by title only
B. Action on Ordinance No. 480

8. **SUMMARY OF CURRENT EVENTS**
Events by Mayor, Council Members and/or City Manager pursuant to A.R.S. § 38-431.02 (K).

9. **EXECUTIVE SESSION**
Discussion and possible action to hold an executive session jointly with San Luis Facility Development Corporation pursuant to A.R.S. § 38-431.03(A) (3), (4) and (7) on any and all matters regarding the possible sale of the San Luis Detention Center for discussion or consultation for legal advice with the San Luis Facility Development Corporation's legal counsel in order to consider the Corporation's position and instructs its legal counsel.
(Kay Marion Macuil, General Counsel and Bill Sims, Outside Counsel)

10. **MOTION TO GO BACK INTO REGULAR SESSION**

11. **ADJOURNMENT**



PROCLAMATION

Regular City Council Meeting

5. A.

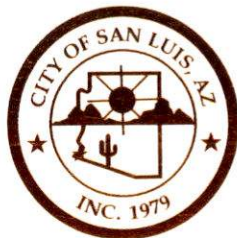
Meeting Date: 01/28/2026

Title:

Proclamation on SkillsUSA Week - February 2-6, 2026

Attachments

Proclamation



Proclamation

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

SKILLSUSA WEEK
February 2-6, 2026

WHEREAS, February 2-6, 2026, has been designated by the SkillsUSA National Association as SkillsUSA week; and

WHEREAS, profound economic and technological changes in our society are rapidly reflected in the structure and nature of work, thereby placing new and additional responsibilities on our educational system; and

WHEREAS, career and technical education provides students with a school-to-careers connection and is the backbone of a strong, well-educated workforce, which fosters productivity in business and industry and contributes to our leadership in the national and international marketplace; and

WHEREAS, career and technical education gives high school students experience in practical, meaningful applications of basic skills such as reading, writing and mathematics, thus improving the quality of their education, motivating at-risk students and giving all students leadership opportunities in their fields and their communities; and

WHEREAS, career and technical education offers individuals lifelong opportunities to learn new skills, which provide them with career choices and potential satisfaction; and

WHEREAS, the ever-increasing cooperative efforts of career and technical educators' business and industry stimulate the growth and vitality of our economy and that of the entire nation by preparing graduates for career fields forecast to experience the largest and fastest growth in the next decade;

WHEREAS, SkillsUSA – a national organization for students preparing for technical, skilled and service occupations in high schools and colleges/technical schools – helps its members become world-class workers and responsible Americans; and

WHEREAS, SkillsUSA is preparing more than 365,000 students annually to be high-performance workers.

NOW, THEREFORE, BE IT RESOLVED, that I, Nieves Riedel, Mayor of the City of San Luis, Arizona, do hereby proclaim February 2-6, 2026, as “**SkillsUSA Week**”, in the City of San Luis and urge all citizens to acquaint themselves with the purposes and activities of SkillsUSA and to give help and encouragement to the members who are working hard to achieve the goals that will make them outstanding skilled workers in our communities.

DATED this 28th day of January 2026.

Nieves Riedel, Mayor

ATTEST:

Sonia Cornelio, City Clerk



PROCLAMATION

Regular City Council Meeting

5. B.

Meeting Date: 01/28/2026

Title:

Proclamation on Career and Technical Education Month - February 2026

Attachments

Proclamation



Proclamation

CAREER AND TECHNICAL EDUCATION MONTH February 2026

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

WHEREAS, February 2026, has been designated as Career and Technical Education Month by the Association for Career and Technical Education; and

WHEREAS, career and technical education offers students the opportunity to gain the academic, technical and employability skills necessary for true career readiness; and

WHEREAS, students in career and technical education programs participate in authentic, meaningful experiences that improve the quality of their education and increase their engagement and achievement; and

WHEREAS, career and technical education provides students with career exploration opportunities earlier in their educational experience, which enables them to make informed and beneficial decisions about their academic coursework and pursue established programs of study and career pathways; and

WHEREAS, leaders from business and industry nationwide report increasing challenges related to addressing the skills gap and connecting qualified professionals with available careers in critical and growing CTE-related fields, including healthcare, energy, advanced manufacturing, cybersecurity, and information technology; and

WHEREAS, career and technical education prepares students for these and other fulfilling careers by offering integrated programs of study that link secondary and post-secondary education and lead to the attainment of industry-recognized credentials; and

WHEREAS, career and technical education programs ensure that employers have access to a qualified and thriving workforce, ensuring America is a strong competitive economy.

[Intentionally left blank; signature page follows]

NOW, THEREFORE, BE IT RESOLVED, that I, Nieves Riedel, Mayor of the City of San Luis, Arizona, do hereby proclaim February 2026, as “**Career and Technical Education Month**”, in the City of San Luis and urge all citizens to become familiar with the services and benefits offered by the career and technical education programs in this community and to support and participate in these programs to enhance their individual skills and productivity.

DATED this 28th day of January 2026.

Nieves Riedel, Mayor

ATTEST:

Sonia Cornelio, City Clerk



PROCLAMATION

Regular City Council Meeting

5. C.

Meeting Date: 01/28/2026

Title:

Proclamation on Teen Dating Violence Prevention and Awareness Month - February 2026

Attachments

Proclamation



Proclamation

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

TEEN DATING VIOLENCE PREVENTION AND AWARENESS MONTH February 2026

WHEREAS, teen dating violence crosses race, gender, and socioeconomic lines; and

WHEREAS, one in three adolescents in the United States is a victim of physical, emotional, or verbal abuse from a dating partner; and

WHEREAS, nearly one in 11 female teens and one in 15 male teens reported experiencing physical dating violence in the last year; and

WHEREAS, approximately one in nine female and one in 36 high school students report having experienced sexual dating violence in the last year; and

WHEREAS, 26 percent of women and 15 percent of men who were victims of contact sexual violence, physical violence, and/or stalking by an intimate partner in their lifetime first experienced these or other forms of violence by that partner before age 18; and

WHEREAS, the Governor's Youth Commission is raising awareness about healthy relationships among young people statewide through education and outreach to further prevent dating violence; and

WHEREAS, it is important to provide continued training and outreach to community members, schools, and families to help them recognize when youth are exhibiting signs of dating violence.

NOW, THEREFORE, BE IT RESOLVED, that I, Nieves Riedel, Mayor of the City of San Luis, Arizona, do hereby proclaim February 2026 as "**Teen Dating Violence Prevention and Awareness Month**" and call upon residents of San Luis to make a difference by reaching out to young people in simple ways.

DATED this 28th day of January 2026.

Nieves Riedel, Mayor

ATTEST:

Sonia Cornelio, City Clerk



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

5. D.

Meeting Date: 01/28/2026

Summary

Presentation by San Luis High School on their Career Technical Education Programs. **(San Luis High School CTE Leaders)**

Attachments

Presentation

Flyer



San Luis High School

Presented by CTE Leaders

Career and Technical Education

January

2026

MEET THE TEAM

Junior Figueroa



CTE Leader
SLHS CTE Co-President

Violeta Acosta



CTE Leader
SLHS CTE Co-President

MEET THE TEAM

Angie Soto



CTE Leader
SLHS Chapter V. President

Angel Vargas



CTE Ambassador
SLHS Chapter

SLHS Career Technical Education Programs

Agriscience

Film & TV

Business Management

Medical Assistant

Construction

Emergency Medical Services

Culinary

Law and Public Safety

Digital Photography

Mental and Social Health Services

Early Childhood Education

Sports Medicine

Engineering

Stagecraft

Welding

Building Maintenance

CTE PROJECTS

Industrial Park



Eddie's Food & Drink



Eddie's Food & Drink



Kelvin Gastelum Speaker



WHAT IS CTE?

01. **Career**

Career and Technical Education (CTE) in high school provides students with hands-on learning and career-focused courses in fields like health science, technology, engineering, business, and more.

02. **Technical**

These programs help students explore career interests, build practical skills, and often earn industry certifications or college credits.

03. **Education**

CTE classes are typically more interactive than traditional courses, giving students real-world experience that prepares them for both college and the workforce.

THE CTE IMPACT

San Luis High School

Is an

A-School!!

CTE indicators that contributed to our A grade school

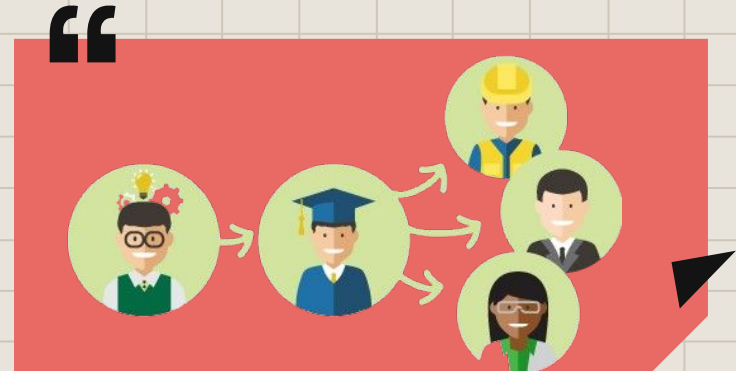
- Students passed CTE Course, where college credit can be earned
- Students passed CTE Course outside of complete course
- Students received CTE Industry credential, certification, or license
- Students complete the CTE sequence and pass the TSA



CTE Program Enrollment

SY25-26 CTE Enrollment

- AG - 152
- Culinary-117
- Early Childhood Education-142
- Law & Public Safety - 292
- Construction -231
- Welding-147
- Stagecraft-114
- Film & TV - 118
- Digital Photography-131
- Medical Assisting Services- 152
- EMS-93
- Sports Medicine Rehabilitation-103
- Mental & Social Services - 123
- Business Management-148
- Engineering-115
- Building Maintenance-32



Student CTE Story

Since my freshman year, the Career and Technical Education program has shaped my path toward a career in law. Through Level 1 and Level 2 Law & Public Safety, I gained hands-on experience, earned professional certifications such as CSI and FEMA, and developed a strong understanding of the justice system.

Now, as a junior, I am deeply involved in CTE and serve as the chapter president on my campus. CTE has prepared me for the workforce, opening the door for me to work for the city as an Office Assistant in the Human Resources Department. As I continue my education in Business Management, I am building the leadership and decision making skills needed for my future as a lawyer. CTE has empowered me to lead, grow, and become a voice for justice.

Violeta Acosta



“It’s incredible to see the impact students are making through CTE.”
— Arizona Senator Mark Kelly (D.C.)

Student CTE Story

Throughout my CTE classes, I have gained real world experience that I can use to progress in life, I know this is not only my opinion, but also the reality for many other students. The impact CTE has made on our school is unique because it helps improve school performance while providing meaningful learning experiences. CTE classes are not just basic academic courses: they are engaging and often fun, which is something students truly enjoy. The exposure these classes provide encourages students to step out of their comfort zone, which is highly beneficial for developing leadership skills

Junior Figueroa



“This is more than just one step toward your future”

- Claudia Torres (SLHS Medical Assisting teacher)

Student CTE Story

Throughout my high school years, I have taken multiple CTE courses that have played a significant role in shaping who I am today. I've had plenty of opportunities that further strengthen my leadership and communication skills.

While taking Law and Public Safety, I have gained clarity in my career path and direction for my future. As a high school senior preparing to enter the real world, I feel confident because of CTE and its CTSO's. My long-term goal is to become a police detective, and thanks to CTE, I am ready for what comes next.

Angie Soto



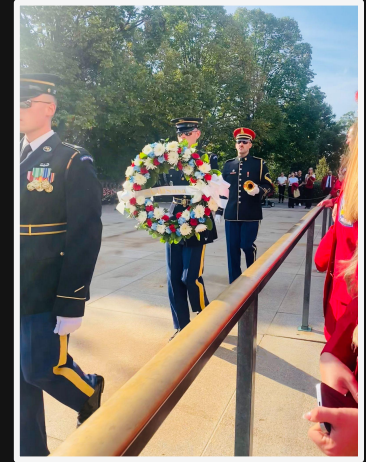
**"I'm documenting your journey because
you guys are our future."
- Richard Montgomery (D.C)**

Student CTE Story

My CTE journey began my sophomore year of high school when I decided to join the beautiful Early Childhood Education program. The program opened countless doors for me and allowed me to immensely improve my abilities. From going to conferences and participating in meaningful workshops to being involved in some of our local Elementary Schools building hands on experience and giving back; I have built lasting relationships and developed a deep passion for education.

Career and Technical Education gives students the extraordinary opportunity to dream, become, and fulfill. I am eternally grateful for this program and it's remarkable way of empowering students.

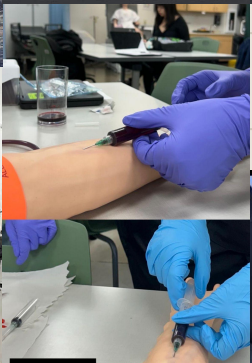
Angel Vargas



“La historia es nuestra y la hacen los pueblos.”
– Salvador Allende



Medical Assisting



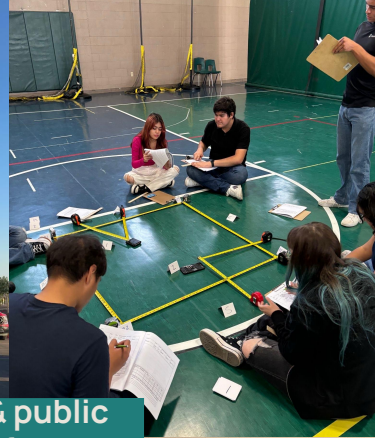
LAB DAY!



Business Management



Law & public Safety



You're Invited

Campus Tour

Come tour our CTE programs at our SLHS campus.

Get Involved

We would like to invite you to get involved at our campus by joining us as guest speakers, judges, or EXPO's

Meet Us

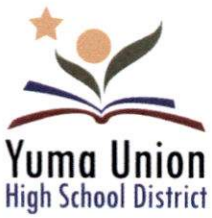
Meet our amazing students, staff and the projects we are working on.





THANK YOU

**for your attention and for the
opportunity to present!**



24/25

CTE

CAREER & TECHNICAL EDUCATION IN

Yuma, Arizona

"Every Student College, Career, and Community Prepared"

SCHOOL LETTER GRADES



10,074

Total CTE Student Enrollment



98.0%

CTE Concentrator Graduation Rate



82.6%

CTE Concentrators who were placed in further education, military service, or employment.

CREDENTIALS & TECHNICAL SKILLS



86.7%

CTE Concentrators with Industry Credentials



89.9%

CTE Concentrators who successfully passed the Technical Skills Assessment for their program.

PROGRAMS

- Aesthetics
- Agriscience
- Automotive Technologies
- BioScience (BioMedical)
- Business Management
- Culinary Arts
- Construction Technologies
- Digital Photography
- Drones
- Early Childhood Education
- Education Professions
- Emergency Medical Services
- Engineering
- Film & TV Production
- Health Aide
- Hospitality Management
- JROTC Army
- JROTC Marine
- Law & Public Safety
- Medical Assisting Services
- Mental & Social Health Services
- Network Security (IT Essentials)
- Nursing Services
- Outdoor Leadership
- Pharmacy Support Services
- Sports Medicine & Rehabilitation
- Stagecraft
- Welding Technologies

WORK-BASED LEARNING



80

Diversified Cooperative Education (DCE)

16

Cooperative Education (Co-OP)

32

Internship



Contact Us
928-502-6787



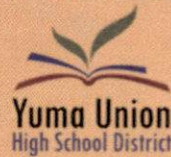
Visit Our Website
www.yumaunion.org



Our Location
3150 South Ave A, Building A, Yuma AZ



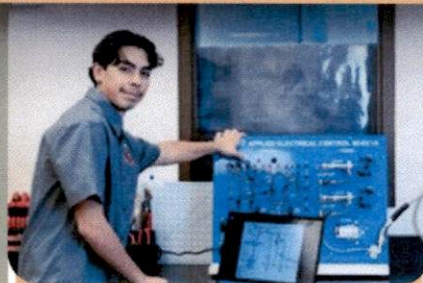
Career Technical Education



CTE Programs

Our district offers state-approved Career and Technical Education (CTE) programs that help students explore careers and build real-world skills. Each program includes a sequence of courses aligned to state standards.

Across our seven high schools, students can choose from 76 CTE programs, all featuring current industry curriculum and modern equipment.



Career Technical Student Organization

CTE students can join Career and Technical Student Organizations (CTSOs) connected to their programs, such as FBLA, FCCLA, FFA, HOSA, and SkillsUSA. These groups help students build career and leadership skills and offer opportunities to compete in events at the local, regional, state, and national levels.



Work-Based Learning

Work-Based Learning (WBL) helps students explore careers and gain real-world experience that prepares them for life after high school.

In YUHSD, WBL ranges from early career activities to hands-on experiences like job shadowing and internships, strengthening connections between students, employers, and the Yuma community.



Contact Us
928-502-6787



Visit Our Website
www.yumaunion.org/district1/cte



Our Location
3150 South Ave A, Building A, Yuma AZ



PRESENTATION

Regular City Council Meeting

5. E.

Meeting Date: 01/28/2026

Submitted By: Sonia Cornelio, City Clerk's Office

Presentation Topic/Summary:

Presentation by the Yuma County Recorder's Office on fraud alert for properties. **(Cinthya Romero, Recording Supervisor and David Lara, Recorder)**

[Link to Recorder Alert PSA video](#)



PRESENTATION

Regular City Council Meeting

5. F.

Meeting Date: 01/28/2026

Submitted By: Olivia Jenkins, Administration

Presentation Topic/Summary:

Presentation and recognition to Ms. Kay Marion Macuil for her 12 years of dedicated service to the City of San Luis, serving as Assistant City Attorney from 2014 to 2015 and as City Attorney from 2015 to present. **(Mayor and City Council)**



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

6. A.

Meeting Date: 01/28/2026

Summary

MINUTES OF

- Special Council meeting held December 17, 2025

Attachments

12/17/2025 SCM

MINUTES
Special Council Meeting
San Luis City Council
San Luis Council Chambers
1090 E. Union Street
San Luis, AZ 85349
December 17, 2025
6:00 p.m.

1. CALL TO ORDER/ROLL CALL

Mayor Nieves Riedel called the Special City Council meeting to order at approximately 6:00 p.m.

PRESENT: Council Member Luis E. Cabrera
Council Member Maria Cecilia Cruz
Council Member Lizeth Servin
Council Member Javier Vargas
Mayor Nieves Riedel

ABSENT: Vice Mayor Tadeo Azael De La Hoya
Council Member Esteban C. Rosales

OTHERS PRESENT: Jenny Torres, Acting City Manager
Kay Macuil, City Attorney
Sonia Cornelio, City Clerk
Adela Cortez, Director of Human Resources
Alexis Gomez, Code Enforcement Officer
Alvaro Escalante, Parks Ground Manager
Angel Ramirez, Fire Chief
Angelica Roldan, Director of Parks and Recreation
Armando Esparza, Director of Economic Development
Damian Miller, Police Lieutenant
Edgar Esparza, Billing and Collections Manager
Eulogio Vera, Director of Public Works
Francia Alonso, Public Information Officer
Israel Lara, IT Technician
Jose Guzman, Director of Development Services
Jose A. Maldonado, Multimedia Production & Operations Specialist
Juan Tejeda, Acting Assistant Director of Development Services
Manuel Hernandez, Assistant Director of Public Works
Maria Barajas, Human Resources Manager
Maria Sabori, Risk Manager
Miguel Ramirez, Finance Accounting Manager
Nigel Reynoso, Chief of Police
Olivia Jenkins, Administrative Services Manager

Richard Bauerman, Fire Inspector
Roula Encinas, Director of Finance
Tomas Sanchez, City Engineer
Victor De La Torre, Safety Officer
Angela Delgado, Resident
Christian Cuevas, Meeting Interpreter
Elida Valenzuela, Police Chaplain
Elizabeth Carpenter, Developer
Fabher Sanchez, Resident
Manuel Castro, Pastor for Gethsemani Church
Nydia Mendenhall, Resident
Shelly Kreger, Transit Director for Yuma County
Intergovernmental Public Transportation Authority) YCIPTA
Vianey Vega, Vega and Vega Engineering
Tori Bourguignon, Executive Director for Amberly's Place

2. PLEDGE OF ALLEGIANCE

Council Member Luis E. Cabrera led the Pledge of Allegiance.

3. INVOCATION

The invocation was performed by Ms. Elida Valenzuela, Police Chaplain.

4. CALL TO THE PUBLIC

Ms. Beatriz Muñoz, 1211 N. Villareal Ave., San Luis, AZ, commented that she wanted to address the Mayor and City Council on the application for a senior at the Senior Center. She asked them to review and approve the application. The application contains controversial and non-applicable questions, is long, contains contradictory statements and is demanding. The seniors feel intimidated by a city employee's statements when asked about the application, as the employee told them an attorney had reviewed it. She added that the Senior Center is for seniors to attend, socialize, and have a good time with other participants. Seniors were told that this change is due to a list of over 150 people. The center is for seniors residing in San Luis who can provide proof of residency. She is happy to meet with the elected officials to discuss this matter further. She may be reached at 928-919-2037.

Mr. Luis Marquez, 1254 America Street, San Luis, AZ, thanked those who donated bicycles to the Gadsden School District. He clarified that last year, the Honorable Judge Juan Manuel Guerrero came to his house to complain that Mr. Marquez did not want to accept bicycles that Ms. Riedel and Ms. Nydia Mendenhall wished to donate and that if Mr. Marquez did not want them, they were going to donate them to Somerton. He had no idea what Mr. Guerrero was talking about. He also contacted Ms. Esparza, the Gadsden School Superintendent, and she had no idea what this was about.

He added that this occurred on a Wednesday, and three (3) days later, on a Friday, he saw a post on social media stating that the bikes were donated to Somerton. He contacted Mr. Duron, the Somerton School District Superintendent, and confirmed that they had been notified a week before receiving the bicycles. This was a plan of lies and publicly stated that people should not be sold for a few dollars.

Ms. Angela Delgado, a Los Alamos resident, stated that many people in this community voted for Mayor Nieves Riedel because, in their hearts, they believed there would be a change. Ms. Delgado withdrew the application to recall the Mayor and clarified that news and the paper reported that she did not collect enough signatures; however, she has over 1,000 signatures. She does not like lies, and collected enough signatures, but out of the kindness of her heart and for her community, she withdrew her signatures, because the dates had changed and she was informed by the state that the Primary Election would be in August, therefore, it defeats its purpose. She wanted to save the city, \$65,000.00 to \$75,000.00, since the Mayor calls this city poor. Ms. Delgado added that she has been a resident of San Luis for a long time, is a responsible voter and will fight for her community.

5. PROCLAMATION/ PRESENTATION

5. A. Proclamation on National Human Trafficking Awareness and Prevention Month - January 2026

Mrs. Sonia Cornelio, City Clerk, read the proclamation by title only.

5. B. Presentation on the Yuma County Intergovernmental Public Transportation Authority (YCIPTA)/Yuma County Area Transit (YCAT) Annual Performance Report. (Shelly Kreger, Transit Director for YCIPTA)

Ms. Shelly Kreger, Transit Director for YCIPTA, explained that YCIPTA is a political subdivision of the state that oversees and operates the transit system. They are comprised of Yuma County, City of Yuma, City of Somerton, City of San Luis, Town of Wellton, Cocopah Tribe, Quechan Tribe and Arizona Western College. Transportation has been provided to this community since 2000. She provided a PowerPoint presentation on their Yearly Performance Assessment Report, which is attached to the agenda item and included in the complete agenda packet filed at the City Clerk's Office.

Some comments, questions, and answers ensued between Ms. Kreger and the City Council.

6. CONSENT AGENDA

6. A. MINUTES OF

- Joint Work Session held November 18, 2025
- Special Council meeting held November 19, 2025

6. B. DISBURSEMENTS

From December 3, 2025 to December 8, 2025

Total \$1,196,581.00 (One Million, One Hundred Ninety-Six Thousand, Five Hundred Eighty-One Dollars)

MOTION: Council Member Javier Vargas/Council Member Luis E. Cabrera to approve the Consent Agenda as presented. The motion passed unanimously.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Aye

7. DISCUSSION AND POSSIBLE ACTION ITEMS:

7. A. Discussion and possible action on any and all matters regarding the contract with Yuma Community Food Bank for the Fiscal Year 2025-2026. (Jenny Torres, Acting City Manager)

Ms. Jenny Torres, Acting City Manager, stated that during a June 25, 2025, meeting, the City Council approved the budget, which included a \$40,000.00 contribution to the Food Bank. This formalizes the agreement with them and does not change from last year.

MOTION: Council Member Maria Cecilia Cruz/Council Member Javier Vargas to approve the contract with Yuma Community Food Bank in the amount of \$40,000.00. The motion passed unanimously.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Aye

7. B. Discussion and possible action on any and all matters regarding the contract with Amberly's Place, Inc. for the Fiscal Year 2025-2026. (Jenny Torres, Acting City Manager)

Ms. Jenny Torres, Acting City Manager, indicated that this is another Council contribution; \$50,000.00 was allocated in the Council's budget approved on June 25, 2025. Amberly's Place provides and coordinates services to respond to and advocate for victims of domestic violence. There has not been a change in the amount requested from last year.

Ms. Tori Bourguignon, Amberly's Place Executive Director, answered questions from the City Council about the facility's use and the services it provides.

MOTION: Council Member Luis E. Cabrera/Council Member Lizeth Servin to approve the contract with Amberly's Place in the amount of \$50,000.00. The motion passed unanimously.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Aye

7. C. Discussion and possible action on any and all matters regarding the Cesar Chavez Boulevard widening project. (Jenny Torres, Acting City Manager)

Ms. Jenny Torres, Acting City Manager, detailed that staff has been working on this project for the past 12 years and were able to obtain an allocation of \$4 million from the state and the federal government to design the project. Staff was also to get a \$25 million federal grant and \$33 million from the state legislature. As part of the grant, the city had to commit \$3.2 million toward the match, bringing the total to \$61.2 million for the project's construction. Arizona Department of Transportation (ADOT) is the agency that is overseeing the project. They went out to bid and opened bids on November 7, 2025. Two (2) bids were received from DPE and Fann Contracting, Inc.; the lowest bidder came in at \$57 million, but that does not include other costs that are allocated as part of the overall project, which consists of the construction engineering, the post-design construction and construction contingency, leaving a shortfall of almost \$2.3 million. Under the intergovernmental agreement (IGA), if the bids were higher, the city was responsible for funding the shortfall. The city was able to find the funding within the impact fees. Staff asked the City Council to approve the budget transfer of \$2,354,531.80. Initially, she had the ratification on the agenda because funds were going to be transferred immediately, but it was necessary, so the ratification was removed.

She added that the city has already invested almost \$10 million, with construction not even begun, in addition to the \$5.5 million the city has invested in this project.

Mayor Nieves Riedel asked for clarification to explain the impact fees.

Mr. Jose Guzman, Director of Development Services, explained that impact fees are a one-time fee people pay when they request a building permit, and that these fees are used to fund the impact construction has on the city's infrastructure, including drainage, water, parks, and police. It is collected over the years, and once the city has enough funds to complete a specific project, those funds can be used.

Mayor Nieves Riedel asked Ms. Torres to inform the community about this project, as there will be traffic issues.

MOTION: Council Member Javier Vargas/Council Member Luis E. Cabrera to approve the budget transfer of \$2,354,531.80 for the project to improve Cesar Chavez Boulevard due to the circumstances presented. The motion passed unanimously.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Aye

7. D. Discussion and possible action on any and all matters regarding Resolution No. 2386. A resolution of the Mayor and City Council of the City of San Luis, Arizona, providing for a Call of Election for 2026 Primary and General Elections, designating the election dates and purpose, designating the deadline and location for candidates to file Nomination Petitions, and designating the deadline for voter registration. (Sonia Cornelio, City Clerk)

MOTION: Council Member Luis E. Cabrera/Council Member Javier Vargas to approve and adopt Resolution No. 2386, as presented. The motion passed unanimously.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Aye

7. E. Discussion and possible action on any and all matters regarding Ordinance No. 472. An Ordinance of the Mayor and City Council of the City of San Luis, Arizona, amending City Code Sections 8.25.010 and 8.25.020(A) to include mud, dirt, and debris on roadways as a nuisance; repealing conflicting provisions, and providing for severability. (Kay Marion Macuil, City Attorney)

Ms. Kay Macuil, City Attorney, requested that this item be continued and provided a brief background. Every year, there are difficulties with the large mud clods that come off the tractors and end up on the streets, creating hazards because people must go around them. The Public Works Department contacted her to check if the city could do something about this. Staff has a flyer from the county containing several statutes that did not quite fit this problem; therefore, staff prepared this ordinance. When she was working with the Police Department on other ordinances, it was brought to her attention that this ordinance is not significantly clear that the mud is the great big clods. A Council Member also brought this to her attention, so she wants to work on the ordinance to clarify it.

- A. Action on Reading of Ordinance No. 472 by title only**
- B. Action on Ordinance No. 472**

MOTION: Council Member Luis E. Cabrera/Council Member Javier Vargas to continue this item to a future council meeting. The motion passed unanimously.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Aye

7. F. Public hearing followed by discussion and possible action on any all matters regarding Conditional Use Permit Case No. 2025-0412, a request by Gethsemani Church, for a Conditional Use Permit to allow a religious institution at 1010 E. B Street in San Luis, Arizona. (Jose A. Guzman, Director of Development Services)

A. Staff Presentation

Mr. Jose Guzman, Director of Development Services, explained that this type of use is permitted in an R-6 zoning district but requires a conditional use permit. This case is part of a federal court order that required the church to apply for a conditional use permit and for the city to approve it within 120 days. The church applied for the conditional use permit in October 2025. The order also sets out the rules by which the food ministry must operate, so the city cannot add or change the conditions at this point. He clarified that the enforcement process was never intended to stop the food ministry.

He added that the goal has always been to help the church continue to provide the services while ensuring the activity does not impact the neighbors. Staff recommended approval with a consent decree serving as the full conditions of approval.

B. Open Public Hearing

Mayor Nieves Riedel opened the Public Hearing.

C. Call to the Public on this item

There were no comments from the public on this item.

D. Close public hearing

Mayor Nieves Riedel closed the Public Hearing.

E. Action on Conditional Use Permit Case No. 2025-0412

MOTION: Council Member Luis E. Cabrera/Council Member Lizeth Servin to approve Conditional Use Permit Case No. 2025-0412 as required by the Consent Decree, with the Consent Decree serving as the full conditions of approval. The motion passed unanimously.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Aye

7. G. Discussion and possible action on any and all matters regarding Resolution No. 2387. A resolution of the Mayor and City Council of the City of San Luis, Arizona, declaring as a public record that certain document filed with the City Clerk and entitled “City of San Luis Subdivision Regulations” of the San Luis City Code, relating to the update of the rules and regulations relating to subdivisions within the City of San Luis and amending the San Luis City Code by repealing and replacing Title 17. (Jose A. Guzman, Director of Development Services)

Mr. Jose Guzman, Director of Development Services, stated that this is the first step for the approval and adoption of the Subdivision Regulations. This item was presented to the Mayor and City Council during a work session in July 2025. However, since then, a new state law has taken effect, changing the approval of preliminary and final plans from the commission and City Council to administrative staff to speed up the process. Therefore, those approvals will no longer go to the commission or City Council.

He added that the changes have been incorporated into the resolution for the City Council's approval, which also makes it a public record and is required to approve and adopt the Subdivision Regulations in the next agenda item through an ordinance.

Council Member Luis E. Cabrera asked what is going to happen now, if previously they were presented to the City Council when there were conditions and the City Council would approve or deny the conditions. Who will now have the authority to approve or deny, and to accept, what conditions?

Mr. Guzman responded that they would go through the same approval process, but it would be approved once all the comments are addressed. If the applicant does not agree with a specific requirement, there is an appeal process that goes through the City Engineer and if the appeal is not approved by the City Engineer, it will then be presented to the City Council for approval for any deviation or change to the regulation, but they will have to follow all the regulations established for approval.

Council Member Lizeth Servin asked if she had a conflict of interest on this item.

Ms. Kay Macuil, City Attorney, responded that these are regular subdivisions.

MOTION: Council Member Luis E. Cabrea/Council Member Javier Vargas to approve and adopt Resolution No. 2387. The motion passed with four (4) Ayes and one (1) Abstention by Mayor Nieves Riedel.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Abstained

7. H. Public hearing followed by discussion and possible action on any and all matters regarding the City of San Luis Subdivision Regulations and Ordinance No. 473. An ordinance of the Mayor and City Council of the City of San Luis, Arizona, adopting "City of San Luis Subdivision Regulations" by reference which repeals and replaces Title 17 of the San Luis City Code and providing for the severability and the effective date thereof. (Juan Tejeda, Acting Assistant Director of Development Services)

A. Staff presentation

Mr. Juan Tejeda, Acting Assistant Director of Development Services, indicated that this is the adoption process of the Subdivision Regulations. They have been working with subdivisions approved and adopted in 2002, based on the Yuma County Standards of 1992.

He added that the new subdivision regulations set standards that residents demand and that the city handles new developments. As explained in the previous item, the Subdivision Regulations incorporate House Bill 2447, a new law that requires city staff to review and approve preliminary final plans. They will no longer be going to the Planning & Zoning Commission or the City Council. Development Services will handle the subdivision process, but the final approval will be done by the City Engineer. They held stakeholder meetings on December 3rd and 5th to inform them about these changes from the House Bill.

B. Open Public Hearing

Mayor Nieves Riedel opened the Public Hearing.

C. Call to the public on this item

Mr. Vianey Vega, of Vega & Vega Engineering, commented that they feel there is one thing that can still be adjusted before the adoption of the Subdivision Regulations: the construction of half-width roads in the subdivision. This is currently allowed in the subdivision design when there are different phases. The other surrounding cities allow it and he would like to see that San Luis also permits it.

Mr. Tejeda added that the staff met and chose not to have those half streets around the city, in the city's best interest. However, staff added a modification section to the Subdivision Regulations, allowing developers to apply for a modification to deviate from the standards. The modification might be for something like the half streets. This request would then go to the City Engineer, who will determine whether it is approved.

Further discussion took place on this topic amongst the City Council, staff, Mr. Vega and Ms. Carpenter.

D. Close Public Hearing

MOTION: Council Member Maria Cecilia Cruz/Council Member Luis E. Cabrera to close the Public Hearing. The motion passed unanimously.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Aye

E. Action on Ordinance No. 473 by title only

MOTION: Council Member Luis E. Cabrera/Council Member Maria Cecilia Cruz to approve the reading of Ordinance No. 473 by title only. The motion passed with four (4) Ayes and one (1) Abstention by Mayor Nieves Riedel.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Abstained

Mrs. Sonia Cornelio, City Clerk, read Ordinance No. 473 by title only.

F. Action on Ordinance No. 473

MOTION: Council Member Luis E. Cabrera/Council Member Maria Cecilia Cruz to approve and adopt Ordinance No. 473. The motion passed with four (4) Ayes and one (1) Abstention by Mayor Nieves Riedel.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Abstained

7. I. Public Hearing followed by discussion and possible action on any and all matters regarding Text Amendment Case No. 2025-0420 and Ordinance No. 474. An ordinance of the Mayor and City Council of San Luis, Arizona, amending Title 18 of the City Code, Zoning Regulations, to revise Section 18.10.020 (C) and Section 18.70.040 (A) & (B) in compliance with updates to the Arizona Revised Statutes by authorizing administrative personnel to review and approve site plans, development plans, land divisions, lot line adjustments, lot ties, preliminary plats, final plats and plat amendments without a public hearing; repealing any conflicting provisions; and providing for severability. (Juan Tejeda, Acting Assistant Director of Development Services)

A. Staff Presentation

Mr. Juan Tejeda, Acting Assistant Director of Development Services, stated that this text amendment to the zoning ordinance is in response to the previously mentioned House Bill 2447, which will take effect on January 1, 2026.

He added that this ordinance authorizes administrative personnel to review and approve preliminary and final plats without a public hearing. The preliminary final plans will no longer be presented to the Planning and Zoning Commission or the City Council for approval; they will be reviewed and approved by staff. Development Service will continue to handle the subdivision process, and the final approval will be issued by the City Engineer without a public hearing.

B. Open Public Hearing

Mayor Nieves Riedel opened the Public Hearing.

C. Call to the Public on this item

Council Member Luis E. Cabrera asked if the Planning & Zoning Commission would continue to exist.

Mr. Tejada responded that it would continue to exist, as the commission is needed for land use processes, zoning conditions, use permits, other variances, subdivisions, except for the preliminary and final plats.

D. Close public hearing

Mayor Nieves Riedel closed the Public Hearing.

E. Action on Reading of Ordinance No. 474 by title only

MOTION: Council Member Luis E. Cabrera/Council Member Javier Vargas to approve the reading of Ordinance No. 474 by title only. The motion passed with four (4) Ayes and one (1) Abstention by Mayor Nieves Riedel.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Abstained

Mrs. Sonia Cornelio, City Clerk, read Ordinance No. 474 by title only.

F. Action on Ordinance No. 474

MOTION: Council Member Luis E. Cabrera/Council Member Javier Vargas to approve the reading of Ordinance No. 474. The motion passed with four (4) Ayes and one (1) Abstention by Mayor Nieves Riedel.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Abstained

8. SUMMARY OF CURRENT EVENTS

Council Member Lizeth Servin commented on the leveling of the Joe Orduño Park soccer field. She saw a video of the Mayor addressing residents as the Mayor and discussing a surprise donation from Riedel Construction and Evans Concrete. Indeed, it was a surprise donation because they were unaware it was happening, nor were they invited to that presentation or the surprise. And she asked the staff, Ms. Jenny Torres, Acting Manager, to have transparency on this donation. She would like to know how much this in-kind donation was for. Was the proper process followed, and when was the donation approved and by whom? The video states that Vice Mayor Tadeo Azael De La Hoya accepted the donation. Not sure if he was the one who approved of it. She wants transparency for the community because it was surprising, and she knows it was a good thing. Her other issue concerns trash collection. The City of San Luis continues to evaluate its programs and services to ensure that not only does the city provide the best programs and services to its citizens, but also that what is brought to the community is sufficient and effective. She is aware that many residents were affected by the trash collection this week. The city's goal is not only to provide the best service, but to make sure that staff is being efficient and effective when it comes to operations and management. She asked for the community's support and cooperation in following the rules. The constituents have a huge impact on operations in this service, and more than anything, it is a matter of culture and education. She asked Mr. Eulogio Vera, Director of Public Works, to explain why this rule is being implemented.

Mayor Nieves Riedel added that a presentation can be included in the next Council meeting in January 2026, so residents know and can attend to ask questions. The residents received flyers, and the Public Works Department tried to inform everyone about this change.

Council Member Lizeth Servin added that this is happening because the sudden change had already been established, but was not really being followed. It caused trash to flow from the containers, broken lids, damaged containers, longer routes, more time and overtime for staff. So, this is one of the reasons the city is trying to implement this and is asking for the community's collaboration. As Mayor Nieves Riedel stated in the future meeting, additional information will be provided.

Council Member Luis E. Cabrera commented on the Holiday of Lights Parade, thanking staff for working together to make it happen and to the participants for being there and preparing their floats at such short notice; it was a magical time for them and for the community. He also added that regarding the trash collection, he was one of the Council Members who received numerous phone calls, messages, and pictures. Those are rules that already exist and need to be followed by residents, employees, staff, Council Members and by everyone that resides in the city. This way, people will know there is uniformity and a process, and that their trash will not be picked up if the lid is not fully closed. Now, if they have a problem with their trash container, they need to report it to utilities so the container can be replaced. He asked the community to work with the city so they can continue to provide better service. They can continue to thrive together because they are enforcing a rule that has been in place for many years. Lastly, he stated that today is the last Council meeting of this year, 2025 and thanked everyone for their support.

9. Vote to hold an Executive Session pursuant to A.R.S. § 38-431.03 (A), (1), (3), and (4).

Discussion and possible action to hold an executive session pursuant to A.R.S. § 38-431.03 (A), (1), (3), and (4) on any and all matters relating to the position of Chief of Police and the employment, assignment, appointment, promotion, demotion, dismissal, salary, disciplining, or resignation of the position of Chief of Police, and consultation with the attorney or attorneys of the city regarding the same. (Jenny Torres, Acting City Manager and Kay Marion Macuil, City Attorney)

MOTION: Council Member Luis E. Cabrera/Council Member Javier Vargas to go into Executive Session at approximately 7:48 p.m. The motion passed unanimously.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Aye

10. MOTION TO GO BACK INTO SPECIAL SESSION

MOTION: Council Member Luis E. Cabrera/Council Member Javier Vargas to go back into Special Session at approximately 8:17 p.m. The motion passed unanimously.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Aye

11. DISCUSSION AND POSSIBLE ACTION ITEM:

11. A. Discussion and possible action on any and all matters regarding the employment contract of Chief of Police Nigel I. Reynoso. (Jenny Torres, Acting City Manager)

Ms. Jenny Torres, Acting City Manager, explained that the contract for the Chief of Police is presented with no changes unless the City Council decides otherwise. But the Administration is recommending approval of the contract.

The Mayor and City Council thanked Mr. Nigel Reynoso, Chief of Police, for serving this community and doing an excellent job. Mayor Nieves Riedel expressed that he has been, so far, the most decent human being, Police Chief. People are very happy with the way he manages the Police Department.

Chief of Police Reynoso thanked God, the Mayor and City Council, his wife, family and Department Heads for their support. He added that his job is easier because of the great team he has and that he will do the best that he can.

MOTION: Council Member Luis E. Cabrera/Mayor Nieves Riedel to approve the employment contract with the Chief of Police Nigel I. Reynoso, as attached to this agenda item. The motion passed unanimously.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Aye

12. ADJOURNMENT

MOTION: Council Member Luis E. Cabrera /Council Member Javier Vargas to adjourn the Special Council meeting at approximately 8:23 p.m. The motion passed unanimously.

The vote was as follows:

Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Lizeth Servin	Aye
Council Member Javier Vargas	Aye
Mayor Nieves Riedel	Aye

APPROVED:

Nieves Riedel, Mayor

ATTEST:

Sonia Cornelio, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special City Council meeting of the City Council of the City of San Luis, Arizona, held on December 17, 2025. I further certify that the meeting was duly called and held and that a quorum was present.

Sonia Cornelio, City Clerk



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

6. B.

Meeting Date: 01/28/2026

Summary

DISBURSEMENTS

From January 3, 2026 to January 20, 2026

Total \$2,180,588.61 (Two Million, One Hundred Eighty Thousand, Five Hundred Eighty-Eight Dollars and Sixty-One Cents)

Attachments

Disbursements



City of San Luis

Finance Department

COUNCIL MEETING JANUARY 28, 2026
Disbursement Report from 01/03/2026 TO 01/20/2026

<u>Bank Accounts</u>	<u>Check Date</u>	<u>Amount</u>	<u>Schedule</u>
Payroll Check Account	01/07/2026	\$ 3,917.03	Schedule A
Accounts Payable Check Account	01/09/2026	\$ 827,105.94	Schedule B
Payroll Check Account	01/16/2026	\$ 592,627.09	Schedule C
Accounts Payable Check Account	01/16/2026	\$ 756,938.55	Schedule D

Total Disbursements: \$ 2,180,588.61 -

Please contact Ms. Roula Encinas or Mr. Miguel Ramirez prior to the meeting if additional information is needed.

RECEIVED

JAN 21 2026

CITY CLERK'S OFFICE

Prepared by Karla Plascencia: _____

Verified by Finance: _____

For Council approval on: _____

Mayor: _____

Council: _____

[Handwritten signature]
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Pay Day Register

Pay Date Range 01/01/26 - 01/31/26

Pay Batch 202601M

Pay Batch 202601M Total

Employees in Pay Batch 7

Female Employees in Pay Batch 3

Hours Description	Hours	Gross	Withholdings and Deductions	Gross Base	Benefits	Gross Base
102 - SALARY	.0000	7,550.00	Gross	7,550.00	ASRS Council	260.92 2,200.00
Total	0.0000	\$7,550.00	Imputed Income		ASRS LTD Council	3.08 2,200.00
			FEDERAL TAX WITHHOLDING	126.93 4,738.86	ASRS/EORP - LEGACY RATE	1,291.40 2,200.00
			SOCIAL SECURITY TAX	468.10 7,550.00	Dental Council	249.44 .00
			MEDICARE	109.48 7,550.00	EODCRS - COUNCIL	267.00 4,450.00
			STATE WITHHOLDING	114.24 4,738.86	EODCRS - DISABILITY	6.23 4,450.00
			ASRS Council	260.92 2,200.00	EODCRS/EORP LEGACY RATE	2,385.65 4,450.00
			ASRS LTD Council	3.08 2,200.00	Health Council	8,881.85 .00
			Council Retirement EORP	117.00 900.00	Retirement Council EORP	636.30 900.00
			Dental Council	133.33 .00	Vision Council	76.98 .00
			EODCRS - COUNCIL	356.00 4,450.00	Total	\$14,058.85
			EODCRS - DISABILITY	6.23 4,450.00		
			Medical Council	1,895.84 .00	Employer Taxes	Gross Base
			Vision Council	41.82 .00	MEDICARE	109.48 7,550.00
			Net	\$3,917.03	SOCIAL SECURITY TAX	468.10 7,550.00
					SUTA/UNEMPLOYMENT	45.30 7,550.00
					Total	\$622.88
					Workers' Comp	Gross Base
					MUNICIPAL/ TOWN/	132.13 7,550.00
					Total	\$132.13
					Direct Deposits	Amount
					1st Bank Yuma	1,326.34
					CAPITAL ONE	651.91
					Chase Bank	1,227.08
					Navy Federal	104.92
					Wells Fargo	606.78
					Total	\$3,917.03
					Check	\$0.00

Miguel Ramirez
1/7/26

SCHEDULE A

Payment Register

From Payment Date: 1/5/2026 - To Payment Date: 1/9/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
1BYPAYABLE - 1st BY Accounts Payable									
Check									
114165	01/07/2026	Voided		01/07/2026	Accounts Payable	VOZ ENTERTAINMENT, LLC	\$0.01		
114166	01/07/2026	Voided		01/07/2026	Accounts Payable	VOZ ENTERTAINMENT, LLC	\$0.01		
114167	01/08/2026	Open			Accounts Payable	ADOT	\$101,731.00		
114168	01/08/2026	Open			Accounts Payable	AGILE OCCUPATIONAL MEDICINE, PC	\$1,020.00		
114169	01/08/2026	Open			Accounts Payable	AGUA HELADA LLC	\$68.20		
114170	01/08/2026	Open			Accounts Payable	ANGEL'S TOWING SERVICE/AUTO SALES	\$195.00		
114171	01/08/2026	Open			Accounts Payable	ARIZONA PUBLIC SERVICE	\$821.14		
114172	01/08/2026	Open			Accounts Payable	AVILA, FABIAN	\$180.00		
114173	01/08/2026	Open			Accounts Payable	BINGHAM EQUIPMENT CO	\$181.76		
114174	01/08/2026	Open			Accounts Payable	BORDER TRADE ALLIANCE	\$10,000.00		
114175	01/08/2026	Open			Accounts Payable	BOUND TREE MEDICAL, LLC.	\$195.62		
114176	01/08/2026	Open			Accounts Payable	CASEGUARD, INC	\$5,142.00		
114177	01/08/2026	Open			Accounts Payable	CASTILLO'S SOUTHWEST TOWING LLC.	\$215.00		
114178	01/08/2026	Open			Accounts Payable	CENTURYLINK	\$69.80		
114179	01/08/2026	Open			Accounts Payable	CENTURYLINK	\$76.34		
114180	01/08/2026	Open			Accounts Payable	CONSTANTINO, AYLIN	\$173.45		
114181	01/08/2026	Open			Accounts Payable	CORE & MAIN LP	\$2,791.80		
114182	01/08/2026	Open			Accounts Payable	DOYLE WILLIAM DEANE MCCURLEY	\$12,000.00		
114183	01/08/2026	Open			Accounts Payable	EDWARDS & AMATO P.C.	\$6,875.00		
114184	01/08/2026	Open			Accounts Payable	FERTIZONA-YUMA L.L.C.	\$1,195.17		
114185	01/08/2026	Open			Accounts Payable	FIREFIGHTER SELECTION, INC.	\$100.00		
114186	01/08/2026	Open			Accounts Payable	FIRST LEGAL BUYER INC.	\$2,751.30		
114187	01/08/2026	Open			Accounts Payable	FITZGIBBONS LAW OFFICES, P.L.C.	\$252.50		
114188	01/08/2026	Open			Accounts Payable	G&T ALARM CO LLC	\$180.00		
114189	01/08/2026	Open			Accounts Payable	GALVAN, AURELIO	\$113.00		
114190	01/08/2026	Open			Accounts Payable	GREEN RUBBER- KENNEDY AG	\$73.23		
114191	01/08/2026	Open			Accounts Payable	GUARDIAN ALLIANCE TECHNOLOGIES, INC.	\$390.00		
114192	01/08/2026	Open			Accounts Payable	HD SUPPLY, INC.	\$485.13		
114193	01/08/2026	Open			Accounts Payable	IMLA	\$649.00		
114194	01/08/2026	Open			Accounts Payable	IMSA GARAGE DOORS LLC	\$1,330.00		
114195	01/08/2026	Open			Accounts Payable	IPS GROUP INC	\$1,773.74		
114196	01/08/2026	Open			Accounts Payable	IRON MOUNTAIN INC	\$154.74		
114197	01/08/2026	Open			Accounts Payable	JACOBS, MATTHEW, JOSEPH	\$250.00		
114198	01/08/2026	Open			Accounts Payable	MOMENTIVE SOFTWARE, INC (FKA YOURMEMBERSHIP.COM INC	\$499.00		
114199	01/08/2026	Open			Accounts Payable	MUELA, CARLOS	\$113.00		
114200	01/08/2026	Open			Accounts Payable	NUNEZ, ENRIQUE	\$113.00		
114201	01/08/2026	Open			Accounts Payable	OFF DUTY MANAGEMENT, INC.	\$542.08		
114202	01/08/2026	Open			Accounts Payable	PFVT MOTORS, INC	\$50,096.85		
114203	01/08/2026	Open			Accounts Payable	PRECISION UNIFORMS LLC	\$118.06		
114204	01/08/2026	Open			Accounts Payable	QUALIFICATION TARGETS, INC.	\$911.80		
114205	01/08/2026	Open			Accounts Payable	QUINONEZ, FRANCISCO	\$450.00		
114206	01/08/2026	Open			Accounts Payable	REFINE LEGAL PLLC	\$708.00		

SCHEDULE B

Payment Register

From Payment Date: 1/5/2026 - To Payment Date: 1/9/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
114207	01/08/2026	Open			Accounts Payable	RENTERIA, EDGAR	\$295.00		
114208	01/08/2026	Open			Accounts Payable	SAN LUIS AZ NEWS	\$719.63		
114209	01/08/2026	Open			Accounts Payable	STEVEN L. MCCARTY	\$250.00		
114210	01/08/2026	Open			Accounts Payable	THE WINDOOR SHOP	\$533.56		
114211	01/08/2026	Open			Accounts Payable	TORRES, CARLOS	\$182.47		
114212	01/08/2026	Open			Accounts Payable	VILLA, CARLOS ALBERTO	\$130.00		
114213	01/08/2026	Open			Accounts Payable	XEROX CORPORATION	\$2,594.66		
114214	01/08/2026	Open			Accounts Payable	YMPO	\$14,058.21		
Type Check Totals:									
EFT									
50 Transactions							\$223,749.26		
8919	01/08/2026	Open			Accounts Payable	24/7 GET FIT LLC	\$1,647.00		
8920	01/08/2026	Open			Accounts Payable	AIRGAS, INC.	\$132.11		
8921	01/08/2026	Open			Accounts Payable	ALLKIOSK LLC	\$1,129.10		
8922	01/08/2026	Open			Accounts Payable	ARIZONA PNEUMATIC SYSTEM	\$19,532.12		
8923	01/08/2026	Open			Accounts Payable	ARIZONA POLICE PSYCHOLOGY, PLLC	\$400.00		
8924	01/08/2026	Open			Accounts Payable	ARIZONA WESTERN COLLEGE	\$6,729.13		
8925	01/08/2026	Open			Accounts Payable	B&H PHOTO & ELECTRONICS CORP.	\$8.21		
8926	01/08/2026	Open			Accounts Payable	BILL ALEXANDER FORD	\$2,206.08		
8927	01/08/2026	Open			Accounts Payable	BOTACH INC	\$10,924.08		
8928	01/08/2026	Open			Accounts Payable	CDWG	\$136.12		
8929	01/08/2026	Open			Accounts Payable	CHAPMAN CHEVROLET BUICK GMC YUMA LLC	\$104.01		
8930	01/08/2026	Open			Accounts Payable	CHAPMAN DCJR YUMA LLC	\$4,826.32		
8931	01/08/2026	Open			Accounts Payable	CITY OF SAN LUIS EMPLOYEE BENEFIT TRUST	\$373,700.00		
8932	01/08/2026	Open			Accounts Payable	DESERT DOCUMENT SHREDDERS, LLC	\$37.75		
8933	01/08/2026	Open			Accounts Payable	DESERT WATER STORE INC	\$124.53		
8934	01/08/2026	Open			Accounts Payable	DIGITAL ROOM LLC	\$639.56		
8935	01/08/2026	Open			Accounts Payable	FRESH TERRA SERVICES LLC	\$135.00		
8936	01/08/2026	Open			Accounts Payable	FRUTH GROUP INC	\$5,063.43		
8937	01/08/2026	Open			Accounts Payable	GREATER YUMA ECONOMIC DEV CORP	\$15,940.75		
8938	01/08/2026	Open			Accounts Payable	HILL BROTHERS CHEMICAL CO.	\$20,778.77		
8939	01/08/2026	Open			Accounts Payable	KINGHOSE INDUSTRY LLC	\$2,494.46		
8940	01/08/2026	Open			Accounts Payable	LOOMIS	\$1,929.70		
8941	01/08/2026	Open			Accounts Payable	MAX SUPPLIES AND SERVICES LLC	\$3,653.50		
8942	01/08/2026	Open			Accounts Payable	MCNEECE BROS. OIL COMPANY, INC	\$37,231.45		
8943	01/08/2026	Open			Accounts Payable	MN8 ENERGY OPERATING COMPANY LLC	\$61,599.19		
8944	01/08/2026	Open			Accounts Payable	ORDUNO-CROUSE, CANDICE	\$9,500.00		
8945	01/08/2026	Open			Accounts Payable	PURCHASE POWER	\$1,041.99		
8946	01/08/2026	Open			Accounts Payable	ROACH PEST CONTROL	\$140.00		
8947	01/08/2026	Open			Accounts Payable	RUSH TRUCK CENTER	\$69.17		
8948	01/08/2026	Open			Accounts Payable	SAM'S CLUB	\$2,386.92		
8949	01/08/2026	Open			Accounts Payable	SIRCHIE ACQUISITION COMPANY LLC	\$530.55		

Payment Register

From Payment Date: 1/5/2026 - To Payment Date: 1/9/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference	
8950	01/08/2026	Open			Accounts Payable	SOUTHERN TIRE MART LLC	\$2,064.87			
8951	01/08/2026	Open			Accounts Payable	SPECTRUM BUSINESS	\$208.97			
8952	01/08/2026	Open			Accounts Payable	SUN GRAPHICS	\$1,432.21			
8953	01/08/2026	Open			Accounts Payable	TRUCKPRO HOLDING CORPORATION	\$3,182.80			
8954	01/08/2026	Open			Accounts Payable	UNIVERSAL BACKGROUND SCREENING INC	\$694.92			
8955	01/08/2026	Open			Accounts Payable	VOZ ENTERTAINMENT, LLC	\$3,390.00			
8956	01/08/2026	Open			Accounts Payable	YUMA COUNTY ELECTIONS	\$6,672.56			
8957	01/08/2026	Open			Accounts Payable	YUMA COUNTY RECORDER'S OFFICE	\$135.00			
8958	01/08/2026	Open			Accounts Payable	ZOLL MEDICAL CORP	\$804.35			
Type EFT Totals:										
1BYPAYABLE - 1st BY Accounts Payable Totals							40 Transactions	\$603,356.68		

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	48	\$223,749.24	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	2	\$0.02	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	50	\$223,749.26	\$0.00

EFTs	Status	Count	Transaction Amount	Reconciled Amount
	Open	40	\$603,356.68	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Total	40	\$603,356.68	\$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	88	\$827,105.92	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	2	\$0.02	\$0.00

Payment Register

From Payment Date: 1/5/2026 - To Payment Date: 1/9/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
					Stopped		0	\$0.00	
					Total		90	\$827,105.94	\$0.00
Grand Totals:									
					Checks				
					Status		Count	Transaction Amount	Reconciled Amount
					Open		48	\$223,749.24	\$0.00
					Reconciled		0	\$0.00	\$0.00
					Voided		2	\$0.02	\$0.00
					Stopped		0	\$0.00	\$0.00
					Total		50	\$223,749.26	\$0.00
					EFTs				
					Status		Count	Transaction Amount	Reconciled Amount
					Open		40	\$603,356.68	\$0.00
					Reconciled		0	\$0.00	\$0.00
					Voided		0	\$0.00	\$0.00
					Total		40	\$603,356.68	\$0.00
					All				
					Status		Count	Transaction Amount	Reconciled Amount
					Open		88	\$827,105.92	\$0.00
					Reconciled		0	\$0.00	\$0.00
					Voided		2	\$0.02	\$0.00
					Stopped		0	\$0.00	\$0.00
					Total		90	\$827,105.94	\$0.00

Guadalupe Canez

Digitally signed by: Guadalupe Canez
 DN: CN = Guadalupe Canez email =
 ggcanez@sanluisaz.gov C = AD
 Date: 2026.01.09 09:27:46 -07'00'



Pay Day Register

Pay Date Range 12/27/25 - 01/09/26

Pay Batch 202602

Pay Batch 202602 Total

Employees in Pay Batch 355

Female Employees in Pay Batch 100

Hours Description	Hours	Gross	Withholdings and Deductions	Gross Base	Benefits	Gross Base	
100 - REGULAR	23,090.7500	596,502.42	Gross	858,342.04	ASRS ALTERNATE	468.70	4,807.20
1000 - ADMIN LEAVE	70.0000	2,977.10	Imputed Income		AZ STATE RETIREMENT	58,413.65	492,527.44
1001 - LEAVE WITHOUT PAY	74.5000	.00	FEDERAL TAX WITHHOLDING	49,126.13	DENTAL = FAMILY	417.90	.00
1005 - BEREAVEMENT	24.0000	1,036.56	SOCIAL SECURITY TAX	53,217.34	LONG TERM DISABILITY	689.50	492,527.44
1007 - ON CALL WORKED HOURS	10.5000	311.12	MEDICARE	12,445.96	MEDICAL MEX ONLY - EE &	2,664.09	.00
1009 - PART TIME	66.2500	1,071.97	STATE WITHHOLDING	15,664.49	MEDICAL MEX ONLY - EE &	10,963.46	.00
1010 - PART TIME FIREFIGHTERS	166.5000	3,589.44	24-7 GET FIT- GYM	1,863.00	MEDICAL MEX ONLY - EE &	2,664.09	.00
201 - OVERTIME	1,008.2500	37,021.34	AM. FIDELITY - HEALTH FSA	25.00	MEDICAL MEX ONLY - EE ONLY	4,844.04	.00
202 - OP STONE GARDEN- O.T.	346.0000	18,484.03	AM. FIDELITY- ACCIDENT-POST	25.01	MEX & US HEALTH = EE	58,921.92	.00
2023 - FMLA - SICK LEAVE	142.9200	3,761.39	AM. FIDELITY- ACCIDENT-PRE	471.55	MEX ONLY DENTAL - EE &	156.64	.00
2024 - FMLA - VACATION LEAVE	65.0800	1,886.03	AM. FIDELITY- CANCER-POST	43.30	MEX ONLY DENTAL - EE &	351.13	.00
203 - DUI OVERTIME	20.0000	838.50	AM. FIDELITY- CANCER-PRE TAX	157.40	MEX ONLY DENTAL - EE &	156.64	.00
2036 - MARSHALS OT	10.0000	434.25	AM. FIDELITY- GCI -POST TAX	73.09	MEX ONLY DENTAL - EE ONLY	244.20	.00
2038 - FMLA - LEAVE WITHOUT	44.0000	.00	AM. FIDELITY- GHI- PRE TAX	259.84	PSPRS - ALTERNATE	194.18	2,427.20
210 - SRO	30.0000	884.58	AM. FIDELITY- LIFE -POST TAX	316.48	PSPRS FIRE DB NORM - TIER 1	9,915.50	79,642.58
300 - VACATION EARNED	1,417.8900	.00	AM. FIDELITY- TX LIFE -POST	178.44	PSPRS FIRE DB NORM - TIER 2	824.89	6,625.58
301 - VACATION USED	2,678.3700	78,109.30	AZ COPS - SLPD	635.00	PSPRS FIRE DB NORM - TIER 3	9,344.71	107,534.03
400 - SICK EARNED	1,355.2300	.00	AZ STATE RETIREMENT	58,413.65	PSPRS FIRE DB UNFUND - TIER	1,815.87	79,642.58
405 - SCHEDULED SICK LEAVE	227.2500	5,604.02	BORDER GYM - GYM	475.00	PSPRS FIRE DB UNFUND - TIER	151.06	6,625.58
406 - UNSCHEDULED SICK LEAVE	743.6300	18,349.96	CHILD SUPPORT 2	234.46	PSPRS FIRE DB UNFUND - TIER	2,677.57	107,534.03
502 - ON CALL PAY I.T.	.0000	125.00	DEFERRED COMP - ROTH	1,015.00	PSPRS POLICE DB NORM - TIER	6,124.20	63,595.14
503 - STAND-BY PAY	686.5000	1,373.00	DEFERRED COMP - ROTH	159.71	PSPRS POLICE DB NORM - TIER	954.76	9,914.49
701 - HOLIDAY	2,632.0000	71,679.04	DEFERRED COMPENSATION	2,825.00	PSPRS POLICE DB NORM - TIER	5,941.83	68,375.44
704 - FIRE HOLIDAY EARNED	636.0000	.00	DEFERRED COMPENSATION	778.06	PSPRS POLICE DB UNFUND -	3,103.43	63,595.14
706 - HOLIDAY WORKED HOURS	200.5000	7,959.06	FOP/ALC	450.00	PSPRS POLICE DB UNFUND -	483.83	9,914.49
900 - COMPENSATION EARNED	13.0000	.00	GARNISHMENT - CHILD	2,231.38	PSPRS POLICE DB UNFUND -	3,548.67	68,375.44
901 - COMPENSATION USED	12.2450	242.39	IAFF- FIRE DEPT	1,520.00	STANDARD LIFE	3,206.53	.00
921 - STEP OVERTIME	4.0000	225.54	LEGAL SHIELD	59.31	STANDARD LTD	1,564.00	288,770.04
923 - BORDER FITNESS - GYM	.0000	475.00	LONG TERM DISABILITY	689.50	STANDARD STD	4,899.94	.00
932 - 24-7 GET FIT - GYM	.0000	1,863.00	MANHATTANLIFE ASSURANCE	96.51	U.S. MEX DENTAL - EE &	382.56	.00
965 - PD - STAND-BY PAY	.0000	2,138.00	MEX ONLY DENTAL - EE &	201.52	U.S. MEX DENTAL - EE &	127.52	.00
967 - FD - SPECIAL ASSIGNMENT	700.0000	1,400.00	MEX ONLY DENTAL - EE &	451.77	US & MEX DENTAL - EE	3,137.28	.00
ENFORCED DAY OFF - ENFORCED	20.0000	.00	MEX ONLY DENTAL - EE &	201.52	US & MEX HEALTH = C	26,588.80	.00
Total	36,495.3650	\$858,342.04	MEX ONLY HEALTH - EE & CH	656.04	US & MEX HEALTH = FAMILY	29,488.07	.00
			MEX ONLY HEALTH = S	538.35	US & MEX HEALTH = SP	5,982.48	.00
			MEXICO ONLY HEALTH - EE &	2,699.79	VISION - SINGLE	1,274.56	.00
			MEXICO ONLY HEALTH - EE &	656.04	VSP- VISION	577.50	.00
			MISCELLANEOUS	195.00	Total	\$263,265.70	
			PAC FUND- FIRE DEPT.	116.00			

SCHEDULE C



Pay Day Register

Pay Date Range 12/27/25 - 01/09/26

Pay Batch 202602

PS DEFERRED COMP - ROTH	805.00	.00	Employer Taxes		Gross Base
PS DEFERRED COMP - ROTH	720.95	9,501.03	MEDICARE	12,446.52	858,380.34
PS DEFERRED COMP TIAA -	604.93	13,927.41	SOCIAL SECURITY TAX	53,219.72	858,380.34
PS DEFERRED COMPENSATION	2,135.00	.00	SUTA/UNEMPLOYMENT	4,907.63	817,934.54
PSPRS FIRE DB RATE - TIER 1a	4,840.17	63,270.23	Total	<u>\$70,573.87</u>	
PSPRS FIRE DB RATE - TIER 1b	1,252.48	16,372.35			
PSPRS FIRE DB RATE - TIER 2	506.86	6,625.58	Workers' Comp		Gross Base
PSPRS FIRE DB RATE - TIER 3	9,344.71	107,534.03	Ambulance EMT Search &	4,167.83	87,743.25
PSPRS POLICE DB RATE - TIER	3,350.42	43,796.41	ANIMAL CONTROL OFFICERS	88.05	3,913.19
PSPRS POLICE DB RATE - TIER	1,514.60	19,798.73	ATTORNEY- ALL & CLERICAL-	78.69	35,786.70
PSPRS POLICE DB RATE - TIER 2	758.46	9,914.49	AUTO SERVICE/ REPAIR	325.36	11,661.34
PSPRS POLICE DB RATE - TIER 3	5,941.83	68,375.44	BUILDING- NOC OPER BY	637.24	17,603.53
STANDARD LIFE ADDTNL	856.00	.00	BUS COMPANY AND DRIVERS	83.99	1,521.60
TRANSWESTERN MEXICAN	141.00	.00	CLERICAL OFFICE/ LIBRARY/	448.42	186,842.96
U.S. MEX DENTAL - EE &	492.72	.00	Electrician	73.78	2,349.60
U.S. MEX DENTAL - EE &	164.24	.00	FIREFIGHTERS & DRIVERS	5,516.26	116,131.70
UNITED WAY	14.00	.00	GARBAGE/ ASH/ REFUSE	789.70	12,635.29
US & MEX DENTAL = FAMILY	538.02	.00	Homemaker Service	44.67	1,950.62
US & MEX HEALTH = C	6,547.60	.00	Motion Picture Production	16.44	2,529.60
US & MEX HEALTH = FAMILY	7,261.60	.00	MUNICIPAL/ TOWN/	961.36	54,934.82
US & MEX HEALTH = S	6,546.88	.00	PARKS- NOC ALL EMPLOYEES	839.92	27,093.77
US & MEX HEALTH = SP	1,473.21	.00	POLICE OFFICERS	7,824.70	164,730.66
VSP - VISION CHILDREN	243.95	.00	RECREATION- ALL EMPLOYEES/	304.30	22,210.62
VSP - VISION FAMILY	355.47	.00	SEWAGE DISPOSAL/ PLANT	1,374.80	39,964.94
VSP - VISION SPOUSE	167.28	.00	Street or Road Construction	2,958.62	33,506.63
Net	<u>\$592,627.09</u>		WATERWORKS OPERATIONS	<u>1,223.86</u>	35,269.52
			Total	<u>\$27,757.99</u>	

Miguel Ramirez
01/15/2026

Direct Deposits	Amount
1st Bank Yuma	37,602.27
ACADEMY BANK	2,801.38
Ally Bank	1,569.03
AVENIR FINANCIAL	47,870.91
Bank of America	7,677.18
Bank of America CA	1,241.00
Bankcorp	200.00
BANKCORP BANK	1,716.70
CAPITAL ONE	2,242.04
Charles Sch	250.00
Chase Bank	271,301.72
CHASE BANK CA	3,445.60
CHASE BANK MORGAN	1,905.91
CHASE BANK TX	1,500.00

x

Pay Day Register

Pay Date Range 12/27/25 - 01/09/26

Pay Batch 202602

chase centro	2,113.53
discover	400.00
EVOLVE BANK AND TRUST	205.02
FF CREDIT UNION	2,603.51
FIDELITY	424.27
FIREFIGHTER FIRST CREDIT UNION	16,165.54
HUGHES FCU	2,053.38
JP Morgan Chase	1,195.94
MECHANICS BANK	264.12
National Bank	1,314.28
National Police FCU	100.00
Navy Federal	37,990.07
NBKC Bank - Acorns	1,045.60
NetSpend Corporation DD	120.00
NORTH ISLAND CREDIT UNION	818.62
PATHWARD	2,415.54
Pima Federal Credit Union	856.37
SOFT BANK	2,051.20
Sunbank	2,147.77
THE FOOTHILLS BANK	2,195.39
USAA FEDERAL SAVING	3,808.90
VANTAGE WEST	2,167.20
WASHINGTON FEDERAL	1,335.48
Wells Fargo	109,047.22
WELLS FARGO ARKANSAS	1,909.03
WELLS FARGO CA	4,525.22
WELLS FARGO CALE	866.44
WELLS FARGO YUMA	3,038.67
Total	<u>\$584,502.05</u>
Check	\$8,125.04

Payment Register

From Payment Date: 1/12/2026 - To Payment Date: 1/15/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
1BYPAYABLE - 1st BY Accounts Payable									
Check									
114215	01/15/2026	Open			Accounts Payable	ACE UNIFORMS	\$196.35		
114216	01/15/2026	Open			Accounts Payable	AGUIRRE PEREZ, FELIPE	\$1,000.00		
114217	01/15/2026	Open			Accounts Payable	AT&T MOBILITY LLC	\$4,603.85		
114218	01/15/2026	Open			Accounts Payable	BOUND TREE MEDICAL, LLC.	\$1,282.41		
114219	01/15/2026	Open			Accounts Payable	CENTURYLINK	\$5,795.25		
114220	01/15/2026	Open			Accounts Payable	COMITE DE BIENESTAR INC	\$2,685.82		
114221	01/15/2026	Open			Accounts Payable	CONSTRUCTION SUPPLY HOLDINGS II, LLC	\$2,021.05		
114222	01/15/2026	Open			Accounts Payable	CORE & MAIN LP	\$2,843.26		
114223	01/15/2026	Open			Accounts Payable	DAHL, ROBINS & ASSOCIATES, INC	\$15,800.00		
114224	01/15/2026	Open			Accounts Payable	ECOENERGY SOLUTIONS LLC	\$3,975.00		
114225	01/15/2026	Open			Accounts Payable	EMPIRE MACHINERY	\$2,012.63		
114226	01/15/2026	Open			Accounts Payable	ETE FITNESS EQUIPMENT - FV	\$13,447.55		
114227	01/15/2026	Open			Accounts Payable	FKC CO., LTD	\$478,437.30		
114228	01/15/2026	Open			Accounts Payable	GILA ELECTRONIC	\$1,375.00		
114229	01/15/2026	Open			Accounts Payable	GONZALEZ SESTEAGA, GIOVANY, GILBERTO	\$150.00		
114230	01/15/2026	Open			Accounts Payable	HD SUPPLY, INC.	\$953.22		
114231	01/15/2026	Open			Accounts Payable	HERNANDEZ ALVAREZ, LESLIE, A	\$253.65		
114232	01/15/2026	Open			Accounts Payable	HUGHES FIRE EQUIPMENT, INC.	\$1,576.47		
114233	01/15/2026	Open			Accounts Payable	IMPERIAL PIPE AND STEEL SUPPLY LLC	\$802.25		
114234	01/15/2026	Open			Accounts Payable	IMSA GARAGE DOORS LLC	\$295.00		
114235	01/15/2026	Open			Accounts Payable	JAY'S ELECTRIK LLC	\$164.68		
114236	01/15/2026	Open			Accounts Payable	LAWSON PRODUCTS INC.	\$1,818.04		
114237	01/15/2026	Open			Accounts Payable	MACHADO, IVAN & AIXIA GUTIERREZ	\$600.00		
114238	01/15/2026	Open			Accounts Payable	MACUIL, KAY	\$573.57		
114239	01/15/2026	Open			Accounts Payable	MORALES, ALEJANDRO	\$184.25		
114240	01/15/2026	Open			Accounts Payable	NUNEZ, ENRIQUE	\$567.00		
114241	01/15/2026	Open			Accounts Payable	OFF DUTY MANAGEMENT, INC.	\$246.40		
114242	01/15/2026	Open			Accounts Payable	PACHECO, CARLOS	\$200.00		
114243	01/15/2026	Open			Accounts Payable	PCL CONSTRUCTION, INC	\$19,340.96		
114244	01/15/2026	Open			Accounts Payable	PITNEY BOWES GLOBAL FINANCIAL SERVICES LLC	\$220.52		
114245	01/15/2026	Open			Accounts Payable	POLICE RECORDS AND INFO MGMT GRP	\$1,017.85		
114246	01/15/2026	Open			Accounts Payable	QUINONEZ, FRANCISCO	\$390.00		
114247	01/15/2026	Open			Accounts Payable	RADIOTRONICS, INC.	\$504.00		
114248	01/15/2026	Open			Accounts Payable	REFRIGERATION SUPPLIES DISTRIBUTOR	\$2,104.06		
114249	01/15/2026	Open			Accounts Payable	REMINGTON INDUSTRIAL SUPPLY LLC	\$3,303.50		
114250	01/15/2026	Open			Accounts Payable	RODRIGUEZ, AMARAI	\$250.00		
114251	01/15/2026	Open			Accounts Payable	RYAN, RAPP, PACHECO, SORENSEN	\$302.50		
114252	01/15/2026	Open			Accounts Payable	SHAY OIL COMPANY	\$2.76		
114253	01/15/2026	Open			Accounts Payable	TAFOYA, DANIEL	\$113.00		
114254	01/15/2026	Open			Accounts Payable	W.W.GRAINGER, INC	\$142.89		

SCHEDULE D

Payment Register

From Payment Date: 1/12/2026 - To Payment Date: 1/15/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
114255	01/15/2026	Open			Accounts Payable	YUMA COUNTY SUPERIOR COURT	\$10,972.43		
114256	01/15/2026	Open			Accounts Payable	YUMA WINLECTRIC CO.	\$296.24		
114257	01/15/2026	Open			Accounts Payable	BOOT BARN, INC.	\$810.92		
114258	01/15/2026	Open			Accounts Payable	ROCKBOT, INC.	\$374.83		
114259	01/15/2026	Open			Accounts Payable	ARIZONA CONFERENCE OF POLICE & SHERIFFS	\$635.00		
114260	01/15/2026	Open			Accounts Payable	FOP/ALC	\$450.00		
114261	01/15/2026	Open			Accounts Payable	SUPPORT PAYMENT CLEARINGHOUSE	\$2,465.84		
114262	01/15/2026	Open			Accounts Payable	UNITED WAY OF YUMA COUNTY INC.	\$14.00		
114263	01/15/2026	Open			Accounts Payable	UNITED YUMA FIRE FIGHTERS ASSOC	\$116.00		
114264	01/15/2026	Open			Accounts Payable	UNITED YUMA FIRE FIGHTERS- IAFF	\$1,520.00		
Type Check Totals:									
EFT									
50 Transactions							\$589,207.30		
8959	01/13/2026	Open			Accounts Payable	BILL ALEXANDER FORD	\$8,062.55		
8960	01/15/2026	Open			Accounts Payable	AIRGAS, INC.	\$386.69		
8961	01/15/2026	Open			Accounts Payable	AMAZON WEB SERVICES INC	\$2.18		
8962	01/15/2026	Open			Accounts Payable	AMETZA ARIZONA LLC	\$467.64		
8963	01/15/2026	Open			Accounts Payable	ARIZONA MEDICAL WASTE	\$258.15		
8964	01/15/2026	Open			Accounts Payable	BILL ALEXANDER FORD	\$54.96		
8965	01/15/2026	Open			Accounts Payable	BLT READY MIX CONCRETE LLC	\$4,102.12		
8966	01/15/2026	Open			Accounts Payable	BORREGO BROTHERS, INC	\$4,878.54		
8967	01/15/2026	Open			Accounts Payable	CDWG	\$31,939.14		
8968	01/15/2026	Open			Accounts Payable	CHAPMAN CHEVROLET BUICK GMC YUMA LLC	\$566.98		
8969	01/15/2026	Open			Accounts Payable	COPPER STATE BOLT & NUT CO.	\$344.43		
8970	01/15/2026	Open			Accounts Payable	CROWN AWARDS	\$142.45		
8971	01/15/2026	Open			Accounts Payable	CYBER MARKETING NETWORK, INC	\$123.10		
8972	01/15/2026	Open			Accounts Payable	DESERT DOCUMENT SHREDDERS, LLC	\$186.00		
8973	01/15/2026	Open			Accounts Payable	DESERT WATER STORE INC	\$107.65		
8974	01/15/2026	Open			Accounts Payable	FRESH TERRA SERVICES LLC	\$2,992.00		
8975	01/15/2026	Open			Accounts Payable	FRUTH GROUP INC	\$120.18		
8976	01/15/2026	Open			Accounts Payable	HAAKER EQUIPMENT COMPANY	\$271.34		
8977	01/15/2026	Open			Accounts Payable	HANSBERGER REGRIGERATION & ELECTRIC CO	\$274.35		
8978	01/15/2026	Open			Accounts Payable	HEINFELD, MEECH & CO., P.C.	\$332.99		
8979	01/15/2026	Open			Accounts Payable	HIREQUEST LLC	\$5,748.00		
8980	01/15/2026	Open			Accounts Payable	KIMLEY-HORN AND ASSOCIATES INC	\$505.00		
8981	01/15/2026	Open			Accounts Payable	LOGICAL CONCEPTS, INC	\$3,770.00		
8982	01/15/2026	Open			Accounts Payable	MAJCO LLC	\$95.00		
8983	01/15/2026	Open			Accounts Payable	NICKLAUS ENGINEERING	\$6,937.20		
8984	01/15/2026	Open			Accounts Payable	PLOTTER DOCTORS, LLC	\$1,972.53		
8985	01/15/2026	Open			Accounts Payable	POINT EMBLEMS, LLC	\$993.73		
8986	01/15/2026	Open			Accounts Payable	PRECISION PROTECTIVE SERVICES LLC	\$10,988.60		

Payment Register

From Payment Date: 1/12/2026 - To Payment Date: 1/15/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
8987	01/15/2026	Open			Accounts Payable	RAMIREZ ADVISORS INTER-NATIONAL,LLC	\$7,500.00		
8988	01/15/2026	Open			Accounts Payable	REAL PURIFIED WATER LLC	\$89.95		
8989	01/15/2026	Open			Accounts Payable	REPUBLIC SERVICES, INC.	\$17,668.97		
8990	01/15/2026	Open			Accounts Payable	RUSH TRUCK CENTER	\$1,543.68		
8991	01/15/2026	Open			Accounts Payable	SEBIS DIRECT INC.	\$3,186.72		
8992	01/15/2026	Open			Accounts Payable	SIMS MACKIN, LTD.	\$2,100.00		
8993	01/15/2026	Open			Accounts Payable	SIRCHIE ACQUISITION COMPANY LLC	\$350.87		
8994	01/15/2026	Open			Accounts Payable	SOUTHERN TIRE MART LLC	\$3,590.94		
8995	01/15/2026	Open			Accounts Payable	SOUTHWEST MERCH LLC	\$611.55		
8996	01/15/2026	Open			Accounts Payable	STRONG, CAMERON, T	\$720.00		
8997	01/15/2026	Open			Accounts Payable	THOMSON WEST PUBLISHING CO.	\$2,626.08		
8998	01/15/2026	Open			Accounts Payable	TRUCKPRO HOLDING CORPORATION	\$600.81		
8999	01/15/2026	Open			Accounts Payable	ULINE, INC.	\$435.86		
9000	01/15/2026	Open			Accounts Payable	WAXIE SANITARY SUPPLY	\$128.24		
9001	01/15/2026	Open			Accounts Payable	WESTERN SUN SYSTEMS, INC	\$219.93		
9002	01/15/2026	Open			Accounts Payable	YUMA COUNTY SHERIFF'S OFFICE	\$660.00		
9003	01/15/2026	Open			Accounts Payable	YUMA REGIONAL MEDICAL CENTER	\$695.13		
9004	01/15/2026	Open			Accounts Payable	YUMA SUN INC	\$228.00		
9005	01/15/2026	Open			Accounts Payable	YUMA WINNELSON CO.	\$4,124.46		
9008	01/15/2026	Open			Accounts Payable	YUMA COUNTY TREASURER'S OFFICE	\$34,026.56		
Type EFT Totals:						48 Transactions	\$167,731.25		
1BYPAYABLE - 1st BY Accounts Payable Totals									

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	50	\$589,207.30	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00

Payment Register

From Payment Date: 1/12/2026 - To Payment Date: 1/15/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
					Stopped		\$0.00	\$0.00	
					Total		\$589,207.30	\$0.00	
EFTs									
					Status	Count	Transaction Amount	Reconciled Amount	
					Open	48	\$167,731.25	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Total	48	\$167,731.25	\$0.00	
All									
					Status	Count	Transaction Amount	Reconciled Amount	
					Open	98	\$756,938.55	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Stopped	0	\$0.00	\$0.00	
					Total	98	\$756,938.55	\$0.00	
Grand Totals:									
Checks									
					Status	Count	Transaction Amount	Reconciled Amount	
					Open	50	\$589,207.30	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Stopped	0	\$0.00	\$0.00	
					Total	50	\$589,207.30	\$0.00	
EFTs									
					Status	Count	Transaction Amount	Reconciled Amount	
					Open	48	\$167,731.25	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Total	48	\$167,731.25	\$0.00	
All									
					Status	Count	Transaction Amount	Reconciled Amount	
					Open	98	\$756,938.55	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Stopped	0	\$0.00	\$0.00	
					Total	98	\$756,938.55	\$0.00	

Guadalupe Canez

Digitally signed by: Guadalupe Canez
 DN: CN = Guadalupe Canez email = gcanez@santluisaz.gov C =
 US
 Date: 2026.01.15 17:58:20 -07'00'



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

7. A.

Meeting Date: 01/28/2026

Department Head: Roula Encinas, Director of Finance, Finance Department

Submitted By: Roula Encinas, Director of Finance, Finance Department

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding the acceptance and approval for the filing of the Annual Comprehensive Financial Report for the City of San Luis, Fiscal Year Ended June 30, 2025. **(Roula Encinas, Director of Finance, and Brittney Williams, Audit Partner from Heinfeld, Meech & Co., P.C.)**

SUMMARY:

The Annual Comprehensive Financial Report (ACFR) is an audit of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the city as of and for the year ended June 30, 2025 (ACFR 2025). The audit was conducted in accordance with auditing standards generally accepted in the United States of America and was performed for the purpose of complying with A.R.S. § 9-481. The report is available online.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO ACCEPT AND APPROVE THE FILING OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE CITY OF SAN LUIS FOR THE FISCAL YEAR ENDED JUNE 30, 2025.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM: N/A

CITY/STATE/FEDERAL FUNDS: N/A

TOTAL: N/A

BUDGETED AMOUNT: N/A

AVAILABLE AMOUNT TO TRANSFER: N/A

ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: N/A

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

No fiscal Impact associated with this item.

Attachments

Presentation

CSL SA FY25

CSL ACFR FY25

CSL HURF FY25

CSL Communication Governance FY25



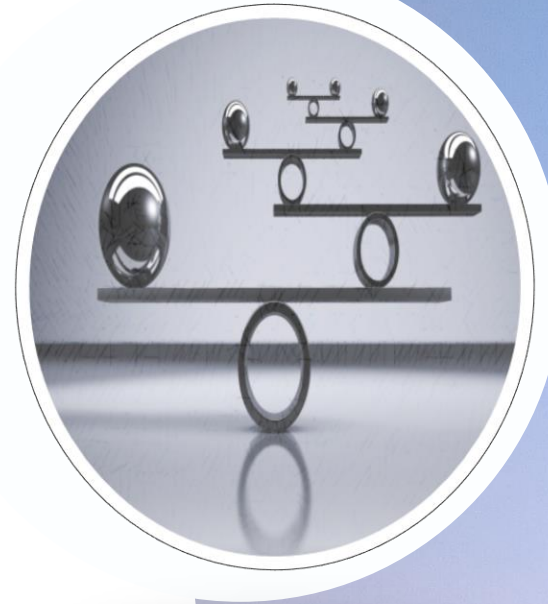
City of San Luis, AZ

Audit Results

Year Ended June 30, 2025

Presented by:

Brittney Williams, CPA, CGFM
Engagement Partner



OUR TEAM



Brittney Williams

Personal Facts:

- Completed the Grand Canyon Rim2Rim in one day
- Ragnarian

Work Facts:

- Member of CalCPA RAB Committee
- Member of the AICPA Peer Review Oversight task force (SME)
- Recipient of Advanced Single Audit Certificate from the AICPA
- Author of “Emotional Intelligence: Enhancing Your Leadership Skills”, in the Dec 2016 AZ CPA magazine



Jared Young
Audit Manager

Personal Facts:

- Frequent Yogi
- Olive connoisseur
- Green Thumb

Work Facts:

- Recipient of Advanced Single Audit Certificate from the AICPA
- Specializes in municipalities

Standards to Guide the Audit



OMB Uniform
Guidance 2 CFR
200 (UG)

❖ Federal Compliance Audit



Governmental
Accounting Standards
Board (GASB)

❖ Financial Reporting



AICPA Statements
on Auditing
Standards (SAS)

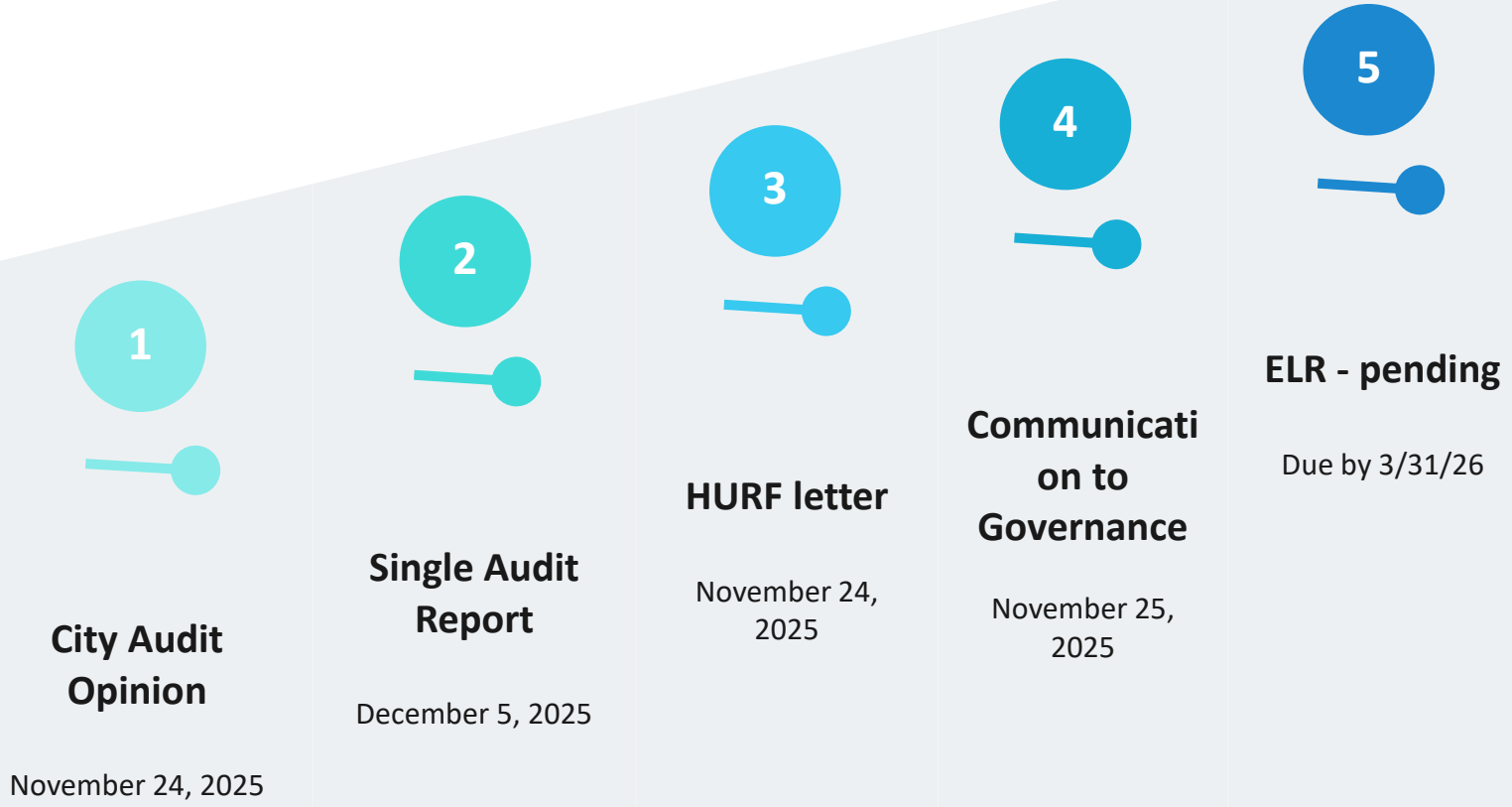
- ❖ General Audit Standards
- ❖ Working paper documentation
- ❖ Risk assessments



Government
Auditing
Standards (GAS)

- ❖ Auditing Standards particular to governmental entities
- ❖ Independence standards and requirements

Audit Reports Issued FY 2025



Independent Auditor's Report



Tucson • Scottsdale • Flagstaff
HeinfieldMeech.com

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of San Luis, Arizona

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City of San Luis, Arizona (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 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, the discretely presented component unit, the aggregate remaining fund information, of the City of San Luis, Arizona, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, the Highway Users Fund, and the Community Development Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, the City implemented the provisions of GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Summary of Single Audit

City of San Luis, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: No

Identification of major programs:

Assistance Listing Numbers

21.027

Name of Federal Programs or Clusters

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: Yes

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: No

Findings and Questioned Costs Related to Federal Awards: No

Summary Schedule of Prior Audit Findings required to be reported: No

Resources - GFOA's Elected Official's Guides

<https://www.gfoa.org/eog>



Internal Control
By Stephen J. Gauthier



Government Finance
By Girard Miller



Audit Committees
By Stephen J. Gauthier



Understanding the Fiscal
Health of Your Community
By Brock, Cohen and Thomas

Resources for Elected Officials

Best Practice Pamphlets

E-books

Articles

On demand podcasts

Informative Resources



Government
Finance Officers
Association

[https://www.gfoa.org/materials/topic/
accounting-and-financial-reporting](https://www.gfoa.org/materials/topic/accounting-and-financial-reporting)



AICPA

[AICPA Government Financial
Literacy](#)

www.hm.cpa

The screenshot shows the homepage of HeinfeldMeech. At the top right, there is a 'CLIENT PORTAL' link and social media icons for Facebook, LinkedIn, and YouTube. The main navigation bar includes the HeinfeldMeech logo, a search bar, and links for SERVICES, EVENTS, OUR FIRM, CAREERS, RESOURCES, and CONTACT US. Below the navigation is a large banner image of a cityscape with a saguaro cactus in the foreground. An orange bar at the bottom of the banner reads 'OUR FIRM'. To the left of the main text area is a vertical menu with buttons for: INDIVIDUAL PROFILES, INDUSTRY INVOLVEMENT, COMMUNITY INVOLVEMENT, PEER REVIEW LETTER, AUDIT REPORT CARD, and CONSULTING REPORT CARD. The main text area contains three paragraphs of text describing the firm's services, history, and industry involvement. At the bottom left is the AICPA Members logo, and at the bottom right is a group photo of the firm's staff.

CLIENT PORTAL   

 SERVICES EVENTS OUR FIRM CAREERS RESOURCES CONTACT US



OUR FIRM

INDIVIDUAL PROFILES

INDUSTRY INVOLVEMENT

COMMUNITY INVOLVEMENT

PEER REVIEW LETTER

AUDIT REPORT CARD

CONSULTING REPORT CARD

Heinfeld, Meech & Co., P.C. is a Certified Public Accounting firm that specializes in governmental and nonprofit accounting, auditing and consulting.

Founded in 1986, we have offices in Tucson, Scottsdale and Flagstaff, Arizona. Our success has been based on our focus on providing superior service and becoming a trusted advisor to our chosen niche. This is made possible with a team who is knowledgeable, enthusiastic and dedicated to client service. The national and local awards received for our excellent firm culture demonstrate our commitment to building the best team of professionals possible.

We strive to be an effective resource to our clients on a year-round basis. This dedication includes regularly publishing articles on topics related to governmental and nonprofit accounting. We also regularly offer trainings and conferences on current and upcoming issues faced by these industries.

Recognized as experts in the field, we are frequently asked by many national and local industry organizations to share our expertise at their sponsored conferences and workshops. These include recent events sponsored by the American Institute of Certified Public Accountants (AICPA), Association of School Business Officials (ASBO), Arizona Society of CPAs, Government Finance Officers Association (GFOA), Association of Government Accountants (AGA), Native American Grant School Association (NAGSA), and many state societies.





Questions?



Brittney Williams, CPA, CGFM
Engagement Partner

520-275-3135

Brittney.williams@hm.cpa



Jared Young, CPA, CGFM
Engagement Manager

520-270-0344

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City of San Luis, Arizona
Single Audit Report
Year Ended June 30, 2025

**City of San Luis, Arizona
Single Audit Report
For the Year Ended June 30, 2025**

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

Honorable Mayor and Members of the City Council
City of San Luis, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of City of San Luis, Arizona, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City of San Luis, Arizona's basic financial statements, and have issued our report thereon dated November 24, 2025. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of San Luis, Arizona's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
November 24, 2025

**Independent Auditor’s Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Honorable Mayor and Members of the City Council
City of San Luis, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of San Luis, Arizona’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of San Luis, Arizona’s major federal programs for the year ended June 30, 2025. City of San Luis, Arizona’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of San Luis, Arizona complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of San Luis, Arizona and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of San Luis, Arizona’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to City of San Luis, Arizona’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of San Luis, Arizona's compliance based on our audit.

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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of San Luis, Arizona's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of San Luis, Arizona's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of San Luis, Arizona's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of San Luis, Arizona's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of City of San Luis, Arizona as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City of San Luis, Arizona's basic financial statements. We issued our report thereon dated November 24, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
November 24, 2025

City of San Luis, Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

<u>Federal/Pass-Through/Agency</u>	<u>AL Number</u>	<u>Federal Award Number</u>	<u>Expenditures and Transfers</u>	<u>Total Expenditures and Transfers</u>
<u>U.S. Department of Agriculture</u>				
Direct Program				
Rural Business Development Grant	10.351	N/A	\$	\$ <u>30,000</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through Arizona Department of Housing				
Community Development Block Grants/ State's Program And Non-Entitlement Grants In Hawaii	14.228	122-24		<u>466,638</u>
<u>U.S. Department of Transportation</u>				
Passed through Arizona Governor's Office of Highway and Safety:				
Highway Safety Cluster				
State and Community Highway Safety	20.600	2024-AL-029	9,336	
State and Community Highway Safety	20.600	2024-PTS-057	9,027	
State and Community Highway Safety	20.600	2024-OP-018	2,293	
State and Community Highway Safety	20.600	2025-AL-027	12,508	
State and Community Highway Safety	20.600	2025-PTS-055	16,218	
State and Community Highway Safety	20.600	2025-OP-021	<u>9,710</u>	
Total Highway Safety Cluster				<u>59,092</u>
Total U.S. Department of Transportation				<u>59,092</u>
<u>U.S. Department of Treasury</u>				
Direct Program				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	6,084,915	
Passed through Water Infrastructure Finance Authority of Arizona				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	WC2-097-2023	<u>1,966,058</u>	
Total Coronavirus State and Local Fiscal Recovery Funds				<u>8,050,973</u>
Total U.S. Department of the Treasury				<u>8,050,973</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through Western Arizona Council of Governments				
Aging Cluster				
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	E866000101-25		<u>79,949</u>
<u>U.S. Department of Homeland Security</u>				
Passed through Arizona Department of Homeland Security:				
Homeland Security Grant Program	97.067	230432-01		<u>1,001,923</u>
Total Expenditures of Federal Awards				<u>\$ 9,688,575</u>

City of San Luis, Arizona
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Significant Accounting Policies Used in Preparing the SEFA

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of City of San Luis, Arizona under programs of the federal government for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

15% De Minimis Indirect Cost Rate

The auditee did not use the de minimis indirect cost rate.

Assistance Listing Numbers

The program titles and Assistance Listing numbers were obtained from the federal or pass-through grantor or through sam.gov. If the three-digit Assistance Listing extension is unknown, there is a U followed by a two-digit number in the Assistance Listing extension to identify one or more Federal award lines from that program. The first Federal program with an unknown three-digit extension is indicated with U01 for all award lines associated with that program, the second is U02, etc.

**City of San Luis, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: No

Identification of major programs:

Assistance Listing Numbers

21.027

Name of Federal Programs or Clusters

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: Yes

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: No

Findings and Questioned Costs Related to Federal Awards: No

Summary Schedule of Prior Audit Findings required to be reported: No



City of San Luis

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2025

FOR FISCAL YEAR ENDED ON JUNE 2025





City of San Luis

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2025

FOR FISCAL YEAR ENDED ON JUNE 2025



PREPARED BY: DEPARTMENT OF FINANCE

CITY OF SAN LUIS, ARIZONA
Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2025

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INTRODUCTORY SECTION



Letter of Transmittal

For the Fiscal Year Ended June 30, 2025



November 24, 2025

Honorable Mayor, City Council, City Manager, and Citizens of the City of San Luis, Arizona:

I am pleased to present the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. Laws of the State of Arizona require that all local governments publish a complete set of audited financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. According to that requirement, we hereby issue the annual comprehensive financial report of the City of San Luis for the fiscal year ended June 30, 2025.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework established for this purpose. The internal control framework is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of financial statements. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As presented in this report, we believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position and results of operations of the City on both a city-wide and fund basis. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity and financial stability have been included.

The basic financial statements and related notes have been audited by an independent firm of certified public accountants, Heinfeld, Meech & Co., P.C., whose report is included herein. As stated in the independent auditors' report, the goal of the independent audit was to provide reasonable assurance that the financial statements are free from material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements of the City of San Luis, Arizona, for the fiscal year ended June 30, 2025, are fairly presented, in all material respects, in conformity with GAAP. The independent auditors' report is located at the front of the financial section of this report.

The independent audit of the financial statements of San Luis is usually part of a broader, federally mandated "Single Audit" 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 government's internal controls and compliance with legal requirements. A grant reform that increased the single-audit threshold changed audit rules for fiscal years beginning on or after January 1, 2015. As a result of the new rules, the City was required to undergo a single audit due to the expended amounts that exceeded the \$750,000 margin in federal dollars during the audited year. In addition, the City must make records available for review or audit by appropriate federal agencies and the U.S. Government Accountability Office officials.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides an introduction, overview, and analysis of the basic financial statements. The discussion and analysis that complements this letter of transmittal should be read in combination with it.

Profile of the Government

The City of San Luis, incorporated in 1979, is located in the southwestern corner of Arizona, immediately adjacent to Mexico and California, and occupies 30 square miles. The City of San Luis is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time. Policy-making and legislative authority are vested in a governing council (Council) consisting of the Mayor and six Council Members, all elected on a non-partisan basis, and serve overlapping four-year terms. The City Council is responsible for passing ordinances, adopting the budget, appointing committee, commission, and board members, and appointing the positions of City Manager, City Attorney, Magistrate, and Chief of Police. The City Manager is responsible for carrying out the policies and ordinances of the City Council, as well as overseeing the day-to-day operations of the City.

The City has experienced significant increases in population over the years. The 2000 census recorded the City of San Luis population at 15,400, and the 2020 census recorded the City of San Luis population at 35,257, a 128% increase from 2010. Today we estimate the City has 39,700 residents. The City of San Luis is listed in the top 10 cities with the most percentage growth in Arizona. Based on current projections, population growth trends are expected to continue at the same pace. While having a positive impact, this growth will continue to present challenges to the City in providing its current level of services.

The City provides a full range of municipal services, including police and fire protection, solid waste services, water and sewer services, construction and maintenance of streets, recreational and cultural activities, planning and zoning services, and general administrative services. San Luis offers a wide range of community facilities, including one gym, one cultural center, one senior center, one youth center, one activity center, one swimming pool, and five parks encompassing 90 acres.

This report includes financial statements on both a government-wide and a fund basis for the primary government and its component units. Criteria used by the City for inclusion of activities in preparing its financial statements are in conformity with GASB Statement No.14, "The Financial Reporting Entity." Component units are separate legal entities included in the reporting entity due to the significance of their financial or operational relationship with the City. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the

financial reporting entity consists of the City and two blended component units, the San Luis Community Facilities District and the San Luis Employees' Self Insurance Health Fund, as discussed further in Note 1 A of the notes to the financial statements.

Financial information

Internal Control: Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting information is compiled to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Budget Control: The City of San Luis, like all cities in the State of Arizona, is subject to numerous budget and related legal requirements. Article IX, Section 20 (1) of the Arizona Constitution sets limits on the City's legal budget capacity. The City's expenditure limitation for the fiscal year 2025 was \$60.0 million.

The annual operating budget, which is adopted by ordinance each fiscal year, serves as the base for the City's financial planning and control. Budgets are developed on a departmental basis by expenditure function within a fund. The budgets display the City's financial operations, including funding for one corporation outside the City's organizational structure. The City relies on the City's General Plan adopted in November 2020 to set the goals and priorities that will allow us to become the City we need to be in the future. There are four themes that are the focus of the plan (Growth, Economy, Environment, and Public Services).

The City Manager submits the annual balanced budget to City Council before June each year. A public hearing on the budget is held in the middle of June, with an expected budget adoption by June 30. The City is required to publish specific information and notices and hold public hearings as defined by state statute.

Economic Condition and Outlook

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. The City of San Luis's diverse local economy is built on retail trade, agriculture, real estate development, and manufacturing. San Luis is a significant gateway for imports and exports to and from Mexico.

The City of San Luis' most significant revenue source is sales tax revenue, totaling \$22.7 million in the Fiscal Year 2025. Sales tax is generated from various business categories, including food stores, retail stores, restaurants, construction, and utilities. The City also receives a share of sales tax generated from the State of Arizona's (State) applied tax rate and from the City's own applied tax rate.

San Luis is a key contributor to Yuma County's \$4.4 billion agriculture and agribusiness economy, which represents one of the top two producing counties in Arizona. According to a University of Arizona economic impact study, agriculture and related industries in Yuma County generated \$4.4 billion in statewide economic activity in 2022, with \$3.9 billion retained locally.

generated \$4.4 billion in statewide economic activity in 2022, with \$3.9 billion retained locally. Yuma County produces approximately 90% of the nation's winter leafy vegetables and ranks first in the state for vegetable, melon, and specialty crop production.

Housing permits are expected to remain steady, even as the rest of the state anticipates a decline in housing development driven by high interest rates, which continue to reduce housing affordability. The City continues to face a shortage of affordable housing and struggles to address workforce gaps in essential positions. The rising cost of infrastructure also limits the City's ability to meet growing service demands. Looking ahead to FY2026, the Federal Reserve's projections suggest that the federal funds rate will gradually decline to around 3.4% by year-end, as monetary policy shifts toward supporting economic growth while anchoring inflation expectations. Inflation, measured by the Personal Consumption Expenditures (PCE) price index, is expected to moderate further projected to average between 2.3% and 2.6%, remaining slightly above the Fed's long-run target. While inflation is expected to ease from recent highs, it is still projected to remain modestly above 2%, reflecting persistent cost pressures and gradual disinflation across the broader economy.

New residential development continues to thrive. The real estate sector faced high interest rates, but the demand for housing continues in our community. The City continues to receive applications for residential developments. There are three subdivisions under construction, which we expect to be completed by the end of February 2026 and two more to be completed by October 2026. The City issued a total of 851 building permits of which 279 were for new residential units in the Fiscal Year 2025.

As the City of San Luis' needs grow and its population, our government works efficiently to meet those needs. Its citizens and municipal government are committed to creating a sustainable economy that will increase the quality of life for its residents and find solutions for the future. One of the major focuses will be to increase revenues to the City by promoting more commercial and industrial developments, encouraging a primary property tax and evaluating current fees for each department to make sure the revenues cover the cost of operations of the departments.

Recent high interest rates and construction costs impacted previously planned hotel developments, resulting in the shelving of two hospitality projects. However, the City is now prioritizing larger, higher-impact mixed-use and medical projects. In the commercial and medical development sector, Onvida Health recently purchased 80 acres of land on Main Street to build a new regional hospital in San Luis which is projected to create \$140 million in capital investment and create 250 new jobs. This investment is expected to spur the development of additional medical offices and approximately 40 acres of new commercial projects, including retail pads, big box stores, and potentially a hotel. This project represents a major private investment in the community's healthcare and economic future, supporting job creation and regional growth.

The San Luis Medical Mall expansion is expected to break ground in FY 2026, with an estimated \$80 million capital investment, with a new birthing center under construction. Additionally, the City is working to advance a 34-acre commercial corridor along Cesar Chavez Boulevard focused on attracting retail pads, auto dealerships, and mixed-use sit-down commercial developments.

In the industrial sector, San Luis continues to grow as a strategic manufacturing and logistics hub. Recently, Myers M&I Electric located to Magrino Industrial Park and is expected to create 250 manufacturing jobs in the electrical components industry. Myers M&I Electric is relocation operations from California and Texas and is expected to hire 40 initially by the end of 2025.

Magrino Industrial Park, with interest focused on cold storage, logistics, and advanced manufacturing. This includes active negotiations with Willmeng and Mortenson to bring cold storage and distribution facilities online. The Department is actively working with state and regional partners to locate potential tenants to the industrial park to facilitate development.

Beyond large-scale projects, the City is committed to strengthening its small business ecosystem through technical assistance and incubation programs. Through the City's small business program, 24 businesses are projected to graduate from the incubator by the end of 2025, with an additional 12 expected in 2026. These programs provide tailored support in areas such as marketing, business planning, and access to capital, further diversifying the local economic base and fostering sustainable job creation.

To better serve our residents, we completed the construction of a new Fire Station in the East area of the City and constructed a substation for the Police Department. The design for a new Police Station in the same area is complete, and we hope to start construction in FY2028. We invested \$9.7 million in road infrastructure to address the impact of traffic on the community. We also invested \$13.0 million in water and \$5.6 million in wastewater improvements to meet our current and future demands.

Another significant economic factor in the City is the state prison that employs more than 1,000 professionals and staff. In addition, since San Luis is a border/U.S. Port of entry, the U.S. Government departments of INS, Customs, and U.S. Marshall Prison facilities provide hundreds of jobs stationed in San Luis.

The \$350 million modernization and expansion of the San Luis I Land Port of Entry, funded by the Bipartisan Infrastructure Law and the Inflation Reduction Act, marks a significant development in regional border infrastructure. The project will double the vehicle lanes from 8 to 16 and pedestrian lanes from 4 to 10. The port processes 8 million border crossers annually, and we expect the number of crossers will also double. The Mexican shopper contributes approximately 70% of the sales tax to San Luis.

This project aims to replace outdated facilities with expanded buildings and increased inspection capacities, substantially boosting local economic activity and job creation. Key enhancements include doubling vehicle inspection lanes, a new pedestrian inspection building, and advanced sustainability features like all-electric, net-zero design and solar panels, aligning with the Federal Sustainability Plan. Notably, the port's upgrade will enhance security, alleviate congestion, and foster environmental justice while supporting the highly integrated binational economy of the San Luis region. The project is currently under construction and Phase 1 is expected to be completed in early Spring of 2026, with full completion by Fall 2028. This project exemplifies a collaborative effort across local, state, and federal levels, emphasizing the importance of modern infrastructure in promoting economic prosperity and national security.

Long-Term Financial Planning

The budget process guides the City's financial planning process. This process includes the annual budget that each department presents for review, followed by acceptance, reductions, or additions depending on revenue and expenditure forecasts. As part of the annual budget process, departments also submit capital plans for review and approval based on available funding. The capital plans are updated annually and approved by the City Council and serve as the primary drivers of the long-term financial planning process.

The budget process includes input from City Council, Departments, City Manager, and citizens, including community budget hearings. The City Council formally adopts the budget for the following year by the end of June.

It is customary for the water, wastewater, and sanitation funds to initiate a bi-annual review of existing rate study extending over a ten-year financial forecast to determine the long-term funding availability. The City had its last utility rate study completed back on December 28, 2022, and adopted by City Council on March 22, 2023. The adopted utility rate consists of a five-year utility rate increase plan that will support the enterprise funds and its capital projects.

Certificates of Achievements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to San Luis for its ACFR for the fiscal year that ended June 30, 2024.

The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standard for the preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR, with contents conforming to program standards. Such ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for 12 consecutive years. We believe that our current ACFR conforms to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

Acknowledgments

The preparation of this Annual Comprehensive Financial Report would not have been possible without the efficient and dedicated services of the staff of the Finance Department as well as the excellent cooperation and assistance of other City employees who contributed to its preparation. Sincere appreciation also must be given to the Mayor and the Governing Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of San Luis' finances. We also wish to thank the City's Independent Auditors, Heinfeld, Meech & Co., P.C., for their assistance in matters pertaining to the City's financial affairs.

Respectfully submitted,



Roula J. de Encinas
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of San Luis
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

CITY COUNCIL



Elected officials

As of June 30, 2025

*Nieves Rjedel
Mayor*

*Esteban Rosales
Councilmember
Tadeo DeLaHoya
Vice Mayor
Lizeth Servin
Councilmember*

*Luis Cabrera
Councilmember
Maria C Cruz
Councilmember
Javier Vargas
Councilmember*



Appointed officials

*Jenny Torres
Acting City Manager
Olivia Jenkins
Admin. Services Manager*

*Attorney
City Clerk
Director of Economic Development
Director of Parks and Recreation
Director of Finance
Fire Chief
Police Chief
Director of Human Resources
Magistrate
Director of Development Services
Director of Public Works
City Engineer
Information Technology Manager
Risk Manager
Senior Services Manager
Billing and Collection Manager*

*Kay Marion Macuil
Sonia Cornelio
Armando Esparza
Maria Angelica Roldan
Roula Jouanne de Encinas
Angel Ramirez
Nigel Reynoso
Adela Cortez
Danae Tera Figueroa
Jose A. Guzman
Eulogio Vera
Tomas Alberto Sanchez
Fernando Corona
Maria Sabori
Francisca Ramirez
Edgar Esparza*



FINANCIAL SECTION



Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of San Luis, Arizona

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City of San Luis, Arizona (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 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, the discretely presented component unit, the aggregate remaining fund information, of the City of San Luis, Arizona, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, the Highway Users Fund, and the Community Development Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, the City implemented the provisions of GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2025, on our consideration of City of San Luis, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of San Luis, Arizona's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of San Luis, Arizona's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
November 24, 2025



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



**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

As management of the City of San Luis, Arizona (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 supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the basic financial statements, which follow this discussion and analysis.

FINANCIAL HIGHLIGHTS

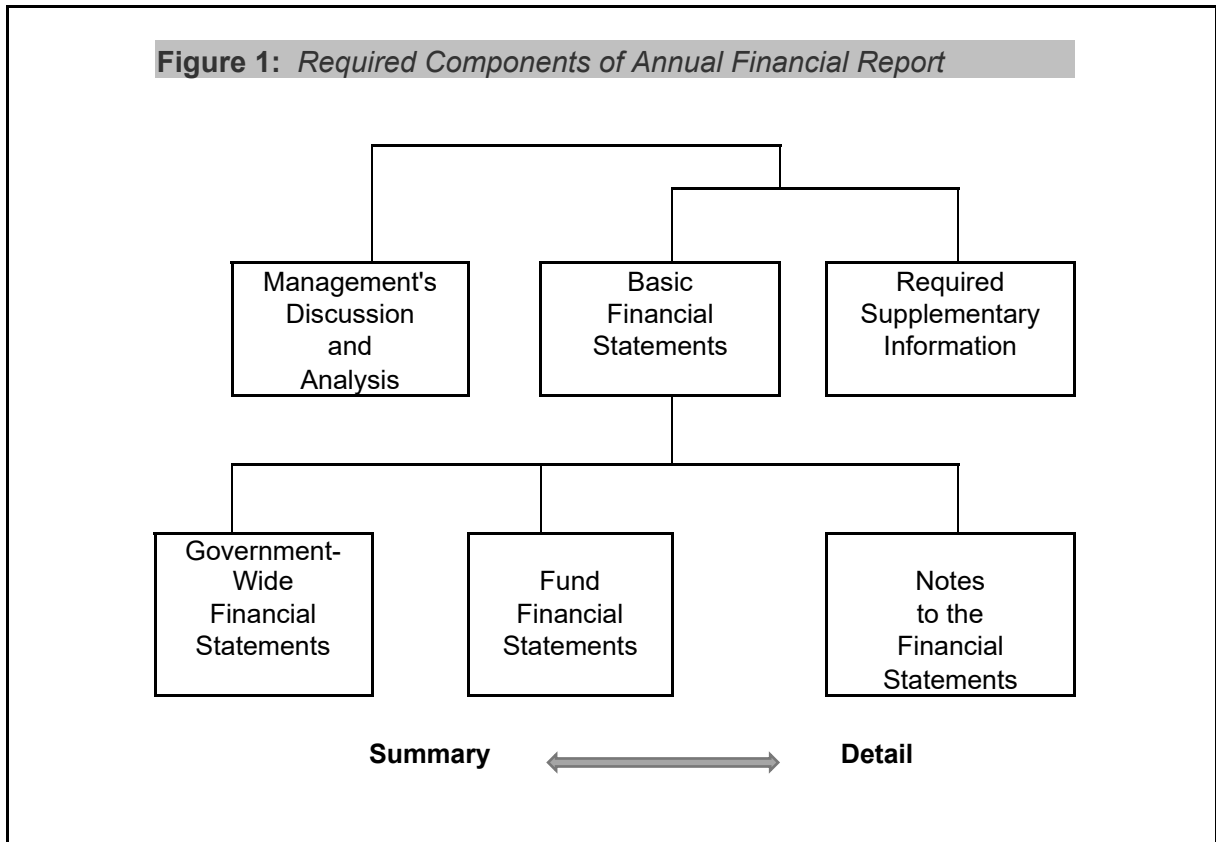
- The assets and deferred outflows of the City exceeded the liabilities and deferred inflows at the close of the fiscal year by \$189.8 million.
- The City's net position of governmental activities increased \$14.1 million to \$130.5 million, and business-type activities increased \$10.1 million to \$59.3 million representing 69 percent and 31 percent, respectively, of the total net position of \$189.8 million.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$54.8 million, an increase of \$9.1 million over the prior year. 18 percent of this amount, or \$10.1 million, is restricted, committed, or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$44.7 million, or 160 percent of total general fund expenditures for the fiscal year.
- General revenues from governmental activities accounted for \$38.5 million in revenues or 72 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$15.1 million or 28 percent of total governmental activities. The City had \$25.8 million of program revenues related to business-type activities.
- The City had \$39.5 million in expenses related to governmental activities; of which \$15.1 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$38.5 million were adequate to provide for the costs of these programs. The City had \$16.8 million in expenses related to business-type activities that were offset by program specific charges for services, capital grants and contributions, and investment income.
- Among major governmental funds, the general fund had \$37.8 million in revenues, which primarily consisted of taxes, licenses and permits, fines and forfeitures, intergovernmental, and rental revenues. The total expenditures of the general fund were \$28.0 million. The general fund's fund balance increased from \$37.5 million to \$45.0 million. The highway users fund had revenues of \$4.6 million, which consisted primarily of intergovernmental revenues, and expenditures of \$4.7 million. The community development fund had revenue of \$4.9 million, which consisted primarily of intergovernmental revenues, and expenditures of \$4.9 million.
- The City's total long-term liabilities decreased from \$60.8 million to \$59.0 million during the current fiscal year. This decrease was due primarily to debt principal payments.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the fiscal condition of the City.

The following diagram shows how the required components of this annual comprehensive financial report are arranged and relate to one another.



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 financial statement of a private-sector business. These statements are prepared under the full-accrual basis of accounting where all the current year's revenues and expenses are included regardless of when cash is received or paid. The government-wide statements provide short and long-term information about the City's financial status as a whole. These two statements report the City's net position and how they have changed. The statement of net position and the statement of activities help to determine if the City is in a better financial position as a result of the current year's activities.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The *statement of net position* reflects the City's net position at the end of the fiscal year. The net position of the City is the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to evaluate the City's financial condition.

The *statement of activities* presents information showing how the City's net position changed during the 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 or 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., earned but unused vacation leave).

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

- **Governmental activities** – Most of the City's basic services are included here, such as general government, public safety, health and welfare, culture and recreation, community development, and public works and streets. Sales taxes, intergovernmental, licenses and permits, and fines and forfeitures revenue finance most of these activities.
- **Business-type activities** – The services provided by the City included here are water, wastewater, business center, sanitation, ambulance services, and business incubator. The services are financed through user fees and charges.
- **Discretely presented component unit** – The City includes the activities of another entity in its report – The San Luis Facility Development Corporation, which owns the Detention Facility. Although legally separate, the component unit is required to be included for fair presentation in conformity with Generally Accepted Accounting Principles. Financial information for the component unit is reported separately from the financial information for the primary government.

Fund Financial Statements. The fund financial statements provide a more detailed look at the City's most significant activities. 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 two categories: governmental funds and proprietary 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 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.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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 decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in funds balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains nine individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Highway Users, Community Development, and Debt Service Funds, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules in the other supplementary information section presented immediately following the notes to the financial statements.

- **Proprietary funds.** The City has 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 separate enterprise funds to account for its water, wastewater, sanitation, business incubator, ambulance services, and business center, all six of which are presented as major funds of the City. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of the City. The City uses an internal service fund to account for its self-insurance program. Because this operation benefits predominantly governmental rather than business-type activities, the internal service fund has been included with the governmental activities in the government-wide financial statements.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also includes certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees, public safety employees, and elected officials. Required supplementary information can be found immediately following the notes to the financial statements.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted previously, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, (see figure 2) assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$189.8 million as of June 30, 2025. By far the largest portion of the City's net position (70 percent) reflects its net investment in capital assets (e.g., land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure); less any related debt still outstanding and deferred charges that was used to acquire those assets. 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 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.

An additional portion nine percent of the City's net position, \$17.4 million at June 30, 2025, represents resources that are subject to external restrictions on how they may be used. Unrestricted net position, 21 percent at June 30, 2025, may be used to meet the government's ongoing obligations to its citizens and creditors.

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

Figure 2	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 70,131,340	\$ 99,963,980	\$ 20,673,959	\$ 27,280,442	\$ 90,805,299	\$127,244,422
Capital assets, net	94,561,036	88,954,227	78,729,764	61,417,208	173,290,800	150,371,435
Total Assets	164,692,376	188,918,207	99,403,723	88,697,650	264,096,099	277,615,857
Total Deferred Outflow of Resources	7,094,355	7,216,183	1,266,009	1,275,529	8,360,364	8,491,712
Long-term liabilities	32,017,112	31,912,711	26,960,889	28,896,913	58,978,001	60,809,624
Other liabilities	6,703,544	45,198,525	6,040,320	2,772,057	12,743,864	47,970,582
Total Liabilities	38,720,656	77,111,236	33,001,209	31,668,970	71,721,865	108,780,206
Total Deferred Inflow of Resources	2,549,118	2,605,150	8,346,759	9,091,242	10,895,877	11,696,392
Net Position						
Net investment in capital assets	82,172,527	76,185,493	50,038,331	34,388,688	132,210,858	110,574,181
Restricted	13,261,948	9,474,259	4,161,387	3,218,447	17,423,335	12,692,706
Unrestricted	35,082,482	30,443,193	5,122,046	11,605,832	40,204,528	42,049,025
Total net position	\$130,516,957	\$ 116,102,945	\$ 59,321,764	\$ 49,212,967	\$189,838,721	\$165,315,912

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Changes in net position

Governmental Activities: Net position in governmental activities saw an increase of \$14.1 million. The reasons for this change can be summarized as follows:

- Program revenues covered 38 percent of total governmental expenses, decreasing from 50 percent in the prior year. This is a 12 percent decrease in total governmental expense coverage. Overall, revenues exceeded expenses resulting in the increase in net position.
- Program revenues totaled \$15.1 million, which was a decrease of \$2.3 million from the previous year. The overall decrease can be tied to capital grants and contributions resulting from fewer donations of infrastructure assets from developers.
- General revenues are used to support program activities citywide. Total general revenues increased from the prior year by \$2.1 million totaling \$38.5 million. This amounts to an overall increase in general revenues of six percent, due mainly to stronger than anticipated city sales tax revenues.
- Expenses totaled \$39.5 million, a 13 percent increase compared to the previous year. This increase resulted from salaries increased provided to employees and the hiring of additional positions to support the growing city.
- For governmental activities, city sales taxes represent 34 percent of the total revenues, being the largest single source of funds, followed by state shared revenues and capital grants and contributions representing 30 and 16 percent of total revenues, respectively. City sales tax collections have historically been the largest revenue source and are anticipated to be for the near term; the City's overall business and population growth is responsible for the continued increase in the city sales tax collections.

Business-type Activities: Net position of the enterprise funds at the end of the year amounted to \$59.3 million. The Enterprise Funds had an increase in net position of \$10.1 million. Overall, total revenues exceeded expenses for all the proprietary funds, with the exception of the business incubator.

- Expenses totaled \$16.8 million, a one percent increase compared to prior year, which is not significant.
- Capital grants and contributions and charges for services increased in comparison with prior year by 43 percent and 12 percent, respectively. The increase in capital grants and contributions is due to the City receiving federal grants for water and wastewater system upgrades. The increase in charges for services is due to increases in rates charged to proprietary system users.
- The most recent rate increase from city rate study to compensate for future operation and investment took place on January 1, 2025. Net position for the enterprise funds has steadily increased over the past few years due to the growing customer base and customers paying more appropriate rates for the delivery of service.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

For business-type activities, the largest part of the revenue is attributable to Charges for Services - Program Revenues, which is made up of 32 percent Water, 32 percent Wastewater, 19 percent Ambulance, and 13 percent Sanitation funds.

Figure 3	Governmental Activities		Business-type Activities		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues						
Program Revenues:						
Charges for services	\$ 1,761,962	\$ 3,553,253	\$ 19,754,450	\$ 17,654,106	\$ 21,516,412	\$ 21,207,359
Operating grants and contributions	4,680,885	3,024,293			4,680,885	3,024,293
Capital grants and contributions	8,699,126	10,826,271	6,071,827	4,239,082	14,770,953	15,065,353
General Revenues:						
City sales taxes	18,187,822	16,116,973			18,187,822	16,116,973
Franchise taxes	599,848	540,783			599,848	540,783
Property taxes	975,508	816,102			975,508	816,102
State shared revenues	16,127,942	16,908,872			16,127,942	16,908,872
Investment earnings	2,609,291	2,056,659	1,041,405	1,039,478	3,650,696	3,096,137
Total Revenues	53,642,384	53,843,206	26,867,682	22,932,666	80,510,066	76,775,872
Expenses						
General Government	9,219,435	7,903,721			9,219,435	7,903,721
Public Safety	16,448,000	14,521,368			16,448,000	14,521,368
Public Works & Streets	6,641,214	5,796,978			6,641,214	5,796,978
Health and Welfare	490,717	533,531			490,717	533,531
Culture and Recreation	4,045,878	3,582,525			4,045,878	3,582,525
Community Development	2,241,891	1,976,278			2,241,891	1,976,278
Interest on Long-Term Debt	456,296	649,214			456,296	649,214
Water			4,355,294	4,520,913	4,355,294	4,520,913
Wastewater			5,599,937	5,589,569	5,599,937	5,589,569
Business Center			603,893	601,313	603,893	601,313
Sanitation			2,252,264	2,302,491	2,252,264	2,302,491
Business Incubator			195,640	183,462	195,640	183,462
Ambulance Services			3,751,857	3,426,163	3,751,857	3,426,163
Total expenses	39,543,431	34,963,615	16,758,885	16,623,911	56,302,316	51,587,526
Increase/(decrease) in net position	14,098,953	18,879,591	10,108,797	6,308,755	24,207,750	25,188,346
Net position – beginning	116,418,004	97,538,413	49,212,967	42,904,212	165,630,971	140,442,625
Net position - ending	\$ 130,516,957	\$ 116,418,004	\$ 59,321,764	\$ 49,212,967	\$ 189,838,721	\$ 165,630,971

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Governmental and Business-type activities. The following table (Figure 4) presents the cost of the major City 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.

- The cost of all governmental activities this year was \$39.5 million. The cost of all business-type activities this year was \$16.8 million.
- Federal and State governments, charges for services, and local developers subsidized certain governmental and business-type programs with grants and contributions and other local revenues of \$41.0 million.
- The net cost of governmental activities of \$24.4 million was financed by general revenues of \$38.5 million, which are primarily made up of sales taxes and state shared revenues.
- Business type activities showed an increase to net position of \$10.1 million in the fiscal year ended June 30, 2025 as compared to the prior fiscal year. The user fee charges continue to play a significant role in consistent increases to net position. However, capital contributions received increased in comparison with prior year due to federal grants received for water and wastewater system upgrades.

Figure 4 - Activities	Total Expenses	Net (Expense)/ Revenue
Governmental Activities		
General Government	\$ 9,219,435	\$ (7,552,587)
Public Safety	16,448,000	(12,600,727)
Public Works and Streets	6,641,214	2,458,600
Health and Welfare	490,717	(242,104)
Culture and Recreation	4,045,878	(3,766,453)
Community Development	2,241,891	(2,241,891)
Interest on Long-Term Debt	456,296	(456,296)
Total Expenses	39,543,431	\$(24,401,458)
Business-Type Activities		
Water	4,355,294	5,808,750
Wastewater	5,599,937	2,973,681
Business Center	603,893	11,888
Sanitation	2,252,264	295,134
Business Incubator	195,640	(73,919)
Ambulance Services	3,751,857	51,858
Total Expenses	16,758,885	9,067,392
Total	\$ 56,302,316	\$(15,334,066)

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Discretely Component Unit

The Detention Facility, which is a legally separate component unit within the financial statements of the City of San Luis, Arizona, presents at June 30, 2025 a negative net position of \$447,924. This is a decrease of \$3.7 million when compared to the \$3.2 million net position balance from last year. Expense increases outpaced revenue increases even as bed count figures improved during the second half of the year. Revenues and expenses increased 10 percent and 15 percent, respectively, in comparison to prior year. The Detention Facility is currently operating under a forbearance agreement with its bond holders through at least April 2027. Principal repayment schedules were adjusted to allow more revenue from the facility in the near term to be used for operating costs to sustain the long-term viability of the facility.

Financial Analysis of the City's Funds

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

Governmental Funds: The focus of the City 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, fund balance available for appropriations can be a useful measure of a government's net resources available for spending at the end of the fiscal year. The City's major governmental funds include the General Fund, the Highway Users Fund, the Community Development Fund, and the Debt Service Fund. The remaining governmental funds are considered non-major.

At June 30, 2025, the City's governmental funds reported combined fund balance of \$54.8 million, an increase of \$9.1 million from prior year.

The General Fund is the chief operating fund of the City. At the end of the current year fiscal year, the City's fund balance available in the general fund was \$45.0 million. As a measure of the general fund's liquidity, unassigned fund balance represents approximately 160 percent of total general fund expenditures and total fund balance represents approximately 161 percent of that same amount. A fund balance percentage of 15 to 20 percent of expenditures is typically considered a sign of financial health. The General Funds overall fund balance increased \$7.5 million during the year mainly due to conservative budgeting and spending practices over expenditures.

The Highway Users Fund accounts for the revenues and expenditures dedicated to support the maintenance, repair and construction of streets. During the current year, fund balance decreased \$117,800 to \$3.5 million, due to streets expenditures of \$4.7 million exceeding revenues of \$4.6 million.

The Community Development Fund accounts for resources received under federal, state and local grants for community development projects. During the current year, fund balance increased \$1.1 million to \$1.2 million due to earnings on cash and investment balances.

The Debt Service Fund accounts for the resources accumulated for payment of interest and principal on governmental activities debt backed by the City's excise taxes. During the current year, resources of \$1.6 million were transferred in from the General Fund for the annual principal and interest expenditures of \$1.8 million with investment earnings making up the deficit between expenditures and transfers in. The net impact of these transactions on fund balance was a \$2 decrease.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

BUDGETARY HIGHLIGHTS

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements are presented for the general fund and all major special revenue funds. These statements compare the budget as amended throughout the fiscal year and the actual expenditures prepared on a budgetary basis.

The City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendment to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriation that become necessary to maintain services.

General Fund revenues for fiscal year 2025 were \$5.2 million more than projected. Key differences between final estimated revenues and actual revenues were due to stronger sales tax collections and investment earnings than anticipated.

General Fund expenditures were \$2.5 million less than the revised fiscal year 2025 budget due to the following:

- This significant reduction can be primarily attributed to a series of vacant positions within various city departments that have remained unfilled throughout the year. The budget allocated for these positions, which covers salaries, benefits, and associated costs, has consequently not been utilized, contributing to overall decrease in expenditures.
- Additionally, the reduction in General Fund expenditures can also be tracked back to lower operational expenses than anticipated. This includes savings in areas such maintenance, utilities, supplies and special services, where budgeted amounts were not fully utilized.

CAPITAL ASSETS

As of June 30, 2025, the City had invested \$278.0 million in capital assets including land, buildings, facilities, vehicles, computers, equipment, and infrastructure assets prior to depreciation. Total depreciation/amortization expense for the year was \$5.3 million for the governmental activities and \$2.6 million for the business-type-activities.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

CAPITAL ASSETS (CONTINUED)

The following schedule (Figure 5) presents capital asset balances for the fiscal year ended June 30, 2025 and 2024.

Figure 5	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 10,674,440	\$ 9,730,908	\$ 954,696	\$ 954,696	\$ 11,629,136	\$ 10,685,604
Construction in progress	7,685,002	3,906,200	17,058,661	5,239,213	24,743,663	9,145,413
Buildings and Improvements	32,441,469	31,027,647	14,340,948	12,243,660	46,782,417	43,271,307
Machinery and equipment	21,326,028	20,618,706	14,033,123	13,187,233	35,359,151	33,805,939
Infrastructure	87,027,086	84,299,165	71,567,726	66,472,591	158,594,812	150,771,756
SBITAs	130,300	104,095			130,300	104,095
Right-to-use leases	24,000		702,519	702,519	726,519	702,519
Total	<u>\$159,308,325</u>	<u>\$149,686,721</u>	<u>\$118,657,673</u>	<u>\$ 98,799,912</u>	<u>\$277,965,998</u>	<u>\$248,486,633</u>

Major capital asset events during the current fiscal year included the following:

- Continue with the ROW acquisition and other construction for the Cesar Chavez Boulevard widening project with investment of \$3.6 million during the fiscal year
- Acquisition of land for City drainage improvements at cost of \$508,506
- Water meter modernization and replacement project in the amount of \$2.6 million
- Contributed infrastructure (land, streets, water lines, sewer lines) from developers in the amount of \$1.9 million
- New water well and new water storage tank at combined cost of \$8.3 million
- Wastewater treatment plant improvement and expansion project at a cost of \$3.0 million

Additional information on the City's capital assets can be found in Note 7 of this report.

DEBT ADMINISTRATION

At year end, the City's debts represent Revenue Bonds in the amount of \$40.9 million for both governmental and business-type activities that are backed solely by specified revenue sources (i.e., excise taxes and user fees collected). The remainder which is composed of leases, SBITAs, and notes are paid from user fees and charges and other local revenue sources.

Long-term debt decreased by \$3.5 million due primarily to bond principal repayments and premium amortization.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

DEBT ADMINISTRATION (CONTINUED)

The following schedule presents a summary of the City's outstanding long-term debt for the fiscal year ended June 30, 2025 and 2024.

OUTSTANDING DEBT						
(Revenue Bonds, Financed Purchases, Leases, SBITAs, and Notes Payable)						
Figure 6	Governmental Activities		Business-type Activities		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenue bonds	\$ 16,708,532	\$ 18,043,347	\$ 24,153,266	\$ 26,192,494	\$ 40,861,798	\$ 44,235,841
Financed purchases		55,386		5,233		60,619
Leases payable	16,000		699,055	699,092	715,055	699,092
SBITAs payable	63,155	34,685			63,155	34,685
Note payable	55,070	162,751			55,070	162,751
Total	\$ 16,842,757	\$ 18,296,169	\$ 24,852,321	\$ 26,896,819	\$ 41,695,078	\$ 45,192,988

Additional information on the City's long-term obligations can be found in Notes 9 through 13 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's revenues and expenditures/expenses are affected by changes in international, national and local economic factors. Economic growth can be measured by various factors. Highlights of the economic factors that affected the City this past fiscal year are explained below:

The yearly number of visitors crossing the border in the City increased for private vehicles and decreased for commercial and pedestrian crossings. With the ongoing construction project at the port and typical high volumes, the long wait times in either direction is likely causing travelers to choose alternative crossing modes or hold off on their travel altogether if it is for non-essential purposes. When comparing the current year to the previous year, daily averages of vehicles increased by 9 percent, pedestrians decreased by 1 percent, and commercial crossings decreased by 8 percent.

The decrease in commercial crossings could stem from a variety of challenges. These might include increases in tariffs or trade barriers, logistical challenges, or shifts in trade patterns favoring other ports of entry. Another contributing factor could be the implementation of stricter border controls and inspections for commercial vehicles, leading to delays and increased costs for businesses.

The peak months for all crossing occur in December through May and hit the lowest point during the summer months of July and August. (Source: United States Department of Transportation).

BORDER CROSSING						
Class	Fiscal Year 2025			Fiscal Year 2024		
	Per Month High	Per Month Low	Daily Average	Per Month High	Per Month Low	Daily Average
Vehicles	828,046	737,998	26,266	774,457	641,000	24,023
Pedestrians	243,962	131,344	6,468	244,349	131,662	6,546
Commercial	6,876	3,598	167	7,833	3,574	181

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

ECONOMICS FACTORS AND NEXT YEAR'S BUDGET (CONTINUED)

- General Fund revenues come from two main sources: local sales taxes and intergovernmental revenues. The City of San Luis, like all Arizona cities, places significant reliance on collected local sales tax. Overall, local sales tax revenues encompassed 46 percent of the \$39.5 million general revenues in fiscal year 2025. Our composition of sales taxes is made up of retail trade, wholesale trade, construction activities, and communications. Our retail sales increased by 4 percent compared to last, primarily due to favorable economic conditions, including increase consumer confidence, higher disposable income levels, and successful marketing strategies that significantly boosted consumer spending. We expect a slight increase in sales tax revenue through the fiscal year 2025-26 in construction, retail, and food industries compared to the fiscal year 2024-25 levels due to substantial interest in developing new subdivisions and the rising cost of goods and services. However, increasing interest rates and inflation can also affect the acquisition power, resulting in a slight decrease or no change in the retail sales tax revenue in the next year.
- The City also receives significant revenue allocations from the State for income tax, sales tax, and motor vehicle tax. These revenue sources are placed in the City's General Fund to support the City's day-to-day activities. Shared revenues from the state income tax are expected to decrease with the state's flat tax fully implemented.

There is quite a bit of opportunity and business potential still available within the City.

Population and residential growth continue to drive strong demand for commercial and industrial development within the City. Although elevated construction costs and high interest rates have delayed the completion of certain projects, notable progress has been made in others. During the fiscal year, the Wendy's restaurant was completed, two new buildings were finalized within the Plaza Colibri commercial subdivision, and additional businesses, including a frozen yogurt shop and a barber shop, opened their doors

Significant medical investments are also underway. Onvida Health acquired 80 acres on Main Street to construct a regional hospital with an estimated \$140 million in capital investment, projected to generate approximately 250 new jobs. Additionally, the expansion of the San Luis Medical Mall which includes the construction of a new birthing center and a 15-bed community hospital continues to advance, further reducing the need for residents to seek healthcare services outside the community. A 34-acre corridor along Cesar Chavez Boulevard is also being developed and rezoned for commercial and mixed-use purposes, attracting interest from retail, automotive, and restaurant tenants. Other ongoing projects include the construction of a gym, a grocery store, and the securing of land for future rehabilitation centers, medical clinics, office spaces, and additional middle and high schools and hotels.

The industrial sector continues to experience steady growth. A major investor acquired 88 acres in the industrial park and completed critical infrastructure improvements to support manufacturing and logistics operations. The City successfully attracted Myers M&I Electric, a major manufacturing company relocating from California and Texas, expected to create up to 250 jobs within five years. Three additional industrial developers are actively negotiating to develop 93 acres within the Magrino Industrial Park for cold storage, logistics, and advanced manufacturing facilities. These investments further strengthen the City's economic base and long-term job creation outlook.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

ECONOMICS FACTORS AND NEXT YEAR'S BUDGET (CONTINUED)

The \$350 million modernization and expansion of the San Luis I Land Port of Entry, funded by the Bipartisan Infrastructure Law and the Inflation Reduction Act, marks a significant development in regional border infrastructure. The project will double the vehicle lanes from 8 to 16 and pedestrian lanes from 4 to 10. The port processes 8 million border crossers yearly, and we expect the number of crossers will also double. The Mexican shopper contributes approximately 70% of the sales tax to San Luis.

The receipt of \$ 62.0 million in state and federal grants for the widening of Cesar Chavez Boulevard is a major step towards addressing traffic concerns, enhancing safety, and providing alternative transportation modes. The project timeline extends to construction commencement in January 2026 and will continue for two years, promising substantial improvements in local infrastructure.

Another key contributor to the City's economy is the state prison, which employs over 1,256 professionals and staff members. Moreover, as a border city and U.S. Port of Entry, San Luis hosts federal agencies such as Immigration and Naturalization Services (INS), Customs, and U.S. Marshals, whose local operations create hundreds of additional job opportunities.

The City continues to face many important growth issues, and its citizens and municipal government are committed to finding solutions for the future. The City maintains a strong commitment to sustainability and cost-effective services while delivering the same quantity and the best quality of services to its constituents.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional information, contact the City's Finance Director.

BASIC FINANCIAL STATEMENTS



City of San Luis, Arizona
Statement of Net Position
June 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Detention Facility
Assets				
Current assets:				
Cash and investments	\$ 51,992,428	\$ 15,062,341	\$ 67,054,769	\$
Restricted cash and investments	3,900,219	2,048,453	5,948,672	10,138,329
Accounts receivable (net)	2,892,213	2,327,048	5,219,261	5,893,262
Property taxes receivable	38,324		38,324	
Internal balances	6,718,323	(6,718,323)		
Due from component unit	19,491		19,491	
Notes receivable		26,668	26,668	
Due from governmental entities	3,542,931	389,631	3,932,562	
Leases receivable	12,911	664,663	677,574	
Prepaid items	428,330	56,595	484,925	
Inventory	168,409	307,531	475,940	
Total current assets	<u>69,713,579</u>	<u>14,164,607</u>	<u>83,878,186</u>	<u>16,031,591</u>
Noncurrent assets:				
Leases receivable	417,761	6,509,352	6,927,113	
Capital assets not being depreciated	18,359,442	18,013,357	36,372,799	661,359
Capital assets, net accumulated depreciation	76,201,594	60,716,407	136,918,001	21,937,365
Total noncurrent assets	<u>94,978,797</u>	<u>85,239,116</u>	<u>180,217,913</u>	<u>22,598,724</u>
Total assets	<u>164,692,376</u>	<u>99,403,723</u>	<u>264,096,099</u>	<u>38,630,315</u>
Deferred outflows of resources				
Pension plan items	7,062,548	710,878	7,773,426	
Deferred loss on refunding	31,807	555,131	586,938	103,398
Total deferred outflows of resources	<u>7,094,355</u>	<u>1,266,009</u>	<u>8,360,364</u>	<u>103,398</u>
Liabilities				
Current liabilities:				
Accounts payable	3,338,114	4,680,680	8,018,794	14,501,792
Estimated claims and judgements	766,075		766,075	
Accrued payroll and taxes	2,081,711	219,611	2,301,322	
Due to primary government				19,491
Court bonds payable	55,907		55,907	
Customer deposits	1,853	657,535	659,388	
Accrued interest payable	301,073	482,494	783,567	292,935
Current portion of long-term obligations	2,609,292	2,150,216	4,759,508	2,610,000
Unearned revenues	158,811		158,811	
Total current liabilities	<u>9,312,836</u>	<u>8,190,536</u>	<u>17,503,372</u>	<u>17,424,218</u>
Noncurrent liabilities:				
Non-current portion of long-term obligations	29,407,820	24,810,673	54,218,493	21,757,419
Total noncurrent liabilities	<u>29,407,820</u>	<u>24,810,673</u>	<u>54,218,493</u>	<u>21,757,419</u>
Total liabilities	<u>38,720,656</u>	<u>33,001,209</u>	<u>71,721,865</u>	<u>39,181,637</u>
Deferred inflows of resources				
Pension plan items	1,394,936	193,164	1,588,100	
Deferred gain on refunding	745,604	1,113,106	1,858,710	
Leases	408,578	7,040,489	7,449,067	
Total deferred inflows of resources	<u>2,549,118</u>	<u>8,346,759</u>	<u>10,895,877</u>	
Net position				
Net investment in capital assets	82,172,527	50,038,331	132,210,858	(1,665,297)
Restricted for:				
Capital projects	4,226,426	2,385,189	6,611,615	
Debt service	1,368,997	1,776,198	3,145,195	5,928,947
Assessment districts	644,967		644,967	
HURF	3,500,135		3,500,135	
Community development	1,394,178		1,394,178	
Public safety	2,127,245		2,127,245	
Unrestricted	35,082,482	5,122,046	40,204,528	(4,711,574)
Total net position	<u>\$ 130,516,957</u>	<u>\$ 59,321,764</u>	<u>\$ 189,838,721</u>	<u>\$ (447,924)</u>

City of San Luis, Arizona
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for	Operating	Capital Grants	Revenue and
		Services	Grants and	and	Changes in Net
			Contributions	Contributions	Position
					Primary
					Government
					Governmental
					Activities
Primary Government					
Governmental activities					
General government	\$ 9,219,435	\$ 1,568,021	\$	\$ 98,827	\$ (7,552,587)
Public safety	16,448,000	130,919	1,996,816	1,719,538	(12,600,727)
Public works and streets	6,641,214		2,435,456	6,664,358	2,458,600
Health and welfare	490,717		248,613		(242,104)
Culture and recreation	4,045,878	63,022		216,403	(3,766,453)
Community development	2,241,891				(2,241,891)
Interest on long-term debt	456,296				(456,296)
Total governmental activities	<u>39,543,431</u>	<u>1,761,962</u>	<u>4,680,885</u>	<u>8,699,126</u>	<u>(24,401,458)</u>
Business-type activities					
Water	4,355,294	6,410,033		3,754,011	
Wastewater	5,599,937	6,255,802		2,317,816	
Business center	603,893	615,781			
Sanitation	2,252,264	2,547,398			
Business incubator	195,640	121,721			
Ambulance services	3,751,857	3,803,715			
Total business-type activities	<u>16,758,885</u>	<u>19,754,450</u>		<u>6,071,827</u>	
Total primary government	<u>\$ 56,302,316</u>	<u>\$ 21,516,412</u>	<u>\$ 4,680,885</u>	<u>\$ 14,770,953</u>	
Component Unit					
Detention Facility	<u>\$ 26,919,295</u>	<u>\$ 22,810,902</u>	<u>\$</u>	<u>\$</u>	
General revenues					
Taxes:					
City sales taxes for general purposes					18,187,822
Franchise taxes					599,848
Property taxes					975,508
State shared revenue (not restricted)					16,127,942
Investment earnings					2,609,291
Total general revenues					<u>38,500,411</u>
Changes in net position					
					14,098,953
Net position, beginning of year, previously reported					
					116,501,363
Adjustments to beginning net position					
					(83,359)
Net position, beginning of year, as restated					
					<u>116,418,004</u>
Net position, end of year					
					<u>\$ 130,516,957</u>

**Net (Expense) Revenue and Changes in Net
Position**

<u>Primary Government</u>		<u>Component Unit</u>
<u>Business-Type Activities</u>	<u>Total</u>	<u>Detention Facility</u>
\$	\$ (7,552,587)	\$
	(12,600,727)	
	2,458,600	
	(242,104)	
	(3,766,453)	
	(2,241,891)	
	(456,296)	
	<u>(24,401,458)</u>	
5,808,750	5,808,750	
2,973,681	2,973,681	
11,888	11,888	
295,134	295,134	
(73,919)	(73,919)	
51,858	51,858	
<u>9,067,392</u>	<u>9,067,392</u>	
		(4,108,393)
	18,187,822	
	599,848	
	975,508	
	16,127,942	
<u>1,041,405</u>	<u>3,650,696</u>	<u>416,630</u>
<u>1,041,405</u>	<u>39,541,816</u>	<u>416,630</u>
10,108,797	24,207,750	(3,691,763)
48,887,768	165,389,131	3,243,839
325,199	241,840	
<u>49,212,967</u>	<u>165,630,971</u>	<u>3,243,839</u>
<u>\$ 59,321,764</u>	<u>\$ 189,838,721</u>	<u>\$ (447,924)</u>



FUND FINANCIAL STATEMENTS



GOVERNMENTAL FUNDS

City of San Luis, Arizona
Balance Sheet
Governmental Funds
June 30, 2025

	<u>General</u>	<u>Highway Users</u>	<u>Community Development</u>	<u>Debt Service</u>
Assets				
Cash and investments	\$ 37,260,114	\$ 3,907,767	\$ 2,216,381	\$
Restricted cash and investments				3,900,219
Accounts receivable (net)	2,633,522	103,959	5,000	9,881
Property taxes receivable				
Due from governmental entities	2,001,481	363,862	124,148	
Due from other funds	8,958,645			
Due from component unit	19,491			
Leases receivable	430,672			
Prepaid items	349,638		78,400	292
Inventories	16,883	151,526		
Total assets	<u>\$ 51,670,446</u>	<u>\$ 4,527,114</u>	<u>\$ 2,423,929</u>	<u>\$ 3,910,392</u>
Liabilities				
Accounts payable	\$ 1,080,180	\$ 978,287	\$ 918,105	\$
Accrued payroll and taxes	2,030,716	48,692	2,303	
Court bonds payable	55,907			
Customer deposits	1,853			
Due to other funds	880,748			2,240,322
Bond interest payable				301,073
Bonds payable				1,183,916
Unearned revenues	1,968		156,843	
Total liabilities	<u>4,051,372</u>	<u>1,026,979</u>	<u>1,077,251</u>	<u>3,725,311</u>
Deferred inflows of resources				
Unavailable revenues - municipal court	918,173			
Unavailable revenues - intergovernmental			124,147	
Unavailable revenues - property taxes				
Unavailable revenues - other	1,245,292			
Leases	408,578			
Total deferred inflows of resources	<u>2,572,043</u>		<u>124,147</u>	
Fund balances				
Nonspendable	366,521	151,526	78,400	292
Restricted		3,348,609	1,144,131	184,789
Committed				
Unassigned	44,680,510			
Total fund balances	<u>45,047,031</u>	<u>3,500,135</u>	<u>1,222,531</u>	<u>185,081</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 51,670,446</u>	<u>\$ 4,527,114</u>	<u>\$ 2,423,929</u>	<u>\$ 3,910,392</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 4,705,929	\$ 48,090,191
	3,900,219
4,304	2,756,666
38,324	38,324
1,053,440	3,542,931
	8,958,645
	19,491
	430,672
	428,330
	168,409
<u>\$ 5,801,997</u>	<u>\$ 68,333,878</u>
\$ 359,710	\$ 3,336,282
	2,081,711
	55,907
	1,853
	3,121,070
	301,073
	1,183,916
	158,811
<u>359,710</u>	<u>10,240,623</u>
	918,173
616,388	740,535
18,096	18,096
	1,245,292
	408,578
<u>634,484</u>	<u>3,330,674</u>
	596,739
4,492,744	9,170,273
315,059	315,059
	44,680,510
<u>4,807,803</u>	<u>54,762,581</u>
<u>\$ 5,801,997</u>	<u>\$ 68,333,878</u>

City of San Luis, Arizona
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net
Position
June 30, 2025

Total fund balances - governmental funds **\$ 54,762,581**

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	\$ 159,308,325	
Less accumulated depreciation/amortization	<u>(64,747,289)</u>	
		94,561,036

Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.

Municipal court	918,173	
Intergovernmental	740,535	
Property taxes	18,096	
Other	<u>1,245,292</u>	
		2,922,096

Deferred items related to the refunding of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds. (713,797)

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

Deferred outflows of resources related to pensions	7,062,548	
Deferred inflows of resources related to pensions	<u>(1,394,936)</u>	
		5,667,612

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position. 4,150,625

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

Compensated absences payable	(1,534,627)	
Note payable	(55,070)	
Leases payable	(16,000)	
SBITAs	(63,155)	
Bonds payable	(15,524,616)	
Net pension liability	<u>(13,639,728)</u>	
		<u>(30,833,196)</u>

Net position of governmental activities **\$ 130,516,957**



City of San Luis, Arizona
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	<u>General</u>	<u>Highway Users</u>	<u>Community Development</u>	<u>Debt Service</u>
Revenues				
Taxes	\$ 18,787,670	\$	\$	\$
Licenses and permits	1,135,422			
Intergovernmental	16,127,942	3,780,259	3,945,251	
Fines and forfeitures	285,427			
Charges for services	70,082			
Rents	17,772			
Investment earnings	1,148,708	268,151	918,596	155,551
Development fees		506,777		
Other	264,110		63,022	
Total revenues	<u>37,837,133</u>	<u>4,555,187</u>	<u>4,926,869</u>	<u>155,551</u>
Expenditures				
Current:				
General government	7,678,367			
Public safety	12,594,790			
Public works and streets	428,013	3,010,602		
Health and welfare	289,170		138,515	
Culture and recreation	3,490,341		37,750	
Community development	1,567,849		30,000	
Capital outlay	1,788,501	1,662,385	4,737,432	
Debt service:				
Principal retirement	131,520			1,183,916
Interest and fiscal charges	2,992			604,251
Total expenditures	<u>27,971,543</u>	<u>4,672,987</u>	<u>4,943,697</u>	<u>1,788,167</u>
Excess (deficiency) of revenues over expenditures	<u>9,865,590</u>	<u>(117,800)</u>	<u>(16,828)</u>	<u>(1,632,616)</u>
Other financing sources (uses)				
Transfers in		1,070,795	1,092,607	1,632,614
Transfers out	(2,475,221)	(1,070,795)		
Lease agreements	24,000			
SBITA agreements	96,604			
Total other financing sources (uses)	<u>(2,354,617)</u>		<u>1,092,607</u>	<u>1,632,614</u>
Changes in fund balances	<u>7,510,973</u>	<u>(117,800)</u>	<u>1,075,779</u>	<u>(2)</u>
Fund balances, beginning of year, previously reported				
	37,851,117	3,617,935	146,752	268,442
Adjustments to beginning fund balances	(315,059)			(83,359)
Fund balances, beginning of year, as restated	<u>37,536,058</u>	<u>3,617,935</u>	<u>146,752</u>	<u>185,083</u>
Fund balances, end of year	<u>\$ 45,047,031</u>	<u>\$ 3,500,135</u>	<u>\$ 1,222,531</u>	<u>\$ 185,081</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 990,305	\$ 19,777,975
	1,135,422
3,292,815	27,146,267
221,139	506,566
	70,082
2,500	20,272
103,357	2,594,363
631,607	1,138,384
13,252	340,384
<u>5,254,975</u>	<u>52,729,715</u>
	7,678,367
1,676,779	14,271,569
372,592	3,811,207
	427,685
6,197	3,534,288
598,418	2,196,267
1,650,145	9,838,463
107,681	1,423,117
4,399	611,642
<u>4,416,211</u>	<u>43,792,605</u>
<u>838,764</u>	<u>8,937,110</u>
	3,796,016
(250,000)	(3,796,016)
	24,000
	96,604
<u>(250,000)</u>	<u>120,604</u>
<u>588,764</u>	<u>9,057,714</u>
3,903,980	45,788,226
315,059	(83,359)
<u>4,219,039</u>	<u>45,704,867</u>
<u>\$ 4,807,803</u>	<u>\$ 54,762,581</u>

City of San Luis, Arizona
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Changes in fund balances - total governmental funds **\$ 9,057,714**

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, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation/amortization expense.

Expenditures for capitalized assets	\$	9,838,463	
Capital contributions from donated assets		1,141,292	
Less current year depreciation/amortization		<u>(5,332,395)</u>	
			5,647,360

Issuance of long-term provides current financial resources from governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.

Lease agreements		(24,000)	
SBITA agreements		<u>(96,604)</u>	
			(120,604)

Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Municipal court		5,482	
Intergovernmental		75,117	
Property taxes		(14,797)	
Other		<u>(309,353)</u>	
			(243,551)

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Financed purchase principal retirement		55,386	
Lease principal retirement		8,000	
SBITA principal retirement		68,134	
Note principal retirement		107,681	
Bond principal retirement		<u>1,183,916</u>	
			1,423,117

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.

Current year pension contributions		2,010,118	
Pension expense		<u>(3,077,092)</u>	
			(1,066,974)

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.

Compensated absences		(617,578)	
Deferred bond items on issuance of refunding debt		43,432	
Loss on disposal of assets		(40,551)	
Amortization of deferred bond items		<u>111,914</u>	
			(502,783)

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.

(95,326)

Changes in net position in governmental activities **\$ 14,098,953**

City of San Luis, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
General
For the Year Ended June 30, 2025

	<u>Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	\$ 15,635,040	\$ 15,635,040	\$ 18,787,670	\$ 3,152,630
Licenses and permits	893,160	893,160	1,135,422	242,262
Intergovernmental	15,216,490	15,216,490	16,127,942	911,452
Fines and forfeitures	277,400	277,400	285,427	8,027
Charges for services	44,650	44,650	70,082	25,432
Rents	188,710	188,710	17,772	(170,938)
Investment earnings	250,000	250,000	1,148,708	898,708
Other	<u>106,000</u>	<u>106,000</u>	<u>264,110</u>	<u>158,110</u>
Total revenues	<u>32,611,450</u>	<u>32,611,450</u>	<u>37,837,133</u>	<u>5,225,683</u>
Expenditures				
Current:				
General government				
City council	1,300,110	1,195,110	885,367	309,743
City administration	1,570,020	711,020	504,347	206,673
City clerk	323,720	323,720	282,598	41,122
City attorney	500,700	653,700	653,172	528
City prosecutor	438,530	397,530	339,182	58,348
Finance	649,420	641,420	561,437	79,983
Human resources	553,950	553,950	469,080	84,870
Municipal court	1,017,440	998,290	804,466	193,824
Information technology	942,500	935,750	849,845	85,905
Facilities	856,020	878,850	829,326	49,524
Fleet services	262,940	294,690	278,661	16,029
Risk and property	755,715	755,715	747,934	7,781
Billing and collections	35,725	50,725	35,254	15,471
Non departmental	548,850	483,250	437,698	45,552
Public safety				
Police department	7,992,430	8,371,380	7,869,513	501,867
Fire department	4,614,120	4,914,120	4,725,277	188,843
Public works and streets				
Public works	201,080	201,080	165,258	35,822
Engineering	426,450	356,450	262,755	93,695
Health and welfare				
Senior services	384,760	384,760	289,170	95,590
Culture and recreation				
Cultural center	347,390	347,390	271,763	75,627
Parks ground	1,835,220	1,870,220	1,805,178	65,042
Parks - recreation	1,159,460	1,163,360	978,088	185,272
Youth center	338,490	338,490	284,984	53,506
Aquatic center	203,510	204,880	150,328	54,552
Community development				
Development services	689,220	689,220	611,257	77,963
Building safety	599,540	621,540	477,781	143,759
Economic development	508,350	544,350	478,811	65,539
Capital outlay	697,370	1,535,370	1,788,501	(253,131)
Debt service:				
Principal retirement	35,200	35,200	131,520	(96,320)
Interest and fiscal charges	<u>900</u>	<u>900</u>	<u>2,992</u>	<u>(2,092)</u>
Total expenditures	<u>29,789,130</u>	<u>30,452,430</u>	<u>27,971,543</u>	<u>2,480,887</u>
Excess (deficiency) of revenues over expenditures	<u>2,822,320</u>	<u>2,159,020</u>	<u>9,865,590</u>	<u>7,706,570</u>
Other financing sources (uses)				
Transfers out	(5,499,310)	(5,499,310)	(2,475,221)	3,024,089
Lease agreements			24,000	24,000
SBITA agreements			96,604	96,604
Total other financing sources (uses)	<u>(5,499,310)</u>	<u>(5,499,310)</u>	<u>(2,354,617)</u>	<u>3,144,693</u>
Changes in fund balances	<u>(2,676,990)</u>	<u>(3,340,290)</u>	<u>7,510,973</u>	<u>10,851,263</u>
Fund balances, beginning of year, previously reported	37,851,117	37,851,117	37,851,117	
Adjustments to beginning fund balances			(315,059)	(315,059)
Fund balances, beginning of year, as restated	<u>37,851,117</u>	<u>37,851,117</u>	<u>37,536,058</u>	<u>(315,059)</u>
Fund balances, end of year	<u>\$ 35,174,127</u>	<u>\$ 34,510,827</u>	<u>\$ 45,047,031</u>	<u>\$ 10,536,204</u>

City of San Luis, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Highway Users
For the Year Ended June 30, 2025

	<u>Budget</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 3,628,630	\$ 3,628,630	\$ 3,780,259	\$ 151,629
Investment earnings	75,000	75,000	268,151	193,151
Development fees	562,000	562,000	506,777	(55,223)
Total revenues	<u>4,265,630</u>	<u>4,265,630</u>	<u>4,555,187</u>	<u>289,557</u>
Expenditures				
Current:				
Public works and streets	3,033,180	3,235,950	3,010,602	225,348
Capital outlay	4,002,790	3,241,790	1,662,385	1,579,405
Total expenditures	<u>7,035,970</u>	<u>6,477,740</u>	<u>4,672,987</u>	<u>1,804,753</u>
Excess (deficiency) of revenues over expenditures	<u>(2,770,340)</u>	<u>(2,212,110)</u>	<u>(117,800)</u>	<u>2,094,310</u>
Other financing sources (uses)				
Transfers in	3,214,430	3,214,430	1,070,795	(2,143,635)
Transfers out	(1,407,090)	(1,407,090)	(1,070,795)	336,295
Total other financing sources (uses)	<u>1,807,340</u>	<u>1,807,340</u>	<u> </u>	<u>(1,807,340)</u>
Changes in fund balances	<u>(963,000)</u>	<u>(404,770)</u>	<u>(117,800)</u>	<u>286,970</u>
Fund balances, beginning of year	<u>3,617,935</u>	<u>3,617,935</u>	<u>3,617,935</u>	<u> </u>
Fund balances, end of year	<u>\$ 2,654,935</u>	<u>\$ 3,213,165</u>	<u>\$ 3,500,135</u>	<u>\$ 286,970</u>

City of San Luis, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Community Development
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 9,979,180	\$ 9,979,180	\$ 3,945,251	(6,033,929)
Investment earnings			918,596	918,596
Other	49,000	49,000	63,022	14,022
Total revenues	<u>10,028,180</u>	<u>10,028,180</u>	<u>4,926,869</u>	<u>(5,101,311)</u>
Expenditures				
Current:				
Health and welfare	108,630	108,630	138,515	(29,885)
Culture and recreation	25,000	25,000	37,750	(12,750)
Community development		60,000	30,000	30,000
Capital outlay	11,301,640	10,748,640	4,737,432	6,011,208
Total expenditures	<u>11,435,270</u>	<u>10,942,270</u>	<u>4,943,697</u>	<u>5,998,573</u>
Excess (deficiency) of revenues over expenditures	<u>(1,407,090)</u>	<u>(914,090)</u>	<u>(16,828)</u>	<u>897,262</u>
Other financing sources (uses)				
Transfers in	1,407,090	1,407,090	1,092,607	(314,483)
Changes in fund balances	<u> </u>	<u>493,000</u>	<u>1,075,779</u>	<u>582,779</u>
Fund balances, beginning of year	<u>146,752</u>	<u>146,752</u>	<u>146,752</u>	<u> </u>
Fund balances, end of year	<u>\$ 146,752</u>	<u>\$ 639,752</u>	<u>\$ 1,222,531</u>	<u>\$ 582,779</u>



PROPRIETARY FUNDS

City of San Luis, Arizona
Statement of Fund Net Position
Proprietary Funds
June 30, 2025

Business-Type Activities

	Water	Wastewater	Sanitation	Business Incubator	Ambulance Services
Assets					
Current assets:					
Cash and investments	\$ 7,577,913	\$ 7,234,101	\$	\$	\$ 250,327
Restricted cash and investments	733,839				
Accounts receivable (net)	570,826	147,900	50,809	2,601	1,550,991
Notes receivable	26,668				
Due from governmental entities	389,631				
Due from other funds					
Leases receivable				113,712	
Prepaid items and other assets	188,661	59,026	29,256		87,183
Total current assets	<u>9,487,538</u>	<u>7,441,027</u>	<u>80,065</u>	<u>116,313</u>	<u>1,888,501</u>
Noncurrent assets:					
Leases receivable				268,278	
Capital assets not being depreciated	11,293,496	6,368,178			
Capital assets, net of accumulated depreciation	26,874,863	26,037,267	1,685,212	2,305,011	1,154,046
Total noncurrent assets	<u>38,168,359</u>	<u>32,405,445</u>	<u>1,685,212</u>	<u>2,573,289</u>	<u>1,154,046</u>
Total assets	<u>47,655,897</u>	<u>39,846,472</u>	<u>1,765,277</u>	<u>2,689,602</u>	<u>3,042,547</u>
Deferred outflows of resources					
Pension plan items	135,729	196,726	60,775		317,648
Deferred loss on refunding					
Total deferred outflows of resources	<u>135,729</u>	<u>196,726</u>	<u>60,775</u>		<u>317,648</u>
Liabilities					
Current liabilities:					
Accounts payable	2,330,438	2,197,614	87,696	1,234	15,419
Estimated claims and judgements					
Accrued payroll and taxes	34,223	54,605	17,061	406	113,316
Customer deposits	635,562	12,225		9,748	
Due to other funds			1,135,675	821,562	
Accrued interest	172,536	200,019			10,220
Current portion of long-term obligations	476,597	605,700	17,310	1,312	189,297
Total current liabilities	<u>3,649,356</u>	<u>3,070,163</u>	<u>1,257,742</u>	<u>834,262</u>	<u>328,252</u>
Noncurrent liabilities:					
Non-current portion of long-term obligations	8,091,111	9,620,989	267,082	699,216	916,325
Total noncurrent liabilities	<u>8,091,111</u>	<u>9,620,989</u>	<u>267,082</u>	<u>699,216</u>	<u>916,325</u>
Total liabilities	<u>11,740,467</u>	<u>12,691,152</u>	<u>1,524,824</u>	<u>1,533,478</u>	<u>1,244,577</u>
Deferred inflows of resources					
Pension plan items	37,737	54,696	16,897		83,834
Deferred gain on refunding	537,701	575,405			
Leases				335,975	
Total deferred inflows of resources	<u>575,438</u>	<u>630,101</u>	<u>16,897</u>	<u>335,975</u>	<u>83,834</u>
Net position					
Net investment in capital assets	27,601,003	20,520,994	1,685,212	1,605,956	1,154,046
Restricted for:					
Capital projects	794,174	1,591,015			
Debt service	561,303				
Unrestricted	6,519,241	4,609,936	(1,400,881)	(785,807)	877,738
Total net position	<u>\$ 35,475,721</u>	<u>\$ 26,721,945</u>	<u>\$ 284,331</u>	<u>\$ 820,149</u>	<u>\$ 2,031,784</u>

Business-Type Activities		Governmental Activities
Business Center	Total Enterprise Funds	Internal Service Funds
\$	\$ 15,062,341	3,902,237
1,314,614	2,048,453	
3,921	2,327,048	135,547
	26,668	
	389,631	
		880,748
550,951	664,663	
	364,126	
<u>1,869,486</u>	<u>20,882,930</u>	<u>4,918,532</u>
6,241,074	6,509,352	
351,683	18,013,357	
<u>2,660,008</u>	<u>60,716,407</u>	
<u>9,252,765</u>	<u>85,239,116</u>	
<u>11,122,251</u>	<u>106,122,046</u>	<u>4,918,532</u>
	710,878	
555,131	555,131	
<u>555,131</u>	<u>1,266,009</u>	
48,279	4,680,680	1,832
		766,075
	219,611	
	657,535	
4,761,086	6,718,323	
99,719	482,494	
<u>860,000</u>	<u>2,150,216</u>	
<u>5,769,084</u>	<u>14,908,859</u>	<u>767,907</u>
5,215,950	24,810,673	
<u>5,215,950</u>	<u>24,810,673</u>	
<u>10,985,034</u>	<u>39,719,532</u>	<u>767,907</u>
	193,164	
	1,113,106	
6,704,514	7,040,489	
<u>6,704,514</u>	<u>8,346,759</u>	
(2,528,880)	50,038,331	
	2,385,189	
1,214,895	1,776,198	
(4,698,181)	5,122,046	4,150,625
<u>\$ (6,012,166)</u>	<u>\$ 59,321,764</u>	<u>\$ 4,150,625</u>

City of San Luis, Arizona
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2025

Business-Type Activities

	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Business Incubator</u>
Operating revenues				
Charges for services	\$ 6,248,573	\$ 6,253,617	\$ 2,479,764	\$
Rents				116,672
Other	161,460	2,185	67,634	5,049
Total operating revenues	<u>6,410,033</u>	<u>6,255,802</u>	<u>2,547,398</u>	<u>121,721</u>
Operating expenses				
Cost of sales and services	3,338,135	4,159,375	1,961,583	122,908
Insurance premiums/claims				
Depreciation and amortization	765,838	1,138,756	290,681	59,450
Total operating expenses	<u>4,103,973</u>	<u>5,298,131</u>	<u>2,252,264</u>	<u>182,358</u>
Operating income (loss)	<u>2,306,060</u>	<u>957,671</u>	<u>295,134</u>	<u>(60,637)</u>
Nonoperating revenues (expenses)				
Investment earnings	642,564	370,727		
Interest and fiscal charges	(251,321)	(300,050)		(13,282)
Gain (loss) on disposal of assets		(1,756)		
Total nonoperating revenue (expenses)	<u>391,243</u>	<u>68,921</u>		<u>(13,282)</u>
Income (loss) before capital contributions	2,697,303	1,026,592	295,134	(73,919)
Capital contributions	<u>3,754,011</u>	<u>2,317,816</u>		
Changes in net position	6,451,314	3,344,408	295,134	(73,919)
Net position, beginning of year, previously reported	28,866,823	23,209,922	(10,803)	894,068
Adjustments to beginning net position	157,584	167,615		
Net position, beginning of year, as restated	<u>29,024,407</u>	<u>23,377,537</u>	<u>(10,803)</u>	<u>894,068</u>
Total net position, end of year	<u>\$ 35,475,721</u>	<u>\$ 26,721,945</u>	<u>\$ 284,331</u>	<u>\$ 820,149</u>

Business-Type Activities			Governmental Activities
Ambulance Services	Business Center	Total Enterprise Funds	Internal Service Funds
\$ 3,802,815	\$	\$ 18,784,769	\$ 3,493,980
	562,617	679,289	
900	53,164	290,392	
<u>3,803,715</u>	<u>615,781</u>	<u>19,754,450</u>	<u>3,493,980</u>
3,551,317	119,614	13,252,932	
			3,604,234
180,154	185,528	2,620,407	
<u>3,731,471</u>	<u>305,142</u>	<u>15,873,339</u>	<u>3,604,234</u>
72,244	310,639	3,881,111	(110,254)
2,246	25,868	1,041,405	14,928
(20,386)	(298,751)	(883,790)	
		(1,756)	
<u>(18,140)</u>	<u>(272,883)</u>	<u>155,859</u>	<u>14,928</u>
54,104	37,756	4,036,970	(95,326)
		6,071,827	
54,104	37,756	10,108,797	(95,326)
1,977,680	(6,049,922)	48,887,768	4,245,951
		325,199	
<u>1,977,680</u>	<u>(6,049,922)</u>	<u>49,212,967</u>	<u>4,245,951</u>
<u>\$ 2,031,784</u>	<u>\$ (6,012,166)</u>	<u>\$ 59,321,764</u>	<u>\$ 4,150,625</u>

City of San Luis, Arizona
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities			
	Water	Wastewater	Sanitation	Business Incubator
<u>Increase/Decrease in Cash and Cash Equivalents</u>				
Cash flows from operating activities				
Cash received from customers	\$ 5,998,949	\$ 6,246,497	\$ 2,541,348	\$ 118,250
Cash payments to suppliers for goods and services	(1,297,724)	(928,901)	(1,638,646)	(109,594)
Cash payments to employees for services	(890,465)	(1,273,960)	(401,200)	(13,200)
Net cash provided by/used for operating activities	3,810,760	4,043,636	501,502	(4,544)
Cash flows from noncapital financing activities				
Interfund borrowing	(1,178,609)		(129,339)	17,863
Cash flows from capital and related financing activities				
Capital contributions from development fees and grants	3,366,621	1,916,906		
Payments for capital acquisitions	(13,057,788)	(5,687,814)	(372,163)	
Principal paid on long-term obligations	(472,841)	(582,087)		(37)
Interest paid on long-term obligations	(281,525)	(333,950)		(13,282)
Net cash provided by/used for capital and related financing activities	(10,445,533)	(4,686,945)	(372,163)	(13,319)
Cash flows from investing activities				
Investment income	642,564	370,727		
Net increase/decrease in cash and cash equivalents	(7,170,818)	(272,582)		
Cash and cash equivalents, beginning of year	15,482,570	7,506,683		
Cash and cash equivalents, end of year	\$ 8,311,752	\$ 7,234,101	\$	\$
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>				
Cash and investments	\$ 7,577,913	\$ 7,234,101	\$	\$
Restricted cash and investments	733,839			
Total cash and cash equivalents	\$ 8,311,752	\$ 7,234,101	\$	\$
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>				
Operating income/loss	\$ 2,306,060	\$ 957,671	\$ 295,134	\$ (60,637)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:				
Depreciation/amortization	765,838	1,138,756	290,681	59,450
Difference between pension expense and contributions	(24,422)	(9,596)	(96,912)	
Difference between lease revenue and cash payments				(4,255)
Changes in assets and liabilities:				
Increase/decrease in accounts receivable	(45,948)	(9,505)	(6,050)	104
Increase/decrease in prepaid items and other assets	5,236	(1,101)	(8,524)	
Increase/decrease in due from governmental entities	(389,631)			
Increase/decrease in notes receivable	1,953			
Increase/decrease in accounts payable	1,142,082	1,917,022	19,290	(293)
Increase/decrease in customer deposits	22,542	200		680
Increase/decrease in estimated claims and judgements				
Increase/decrease in accrued payroll and taxes	6,454	15,941	3,890	4
Increase/decrease in compensated absences payable	20,596	34,248	3,993	403
Total adjustments	1,504,700	3,085,965	206,368	56,093
Net cash provided by/used for operating activities	\$ 3,810,760	\$ 4,043,636	\$ 501,502	\$ (4,544)
<u>Noncash Capital, Financing, and Investing Activities</u>				
Amortization of premium/discount and deferred charges on refunding	\$ 93,751	\$ 99,987	\$	\$
Capital contributions	387,390	400,910		

Business-Type Activities			Governmental Activities
Ambulance Services	Business Center	Total Enterprise Funds	Internal Service Funds
\$ 3,545,272	\$ 596,079	\$ 19,046,395	\$ 3,507,314
(981,950)	(77,025)	(5,033,840)	(3,839,443)
<u>(2,476,738)</u>		<u>(5,055,563)</u>	
86,584	519,054	8,956,992	(332,129)
	(726,229)	(2,016,314)	(335,826)
		5,283,527	
	(28,652)	(19,146,417)	
(62,404)	(830,000)	(1,947,369)	
<u>(20,652)</u>	<u>(210,850)</u>	<u>(860,259)</u>	
<u>(83,056)</u>	<u>(1,069,502)</u>	<u>(16,670,518)</u>	
2,246	25,868	1,041,405	14,928
5,774	(1,250,809)	(8,688,435)	(653,027)
<u>244,553</u>	<u>2,565,423</u>	<u>25,799,229</u>	<u>4,555,264</u>
\$ 250,327	\$ 1,314,614	\$ 17,110,794	\$ 3,902,237
\$ 250,327	\$ 1,314,614	\$ 15,062,341	\$ 3,902,237
	1,314,614	2,048,453	
\$ 250,327	\$ 1,314,614	\$ 17,110,794	\$ 3,902,237
\$ 72,244	\$ 310,639	\$ 3,881,111	\$ (110,254)
180,154	185,528	2,620,407	
49,295		(81,635)	
	(15,781)	(20,036)	
(258,443)	(3,921)	(323,763)	13,334
(18,425)		(22,814)	
		(389,631)	
		1,953	
(32,238)	42,589	3,088,452	1,832
		23,422	
			(237,041)
12,142		38,431	
81,855		141,095	
<u>14,340</u>	<u>208,415</u>	<u>5,075,881</u>	<u>(221,875)</u>
\$ 86,584	\$ 519,054	\$ 8,956,992	\$ (332,129)
\$	\$ (99,314)	\$ 94,424	\$
		788,300	



NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board (“GASB”) commonly referred to as accounting principles generally accepted in the United States of America (“U.S. GAAP”). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting standards.

During the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This Statement updates the recognition and measurement guidance for compensated absences. Liabilities are recognized for leave that has not been used, as well as leave that has been used but not yet paid in cash or settled through noncash means. The District’s analysis of compensated absences in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

Below are the City’s more significant accounting policies.

A. Reporting Entity

The City of San Luis (the “City”) was incorporated in 1979 under the provision of the Arizona Constitution and is located on the Arizona-Sonora Mexico border. The City is a municipal entity governed by an elected Mayor and council.

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, *The Financial Statement Entity – Omnibus*. The City is the primary government unit. Component units are financially accountable to the City. Financial accountability exists if the primary government appoints a voting majority of the entity’s governing body and (1) it is able to impose its will on that organization, or (2) there is a potential for the organization to provide financial benefit, or impose financial burdens on the primary government. Component units meeting the criteria have been accounted for as “blended” component units of the City. Despite being legally separate, these entities are so intertwined with the City that they are, in substance, part of the City’s operations. Accordingly, the balances and transactions of these component units are reported within the funds of the City.

Blended Component Units

The San Luis Community Facilities District (SLCFD) was created in 1999 under the provisions of Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes. The District is considered by law to be an independent political sub-division of the state, and separate from the City. Council members serve as the Board of Directors. The purpose of the entity is to provide land for the development of the Regional Center for Border Health which will revert along with the development to the City at the end of the term. The District leases the land under a 30-year agreement to Western Arizona Area Health Education Center, Inc. (WAAHEC), an unrelated not-for-profit corporation for \$2,500 per year. The activity is reported in the San Luis Community Facilities District Fund.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The San Luis Employees' Self Insurance Health Fund (ESI) was formed for the purpose of managing the health insurance fund and is governed by five Board members. The Board consists of three non-staff members, one member of Council and one member from the Human Resources Department. Although it is legally separate from the City, the Trust is reported as if it were part of the City government, because its sole purpose is to provide services exclusively to City employees through a self-insured plan. Employees are covered 100 percent by the plan and pay on the average \$275 a month for family or dependent care. The activity of the ESI is reported as the Insurance Fund, an internal service fund.

No separate financial statements are prepared for the blended component units.

Discretely Presented Component Unit

Discretely presented component units are entities that are legally separate from the primary government but for which omission would cause the primary government's financial statements to be misleading or incomplete. The component units below do not meet the criteria for blended presentation and therefore, they are reported separately from the primary government.

The San Luis Facility Development Corporation (SLFDC) was incorporated in 2005 exclusively for the purpose of financing, owning, and/or operating one or more public projects that affect economic development in the City of San Luis, Arizona or Yuma County and to provide facilities, equipment, and other physical plant and related support to the project. It is governed by a Board of five Directors of which two are members of City Council. The Corporation was used in April 2014 and July 2014 to refinance two bond issues that were originally used to build and extend the detention facility respectively. The City General Fund receives certain revenues in the form of a bed tax from the operations. The activity is reported in the City's Detention Facility Fund.

No separate financial statements are prepared for the discretely presented component unit.

Joint Ventures

A joint venture (JV) is a legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. A "jointly governed organization" is an organization that meets all the JV criteria except the participants do not retain on-going financial interest or responsibility.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Related Organizations

The City's officials are also responsible for appointing the board members of other organizations; however, the City's accountability for these organization does not extend beyond the making of appointments and therefore they are not included as part of the financial statements.

The following is a related organization that is excluded from the reporting entity:

- East San Luis Community Facility District

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements – The Government-Wide Financial Statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Fiduciary activities are not included in these statements.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due from and to other funds
- Transfers in and out

Governmental Fund Financial Statements – All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recognized as soon as they are both “*measurable*” and “*available*”. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For these purposes, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, other local taxes, franchise fees, forfeitures and penalties, motor license fees, rents and concessions, interest revenue, and state and federal grants and subventions. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

Reconciliations of the fund financial statements to the Government-Wide Financial Statements are provided to explain the differences.

Certain indirect costs are included as part of the program expenses reported for individual functions and activities.

The City reports the following major governmental funds.

General – This fund is the general operating fund of the City. It accounts for all financial resources of the City except those required to be accounted for in other funds.

Highway Users – This fund accounts for the revenue received from the State for public works and streets.

Community Development – This fund accounts for grants received from the Federal and State governments for community development purposes.

Debt Service – This fund accounts for the repayment of several of the City's bonds.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The City's non-major funds are as follows:

Special Revenue Funds

- Police Grants and Special Revenues
- Judicial Collection Enhancement
- San Luis Community Facilities District
- Assessment Districts

Capital Projects Funds

- Impact Fees

Proprietary Fund Financial Statements - Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Proprietary funds distinguish operating revenues and expenses from non-operating 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 proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following proprietary funds:

Water – This fund accounts for the City's water operations.

Wastewater – This fund accounts for the City's wastewater operations.

Sanitation – This fund accounts for the activities of the City's sanitation operations.

Business Incubator – This fund accounts for the City's business incubator operations which offers assistance to small businesses, encourage light manufacturing and help create job opportunities within the City.

Ambulance Services – This fund accounts for City's ambulance resources to provide emergency 9-1-1 response and emergency medical transportation for the residents and guests of the City of San Luis.

Business Center – This fund accounts for activity related to properties acquired by the City from the Industrial Development Authority to develop trade, encourage production, and assure job opportunities in the City.

Additionally, the City reports the following internal service fund type:

Insurance (ESI) - The Insurance fund is used to account for the accumulation and allocation of costs associated with the City's self-insured group health and dental insurance program.

C. Cash, Cash Equivalents and Investments

The City considers cash on hand, demand deposits, cash and investments held by the State Treasurer, cash with trustee and highly liquid investments with maturities of three months from the date of acquisition to be cash equivalents. All cash and investments of proprietary funds are held in the City's investment pool. These cash pools have the general characteristics of a demand deposit account, therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for Statement of Cash Flows purposes.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Cash, Cash Equivalents and Investments (Continued)

Cash and investments are generally pooled except for funds required to be held by fiscal agents or restricted under provisions of bond indentures. Arizona Revised Statutes (A.R.S.) 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 or any of its counties, cities, towns, school districts, and special districts as specified by statute.

The State Board of Deposit provides oversight for the State Treasurer's pool, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares.

Money market investments are stated at amortized cost. All other investments are stated at cost, which approximates fair value. Certain resources set aside for the repayments of debt are classified as investments held by trustee – restricted. Certain disclosure requirements, if applicable, for Deposits and Investment Risks in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk
- Foreign Currency Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

D. Restricted Cash and Investments with Fiscal Agents

Cash and investments with fiscal agents are restricted due to limitations on their use by bond covenants and other agreements. Fiscal agents acting on behalf of the City hold investment funds arising from the proceeds of long-term debt issuances, the repayment of bond principal/interest, or the operation of the San Luis Detention Facility.

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in investment earnings in the governmental fund financial statements and in non-operating revenues in the proprietary fund financial statements.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Prepaid Items

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

G. Receivables

Receivables include such items as taxes, intergovernmental revenues, charges for services, miscellaneous account receivable, and interest receivable, and are reported net of allowance for uncollectible. The City reserved all receivable in excess of 180 days as an allowance.

H. Interfund Receivables and Payable

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of inter-fund loans) or “advances to/from other funds” (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

I. Inventories

Inventories of the governmental funds are recorded under the consumption method. Inventories are recorded as expenditures when consumed rather than when purchased. Inventories are valued at year end based on average cost. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

J. Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, machinery, equipment, construction in progress, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible right-to-use assets 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 historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

Capital assets are depreciated using the straight-line method over the estimated useful life of the asset. Intangible right-to use assets are amortized over the shorter of the lease/subscription term or the underlying asset’s useful life. Amortization of right-to-use assets is included with depreciation expense. The estimated useful lives and depreciation/amortization periods are as follows:

Assets	Years
Infrastructure	15-50
Buildings and improvements	20-50
Improvements other than buildings	5-50
Machinery, and equipment	5-25
Intangible right-to-use assets	58

K. Property Tax Calendar

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

L. Deferred Outflows/Inflows of Resources

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the statement of net position reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, when applicable. The City and its blended component unit have items that qualify for reporting in these categories.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as revenue until that time. In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting, in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from Municipal Court fines, intergovernmental revenue, property taxes, and other revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

Under the full accrual basis, the City has three items that qualify for reporting in this category:

- A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- In conjunction with pension accounting requirements, the difference between expected and actual experience related is recorded as a deferred inflow of resources related to pensions. This amount is determined based on the actuarial valuation performed for the plan as described further in Note 18.
- A deferred inflow from leases is recorded at the inception of a lease in which the City is the lessor. The inflow of resources is recognized ratably over the term of the lease.

Deferred Outflows of Resources represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

- A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- In conjunction with pension accounting requirements, the difference between expected and actual investment earnings is recorded as a deferred outflow of resources related to pensions. This amount is determined based on the actuarial valuation performed for the plan.

M. Compensated Absences

The City's employee vacation and sick leave policies provide for granting vacation and sick leave with pay. Annual leave, based on graduated scale of years of employment, is credited to each employee as it accrues and differs between administrative and public safety functions. The maximum accrual allowed follows the aforementioned pattern of accrued hours and cannot exceed twice the yearly earned hours. Vacation benefits vest at the employee's current rate of pay.

The current and long-term liabilities for accumulated vacation are reported on the government-wide financial statements and in the proprietary fund 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. Resources from the General Fund are generally used to liquidate the governmental funds liabilities for compensated absences.

Generally, sick leave benefits provide for ordinary sick pay and are cumulative but are forfeited upon termination of employment. Because sick leave benefits do not vest with employees, a liability for sick leave benefits is not accrued in the financial statements.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Leases

As lessee, the City recognizes lease liabilities with an initial, individual value of \$100,000 or more. The City uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The City's estimated incremental borrowing rate is based on the interest rate from recent debt issuances.

As lessor, the City recognizes lease receivables with an initial, individual value of \$100,000 or more. If there is no stated rate in the lease contract (or if 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 rate on federal securities as the discount rate to measure lease receivables.

O. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities, net of bond premiums or discounts. Bond premiums and discounts are amortized over the life of the bonds using straight-line method. Issuance costs are reported as expense when incurred.

Governmental fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

P. Arbitrage Rebate Requirement

The City is subject to the Internal Revenue Code ("IRC") Section 148(f), related to its tax exempt revenue bonds. The IRC requires that investment earnings on gross proceeds of any revenue bonds that are in excess of the amount prescribed will be surrendered to the Internal Revenue Service. The City had no rebate liability for arbitrage as of June 30, 2025.

Q. Claims Liabilities

The City accounts for material claims and judgments outstanding at year-end. When it is probable that a claim liability has incurred at year-end, and the amount of loss can be reasonably estimated, the City records the estimated loss.

R. Subscription-Based Information Technology Arrangements (SBITAs)

As an end user of subscription-based technology, the City recognizes SBITA obligations with an initial, individual value of \$50,000 or more. The City uses its estimated incremental borrowing rate to measure SBITA obligations unless it can readily determine the interest rate implicit in the SBITA contract. The City's estimated incremental borrowing rate is based on describe how the City determined its estimated incremental borrowing rate.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Pensions

For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension 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.

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

T. Net Position

For government-wide and proprietary fund financial statements, net position represents the difference between all other elements in the statement of net position and should be displayed in the following three components:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Use of Estimates

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

V. Budget

The City publishes and adopts an annual budget in accordance with applicable state statutes. The City prepares an annual budget on a basis consistent with Generally Accepted Accounting Principles for all governmental funds. After review of the tentative budgets, City Council holds public hearings and then adopts the annual budget for the General, Special Revenue, Debt Service, Capital Projects, and Enterprise funds. All annual appropriations lapse at the fiscal year end.

The appropriated budget is prepared by fund and department on the same basis of accounting as required for governmental fund types and conforms to GAAP. Amendments are required for any revisions that increases total expenditures of any fund or that change functional appropriations. During the year, several amendments to the original budget were necessary to meet the needs of the City. Also, transfers of appropriations between departments and over-expenditures of appropriations at the department level require Council approval. The City legal level of budgetary control, which is the level at which expenditures may not legally exceed appropriations, is at the department level.

NOTE 2 – FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, fund balance is composed of five classifications designed to show the hierarchy of constraints placed on how fund balance can be spent. The governmental fund types classify fund balances as follows:

Non-spendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories – Portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories which are not spendable resources.

Prepaid Items – Portion of fund balance that is not an available resource because it represents the year-end portion of prepaid items which are not spendable resources.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Continued)

Restricted – This classification includes revenue sources that are restricted to specific purposes externally imposed by 1) external parties (grantors or creditors) 2) imposed by law through constitutional provisions or 3) enabling legislation legally enforceable by external parties.

Committed – Represents portion of fund balance that can only be used for specific purpose imposed by majority vote of City Council, the highest level of decision-making authority. Such commitment is made via a Council resolution and must be made prior to the end of the fiscal year. Any changes or removal of specific purposes requires majority action as well by the governing body. Committed funds include funds for capital projects and specified program services as defined by the creation of the fund.

Assigned – Amounts are constrained by the City’s intent to be used for specific purposes. Intent should be expressed by the Council or the City Manager but requires City Council to approve a resolution to set up encumbrances.

Unassigned – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and does not have a specific purpose. In the governmental funds, other than the general fund, if expenditures incurred exceeded the amounts restricted, committed or assigned, the fund may report a negative fund balance as unassigned.

The City has a revenue spending guideline for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. Management may deviate from this policy if it’s in the best interest of the City.

	<u>General Fund</u>	<u>Highway Users Fund</u>	<u>Community Development Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:					
Non spendable:					
Prepaid items	\$ 349,638	\$	\$ 78,400	\$ 292	\$
Inventory	16,883	151,526			
Restricted:					
HURF		3,348,609			
Assessment districts					626,871
Capital projects					2,307,516
Debt service				184,789	
Public safety					1,510,857
Community development			1,144,131		47,500
Committed:					
Public safety					315,059
Unassigned	44,680,510				
Total fund balances	<u>\$45,047,031</u>	<u>\$ 3,500,135</u>	<u>\$ 1,222,531</u>	<u>\$ 185,081</u>	<u>\$ 4,807,803</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 3 – CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as follows:

	Primary Government		Component Unit	Total
	Governmental Activities	Business-type Activities	Detention Facility	
Equity in pooled cash	\$ 9,216,541	\$ (4,548,466)	\$	\$ 4,668,075
Cash and cash equivalents	3,908,432	4,620,732		8,529,164
Investments	38,867,455	14,990,075		53,857,530
Restricted assets:				
Cash and investments	<u>3,900,219</u>	<u>2,048,453</u>	<u>10,138,329</u>	<u>16,087,001</u>
Total	<u>\$ 55,892,647</u>	<u>\$ 17,110,794</u>	<u>\$ 10,138,329</u>	<u>\$ 83,141,770</u>

Cash and investments consisted of the following:

Cash on hand	\$ 5,800
Demand deposits	13,191,439
Investments	<u>69,944,531</u>
Total	<u>\$ 83,141,770</u>

Custodial Credit Risk - Demand Deposits. For 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 policy for custodial credit risk. The carrying amounts of the City's demand deposits were \$13,191,439 at June 30, 2025. Bank balances were \$14,155,656 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions not in the City's name.

Risk Disclosures – Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity, the greater the sensitivity its fair value is to changes in market interest rates. The City does not have a formal investment policy that limit its investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rate.

	Fair Value	Investment Maturities (in years) Less than 1
	Money Market	\$ 16,087,001
State Treasurer	<u>53,857,530</u>	<u>53,857,530</u>
Total	<u>\$ 69,944,531</u>	<u>\$ 69,944,531</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Investment should be recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments will be recognized as an increase or decrease to investment assets and investment income as applicable.

The City measures and records investment using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At June 30, 2025, City's investment in mutual funds were considered to be level one investments.

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. Credit risk is defined as the risk that an issuer of an investment will not fulfill its obligation to repay the holder at the maturity date. This is generally measured by the assignment of a rating by a nationally recognized statistical organization. However, some issuers do not seek a credit rating. The City has no investment policy that would further limit its investment choices. As of June 30, 2025, the City's investment in the State Treasurer's Government Investment Pool (LGIP) were rated AA+ by Standard and Poor's Corporation.

The City's investment in mutual funds were rated Aaa by Moody's Corporation.

That portion of the external investment pool which belongs to local government participants is reported in the State's Annual Financial Report. A copy of the report can be obtained from the State's website at www.aztreasury.gov or by writing to Arizona State Treasurer's Office, 1700 West Washington Street, 1st Floor, Phoenix, AZ 85007.

The State Treasurer's pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools, as investment companies, are not registered 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 participants' shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 3 – CASH AND INVESTMENTS (CONCLUDED)

Custodial Credit Risk – Investments. For investments, custodial credit risk is the risk that, in the event of the counterparty’s failure, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. 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 is not subject to custodial credit risk.

Concentration Credit Risk. The City places no limit on the amount the City may invest in any one issuer. As of June 30, 2025, the City’s investments included 14 percent invested in money market funds, and 86 percent invested in the State Treasurer’s investment pool.

NOTE 4 – RECEIVABLES

Accounts receivable are recorded in the various funds and displayed in the financial statements net of an allowance for uncollectible amounts as follows at June 30, 2025:

Fund	Accounts Receivable, Gross	Allowance	Accounts Receivable, Net
Governmental Funds			
General	\$ 3,054,078	\$ 420,556	\$ 2,633,522
Highway Users	103,959		103,959
Community Development	5,000		5,000
Debt Service	9,881		9,881
Non-major governmental funds	4,304		4,304
Total governmental funds	<u>\$ 3,177,222</u>	<u>\$ 420,556</u>	<u>\$ 2,756,666</u>
Proprietary Funds			
Water	\$ 593,108	\$ 22,282	\$ 570,826
Wastewater	152,562	4,662	147,900
Sanitation	52,706	1,897	50,809
Business Incubator	2,601		2,601
Ambulance Services	5,910,704	4,359,713	1,550,991
Business Center	3,921		3,921
Internal Service	135,547		135,547
Total proprietary funds	<u>\$ 6,851,149</u>	<u>\$ 4,388,554</u>	<u>\$ 2,462,595</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 4 – RECEIVABLES (CONCLUDED)

Due from governmental entities, net of allowance for uncollectibles, for the City's individual major funds and non-major governmental funds in the aggregate were as follows at June 30, 2025:

	Due from Federal Government	Due from State Government	Due from County Government	Due from School Districts	Due From Other Governments, net
Governmental Funds					
General	\$	\$ 2,001,481	\$	\$	\$ 2,001,481
Highway Users		363,862			363,862
Community Development	124,148				124,148
Non-major governmental funds	478,412		509,227	65,801	1,053,440
Total governmental funds	\$ 602,560	\$ 2,365,343	\$ 509,227	\$ 65,801	\$ 3,542,931
Proprietary Funds					
Water	\$ 389,631				\$ 389,631

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, unavailable revenue of \$2,922,026 consisted mostly of court fines and detention center issuer fees receivable reported in the General Fund and opioid settlement receivables in the nonmajor governmental funds; unearned revenue of \$158,811 consisted mostly of state grant revenue not yet spent from the Community Development Fund.

NOTE 5 – LEASES RECEIVABLE

The City leases land for a cell tower, office space, and industrial building space under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of \$17,511, \$562,617, and \$98,765 is recorded as rents revenue in the General, Business Center, and Business Incubator Funds, respectively, while related interest revenue of \$3,281, \$53,164, \$2,026 is recorded as other revenue in those same funds, respectively.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 6 – INTERFUND TRANSACTIONS

A. Due From and To Other Funds

Fund	Due from other Funds	Due to other Funds
General	\$ 8,958,645	\$ 880,748
Debt service		2,240,322
Sanitation		1,135,675
Business incubator		821,562
Business center		4,761,086
Internal service	880,748	
Total	<u>\$ 9,839,393</u>	<u>\$ 9,839,393</u>

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

B. Transfers

Transfers between funds of the primary government:

	Transfer out:			Total
	General	Highway Users	Non-Major Governmental Funds	
Transfer in:				
Highway Users Fund	\$ 1,070,795	\$	\$	\$ 1,070,795
Community Development Fund	21,812	1,070,795		1,092,607
Debt Service Fund	1,382,614		250,000	1,632,614
Total	<u>\$ 2,475,221</u>	<u>\$ 1,070,795</u>	<u>\$ 250,000</u>	<u>\$ 3,796,016</u>

Transfers are used (1) to move receipts restricted for debt service from the collecting funds to the funds obligated to pay debt service payments (2) to meet local match requirements for federal and state grants.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 7 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 9,730,908	\$ 943,532	\$	\$ 10,674,440
Construction in progress	3,906,200	6,304,716	2,525,914	7,685,002
Total capital assets, not being depreciated/amortized	<u>13,637,108</u>	<u>7,248,248</u>	<u>2,525,914</u>	<u>18,359,442</u>
Capital assets, being depreciated:				
Buildings and improvements	31,027,647	1,473,142	59,320	32,441,469
Machinery and equipment	20,618,706	1,902,058	1,194,736	21,326,028
Infrastructure	84,299,165	2,727,921		87,027,086
Intangible right-to-use equipment		24,000		24,000
Intangible right-to-use SBITAs	104,095	130,300	104,095	130,300
Total capital assets being depreciated/amortized	<u>136,049,613</u>	<u>6,257,421</u>	<u>1,358,151</u>	<u>140,948,883</u>
Less accumulated depreciation for:				
Buildings and improvements	(13,026,731)	(903,342)	(31,323)	(13,898,750)
Machinery and equipment	(12,655,427)	(1,839,104)	(1,182,182)	(13,312,349)
Infrastructure	(34,980,926)	(2,547,264)		(37,528,190)
Intangible right-to-use equipment		(8,000)		(8,000)
Intangible right-to-use SBITAs	(69,410)	(34,685)	(104,095)	
Total accumulated depreciation/amortization	<u>(60,732,494)</u>	<u>(5,332,395)</u>	<u>(1,317,600)</u>	<u>(64,747,289)</u>
Total capital assets, being depreciated, net	<u>75,317,119</u>	<u>925,026</u>	<u>40,551</u>	<u>76,201,594</u>
Governmental activities capital assets, net	<u>\$ 88,954,227</u>	<u>\$ 8,173,274</u>	<u>\$ 2,566,465</u>	<u>\$ 94,561,036</u>
Business-type Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 954,696	\$	\$	\$ 954,696
Construction in progress	5,239,213	18,330,261	6,510,813	17,058,661
Total capital assets, not being depreciated	<u>6,193,909</u>	<u>18,330,261</u>	<u>6,510,813</u>	<u>18,013,357</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	12,243,660	2,097,288		14,340,948
Machinery and equipment	13,187,233	947,759	101,869	14,033,123
Infrastructure	66,472,591	5,095,135		71,567,726
Intangible right-to-use land	702,519			702,519
Total capital assets being depreciated/amortized	<u>92,606,003</u>	<u>8,140,182</u>	<u>101,869</u>	<u>100,644,316</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(4,209,763)	(409,145)		(4,618,908)
Machinery and equipment	(9,731,130)	(741,790)	(75,202)	(10,397,718)
Infrastructure	(23,405,157)	(1,457,254)		(24,862,411)
Intangible right-to-use land	(36,654)	(12,218)		(48,872)
Total accumulated depreciation/amortization	<u>(37,382,704)</u>	<u>(2,620,407)</u>	<u>(75,202)</u>	<u>(39,927,909)</u>
Total capital assets, being depreciated/amortized, net	<u>55,223,299</u>	<u>5,519,775</u>	<u>26,667</u>	<u>60,716,407</u>
Business-type activities capital assets, net	<u>\$ 61,417,208</u>	<u>\$ 23,850,036</u>	<u>\$ 6,537,480</u>	<u>\$ 78,729,764</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 7 – CAPITAL ASSETS (CONCLUDED)

<u>Component Unit Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 661,359	\$	\$	\$ 661,359
Total capital assets, not being depreciated	<u>661,359</u>			<u>661,359</u>
Capital assets, being depreciated:				
Buildings and improvements	34,129,886			34,129,886
Machinery and equipment	<u>329,194</u>			<u>329,194</u>
Total capital assets being depreciated	<u>34,459,080</u>			<u>34,459,080</u>
Less accumulated depreciation for:				
Buildings and improvements	(11,429,712)	(762,809)		(12,192,521)
Machinery and equipment	<u>(329,194)</u>			<u>(329,194)</u>
Total accumulated depreciation	<u>(11,758,906)</u>	<u>(762,809)</u>		<u>(12,521,715)</u>
Total capital assets, being depreciated, net	<u>22,700,174</u>	<u>(762,809)</u>		<u>21,937,365</u>
Component unit capital assets, net	<u>\$ 23,361,533</u>	<u>\$ (762,809)</u>	<u>\$</u>	<u>\$22,598,724</u>

Depreciation expense was charged to governmental functions as follows:

<u>Governmental activities:</u>	<u>Amount</u>
General government	\$ 713,254
Public safety	1,227,788
Public works and streets	2,812,921
Health and welfare	59,149
Culture and recreation	488,550
Community development	<u>30,733</u>
Total depreciation/amortization expense	<u>\$ 5,332,395</u>

<u>Business-type activities:</u>	
Water	\$ 765,838
Wastewater	1,138,756
Business Center	185,528
Sanitation	290,681
Business Incubator	59,450
Ambulance Services	<u>180,154</u>
Total depreciation/amortization expense	<u>\$ 2,620,407</u>

<u>Discretely presented Component Unit:</u>	
Detention Facility	<u>\$ 762,809</u>
Total depreciation expense	<u>\$ 762,809</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 8 – CONSTRUCTION COMMITMENTS

The City entered into several construction contracts for streets, parks, water system, and wastewater treatment projects totaling \$24.7 million. These commitments have only been recorded in the accompanying financial statements for work completed as of June 30, 2025. The remaining balance for work not yet complete at the end of the year is estimated at \$1.7 million for governmental activities projects and \$4.7 million for business-type activities projects.

NOTE 9 – LEASES PAYABLE

The City has acquired the use of land for the Business Incubator and equipment for the Parks and Recreation Department under the provisions of contracts classified as leases. The related obligations under the lease agreements have been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the General Fund, a major governmental fund, and the Business Incubator Fund, a major proprietary fund, are used to pay the lease obligations. Amortization of right-to-use assets recorded under leases is included with depreciation expense.

The net present value and future minimum lease payments at year end were as follows:

Year ending June 30:	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 8,000	\$	\$ 37	\$ 13,282
2027	8,000		38	13,281
2028			39	13,280
2029			707	13,278
2030			1,394	13,257
2031-35			9,607	65,846
2036-40			18,447	64,549
2041-45			28,957	62,337
2046-50			41,382	59,043
2051-55			55,995	54,473
2056-60			73,108	48,407
2060-64			93,082	40,586
2065-69			116,308	30,724
2070-75			143,242	18,495
2076-79			116,712	4,199
Total	<u>\$ 16,000</u>	<u>\$</u>	<u>\$ 699,055</u>	<u>\$ 515,037</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 9 – LEASES PAYABLE (CONCLUDED)

The right-to-use assets recorded under leases that meet the City’s capitalization threshold are as follows:

	Governmental Activities	Business-Type Activities
Asset:		
Land	\$	\$ 702,519
Equipment	24,000	
Less: Accumulated amortization	8,000	48,872
Total	\$ 16,000	\$ 653,647

NOTE 10 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

The City has entered into subscription-based information technology arrangements (SBITAs) for procurement management. The related obligation under the SBITA has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the General Fund are used to pay the obligation. Amortization of right-to-use assets recorded under SBITAs is included with depreciation expense.

At June 30, 2025, the net present value and future minimum SBITA payments were as follows:

	Governmental Activities	
	Principal	Interest
Year ending June 30:		
2026	\$ 30,974	\$ 2,470
2027	32,181	1,258
Total	\$ 63,155	\$ 3,728

The total value of assets recorded under SBITAs that meet the City’s capitalization threshold is \$130,300, less accumulated amortization of zero.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 11 – REVENUE BONDS PAYABLE

PRIMARY GOVERNMENT

Revenue bonds payable at June 30, 2025 consisted of the outstanding revenue bonds presented below. The bonds are callable with interest payable semiannually.

In October 2017, the City issued \$14,540,000 in Excise Tax Revenue Refunding Obligations. This consisted of Tax Exempt Series 2017A \$2,825,000, and \$11,715,000 Series 2017B Taxable Obligations collectively with average true-interest rate of 3% to refund the Greater Arizona Development Authority (GADA) obligations in the amount of \$12,845,000.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2025
Governmental activities	\$ 2,825,000	5.00%	7/1/25-27	\$ 975,000
Business-type activities	11,715,000	2.75-3.50%	7/1/25-31	6,145,000
Total				<u>\$ 7,120,000</u>

Year ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 310,000	\$ 41,000	\$ 860,000	\$ 186,538
2027	325,000	25,125	880,000	160,438
2028	340,000	8,500	905,000	133,097
2029			935,000	103,762
2030			965,000	72,284
2031-32			1,600,000	49,000
Total	<u>\$ 975,000</u>	<u>\$ 74,625</u>	<u>\$ 6,145,000</u>	<u>\$ 705,119</u>

In May 2021, the City issued \$9,215,000 in Excise Tax Revenue Obligations Taxable Series 2021 to pay down the net pension liabilities for the City's police and fire pension plans with the Public Safety Personnel Retirement System.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2025
Governmental activities	\$ 8,230,172	0.49-2.92%	7/1/25-37	\$ 7,086,955
Business-type activities	984,828	0.49-2.92%	7/1/25-37	848,046
Total				<u>\$ 7,935,001</u>

Year ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 482,295	\$ 167,928	\$ 57,705	\$ 20,092
2027	486,761	161,597	58,239	19,335
2028	495,692	153,662	59,308	18,386
2029	504,624	144,049	60,376	17,235
2030	513,555	133,114	61,445	15,926
2031-35	2,755,332	462,379	329,668	55,323
2036-39	1,848,696	82,106	221,305	9,823
Total	<u>\$ 7,086,955</u>	<u>\$ 1,304,835</u>	<u>\$ 848,046</u>	<u>\$ 156,120</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 11 – REVENUE BONDS PAYABLE (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

In April 2024, the City issued \$19,735,000 in Excise Tax Revenue Refunding Obligations Series 2024 to refund the Excise Tax Revenue Refunding Obligations Series 2014A in the amount of \$21,535,000.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2025</u>
Governmental activities	\$ 7,690,191	5.00%	7/1/25-38	\$ 7,651,224
Business-type activities	12,044,809	5.00%	7/1/25-38	11,983,776
Total				<u>\$ 19,635,000</u>

<u>Year ending June 30:</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 391,621	\$ 372,771	\$ 613,379	\$ 583,854
2027	411,105	352,703	643,895	552,423
2028	430,588	331,660	674,412	519,465
2029	452,020	309,595	707,980	484,905
2030	475,401	286,409	744,599	448,591
2031-35	2,754,986	1,041,890	4,315,014	1,631,860
2036-39	2,735,503	281,830	4,284,497	441,420
Total	<u>\$ 7,651,224</u>	<u>\$ 2,976,858</u>	<u>\$11,983,776</u>	<u>\$ 4,662,518</u>

The City has pledged to repay \$43,490,000 in Excise Tax Revenue Bonds and Refunding Bonds issued in 2017, 2021, 2024 and payable through 2038-39. Pledged revenues on the bonds include excise taxes, state shared revenues, permit fees, and franchise taxes. Excise taxes are defined to include the transaction privilege tax and business taxes, which the City imposes. A portion of the debt service is funded by the revenues directly or indirectly derived from the operation and use of the water system. However, that does not relieve the aforementioned revenues to be pledged. In 2025, the revenue pledged amounted to \$35.9 million. Principal and interest for the current year were \$2,715,000 and \$1,421,214, respectively. The coverage ratio (pledged revenues to debt service) for 2025 is 8.68. More in depth disclosures can be referenced from the statistical section, Table XII.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 11 – REVENUE BONDS PAYABLE (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

In November 2013, the City issued direct placement Utility Revenue Bonds Series 2013 totaling \$6,580,000 to finance the construction of new water and sewer lines. Payments will be effected when due from pledged revenues.

<u>Purpose</u>	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2025
Business-type activities	\$ 6,580,000	3.80%	7/1/25-33	\$ 3,840,000

Year Ending June 30:	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 365,000	\$ 138,985	\$ 503,985
2027	380,000	124,830	504,830
2028	395,000	110,105	505,105
2029	410,000	94,810	504,810
2030	425,000	78,945	503,945
2031-34	1,865,000	145,255	2,010,255
Total	<u>\$ 3,840,000</u>	<u>\$ 692,930</u>	<u>\$ 4,532,930</u>

The City has pledged to repay \$6,580,000 in Utility Revenue Bonds issued in 2013, and payable through 2033-34. The bonds are collateralized by net operating revenues and investment income of the Water and Wastewater Enterprise Funds. In 2025, the net revenue pledged amounted to \$6,181,616. Principal and interest for the current year were \$365,000 and \$145,920, respectively. The coverage ratio (pledged revenues to debt service) for 2025 is 12.10. More in depth disclosures can be referenced from the statistical section, Table XIII.

DISCRETELY PRESENTED COMPONENT UNIT

In October 2005, the San Luis Facility Development Corporation (SLFDC) issued Senior Lien Project Revenue Bonds Series 2005 totaling \$27,795,000 to finance the construction of a regional detention facility. The principal and interest on the bonds are not a general obligation of the Corporation and City, but the issuer entered into agreements to house prisoners and the revenues from there are to be pledged to secure payment of the bonds. Again, in February 2011, the SLFDC issued Senior Lien Project Revenue Bonds Series 2011 totaling \$20,165,000 to finance the construction for an expansion of the existing regional detention facility. The bonds were issued with the same terms and conditions as the previous issues. Subsequently, during April 2014 and July 2014, the Corporation refunded both issues following an IRS audit in which the issues were found to be taxable as opposed to the non-taxable status at time of issuance. The refunding amounts were \$26,090,000 and \$20,835,000 respectively.

<u>Purpose</u>	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2025
Detention facility	\$ 26,090,000	7.00-7.25%	5/1/26-30	\$ 16,870,000
Detention facility	20,835,000	6.95%	5/1/27	7,785,000
Total				<u>\$ 24,655,000</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 11 – REVENUE BONDS PAYABLE (CONCLUDED)

DISCRETELY PRESENTED COMPONENT UNIT (Concluded)

Future debt service requirements for the SLCFDC revenue bonds are as follows:

Year ending June 30:	Principal		Interest	
	2014 Series Principal	2014	2014 Series Interest	2014
		Series A Principal		Series A Interest
2026	\$ 2,610,000	\$	\$ 1,216,550	\$ 541,058
2027		7,785,000	1,033,850	541,058
2028			1,033,850	
2029			1,033,850	
2030	14,260,000		1,033,850	
Total	<u>\$16,870,000</u>	<u>\$ 7,785,000</u>	<u>\$ 5,351,950</u>	<u>\$1,082,116</u>

The SLCFDC has pledged to repay \$46,925,000 in Refunding Revenue Bonds issued in 2014, and payable through 2030. The bonds are collateralized by Detention Center operating revenue. In 2025, the revenue pledged amounted to \$23.2 million. Principal and interest for the current year were \$0 and \$1,757,608, respectively. The coverage ratio (pledged revenues to debt service) for 2025 is 13.22.

NOTE 12 – NOTE OBLIGATIONS

On December 2, 2020, the City entered into a \$508,980 transaction classified as a note payable to 1st Bank Yuma for the purchase of park land. The note is repayable in monthly installments through December 2, 2025 at an interest rate of 3.8%. Principal and interest payments of \$55,070 and \$627, respectively, will be made during fiscal year 2025-26.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 13 – CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for all categories for the year ended June 30, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 917,049	\$ 617,578	\$	\$ 1,534,627	\$ 1,331,332
Revenue bonds payable	16,936,080		1,222,901	15,713,179	1,183,916
Revenue bonds premium	1,107,267		111,914	995,353	
Note payable	162,751		107,681	55,070	55,070
Leases payable		24,000	8,000	16,000	8,000
Financed purchases payable	55,386		55,386		
SBITAs	34,685	96,604	68,134	63,155	30,974
Pension	12,699,493	940,235		13,639,728	
Governmental activities long-term liabilities	<u>\$ 31,912,711</u>	<u>\$ 1,678,417</u>	<u>\$ 1,574,016</u>	<u>\$ 32,017,112</u>	<u>\$ 2,609,292</u>
Business-type activities:					
Compensated absences	\$ 145,980	\$ 141,095	\$	\$ 287,075	\$ 254,095
Revenue bonds payable	20,568,921		1,592,099	18,976,822	1,531,084
Revenue bonds premium	1,513,609		108,115	1,405,494	
Revenue bonds discount	(80,036)		(10,986)	(69,050)	
Direct placement revenue bonds	4,190,000		350,000	3,840,000	365,000
Leases payable	699,092		37	699,055	37
Financed purchases payable	5,233		5,233		
Pension	1,854,114		32,621	1,821,493	
Business-type activities long-term liabilities	<u>\$ 28,896,913</u>	<u>\$ 141,095</u>	<u>\$ 2,077,119</u>	<u>\$ 26,960,889</u>	<u>\$ 2,150,216</u>
Discretely presented component units:					
Revenue bonds payable	\$ 24,655,000	\$	\$	\$ 24,655,000	\$ 2,610,000
Revenue bonds discount	(362,466)		(74,885)	(287,581)	
Discretely presented component unit long-term liabilities	<u>\$ 24,292,534</u>	<u>\$</u>	<u>\$ (74,885)</u>	<u>\$ 24,367,419</u>	<u>\$ 2,610,000</u>

Pension liabilities have typically been liquidated with General Fund and Proprietary Fund revenues.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Federal and State Grants – The City has received a number of grants from both Federal and State governments. Although the programs have been audited by the respective agencies, not all audits have been approved as of June 30, 2025; however, the City expects no material disallowance of expenditures.

Lawsuits – The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City’s legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Incentive Fees – The City’s contract with the operator of the Detention Center includes a provision for variable incentive fees that are calculated based on average daily inmate counts at the facility. The fees are accumulated but only distributed if excess project revenues exist. At year end, \$5.7 million of variable incentive fees had been accumulated but not recognized as expenses due to disbursement being improbable. However, these fees were discharged in October 2025 when the third amendment to the agreement with the facility operator went into effect.

NOTE 15 – RESTATEMENTS OF BEGINNING BALANCES

Correction of an Error – Court Revenues – A committed revenue source related to the City Court had been recorded in the General Fund since the inception of the Council-approved fee in 2007 rather than the Judicial Collection Enhancement Fund, a non-major governmental fund. A beginning fund balance adjustment was necessary to present the accumulated committed resources in the appropriate fund.

Correction of an Error – Bond Refunding – The City refunded the 2014A excise tax revenue bonds during fiscal year 2023-24. However, the City recorded the July 1, 2025 interest payments on the refunded debt and interest revenue earned on the escrow account where the refunding bond proceeds were temporarily held until the defeased debt payments were called for final repayment. Beginning fund balance and net position adjustments were necessary to reverse the interest expense and revenue accruals that were paid by the escrow agent.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 15 – RESTATEMENTS OF BEGINNING BALANCES (CONCLUDED)

The effect of the matters noted above resulted in adjustments to and restatements of beginning net position, fund net position, and fund balance, as follows:

	June 30, 2024, As Previously Reported	Correction of an Error - Court Revenues	Correction of an Error - Bond Refunding	June 30, 2024, As Restated
Government-Wide				
Governmental activities	\$ 116,501,363	\$	\$ (83,359)	\$ 116,418,004
Business-type activities	48,887,768		325,199	49,212,967
Total primary government	<u>\$ 165,389,131</u>	<u>\$</u>	<u>\$ 241,840</u>	<u>\$ 165,630,971</u>
Governmental Funds				
Major Funds:				
General Fund	\$ 37,851,117	\$ (315,059)	\$	\$ 37,536,058
Highway Users Fund	3,617,935			3,617,935
Community Development Fund	146,752			146,752
Debt Service Fund	268,442		(83,359)	185,083
Non-Major Governmental Funds	<u>3,903,980</u>	<u>315,059</u>	<u></u>	<u>4,219,039</u>
Total Governmental Funds	<u>\$ 45,788,226</u>	<u>\$</u>	<u>\$ (83,359)</u>	<u>\$ 45,704,867</u>
Proprietary Funds				
Major Funds:				
Water Fund	\$ 28,866,823	\$	\$ 157,584	\$ 29,024,407
Wastewater Fund	23,209,922		167,615	23,377,537
Sanitation Fund	(10,803)			(10,803)
Business Incubator Fund	894,068			894,068
Ambulance Service Fund	1,977,680			1,977,680
Business Center Fund	(6,049,922)			(6,049,922)
Internal Service Fund	<u>4,245,951</u>	<u></u>	<u></u>	<u>4,245,951</u>
Total Proprietary Funds	<u>\$ 53,133,719</u>	<u>\$</u>	<u>\$ 325,199</u>	<u>\$ 53,458,918</u>

NOTE 16 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Individual Deficit Fund Balances – At year end, the Business Center Fund, a major Enterprise fund, and the Detention Facility, a discretely presented component unit, reported deficits of \$6,012,166 and \$447,924 in net position, respectively. The fund balance deficit of the Detention Facility is expected to be eliminated by operating revenues during fiscal year 2025-26. The net position deficit of the Business Center Fund is expected to be subsidized through future rent revenues of unoccupied building space.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 17 – RISK MANAGEMENT

The City of San Luis, Arizona is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and potential workers-related accidents. The City carries commercial insurance for vision, life, disability and stop loss. The City’s insurance protection for property liability, crime, cybersecurity, excess liability and workers’ compensations is provided by the Arizona Municipal Risk Retention Pool, of which the City is a participating member.

The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has the authority to assess its members’ additional premiums should reserves and annual premiums be insufficient to meet the pool’s obligations. There were no settlements in excess of insurance coverage in any of the prior three fiscal years.

The City established an Insurance Fund (an Internal Service Fund) during fiscal year 2012 to account for and finance its uninsured risks of loss related to health and dental claims. The program provides annual coverage per individual for up to a maximum of \$100,000. In addition, the City has an annual aggregate reimbursement maximum of \$1.0 million. The City purchases commercial insurance for claims in excess of these specified amounts.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Year Ended</u> <u>June 30, 2025</u>	<u>Year Ended</u> <u>June 30, 2024</u>
Unpaid claims, beginning of fiscal year	\$ 1,003,116	\$ 800,298
Incurred claims (including IBNRs)	3,604,234	1,459,022
Claim payments	<u>3,841,275</u>	<u>1,256,204</u>
Unpaid claims, end of fiscal year	<u>\$ 766,075</u>	<u>\$ 1,003,116</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS

The City contributes to four plans, all of which are described below. The plans are component units of the State of Arizona.

At June 30, 2025, the City reported the following aggregate amounts related to pensions for all plans to which it contributes:

	Governmental Activities	Business-Type Activities	Total
Net pension liabilities	\$ 13,639,728	\$ 1,821,493	\$ 15,461,221
Deferred outflows of resources	7,062,548	710,878	7,773,426
Deferred inflows of resources	1,394,936	193,164	1,588,100
Expense	3,077,091	177,779	3,254,870
Contributions	2,010,118	259,414	2,269,532

The City reported \$2,269,532 of pension contributions as expenditures in the governmental funds or as deferred outflows of resources in the proprietary 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.

The ASRS OPEB plans are not further disclosed because of their relative insignificance to the City's financial statements.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS (CONTINUED)

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

ASRS

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

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. 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 member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

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 percent (12.12 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 12.27 percent (12.05 percent for retirement, 0.07 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members' annual covered payroll. The City's contributions to the pension plan for the year ended June 30, 2025 were \$1,593,819.

Employers are also required to pay an Alternative Contribution rate (ACR) for retire 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 percent (10.14 for retirement and 0.05 percent for long-term disability). ACR contributions are included in employer contributions presented above.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS (CONTINUED)

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

Pension Liability – At June 30, 2025, the City reported a liability of \$12,444,371 for its proportionate share of the ASRS’ net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension 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 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.

The City’s reported liability at June 30, 2025 increased by \$473,338 from the City’s prior year liability of \$11,971,033 because of changes in the ASRS’ net pension liability and the City’s proportionate share of that liability. The ASRS’ publicly available financial report provides details on the change in the net pension liability.

Net Liability	City % Proportion	Increase (Decrease)
\$ 12,444,371	0.078	0.007

The City’s proportion of the net pension liability was based on total ASRS employer’s pension liability. The City’s proportion measured as of June 30, 2024, was .0778 percent, which was a increase of 0.0038 from its proportion measured as of June 30, 2023.

Pension Expense and Deferred Outflows/Inflows of Resources – For the year ended June 30, 2025, the City recognized pension expense for ASRS of \$1,596,212. At June 30, 2025 the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 694,633	\$
Net difference between projected and actual earnings on pension investments		794,709
Changes in proportion and differences between contributions and proportionate share of contributions	569,885	
Contributions subsequent to the measurement date	1,593,819	
Total	\$ 2,858,337	\$ 794,709

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS (CONTINUED)

The \$1,593,819 reported as deferred outflows of resources related to ASRS pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pension will be recognized in pension expense as follows:

Year Ending June 30:	
2026	\$ 15,904
2027	800,911
2028	(201,167)
2029	(145,839)

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

Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4%
Inflation	2.3%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The Board adopted the experience study recommended changes which were applied to June 30, 2020, actuarial valuation.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS (CONTINUED)

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44%	4.48%
Credit	23%	4.40
Interest rate sensitive	6%	(.45)
Private equity	10%	6.11
Real estate	17%	6.05
Total	<u>100%</u>	

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of 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:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 19,054,876	\$ 12,444,371	\$ 6,935,091

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

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS (CONTINUED)

Public Safety Personnel Retirement System

Plan Description – City public safety personnel who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers an agent multiple-employer defined benefit pension 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 either agent plans or cost-sharing plans (PSPRS Tier 3 Risk Pool). The PSPRS issue publicly available financial reports that include their financial statements and required supplemental information. The reports are available on the PSPRS Web site at www.psprs.com.

The PSPRS Tier 3 Risk Pool plan and the PSPRS OPEB plans are not further disclosed because of their relative insignificance to the City's financial statements.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS (CONTINUED)

Benefits Provided – The PSPRS provides retirement, 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. See the publicly available PSPRS financial report for additional benefits information.

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

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

Employees Covered by Benefit Terms – At June 30, 2025, the following employees were covered by the agent pension plans' benefit terms:

	<u>PSPRS - Police</u>	<u>PSPRS - Fire</u>
Retirees and beneficiaries	11	5
Inactive, non-retired members	1	3
Active members	20	26
Total	<u>32</u>	<u>34</u>

**CITY OF SAN LUIS, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS (CONTINUED)

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 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% to 11.65%	7.65% to 11.65%
City:		
Pension	14.41%	12.87%
Health insurance	0.00%	0.39%

For the agent plans, the City’s contributions to the pension plan for the year ended June 30, 2025, were:

	PSPRS - Police	PSPRS - Fire
Pension contributions	\$ 322,011	\$ 298,791

During fiscal year 2025, the City paid for PSPRS pension contributions as follows: 94 percent from the General Fund, and six percent from the Ambulance Services Fund.

Pension Liability – At June 30, 2025, the City reported the following net pension (assets)/liabilities:

	PSPRS - Police	PSPRS - Fire
Net Pension (Assets)/Liabilities	\$ 1,606,499	\$ 814,776

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

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS (CONTINUED)

Pension Actuarial Assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	2.75-15.0%
Price inflation	2.5%
Cost-of-living adjustment	1.85%
Mortality rates	PubS-2010 tables

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 purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The PSPRS Board adopted the experience study recommended changes which were applied to the June 30, 2022, actuarial valuation.

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. public equity	24%	3.62%
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
Total	<u>100%</u>	

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS (CONTINUED)

Pension Discount Rates – At June 30, 2024, the discount rate used to measure the total pension liability was 7.2 percent.

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 employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
PSPRS - Police			
Balances at June 30, 2024	\$ 17,839,460	\$ 16,050,219	\$ 1,789,241
Changes for the year:			
Service cost	404,610		404,610
Interest on the total pension liability	1,295,909		1,295,909
Differences between expected and actual experience in the measurement of the pension liability	131,019		131,019
Contributions – employer		226,635	(226,635)
Contributions – employee		173,225	(173,225)
Net investment income		1,624,216	(1,624,216)
Benefit payments, including refunds of employee contributions	(490,654)	(490,654)	
Administrative expense		(9,796)	9,796
Net changes	<u>1,340,884</u>	<u>1,523,626</u>	<u>(182,742)</u>
Balances at June 30, 2025	<u>\$ 19,180,344</u>	<u>\$ 17,573,845</u>	<u>\$ 1,606,499</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS (CONTINUED)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
PSPRS - Fire			
Balances at June 30, 2024	\$ 13,170,957	\$ 12,755,350	\$ 415,607
Changes for the year:			
Service cost	448,642		448,642
Interest on the total pension liability	974,553		974,553
Differences between expected and actual experience in the measurement of the pension liability	743,941		743,941
Contributions – employer		301,624	(301,624)
Contributions – employee		169,864	(169,864)
Net investment income		1,306,849	(1,306,849)
Benefit payments, including refunds of employee contributions	(168,287)	(168,287)	
Administrative expense		(10,370)	10,370
Net changes	1,998,849	1,599,680	399,169
Balances at June 30, 2025	\$ 15,169,806	\$ 14,355,030	\$ 814,776

Sensitivity of the City’s Net Pension (Assets) Liabilities to Changes in the Discount Rate - The following table presents the City’s net pension (assets) liabilities calculated using the discount rates noted above, as well as what the City’s net pension (assets) liabilities 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.

	Current		
	1% Decrease	Discount Rate	1% Increase
PSPRS - Police:			
Rate	6.20%	7.20%	8.20%
Net pension (assets) liability	\$ 4,787,293	\$ 1,606,499	\$ (926,401)
PSPRS - Fire			
Rate	6.20%	7.20%	8.20%
Net pension (assets) liability	\$ 3,459,438	\$ 814,776	\$ (1,302,433)

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS (CONTINUED)

Pension Plan Fiduciary Net Position - Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS financial report. The reports are available on the PSPRS website at: www.psprs.com.

Pension Expense- For the year ended June 30, 2025, the City recognized the following pension expense:

	PSPRS - Police	PSPRS - Fire
Pension expense	\$ 950,799	\$ 607,877

Pension Deferred Outflows/Inflows of Resources - At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Police:		
Differences between expected and actual experience	\$ 2,023,447	\$ 113,032
Changes of assumptions or other inputs	150,732	
Net difference between projected and actual earnings on pension plan investments		\$50,173
Contributions subsequent to the measurement date	322,011	
Total	\$ 2,496,190	\$ 163,205
 PSPRS - Fire		
Differences between expected and actual experience	\$ 1,871,896	\$ 536,439
Changes of assumptions or other inputs	193,300	
Net difference between projected and actual earnings on pension plan investments		\$87,468
Contributions subsequent to the measurement date	298,791	
Total	\$ 2,363,987	\$ 623,907

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS (CONTINUED)

The amounts reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as an increase in the net pension assets or a reduction of the net pension liabilities in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	PSPRS - Police	PSPRS - Fire
2026	475,612	222,175
2027	819,256	515,581
2028	345,878	228,444
2029	348,391	261,479
2030	21,837	213,610

Elected Officials Retirement Plan

Plan Description - Elected officials and judges participate in the Elected Officials Retirement Plan (EORP), ASRS, or the Elected Officials Defined Contribution Retirement System (EODCRS). EORP administers a cost-sharing multiple-employer defined benefit pension plan for elected officials and judges who were members of the plan on December 31, 2013. This plan was closed to new members as of January 1, 2014. The PSPRS Board of Trustees governs the EORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the EORP plans. The report is available on PSPRS’s website at www.psprs.com.

The EORP OPEB plans are not further disclosed because of their relative insignificance of the City’s financial statements.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS (CONTINUED)

Benefits Provided - The EORP provides retirement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average yearly compensation, and service credit as follows:

EORP Retirement and disability	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and age if disabled	10 years, age 62 5 years, age 65 Any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
Benefit percent		
Normal retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
Survivor benefit		
Retired members	75% of retired member's benefit	50% of retired member's benefit
Active members and other inactive members	75% of disability retirement benefit	50% of disability retirement benefit

*With reduced benefits of 0.25% for each month early retirement precedes the member's normal retirement age, with a maximum reduction of 30%.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan.

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. For members with eight 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 seven years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

**CITY OF SAN LUIS, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS (CONTINUED)

Contributions – State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP.

For the year ended June 30, 2025, statute required active EORP members to contribute seven or 13 percent of the members’ annual covered payroll, and the City to contribute 70.44 percent of all active EORP members’ annual covered payroll. Also, statute required the City to contribute 58.32 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 46.62 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the City’s required contributions to ASRS and EODCRS for these elected officials and judges. In addition, statute required the City to contribute 52.62 percent of annual covered payroll of retired members who worked for the City in positions that an employee who contributes to the EORP would typically fill. The City’s contributions to the pension plan for the year ended June 30, 2025 were \$54,911.

During fiscal year 2025, the City paid for EORP pension contributions from the General Fund.

Pension Liability - At June 30, 2025, the City reported a liability for its proportionate share of the EORP’s net pension liability that reflected a reduction for the City’s proportionate share of the State’s appropriation for EORP. The amount the City recognized as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the EORP net pension liability	\$	595,575
State's proportionate share of the EORP net pension liability associated with the City		41,098
Total	\$	636,673

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

The City’s proportion of the net pension liability was based on the City’s required contributions to the pension plan relative to the total of all participating employers’ required contributions for the year ended June 30, 2024. The City’s proportion measured as of June 30, 2024, was 0.1 percent, which was a decrease of .05 from the proportion measured as of June 30, 2023.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS (CONTINUED)

Pension Expense - For the year ended June 30, 2025, the City recognized pension expense for EORP of \$99,982.

Pension Deferred Outflows/Inflows of Resources - At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension investments	\$	\$ 6,279
Contributions subsequent to the measurement date	54,911	
Total	\$ 54,911	\$ 6,279

The \$54,911 reported as deferred outflows of resources related to EORP pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

Year Ending June 30	Pension
2026	(5,774)
2027	4,753
2028	(2,909)
2029	(2,350)

Actuarial Assumptions - The significant actuarial assumptions used to measure the total pension liability are as follows:

EORP

Actuarial valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.20%
Wage inflation	3.25%
Price inflation	2.50%
Cost of living adjustment	1.85%
Mortality rates	PUBG-2010 Mortality Tables with MP2021 improvement scale with adjustments to match
Healthcare cost trend rate	Not applicable

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – RETIREMENT PLANS (CONTINUED)

Actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

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

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

Discount Rate - At June 30, 2024, the discount rate used to measure the EORP total pension liability was 7.2 percent, which was the same discount rate used as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the statutorily set rates, and State contributions will be made as currently required by statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s proportionate share of the EORP net pension liability to changes in the discount rate -The following table presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.2 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.2 percent) or one percentage point higher (8.2 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net pension (assets) liability	\$ 692,491	\$ 595,575	\$ 512,337

Pension plan fiduciary net position - Detailed information about the pension plan’s fiduciary net position is available in the separately issued EORP financial report.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN LUIS, ARIZONA
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>
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
City's proportion of the net pension (assets) liability	0.08%	0.07%	0.07%	0.07%	0.07%
City's proportionate share of the net pension (assets) liability	\$ 12,444,371	\$ 11,971,033	\$ 11,481,050	\$ 9,009,794	\$ 11,650,354
City's covered payroll	\$ 10,741,056	\$ 9,185,604	\$ 7,837,311	\$ 7,835,768	\$ 7,409,817
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	115.86%	130.32%	146.49%	114.98%	157.23%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%	69.33%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
City's proportion of the net pension (assets) liability	0.06%	0.06%	0.06%	0.06%	0.06%
City's proportionate share of the net pension (assets) liability	\$ 9,288,007	\$ 8,837,885	\$ 9,873,369	\$ 10,475,512	\$ 9,932,851
City's covered payroll	\$ 6,728,524	\$ 6,356,202	\$ 6,155,121	\$ 5,998,839	\$ 5,914,065
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	138.04%	139.04%	160.41%	174.63%	167.95%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%	68.35%

See accompanying notes to this schedule.

CITY OF SAN LUIS, ARIZONA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ELECTED OFFICIALS RETIREMENT PLAN
LAST NINE FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
City's proportion of the net pension (assets) liability	0.10%	0.15%	0.12%	0.12%	0.12%
City's proportionate share of the net pension (assets) liability	\$ 595,575	\$ 377,726	\$ 800,708	\$ 746,991	\$ 813,649
State's proportionate share of the net pension (assets) liability	41,098	422,319	77,963	75,085	77,331
Total	<u>\$ 636,673</u>	<u>\$ 800,045</u>	<u>\$ 878,671</u>	<u>\$ 822,076</u>	<u>\$ 890,980</u>
City's covered payroll	\$ 98,526	\$ 103,983	\$ 92,800	\$ 91,963	\$ 93,350
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	604.49%	363.26%	862.83%	812.27%	871.61%
Plan fiduciary net position as a percentage of the total pension liability	42.22%	38.63%	32.01%	36.28%	29.80%

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
City's proportion of the net pension (assets) liability	0.13%	0.08%	0.09%	0.06%
City's proportionate share of the net pension (assets) liability	\$ 836,624	\$ 542,454	\$ 1,157,339	\$ 1,008,290
State's proportionate share of the net pension (assets) liability	78,634	92,946	374,681	208,166
Total	<u>\$ 915,258</u>	<u>\$ 635,400</u>	<u>\$ 1,532,020</u>	<u>\$ 1,216,456</u>
City's covered payroll	\$ 110,239	\$ 87,213	\$ 68,562	\$ 132,685
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	758.92%	621.99%	1688.02%	759.91%
Plan fiduciary net position as a percentage of the total pension liability	30.14%	30.40%	19.66%	23.42%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

CITY OF SAN LUIS, ARIZONA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - POLICE
LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Total pension liability				
Service cost	\$ 404,610	\$ 395,370	\$ 355,528	\$ 374,421
Interest	1,295,909	1,117,895	971,605	926,693
Changes of benefit terms				
Differences between expected and actual experience	131,019	1,426,379	1,136,881	(236,221)
Changes of assumptions or other inputs			145,989	
Benefit payments, including refunds of employee contributions	(490,654)	(462,278)	(404,078)	(457,446)
Net change in total pension liability	<u>1,340,884</u>	<u>2,477,366</u>	<u>2,205,925</u>	<u>607,447</u>
Total pension liability—beginning	<u>17,839,460</u>	<u>15,362,094</u>	<u>13,156,169</u>	<u>12,548,722</u>
Total pension liability—ending	<u>\$ 19,180,344</u>	<u>\$ 17,839,460</u>	<u>\$ 15,362,094</u>	<u>\$ 13,156,169</u>
Plan fiduciary net position				
Contributions—employer	\$ 226,635	\$ 194,368	\$ 228,436	\$ 6,309,302
Contributions—employee	173,225	182,231	199,267	179,082
Net investment income	1,624,216	1,144,894	(619,024)	2,424,785
Benefit payments, including refunds of employee contributions	(490,654)	(462,278)	(404,078)	(457,446)
Administrative expense	(9,796)	(8,604)	(11,174)	(11,103)
Other		(17,868)		
Net change in plan fiduciary net position	<u>1,523,626</u>	<u>1,032,743</u>	<u>(606,573)</u>	<u>8,444,620</u>
Plan fiduciary net position—beginning	<u>16,050,219</u>	<u>15,017,476</u>	<u>15,624,049</u>	<u>7,179,429</u>
Plan fiduciary net position—ending	<u>\$ 17,573,845</u>	<u>\$ 16,050,219</u>	<u>\$ 15,017,476</u>	<u>\$ 15,624,049</u>
Net pension (assets) liability—ending	<u>\$ 1,606,499</u>	<u>\$ 1,789,241</u>	<u>\$ 344,618</u>	<u>\$ (2,467,880)</u>
Plan fiduciary net position as a percentage of the total pension liability	91.62%	89.97%	97.76%	118.76%
Covered payroll	\$ 2,403,563	\$ 3,922,750	\$ 2,169,380	\$ 2,773,330
Net pension (assets) liability as a percentage of covered payroll	66.84%	45.61%	15.89%	(88.99)%

See accompanying notes to this schedule.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
\$ 403,478	\$ 420,691	\$ 365,220	\$ 449,219	\$ 350,332	\$ 306,944
846,911	736,413	721,974	647,619	562,087	555,140
			162,160	512,893	
357,114	705,904	(461,278)	385,365	(58,955)	(423,441)
	265,067		121,338	362,672	
(513,645)	(408,087)	(929,669)	(274,770)	(333,006)	(410,680)
1,093,858	1,719,988	(303,753)	1,490,931	1,396,023	27,963
11,454,864	9,734,876	10,038,629	8,547,698	7,151,675	7,123,712
<u>\$ 12,548,722</u>	<u>\$ 11,454,864</u>	<u>\$ 9,734,876</u>	<u>\$ 10,038,629</u>	<u>\$ 8,547,698</u>	<u>\$ 7,151,675</u>
\$ 576,635	\$ 573,259	\$ 258,678	\$ 393,486	\$ 351,711	\$ 248,515
194,076	198,310	178,569	231,348	207,745	182,813
88,327	342,633	414,905	640,556	30,048	179,881
(513,645)	(408,087)	(929,669)	(274,770)	(333,006)	(410,680)
(7,202)	(6,945)	(7,015)	(6,068)	(4,724)	(4,770)
(32,133)	(1,881)	72	68	(99,246)	(3,823)
306,058	697,289	(84,460)	984,620	152,528	191,936
6,873,371	6,176,082	6,260,542	5,275,922	5,123,394	4,931,458
<u>\$ 7,179,429</u>	<u>\$ 6,873,371</u>	<u>\$ 6,176,082</u>	<u>\$ 6,260,542</u>	<u>\$ 5,275,922</u>	<u>\$ 5,123,394</u>
<u>\$ 5,369,293</u>	<u>\$ 4,581,493</u>	<u>\$ 3,558,794</u>	<u>\$ 3,778,087</u>	<u>\$ 3,271,776</u>	<u>\$ 2,028,281</u>
57.21%	60.00%	63.44%	62.36%	61.72%	71.64%
\$ 2,683,494	\$ 2,353,202	\$ 1,728,405	\$ 2,081,175	\$ 1,794,507	\$ 1,799,219
200.09%	194.69%	205.90%	181.54%	182.32%	112.73%

CITY OF SAN LUIS, ARIZONA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE
LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Total pension liability				
Service cost	\$ 448,642	\$ 425,121	\$ 411,690	\$ 431,341
Interest	974,553	847,205	734,077	696,458
Changes of benefit terms				
Differences between expected and actual experience	743,941	627,338	614,137	(470,260)
Changes of assumptions or other inputs			62,520	
Benefit payments, including refunds of employee contributions	<u>(168,287)</u>	<u>(140,644)</u>	<u>(109,301)</u>	<u>(135,819)</u>
Net change in total pension liability	1,998,849	1,759,020	1,713,123	521,720
Total pension liability—beginning	13,170,957	11,411,937	9,698,814	9,177,094
Total pension liability—ending	<u>\$ 15,169,806</u>	<u>\$ 13,170,957</u>	<u>\$ 11,411,937</u>	<u>\$ 9,698,814</u>
Plan fiduciary net position				
Contributions—employer	\$ 301,624	\$ 262,196	\$ 285,446	\$ 3,004,520
Contributions—employee	169,864	165,088	168,152	161,015
Net investment income	1,306,849	895,624	(474,496)	2,088,614
Benefit payments, including refunds of employee contributions	(168,287)	(140,644)	(109,301)	(135,819)
Administrative expense	(10,370)	(7,921)	(8,558)	(9,590)
Other		(93,810)		
Net change in plan fiduciary net position	1,599,680	1,080,533	(138,757)	5,108,740
Plan fiduciary net position—beginning	12,755,350	11,674,817	11,813,574	6,704,834
Plan fiduciary net position—ending	<u>\$ 14,355,030</u>	<u>\$ 12,755,350</u>	<u>\$ 11,674,817</u>	<u>\$ 11,813,574</u>
Net pension (assets) liability—ending	<u>\$ 814,776</u>	<u>\$ 415,607</u>	<u>\$ (262,880)</u>	<u>\$ (2,114,760)</u>
Plan fiduciary net position as a percentage of the total pension liability	94.63%	96.84%	102.30%	121.80%
Covered payroll	\$ 2,260,755	\$ 2,920,482	\$ 1,971,629	\$ 2,593,218
Net pension (assets) liability as a percentage of covered payroll	36.04%	14.23%	(13.33)%	(81.55)%

See accompanying notes to this schedule.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
\$ 366,149	\$ 370,521	\$ 344,233	\$ 429,788	\$ 335,758	\$ 296,352
564,876	494,466	463,118	433,198	347,995	308,046
			88,014	588,157	
916,711	122,327	(487,056)	(519,052)	(33,940)	51,216
	168,975		200,618	264,127	
(85,039)	(106,693)	(83,463)	(131,347)	(281,063)	(51,738)
1,762,697	1,049,596	236,832	501,219	1,221,034	603,876
7,414,397	6,364,801	6,127,969	5,626,750	4,405,716	3,801,840
<u>\$ 9,177,094</u>	<u>\$ 7,414,397</u>	<u>\$ 6,364,801</u>	<u>\$ 6,127,969</u>	<u>\$ 5,626,750</u>	<u>\$ 4,405,716</u>
\$ 343,486	\$ 315,972	\$ 143,184	\$ 241,876	\$ 253,312	\$ 208,243
163,261	146,801	149,282	195,123	207,731	173,223
80,955	308,103	352,682	517,876	23,851	138,174
(85,039)	(106,693)	(83,463)	(131,347)	(281,063)	(51,738)
(6,600)	(6,342)	(6,068)	(4,982)	(3,832)	(3,755)
3,325	(1,809)	58	(92,419)	(26,171)	(2,750)
499,388	656,032	555,675	726,127	173,828	461,397
6,205,446	5,549,414	4,993,739	4,267,612	4,093,784	3,632,387
<u>\$ 6,704,834</u>	<u>\$ 6,205,446</u>	<u>\$ 5,549,414</u>	<u>\$ 4,993,739</u>	<u>\$ 4,267,612</u>	<u>\$ 4,093,784</u>
<u>\$ 2,472,260</u>	<u>\$ 1,208,951</u>	<u>\$ 815,387</u>	<u>\$ 1,134,230</u>	<u>\$ 1,359,138</u>	<u>\$ 311,932</u>
73.06%	83.69%	87.19%	81.49%	75.85%	92.92%
\$ 2,401,633	\$ 1,998,964	\$ 1,769,302	\$ 1,778,902	\$ 1,594,143	\$ 1,544,922
102.94%	60.48%	46.09%	63.76%	85.26%	20.19%

**CITY OF SAN LUIS, ARIZONA
SCHEDULE OF PENSION CONTRIBUTIONS
ALL PENSION PLANS
LAST TEN FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Arizona State Retirement System:				
Actuarially determined contribution	\$ 1,593,819	\$ 1,292,149	\$ 1,094,924	\$ 941,261
Contributions in relation to the actuarially determined contribution	<u>1,593,819</u>	<u>1,292,149</u>	<u>1,094,924</u>	<u>941,261</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 13,226,714	\$ 10,741,064	\$ 9,185,604	\$ 7,837,311
Contributions as a percentage of covered payroll	12.05%	12.03%	11.92%	12.01%
Elected Officials Retirement Plan:				
Actuarially determined contribution	\$ 54,911	\$ 69,402	\$ 63,877	\$ 55,704
Contributions in relation to the actuarially determined contribution	<u>54,911</u>	<u>69,402</u>	<u>63,877</u>	<u>55,704</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 77,954	\$ 98,526	\$ 103,983	\$ 92,800
Contributions as a percentage of covered payroll	70.44%	70.44%	61.43%	60.03%
Public Safety Personnel Retirement System - Police:				
Actuarially determined contribution	\$ 322,011	\$ 226,656	\$ 294,364	\$ 316,638
Contributions in relation to the actuarially determined contribution	<u>322,011</u>	<u>226,656</u>	<u>294,364</u>	<u>316,638</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 2,234,636	\$ 2,403,563	\$ 3,922,750	\$ 2,169,380
Contributions as a percentage of covered payroll	14.41%	9.43%	7.50%	14.60%
Public Safety Personnel Retirement System - Fire:				
Actuarially determined contribution	\$ 298,791	\$ 284,629	\$ 342,733	\$ 381,729
Contributions in relation to the actuarially determined contribution	<u>298,791</u>	<u>284,629</u>	<u>342,733</u>	<u>381,729</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 2,321,608	\$ 2,260,755	\$ 2,920,482	\$ 1,971,629
Contributions as a percentage of covered payroll	12.87%	12.59%	11.74%	19.36%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available. Information for fiscal year 2016 is not available for the EORP plan.

NOTE: During the fiscal year ended June 30, 2021, the City made excess contributions to the Public Safety Retirement System for both the Police and Fire pension plans. The excess contributions were funded by the issuance of Excise Tax Revenue Obligations.

See accompanying notes to this schedule.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 912,866	\$ 848,424	\$ 752,249	\$ 692,826	\$ 663,522	\$ 650,874
912,866	848,424	752,249	692,826	663,522	650,874
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 7,710,352	\$ 7,409,817	\$ 6,728,524	\$ 6,356,202	\$ 6,155,121	\$ 5,998,839
11.84%	11.45%	11.18%	10.90%	10.78%	10.85%
\$ 56,493	\$ 55,682	\$ 54,965	\$ 20,495	\$ 16,112	
56,493	55,682	54,965	20,495	16,112	
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	
\$ 91,963	\$ 93,350	\$ 110,239	\$ 87,213	\$ 68,562	
61.43%	59.65%	49.86%	23.50%	23.50%	
\$ 637,131	\$ 625,122	\$ 525,830	\$ 435,558	\$ 400,210	\$ 352,801
6,368,494	625,122	525,830	435,558	400,210	352,801
<u>\$ (5,731,363)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 2,773,330	\$ 2,683,494	\$ 2,353,202	\$ 1,728,405	\$ 2,081,175	\$ 1,794,507
22.97%	23.30%	22.35%	25.20%	19.23%	19.66%
\$ 469,747	\$ 398,198	\$ 382,197	\$ 347,491	\$ 233,214	\$ 203,572
3,082,714	398,198	382,197	347,491	233,214	203,572
<u>\$ (2,612,967)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 2,593,218	\$ 2,401,633	\$ 1,998,964	\$ 1,769,302	\$ 1,778,902	\$ 1,594,143
18.11%	16.58%	19.12%	19.64%	13.11%	12.77%

NOTE 1: PENSION PLAN SCHEDULES

Actuarial Assumptions for Valuation 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, 2023 valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020 actuarial valuation.

The actuarial assumptions used in the June 30, 2024 valuation for PSPRS and EORP were based on the results of an actuarial experience study for the five-year period ending June 30, 2021. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The PSPRS Board adopted the experience study recommended changes which were applied to the June 30, 2022 actuarial valuation.

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 and EORP 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 plan's OR 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 pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date.

**SUPPLEMENTARY INFORMATION COMBINING FUND
FINANCIAL STATEMENTS**



SPECIAL REVENUE FUNDS

Police Grants and Special Revenues - accounts for proceeds restricted to the use of Public Safety programs including the Operation Stone Garden program (OPSG), Smart and Safe Arizona Act funds, School Resource Officers (SROs) agreements, and other miscellaneous grants specific to Public Safety. It also accounts for monies and assets confiscated through criminal prosecution.

Judicial Collection Enhancement - reports the proceeds of specific revenue sources legally restricted to municipal court revenues and expenditures. The fund includes the JCEF Collections, San Luis Court Enhancement, Fill The Gap, Default Fees, Warrant Fees, and the San Luis Municipal Court Fare as departments.

SL Community Facilities District - The San Luis Community Facilities District was created in 1999 to provide land for the development of the Regional Center for Border Health, which will revert along with the development of the City at the end of the term. The district leases the land under a 30-year agreement to Western Arizona Area Health Education Center, Inc. (WAAHEC), an unrelated not-for-profit corporation.

Assessment Districts - accounts for the property taxes from a specific group of property owners within the City to improve, enhance, maintain landscaping, and light streets. Its primary purpose is to maintain specified areas of the subdivisions where the assessment district was created. Arizona Revised Statutes allow the establishment of Assessment Districts, which was adopted by City Council resolution.

CAPITAL PROJECTS FUNDS

Impact Fees – accounts for the public safety, parks and recreation, and administrative impact development fee activities of the City. Revenues are collected and expended in accordance with the City's adopted infrastructure improvement plan and Arizona Revised Statutes.

City of San Luis, Arizona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2025

Special Revenue Funds

	Police Grants and Special Revenues	Judicial Collection Enhancement	SL Community Facilities District	Assessment Districts
Assets				
Cash and investments	\$ 710,411	\$ 676,632	\$ 47,500	\$ 659,425
Accounts receivable (net)	3,134	1,170		
Property taxes receivable				38,324
Due from governmental entities	1,053,440			
Total assets	<u>\$ 1,766,985</u>	<u>\$ 677,802</u>	<u>\$ 47,500</u>	<u>\$ 697,749</u>
Liabilities				
Accounts payable	\$ 2,483			\$ 52,782
Total liabilities	<u>2,483</u>			<u>52,782</u>
Deferred inflows of resources				
Unavailable revenues - intergovernmental	616,388			
Unavailable revenues - property taxes				18,096
Total deferred inflows of resources	<u>616,388</u>			<u>18,096</u>
Fund balances				
Restricted	1,148,114	362,743	47,500	626,871
Committed		315,059		
Total fund balances	<u>1,148,114</u>	<u>677,802</u>	<u>47,500</u>	<u>626,871</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,766,985</u>	<u>\$ 677,802</u>	<u>\$ 47,500</u>	<u>\$ 697,749</u>

**Capital Projects
Fund**

Impact Fees	Total Non-Major Governmental Funds
\$ 2,611,961	\$ 4,705,929
	4,304
	38,324
	<u>1,053,440</u>
<u>\$ 2,611,961</u>	<u>\$ 5,801,997</u>
\$ 304,445	\$ 359,710
<u>304,445</u>	<u>359,710</u>
	616,388
	<u>18,096</u>
	<u>634,484</u>
2,307,516	4,492,744
	<u>315,059</u>
<u>2,307,516</u>	<u>4,807,803</u>
<u>\$ 2,611,961</u>	<u>\$ 5,801,997</u>

San Luis, City of
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2025

Special Revenue Funds

	Police Grants and Special Revenues	Judicial Collection Enhancement	SL Community Facilities District	Assessment Districts
Revenues				
Taxes	\$	\$	\$	\$ 990,305
Intergovernmental	3,292,815			
Fines and forfeitures	124,560	96,579		
Rents			2,500	
Investment earnings				
Development fees				
Other	13,252			
Total revenues	<u>3,430,627</u>	<u>96,579</u>	<u>2,500</u>	<u>990,305</u>
Expenditures				
Current:				
General government				
Public safety	1,664,385			
Public works and streets				372,592
Culture and recreation				
Community development				598,418
Capital outlay	1,235,888	36,078		
Debt service:				
Principal retirement				
Interest and fiscal charges				
Total expenditures	<u>2,900,273</u>	<u>36,078</u>		<u>971,010</u>
Excess (deficiency) of revenues over expenditures	<u>530,354</u>	<u>60,501</u>	<u>2,500</u>	<u>19,295</u>
Other financing sources (uses)				
Transfers out				
Total other financing sources (uses)				
Changes in fund balances	<u>530,354</u>	<u>60,501</u>	<u>2,500</u>	<u>19,295</u>
Fund balances, beginning of year, previously reported	617,760	302,242	45,000	607,576
Adjustments to beginning fund balances		315,059		
Fund balances, beginning of year, as restated	<u>617,760</u>	<u>617,301</u>	<u>45,000</u>	<u>607,576</u>
Fund balances, end of year	<u>\$ 1,148,114</u>	<u>\$ 677,802</u>	<u>\$ 47,500</u>	<u>\$ 626,871</u>

Capital Projects

Fund

<u>Impact Fees</u>	<u>Total Non-Major Governmental Funds</u>
\$	\$
	990,305
	3,292,815
	221,139
	2,500
103,357	103,357
631,607	631,607
	13,252
<u>734,964</u>	<u>5,254,975</u>
12,394	1,676,779
	372,592
6,197	6,197
	598,418
378,179	1,650,145
107,681	107,681
4,399	4,399
<u>508,850</u>	<u>4,416,211</u>
<u>226,114</u>	<u>838,764</u>
<u>(250,000)</u>	<u>(250,000)</u>
<u>(250,000)</u>	<u>(250,000)</u>
<u>(23,886)</u>	<u>588,764</u>
2,331,402	3,903,980
	315,059
<u>2,331,402</u>	<u>4,219,039</u>
<u>\$ 2,307,516</u>	<u>\$ 4,807,803</u>

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Police Grants and Special Revenues
For the Year Ended June 30, 2025

	<u>Budget</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 2,921,080	\$ 2,921,080	\$ 3,292,815	\$ 371,735
Fines and forfeitures	60,000	60,000	124,560	64,560
Other			13,252	13,252
Total revenues	<u>2,981,080</u>	<u>2,981,080</u>	<u>3,430,627</u>	<u>449,547</u>
Expenditures				
Current:				
Public safety	1,611,280	1,507,280	1,664,385	(157,105)
Capital outlay	1,369,800	1,473,800	1,235,888	237,912
Total expenditures	<u>2,981,080</u>	<u>2,981,080</u>	<u>2,900,273</u>	<u>80,807</u>
Changes in fund balances			<u>530,354</u>	<u>530,354</u>
Fund balances, beginning of year	<u>617,760</u>	<u>617,760</u>	<u>617,760</u>	
Fund balances, end of year	<u>\$ 617,760</u>	<u>\$ 617,760</u>	<u>\$ 1,148,114</u>	<u>\$ 530,354</u>

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Judicial Collection Enhancement
For the Year Ended June 30, 2025

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fines and forfeitures	\$ 77,500	\$ 96,579	\$ 19,079
Total revenues	<u>77,500</u>	<u>96,579</u>	<u>19,079</u>
Expenditures			
Current:			
General government	41,420		41,420
Capital outlay	36,080	36,078	2
Total expenditures	<u>77,500</u>	<u>36,078</u>	<u>41,422</u>
Changes in fund balances		<u>60,501</u>	<u>60,501</u>
Fund balances, beginning of year, previously reported	302,242	302,242	
Adjustments to beginning fund balances		<u>315,059</u>	<u>315,059</u>
Fund balances, beginning of year, as restated	<u>302,242</u>	<u>617,301</u>	<u>315,059</u>
Fund balances, end of year	<u>\$ 302,242</u>	<u>\$ 677,802</u>	<u>\$ 375,560</u>

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
SL Community Facilities District
For the Year Ended June 30, 2025

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Rents	\$ 2,500	\$ 2,500	\$
Total revenues	<u>2,500</u>	<u>2,500</u>	<u></u>
Changes in fund balances	<u>2,500</u>	<u>2,500</u>	<u></u>
Fund balances, beginning of year	<u>45,000</u>	<u>45,000</u>	<u></u>
Fund balances, end of year	<u>\$ 47,500</u>	<u>\$ 47,500</u>	<u>\$</u>

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Assessment Districts
For the Year Ended June 30, 2025

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes	\$ 973,200	\$ 990,305	\$ 17,105
Total revenues	<u>973,200</u>	<u>990,305</u>	<u>17,105</u>
Expenditures			
Current:			
Public works and streets	412,380	372,592	39,788
Community development	<u>560,820</u>	<u>598,418</u>	<u>(37,598)</u>
Total expenditures	<u>973,200</u>	<u>971,010</u>	<u>2,190</u>
Changes in fund balances		<u>19,295</u>	<u>19,295</u>
Fund balances, beginning of year	<u>607,576</u>	<u>607,576</u>	
Fund balances, end of year	<u>\$ 607,576</u>	<u>\$ 626,871</u>	<u>\$ 19,295</u>

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Debt Service
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Variance with Final Budget</u>
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Investment earnings	\$ _____	\$ 155,551	\$ 155,551
Total revenues	<u>_____</u>	<u>155,551</u>	<u>155,551</u>
Expenditures			
Debt service:			
Principal retirement	1,222,880	1,183,916	38,964
Interest and fiscal charges	756,000	604,251	151,749
Bond issuance costs	_____	_____	_____
Total expenditures	<u>1,978,880</u>	<u>1,788,167</u>	<u>190,713</u>
Excess (deficiency) of revenues over expenditures	<u>(1,978,880)</u>	<u>(1,632,616)</u>	<u>346,264</u>
Other financing sources (uses)			
Transfers in	<u>1,978,880</u>	<u>1,632,614</u>	<u>(346,266)</u>
Total other financing sources (uses)	<u>1,978,880</u>	<u>1,632,614</u>	<u>(346,266)</u>
Changes in fund balances	<u>_____</u>	<u>(2)</u>	<u>(2)</u>
Fund balances, beginning of year, previously reported	268,442	268,442	
Adjustments to beginning fund balances	_____	<u>(83,359)</u>	<u>(83,359)</u>
Fund balances, beginning of year, as restated	<u>268,442</u>	<u>185,083</u>	<u>(83,359)</u>
Fund balances, end of year	<u>\$ 268,442</u>	<u>\$ 185,081</u>	<u>\$ (83,361)</u>

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Impact Fees
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$	\$	\$ 103,357	\$ 103,357
Development fees	680,000	680,000	631,607	(48,393)
Total revenues	<u>680,000</u>	<u>680,000</u>	<u>734,964</u>	<u>54,964</u>
Expenditures				
Current:				
Public safety	10,000	10,000	12,394	(2,394)
Culture and recreation	5,000	5,000	6,197	(1,197)
Capital outlay	473,000	447,700	378,179	69,521
Debt service:				
Principal retirement	107,700	107,700	107,681	19
Interest and fiscal charges	4,400	4,400	4,399	1
Total expenditures	<u>600,100</u>	<u>574,800</u>	<u>508,850</u>	<u>65,950</u>
Excess (deficiency) of revenues over expenditure	<u>79,900</u>	<u>105,200</u>	<u>226,114</u>	<u>120,914</u>
Other financing sources (uses)				
Transfers out	(250,000)	(250,000)	(250,000)	
Total other financing sources (uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	
Changes in fund balances	<u>(170,100)</u>	<u>(144,800)</u>	<u>(23,886)</u>	<u>120,914</u>
Fund balances, beginning of year	<u>2,331,402</u>	<u>2,331,402</u>	<u>2,331,402</u>	
Fund balances, end of year	<u>\$ 2,161,302</u>	<u>\$ 2,186,602</u>	<u>\$ 2,307,516</u>	<u>\$ 120,914</u>

City of San Luis, Arizona
Statement of Fund Net Position
Component Unit
June 30, 2025

	Detention Facility
Assets	
Current assets	
Restricted cash and investments	\$ 10,138,329
Accounts receivable (net)	5,893,262
Total current assets	16,031,591
Noncurrent assets	
Land	661,359
Buildings and improvements	34,129,886
Machinery and equipment	329,194
Accumulated depreciation	(12,521,715)
Total noncurrent assets	22,598,724
Total assets	38,630,315
Deferred outflows of resources	
Deferred outflow on refundings	103,398
Liabilities	
Current liabilities	
Accounts payable	14,501,792
Due to primary government	19,491
Accrued interest	292,935
Current portion of long-term obligations	2,610,000
Total current liabilities	17,424,218
Noncurrent liabilities	
Noncurrent portion of long-term liabilities	21,757,419
Total noncurrent liabilities	21,757,419
Total liabilities	39,181,637
Net position	
Net investment in capital assets	(1,665,297)
Restricted for:	
Debt service	5,928,947
Unrestricted	(4,711,574)
Total net position	\$ (447,924)

City of San Luis, Arizona
Statement of Revenues, Expenses, and Changes in
Fund Net Position
Component Unit
For the Year Ended June 30, 2025

	Detention Facility
Operating revenues	
Charges for services	\$ 22,810,902
Operating expenses	
General operations	24,267,626
Depreciation	762,809
Total operating expenses	25,030,435
Operating income (loss)	(2,219,533)
Nonoperating revenues (expenses)	
Investments earnings	416,630
Interest expense	(1,888,860)
Total nonoperating revenues (expenses)	(1,472,230)
Change in net position	(3,691,763)
Net position, beginning of year	3,243,839
Net position, end of year	\$ (447,924)

City of San Luis, Arizona
Statement of Cash Flows
Component Unit
For the Year Ended June 30, 2025

	Detention Facility
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities	
Cash received from customers	\$ 20,370,864
Cash payments to suppliers for goods and services	<u>(17,149,438)</u>
Net cash provided by/used for operating activities	<u>3,221,426</u>
Cash flows from noncapital financing activities	
Borrowing with the primary government	10,826
Cash flows from capital and related financing activities	
Principal paid on long-term debt	
Interest paid on long-term debt	<u>(1,757,608)</u>
Net cash provided by/used by capital and related financing activities	<u>(1,757,608)</u>
Cash flows from investing activities	
Investment earnings	416,630
Net increase/decrease in cash and cash equivalents	1,891,274
Cash and cash equivalents, beginning of year	<u>8,247,055</u>
Cash and cash equivalents, end of year	<u>\$ 10,138,329</u>
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>	
Restricted cash and investments	<u>\$ 10,138,329</u>
Total cash and cash equivalents	<u>\$ 10,138,329</u>
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>	
Operating income/loss	\$ (2,219,533)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Depreciation	762,809
Changes in assets and liabilities:	
Increase/decrease in accounts receivable	(2,440,038)
Increase/decrease in accounts payable	<u>7,118,188</u>
Total adjustments	<u>5,440,959</u>
Net cash provided by/used for operating activities	<u>\$ 3,221,426</u>
<u>Noncash Capital, Financing, and Investing Activities</u>	
Amortization of premium/discount and deferred charges on refunding	\$ (131,388)

STATISTICAL SECTION

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's 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 in which the City's financial activities take place and to help make comparisons with other school cities.

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.

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to five percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

CITY OF SAN LUIS, ARIZONA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	<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>
Governmental Activities										
Net investment in capital assets	\$ 82,172,527	\$ 76,185,493	\$ 69,074,159	\$ 54,131,102	\$ 51,811,286	\$ 44,991,467	\$ 52,027,709	\$47,586,157	\$45,187,300	\$43,224,321
Restricted	13,261,948	9,789,318	6,028,237	9,972,478	9,947,936	8,680,843	3,168,082	2,981,920	3,063,550	1,785,917
Unrestricted	35,082,482	30,443,193	22,436,017	18,018,044	16,443,189	9,602,386	8,143,370	2,083,278	531,781	2,061,627
Total governmental activities net position	\$ 130,516,957	\$ 116,418,004	\$ 97,538,413	\$ 82,121,624	\$78,202,411	\$63,274,696	\$63,339,161	\$52,651,355	\$48,782,631	\$47,071,865
Business-type Activities										
Net investment in capital assets	\$ 50,038,331	\$ 34,388,688	\$ 29,161,274	\$ 23,411,492	\$ 21,682,880	\$ 20,134,312	\$ 19,186,148	\$16,864,092	\$14,221,545	\$15,188,424
Restricted	4,161,387	3,218,447	2,308,381	1,985,219	1,662,459	1,585,473	978,691	284,192		7,214,146
Unrestricted	5,122,046	11,605,832	11,434,557	14,001,932	14,715,083	11,450,312	9,244,818	7,892,361	7,368,823	(3,637,294)
Total business-type activities net position	\$ 59,321,764	\$ 49,212,967	\$ 42,904,212	\$ 39,398,643	\$ 38,060,422	\$33,170,097	\$29,409,657	\$25,040,645	\$21,590,368	\$18,765,276
Primary Government										
Net investment in capital assets	\$132,210,858	\$110,574,181	\$98,235,433	\$77,542,594	\$73,494,166	\$65,125,779	\$71,213,857	\$64,450,249	\$59,408,845	\$58,412,745
Restricted	17,423,335	13,007,765	8,336,618	11,957,697	11,610,395	10,266,316	4,146,773	3,266,112	3,063,550	9,000,063
Unrestricted	40,204,528	42,049,025	33,870,574	32,019,976	31,158,272	21,052,698	17,388,188	9,975,639	7,900,604	(1,575,667)
Total primary government net position	\$189,838,721	\$165,630,971	\$140,442,625	\$121,520,267	\$116,262,833	\$96,444,793	\$92,748,818	\$77,692,000	\$70,372,999	\$65,837,141

Note: The fiscal year 2023-24 restricted and unrestricted figures were restated due to the correction of errors during fiscal year 2024-25. See Note 15 within the Notes to the Financial Statements for more information.

Source: Statement of Net Position
City financial records and reports

**CITY OF SAN LUIS, ARIZONA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

<u>Expenses:</u>	Fiscal Year									
	<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>
Governmental Activities:										
General Government	\$ 9,219,435	\$ 7,903,721	\$ 7,222,026	\$ 6,471,663	\$ 6,607,195	\$ 5,907,870	\$ 5,691,433	\$ 6,163,171	\$ 5,994,778	\$ 8,228,000
Public Safety	16,448,000	14,521,368	11,971,071	10,777,088	10,024,938	9,259,939	8,248,004	8,144,859	9,126,508	7,905,663
Health and Welfare	6,641,214	5,796,978	523,849	455,673	394,653	334,338	183,081	213,634	222,820	235,413
Culture and Recreation	490,717	533,531	3,413,747	3,376,103	2,818,162	2,859,046	2,726,204	2,579,256	2,839,136	2,467,238
Community Development	4,045,878	3,582,525	1,910,943	1,782,982	1,490,104	1,313,645	1,035,590	987,340	945,698	906,408
Public Works & Streets	2,241,891	1,976,278	5,535,816	4,935,627	5,078,056	4,265,822	3,436,305	3,810,361	3,560,360	3,270,282
Interest on Long-Term Debt	456,296	649,214	634,356	667,842	558,408	532,115	550,817	541,343	649,618	658,670
Total Governmental activities	\$39,543,431	\$34,963,615	\$31,211,808	\$28,466,978	\$26,971,516	\$24,472,775	\$21,871,433	\$22,439,964	\$23,338,918	\$23,671,674
Business-type activities										
Water	\$ 4,355,294	\$ 4,520,913	\$ 3,785,695	\$ 3,478,927	\$ 3,445,313	\$ 3,341,438	\$ 2,955,792	\$ 2,696,643	\$ 2,826,192	\$ 2,741,022
Wastewater	5,599,937	5,589,569	4,830,760	4,536,975	4,012,743	3,626,910	3,624,956	3,648,877	3,141,132	2,944,122
Business Center	603,893	601,313	624,742	652,574	651,827	659,950	669,248	1,016,409	1,226,764	1,215,501
Sanitation	2,252,264	2,302,491	1,858,155	1,482,881	1,525,841	1,392,014	1,305,797	1,141,085	1,120,902	1,105,078
Business Incubator	195,640	183,462	168,653	206,348	189,976	185,536	182,586	173,272	163,062	144,578
Ambulance Services	3,751,857	3,426,163	2,882,436	2,448,287	2,464,088	1,991,579	1,721,285	1,946,014	1,049,335	-
Total business-type activities	\$16,758,885	\$16,623,911	\$14,150,441	\$12,805,992	\$12,289,788	\$11,197,427	\$10,459,664	\$10,622,300	\$9,527,387	\$8,150,301
Total expenses	\$56,302,316	\$51,587,526	\$45,362,249	\$41,272,970	\$39,261,304	\$35,670,202	\$32,331,097	\$33,062,264	\$32,866,305	\$31,821,975
Program revenues										
Governmental activities										
Charges for services										
General Government	\$ 1,568,021	\$ 2,825,224	\$ 1,855,707	\$ 1,793,937	\$ 1,870,445	\$ 2,938,045	\$ 3,544,657	\$ 1,350,023	\$ 1,765,937	\$ 3,021,700
Public Safety	130,919	671,683	97,649	82,127	41,866	46,924	423,258	305,749	426,767	315,098
Health and Welfare	-	-	-	-	-	-	371,427	-	-	-
Culture and Recreation	63,022	46,095	57,855	42,555	19,047	39,786	272,468	142,037	211,126	74,395
Community Development	-	-	-	-	-	-	-	-	-	594,182
Public Works & Streets	-	10,251	6,748	37,442	-	-	-	187,408	342,089	62,642
Operating Grants and Contributions	4,680,885	3,024,293	4,124,126	3,837,548	5,517,652	4,519,471	2,372,433	2,002,228	2,308,056	2,709,123
Capital Grants and Contributions	8,699,126	10,826,271	9,654,758	2,069,581	10,801,651	5,044,964	6,874,510	4,511,855	3,749,914	7,816,499
Total Governmental activities	\$ 15,141,973	\$ 17,403,817	\$ 15,796,843	\$ 7,863,190	\$ 18,250,661	\$ 12,589,190	\$ 13,858,753	\$ 8,499,300	\$ 8,803,889	\$ 14,593,639
Business-type activities										
Charges for services										
Water	\$ 6,410,033	\$ 5,806,499	\$ 4,806,977	\$ 4,746,978	\$ 4,840,917	\$ 4,722,633	\$ 4,382,952	\$ 4,182,192	\$ 4,025,661	\$ 3,796,031
Wastewater	6,255,802	5,508,273	4,416,848	4,259,727	4,186,548	4,040,776	3,930,950	4,054,103	4,006,279	3,686,360
Business Center	615,781	619,866	623,920	633,396	600,000	582,560	600,000	626,826	629,265	629,265
Sanitation	2,547,398	2,203,376	1,715,313	1,640,763	1,579,491	1,507,375	1,444,522	1,386,984	1,284,544	1,205,279
Business incubator	121,721	112,688	107,253	90,080	43,843	41,706	38,869	29,999.00	3,471.00	-
Ambulance Services	3,803,715	3,403,404	2,529,253	2,429,825	2,364,529	2,106,432	2,014,413	2,476,603.79	1,953,337.00	-
Capital Grants and Contributions	6,071,827	4,239,082	2,740,181	337,189	3,158,839	1,365,769	1,214,350.00	1,046,430	-	1,941,586
Total business activities	\$ 25,826,277	\$ 21,893,188	\$ 16,939,745	\$ 14,137,958	\$ 16,774,167	\$ 14,367,251	\$ 13,626,056	\$ 13,803,138	\$ 11,902,557	\$ 11,258,521
Total program revenues	\$ 40,968,250	\$ 39,297,005	\$ 32,736,588	\$ 22,001,148	\$ 35,024,828	\$ 26,956,441	\$ 27,484,809	\$ 22,302,438	\$ 20,706,446	\$ 25,852,160

Source: City financial records and reports
- Statement of Activities

Note: The fiscal year 2023-24 interest on long-term debt, water, and wastewater expenses figures were restated due to the correction of errors during fiscal year 2024-25. See Note 15 within the Notes to the Financial Statements for more information.

CITY OF SAN LUIS, ARIZONA
CHANGES IN NET POSITION (continued)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (Expense)/Revenue										
Governmental Activities:	\$ (24,401,458)	\$ (17,559,798)	\$ (15,414,965)	\$ (20,603,788)	\$ (8,270,835)	\$ (11,883,585)	\$ (8,012,678)	\$ (13,940,665)	\$ (14,535,029)	\$ (9,078,035)
Business-type activities	9,067,392	5,269,277	2,789,304	1,331,966	4,484,379	3,169,824	3,166,394	3,180,839	2,375,170	3,108,220
Total primary government net (expense) revenue	<u>\$ (15,334,066)</u>	<u>\$ (12,290,521)</u>	<u>\$ (12,625,661)</u>	<u>\$ (19,271,822)</u>	<u>\$ (3,786,456)</u>	<u>\$ (8,713,761)</u>	<u>\$ (4,846,284)</u>	<u>\$ (10,759,826)</u>	<u>\$ (12,159,859)</u>	<u>\$ (5,969,815)</u>
General Revenues and Other Changes in net Position										
Governmental Activities										
Taxes										
Sales and use taxes	\$ 18,187,822	\$ 16,116,973	\$ 13,705,119	\$ 11,954,405	\$ 12,128,587	\$ 10,660,531	\$ 9,720,729	\$ 8,978,743	\$ 7,694,566	\$ 7,448,887
Franchise taxes	599,848	540,783	501,885	459,210	445,924	415,758	437,765	435,767	401,364	435,822
Other taxes	975,508	816,102	644,548	591,017	491,053	-	-	-	-	-
State shared Revenues	16,127,942	16,908,872	14,703,246	11,449,813	10,942,821	9,267,561	8,609,052	8,407,534	8,073,305	7,123,544
Investment Earnings	2,609,291	2,056,659	1,276,956	68,556	23,119	249,585	296,968	182,505	56,947	26,179
Miscellaneous	-	-	-	-	-	-	-	-	-	624,606
Transfer in (out)	-	-	-	-	(345,344)	(365,151)	(364,030)	(407,435)	(394,435)	(391,967)
Total general revenues and transfers	<u>\$ 38,500,411</u>	<u>\$ 36,439,389</u>	<u>\$ 30,831,754</u>	<u>\$ 24,523,001</u>	<u>\$ 23,686,160</u>	<u>\$ 20,228,284</u>	<u>\$ 18,700,484</u>	<u>\$ 17,597,114</u>	<u>\$ 15,831,747</u>	<u>\$ 15,267,071</u>
Business-type activities										
Investment Earnings	\$ 1,041,405	\$ 1,039,478	\$ 716,265	\$ 6,255	\$ 22,992	\$ 225,465	\$ 285,755	\$ 74,278	\$ 55,487	\$ 24,708
Miscellaneous	-	-	-	-	-	-	552,832	-	-	(\$48,015)
Transfer in (out)	-	-	-	-	345,344	365,151	364,030	407,435	394,435	391,967
Total Business-type activities	<u>\$ 1,041,405</u>	<u>\$ 1,039,478</u>	<u>\$ 716,265</u>	<u>\$ 6,255</u>	<u>\$ 368,336</u>	<u>\$ 590,616</u>	<u>\$ 1,202,617</u>	<u>\$ 481,713</u>	<u>\$ 449,922</u>	<u>\$ 368,660</u>
Total primary government	<u>\$ 39,541,816</u>	<u>\$ 37,478,867</u>	<u>\$ 31,548,019</u>	<u>\$ 24,529,256</u>	<u>\$ 24,054,496</u>	<u>\$ 20,818,900</u>	<u>\$ 19,903,101</u>	<u>\$ 18,078,827</u>	<u>\$ 16,281,669</u>	<u>\$ 15,635,731</u>
Change in net Position										
Governmental Activities	\$ 14,098,953	\$ 18,879,591	\$ 15,416,789	\$ 3,919,213	\$ 14,965,325	\$ 8,344,699	\$ 10,687,806	\$ 3,656,449	\$ 1,296,718	\$ 6,189,036
Business-type activities	10,108,797	6,308,755	3,505,569	1,338,221	4,852,715	3,760,440	4,369,012	3,662,552	2,825,092	3,476,880
Total Changes in Net Position	<u>\$ 24,207,750</u>	<u>\$ 25,188,346</u>	<u>\$ 18,922,358</u>	<u>\$ 5,257,434</u>	<u>\$ 19,818,040</u>	<u>\$ 12,105,139</u>	<u>\$ 15,056,818</u>	<u>\$ 7,319,001</u>	<u>\$ 4,121,810</u>	<u>\$ 9,665,916</u>

Note: The fiscal year 2023-24 net expense and governmental activities investment earnings figures were restated due to the correction of errors during fiscal year 2024-25. See Note 15 within the Notes to the Financial Statements for more information.

Source: - City financial records and reports
- Statement of Activities

CITY OF SAN LUIS, ARIZONA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	<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>
General Fund										
Nonspendable	\$366,521	\$337,448	\$272,215	\$187,361	\$179,249	\$64,958	\$77,075	\$80,392	\$118,243	\$128,035
Committed	-	-	-	-	-	-	-	-	-	106,785
Unassigned	44,680,510	37,198,610	30,290,200	29,341,003	28,275,177	20,076,139	15,245,609	11,859,205	9,858,234	9,207,428
Total General Fund	\$45,047,031	\$37,536,058	\$30,562,415	\$29,528,364	\$28,454,426	\$20,141,097	\$15,322,684	\$11,939,597	\$9,976,477	\$9,442,248
All other governmental funds										
Nonspendable	\$ 230,218	\$ 212,299	\$ 235,863	\$ 196,934	\$ 186,821	\$ 197,764	\$ 217,730	\$ 118,543	\$ 93,575	\$ 168,175
Restricted	9,170,273	7,641,451	5,591,292	5,954,435	5,469,260	4,551,958	3,129,596	2,822,456	2,885,421	754,165
Committed	315,059	315,059	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	2,591,330
Unassigned	-	-	(456,305)	(173,588)	(656,007)	(131,223)	(179,241)	(9,234)	-	(715,933)
Total all other governmental funds	\$ 9,715,550	\$ 8,168,809	\$ 5,370,850	\$ 5,977,781	\$ 5,000,074	\$ 4,618,499	\$ 3,168,085	\$ 2,931,765	\$ 2,978,996	\$ 2,797,737
TOTAL GOVERNMENTAL FUNDS	\$54,762,581	\$45,704,867	\$35,933,265	\$35,506,145	\$ 33,454,500	\$ 24,759,596	\$ 18,490,769	\$ 14,871,362	\$ 12,955,473	\$ 12,239,985

Note: The fiscal year 2023-24 unassigned, restricted, and committed figures were restated due to the correction of errors during fiscal year 2024-25. See Note 15 within the Notes to the Financial Statements for more information.

Source: Balance Sheet - Governmental Funds

CITY OF SAN LUIS, ARIZONA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Taxes	\$ 19,777,975	\$ 17,454,195	\$ 14,847,228	\$ 13,198,047	\$ 13,078,793	\$ 11,558,323	\$ 10,493,501	\$ 9,760,020	\$ 8,398,476	\$ 8,187,574
Intergovernmental	1,135,422	1,239,704	23,887,414	16,535,815	18,051,816	14,810,304	12,636,697	8,828,680	11,705,819	10,159,135
Licenses and permits	27,146,267	23,902,867	778,429	739,854	1,026,519	\$1,053,843	\$843,768	3,236,021	734,502	528,034
Fines and forfeits	506,566	549,624	425,084	406,465	355,770	\$426,442	\$494,828	519,153	577,989	541,336
Charges for user services	70,082	67,601	74,622	70,020	1,576,343	1,057,353	865,730	526,714	778,835	432,193
Rents	20,272	41,341	669,045	190,244	25,732	\$1,476,480	\$1,358,079	424,340	268,690	339,119
Investment earnings	2,594,363	2,045,974	1,271,924	64,351	18,923	\$241,533	\$291,947	179,601	54,631	24,445
Development fees	1,138,384	2,001,428	962,685	1,075,381	-	-	-	-	-	-
Others	340,384	197,947	197,244	212,347	275,004	790,441	678,463	187,987	408,006	624,606
Total revenues	\$ 52,729,715	\$ 47,500,681	\$ 43,113,675	\$ 32,492,524	\$ 34,408,900	\$ 31,414,719	\$ 27,663,013	\$ 23,662,516	\$ 22,926,948	\$ 20,836,442
Expenditures:										
General government	\$ 7,678,367	\$ 7,143,820	\$ 6,487,758	\$ 5,793,566	\$ 5,002,607	\$ 5,518,192	\$ 5,419,958	\$ 5,463,647	\$ 5,236,772	\$ 5,037,910
Public safety	14,271,569	12,548,230	11,076,972	10,045,461	16,602,424	\$8,977,394	\$8,221,406	7,073,034	7,587,098	7,328,654
Public works & streets	3,811,207	3,228,176	3,182,713	2,702,287	2,069,914	\$1,921,422	\$1,695,053	1,831,640	1,832,799	1,673,193
Health and welfare	427,685	476,889	449,454	396,472	223,710	\$230,695	\$258,917	209,748	213,543	210,378
Culture and recreation	3,534,288	3,139,908	2,912,918	2,916,439	2,619,377	\$2,610,929	\$2,529,842	2,328,232	2,507,249	2,099,843
Community development	2,196,267	1,928,214	1,814,522	1,709,901	1,454,703	\$1,308,828	\$1,108,506	1,016,830	938,132	901,382
Capital outlay	9,838,463	7,253,218	14,859,342	5,032,911	4,350,197	\$2,954,479	\$2,518,160	2,691,771	2,402,247	2,771,769
Debt service/authorities:										
Interest	1,423,117	1,231,478	727,399	760,885	651,451	\$625,182	\$643,859	626,133	713,695	722,772
Principal	611,642	782,592	1,279,572	1,082,957	759,232	\$675,923	\$708,590	398,030	385,490	660,504
Bond issue costs	-	167,292	-	-	336,579	-	-	87,664	-	-
Total expenditures	\$ 43,792,605	\$ 37,899,817	\$ 42,790,650	\$ 30,440,879	\$ 34,070,194	\$ 24,823,044	\$ 23,104,292	\$ 21,726,729	\$ 21,817,025	\$ 21,406,405
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,937,110	\$ 9,600,864	\$ 323,025	\$ 2,051,645	\$ 338,706	\$ 6,591,675	\$ 4,558,721	\$ 1,935,787	\$ 1,109,923	\$ (569,963)
OTHER FINANCING SOURCES (USES)										
Premium on debt issued	\$ -	\$ 966,386	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 428,870	\$ -	\$ -
Issuance of bonds	-	7,690,191	-	-	8,230,172	-	-	2,825,000	-	-
Payment to Refunded Bond Escrow Agent	-	(8,485,839)	-	-	-	-	-	(3,164,208)	-	-
Issuance of notes payable	-	-	-	-	508,980	-	-	-	-	-
Issuance of financed purchases	-	-	-	-	-	42,303	12,302	297,873	-	-
Issuance of leases	24,000	-	-	-	-	-	-	-	-	-
Issuance of SBITAs	96,604	-	104,095	-	-	-	-	-	-	-
Transfer from Other Funds	3,796,016	2,885,544	6,589,663	1,933,065	1,314,715	1,979,037	1,436,164	1,014,000	1,060,544	1,462,992
Transfer to Other Funds	(3,796,016)	(2,885,544)	(6,589,663)	(1,933,065)	(1,660,059)	(2,344,188)	(1,800,194)	(1,421,435)	(1,454,979)	(1,854,959)
Total other financing sources (Uses)	\$ 120,604	\$ 170,738	\$ 104,095	\$ -	\$ 8,393,808	\$ (322,848)	\$ (351,728)	\$ (19,900)	\$ (394,435)	\$ (391,967)
NET CHANGE IN FUND BALANCES	\$ 9,057,714	\$ 9,771,602	\$ 427,120	\$ 2,051,645	\$ 8,732,514	\$ 6,268,827	\$ 4,206,993	\$ 1,915,887	\$ 715,488	\$ (961,930)
Debt Services as a percentage of noncapital expenditures	5.99%	6.56%	7.21%	6.06%	5.62%	5.75%	9.37%	9.01%	5.66%	7.16%

Source: City financial records and reports

Note: The fiscal year 2023-24 investment earnings and interest expenditures figures were restated due to the correction of errors during fiscal year 2024-25. See Note 15 within the Notes to the Financial Statements for more information.

**CITY OF SAN LUIS, ARIZONA
PROGRAM REVENUES
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year									
	<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>
Governmental Activities:										
Charges for service										
General Government	\$ 1,568,021	\$ 2,825,224	\$ 1,855,707	\$ 1,793,937	\$ 1,870,445	\$ 2,938,045	\$ 3,544,657	\$ 1,350,023	\$ 1,765,937	\$ 3,021,700
Public Safety	130,919	671,683	97,649	82,127	41,886	46,924	423,258	305,749	426,767	315,098
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	63,022	46,095	57,855	42,555	19,047	39,786	272,468	142,037	211,126	74,395
Community Development	-	-	-	-	-	-	-	-	-	594,182
Public Works & Streets	-	10,251	6,748	37,442	-	-	371,427	187,408	342,089	62,642
Operating grants and contributions	4,680,885	3,024,293	4,124,126	3,837,548	5,517,652	4,519,471	2,372,433	2,002,228	2,308,056	2,709,123
Capital grants and contributions	8,699,126	10,826,271	9,654,758	2,069,581	10,801,651	5,044,964	6,874,510	4,511,855	3,749,914	7,816,499
<i>Total governmental activities</i>	<u>\$15,141,973</u>	<u>\$17,403,817</u>	<u>\$15,796,843</u>	<u>\$7,863,190</u>	<u>\$18,250,681</u>	<u>\$12,589,190</u>	<u>\$13,858,753</u>	<u>\$8,499,300</u>	<u>\$8,803,889</u>	<u>\$14,593,639</u>
Business-type activities										
Charges for service										
Water	\$ 6,410,033	\$ 5,806,499	\$ 4,806,977	\$ 4,746,978	\$ 4,840,917	\$ 4,722,633	\$ 4,382,952	\$ 4,182,192	\$ 4,025,661	\$ 3,796,031
Wastewater	6,255,802	5,508,273	4,416,848	4,259,727	4,186,548	4,040,776	3,930,950	4,054,103	4,006,279	3,686,360
Business Center	615,781	619,866	623,920	633,396	600,000	582,560	600,000	626,826	629,265	629,265
Sanitation	2,547,398	2,203,376	1,715,313	1,640,763	1,579,491	1,507,375	1,444,522	1,386,984	1,284,544	1,205,279
Business Incubator	121,721	112,688	107,253	90,080	43,843	41,706	38,869	29,999	3,471	-
Ambulance Services	3,803,715	3,403,404	2,529,253	2,429,825	2,364,529	2,106,432	2,014,413	2,476,604	1,953,337	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	6,071,827	4,239,082	2,740,181	337,189	3,158,839	1,365,769	1,214,350	1,046,430	-	1,941,586
<i>Total business-type activities</i>	<u>\$ 25,826,277</u>	<u>\$ 21,893,188</u>	<u>\$ 16,939,745</u>	<u>\$ 14,137,958</u>	<u>\$ 16,774,167</u>	<u>\$ 14,367,251</u>	<u>\$ 13,626,056</u>	<u>\$ 13,803,138</u>	<u>\$ 11,902,557</u>	<u>\$ 11,258,521</u>
Total primary government	<u><u>\$ 40,968,250</u></u>	<u><u>\$ 39,297,005</u></u>	<u><u>\$ 32,736,588</u></u>	<u><u>\$ 22,001,148</u></u>	<u><u>\$ 35,024,848</u></u>	<u><u>\$ 26,956,441</u></u>	<u><u>\$ 27,484,809</u></u>	<u><u>\$ 22,302,438</u></u>	<u><u>\$ 20,706,446</u></u>	<u><u>\$ 25,852,160</u></u>

Source: City financial records and reports
Statement of Activities

CITY OF SAN LUIS, ARIZONA
GOVERNMENT-WIDE REVENUES BY FUNCTION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	<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>
Governmental Activities										
General Government	\$ 1,666,848	\$ 2,990,467	\$ 1,936,618	\$ 2,087,635	\$ 2,011,652	\$ 3,263,002	4,438,576	1,355,037	1,807,078	3,107,233
Public Safety	3,847,273	2,841,975	1,496,888	1,311,374	3,926,785	2,618,495	936,173	631,996	964,958	932,208
Health and Welfare	248,613	104,567	84,567	95,252	-	-	-	-	-	-
Culture and Recreation	279,425	423,509	253,150	386,716	1,413,170	876,495	272,468	150,537	211,126	197,593
Community Development	-	-	496,286	66,199	1,219,380	355,948	268,570	275,175	202,706	594,182
Public Works & Streets	9,099,814	11,043,299	11,529,334	3,916,014	9,679,694	5,475,250	7,942,966	6,086,555	5,618,021	9,762,423
Unallocated General Revenues	38,500,411	36,439,659	30,831,754	24,523,001	23,686,160	20,228,284	18,700,485	17,597,115	15,831,747	15,267,071
Total Governmental Activities	<u>\$ 53,642,384</u>	<u>\$ 53,843,476</u>	<u>\$ 46,628,597</u>	<u>\$ 32,386,191</u>	<u>\$ 41,936,841</u>	<u>\$ 32,817,474</u>	<u>\$ 32,559,238</u>	<u>\$ 26,096,415</u>	<u>\$ 24,635,636</u>	<u>\$ 29,860,710</u>
Business-type activities										
Water	\$10,164,044	\$5,806,499	\$5,845,123	\$4,876,859	\$6,649,314	\$5,247,041	\$4,990,743	\$4,672,760	\$4,025,661	\$3,796,031
Wastewater	8,573,618	5,508,273	6,118,883	4,467,035	5,536,990	4,882,137	4,537,510	4,609,965	4,006,279	5,627,946
Business Center	615,781	619,866	623,920	633,396	600,000	582,560	600,000	626,826	629,265	629,265
Sanitation	2,547,398	2,203,376	1,715,313	1,640,763	1,579,491	1,507,375	1,444,522	1,386,984	1,284,544	1,205,279
Business Incubator	121,721	112,688	107,253	90,080	43,843	41,706	38,869	29,999	3,471	-
Ambulance Services	3,803,715	3,403,404	2,529,253	2,429,825	2,364,529	2,106,432	2,014,413	2,476,604	1,953,337	-
Unallocated General Revenues	1,041,405	1,039,478	716,265	6,255	368,336	590,016	1,202,616	481,713	449,922	-
Total Business Activities	<u>\$ 26,867,682</u>	<u>\$ 18,693,584</u>	<u>\$ 17,656,010</u>	<u>\$ 14,144,213</u>	<u>\$ 17,142,503</u>	<u>\$ 14,957,267</u>	<u>\$ 14,828,673</u>	<u>\$ 14,284,851</u>	<u>\$ 12,352,479</u>	<u>\$ 11,258,521</u>

Note: The fiscal year 2023-24 unallocated general revenues figures were restated due to the correction of errors during fiscal year 2024-25. See Note 15 within the Notes to the Financial Statements for more information.

Source: Statement of Activities.
City financial Records and reports

CITY OF SAN LUIS, ARIZONA
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	<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>
City Sales Tax	\$18,187,822	\$16,116,973	\$13,705,119	\$11,954,405	\$12,128,587	\$10,660,531	\$9,720,729	\$8,989,483	\$7,694,566	\$7,508,359
State Sales taxes	5,850,021	5,404,857	5,518,598	4,992,164	4,125,823	3,470,421	3,272,469	3,090,501	2,889,943	2,659,098
Franchise Tax	599,848	540,783	501,885	459,210	445,925	415,758	437,765	435,767	401,364	435,822
Special Districts	990,305	796,439	640,224	584,632	488,533	482,034	335,006	345,509	302,546	302,865
Others	96,579	85,935	83,330	76,930	84,579	117,824	131,423	129,514	-	-
Total tax revenues	<u>\$25,724,575</u>	<u>\$22,944,987</u>	<u>\$20,449,156</u>	<u>\$18,067,341</u>	<u>\$17,273,447</u>	<u>\$15,146,568</u>	<u>\$13,897,392</u>	<u>\$12,990,774</u>	<u>\$11,288,419</u>	<u>\$10,906,144</u>

Source: Statement of Activities
Statement of Revenues, Expenditures and Change in Fund Balance Governmental Fund

Note: Includes Governmental Fund Types
Special Districts include Street Light Improvement Districts (SLIDs), Maintenance Improvement Districts (MIDs); both are levy as secondary property taxes.

CITY OF SAN LUIS, ARIZONA
INTERGOVERNMENTAL REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	<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>
State Shared Sales Tax	\$5,850,021	\$5,404,857	\$5,518,598	\$4,992,164	\$4,125,822	\$3,470,721	\$3,272,469	\$3,090,501	\$2,889,943	\$2,659,098
Urban Revenue Sharing	8,076,429	9,478,747	7,082,128	4,631,128	4,970,262	4,330,742	3,929,206	3,981,836	3,856,245	3,360,240
Highway Users	3,780,259	3,667,609	3,619,573	3,376,414	3,144,848	3,006,613	2,804,155	2,651,344	2,526,082	2,239,260
Auto-in-lieu	2,201,492	2,025,268	2,079,728	1,808,742	1,838,257	1,466,398	1,407,377	1,335,198	1,259,413	1,104,206
Federal	6,771,080	2,871,569	5,484,034	1,880,353	3,970,104	2,536,130	1,140,890	40,939	1,139,781	673,284
Others	466,986	454,817	74,328	46,752	32,639	64,175	82,600	14,010	64,356	123,047
Total tax revenues	<u>\$27,146,267</u>	<u>\$23,902,867</u>	<u>\$23,858,389</u>	<u>\$16,735,553</u>	<u>\$18,081,932</u>	<u>\$14,874,779</u>	<u>\$12,636,697</u>	<u>\$11,113,828</u>	<u>\$11,735,820</u>	<u>\$10,159,135</u>

Source: Statement of Activities
Finance Records

Note: Includes governmental fund types
Includes all governmental revenues, including revenues from federal government

**CITY OF SAN LUIS, ARIZONA
CITY TRANSACTION PRIVILEGE TAXES BY CATEGORY
LAST TEN FISCAL YEARS**

	Fiscal Year									
	<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>
Retail Sales	\$9,724,979	\$9,322,899	\$8,259,698	\$7,420,108	\$7,211,203	\$6,023,773	\$5,100,707	\$5,307,579	\$4,693,648	\$3,731,819
Contracting	4,694,451	3,312,929	2,266,111	1,714,833	2,140,305	2,056,745	2,039,455	1,188,901	888,499	1,573,668
Rentals	546,610	523,967	514,318	416,507	395,765	398,642	456,557	360,153	333,635	407,570
Communications/Utilities	1,470,041	1,346,253	1,217,783	1,111,684	1,045,592	992,652	1,021,204	1,140,903	947,825	1,174,550
Restaurant/Bar	1,290,394	1,217,874	1,067,278	838,501	734,546	652,531	604,790	611,999	456,027	422,284
Use	428,959	362,226	346,317	429,550	574,531	491,719	395,085	221,860	356,078	129,156
Other	32,387	30,824	33,614	23,222	26,645	44,469	102,956	107,963	18,855	69,312
	<u>\$18,187,821</u>	<u>\$16,116,972</u>	<u>\$13,705,119</u>	<u>\$11,954,405</u>	<u>\$12,128,587</u>	<u>\$10,660,531</u>	<u>\$9,720,754</u>	<u>\$8,989,483</u>	<u>\$7,694,566</u>	<u>\$7,508,359</u>
% Growth by year										
Retail Sales	4.3%	12.9%	11.3%	2.9%	19.7%	18.1%	-3.9%	13.1%	25.8%	0.3%
Contracting	41.7%	46.2%	32.1%	-19.9%	4.1%	0.8%	71.5%	33.8%	-43.5%	-4.9%
Rentals	4.3%	1.9%	23.5%	5.2%	-0.7%	-12.7%	26.8%	7.9%	-18.1%	14.4%
Utilities	9.2%	10.5%	9.5%	6.3%	5.3%	-2.8%	-10.5%	20.4%	-19.3%	12.5%
Restaurant/Bar	6.0%	14.1%	27.3%	14.2%	12.6%	7.9%	-1.2%	34.2%	8.0%	1.2%
Use	18.4%	4.6%	-19.4%	-25.2%	16.8%	24.5%	78.1%	-37.7%	175.7%	6.7%
Other	5.1%	-8.3%	44.8%	-12.8%	-40.1%	-56.8%	-4.6%	472.6%	-72.8%	52.9%
	<u>89.0%</u>	<u>81.9%</u>	<u>129.1%</u>	<u>-29.3%</u>	<u>17.7%</u>	<u>-21.0%</u>	<u>156.2%</u>	<u>544.3%</u>	<u>55.7%</u>	<u>83.1%</u>

Note: Includes governmental fund types

Source: AZ Department of Revenues
City of San Luis Finance Department

**CITY OF SAN LUIS, ARIZONA
SALES TAX PAYERS - BY CATEGORY
CURRENT YEAR AND TEN YEARS AGO**

	2025				2016			
	Number of Payers	Percentage of Total Payers	Sales Tax Paid	Percentage of Total City Sales Tax Revenue	Number of Payers	Percentage of Total Payers	Sales Tax Paid	Percentage of Total City Sales Tax Revenue
Retail Sales	4,870	69.32%	\$9,724,979	53.47%	662	30.40%	\$3,731,819	57.13%
Construction, MFG & Wholesale	126	1.79%	4,694,451	25.81%	772	35.45%	1,573,668	24.09%
Rentals	370	5.27%	546,610	3.01%	144	6.61%	407,570	6.24%
Communications/Utilities	83	1.18%	1,470,041	8.08%	73	3.35%	1,174,550	17.98%
Restaurant/Bar	51	0.73%	1,290,394	7.09%	35	1.61%	422,284	6.47%
Use/Services	843	12.00%	428,959	2.36%	285	13.09%	129,156	1.98%
Other	682	9.71%	32,387	0.18%	207	9.50%	69,312	1.06%
	<u>7,025</u>	<u>100%</u>	<u>\$18,187,822</u>	<u>100%</u>	<u>2,178</u>	<u>100%</u>	<u>\$7,508,359</u>	<u>114.95%</u>

Note: Includes governmental fund types

Source: AZ Department of Revenues
City financial Records and reports

**CITY OF SAN LUIS, ARIZONA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-Type Activities	
	Revenue Bonds	Notes Payable	Leases Payable	Financed Purchases Payable	SBITAs	Revenue Bonds	Direct Placement Revenue Bonds
2025	\$ 16,708,532	\$ 55,070	\$ 16,000	\$ -	\$ 63,155	\$ 20,313,266	\$ 3,840,000
2024	18,043,347	162,751	-	55,386	34,685	22,002,494	4,190,000
2023	19,697,222	296,020	-	104,796	68,210	24,342,067	4,530,000
2022	20,697,655	436,325	-	156,973	-	25,829,638	4,855,000
2021	21,429,405	564,707	-	208,986	-	27,245,890	5,170,000
2020	13,881,119	129,217	-	260,849	-	27,632,180	5,475,000
2019	14,546,314	174,463	-	265,209	-	28,974,986	5,770,000
2018	19,231,768	270,763	-	297,873	-	30,377,536	6,050,000
2017	12,369,441	3,387,922	-	-	-	19,373,717	6,320,000
2016	12,722,526	3,475,224	-	-	-	19,926,736	6,580,000

Fiscal Year	Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Notes Payable	Leases Payable	Financed Purchases Payable			
2025	\$ -	\$ 699,055	\$ -	\$ 41,695,078	2.10%	1,041
2024	-	699,092	5,233	45,192,988	2.33%	1,166
2023	36,100	699,128	10,466	49,784,009	2.98%	1,407
2022	88,478	699,163	15,698	52,778,930	3.15%	1,494
2021	138,525	-	100,396	54,857,909	3.77%	1,550
2020	186,338	-	182,593	47,747,296	3.67%	1,388
2019	243,768	-	262,368	50,237,108	4.00%	1,511
2018	57,843	-	339,795	56,625,578	4.68%	1,590
2017	10,172,171	-	379,290	52,002,541	4.66%	1,543
2016	10,444,843	-	-	53,149,329	4.86%	1,621

Note: See Table XIV for Personal Income and Population

Source: (1) Based on data provided by the Greater Yuma Economic Development Corporation and the US Census Bureau City financial Records and reports

**CITY OF SAN LUIS, ARIZONA
PLEDGED REVENUE COVERAGE - EXCISE TAX REVENUE BONDS
LAST TEN FISCAL YEARS**

		<u>Excise Tax Revenue Bonds</u>									
		<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>
Pledged revenues	(1)	\$35,913,475	\$34,659,407	\$29,782,958	\$24,657,240	\$24,759,401	\$21,475,220	\$19,715,582	\$18,672,560	\$15,562,640	\$15,766,957
Debt service requirements											
Principal		\$2,715,000	\$2,815,000	\$2,525,000	\$2,315,000	\$1,975,000	\$1,880,000	\$1,915,000	\$1,035,000	\$995,000	\$1,690,001
Interest		1,421,214	1,840,614	1,686,111	1,766,249	1,687,496	1,710,626	1,759,000	1,679,297	2,337,226	2,369,747
Total Annual Requirements		4,136,214	4,655,614	4,211,111	4,081,249	3,662,496	3,590,626	3,674,000	2,714,297	3,332,226	4,059,748
Estimated Coverage		8.68	7.44	7.07	6.04	6.76	5.98	5.37	6.88	4.67	3.88

(1)

Pledged revenues on the Excise Tax Revenue Bonds are the "Excise Taxes", "State Shared Revenues", Licenses and Permit Fees, and Franchise fees. Excise Taxes are defined to include the transaction privilege and business taxes, which the City imposes. State Shared Revenues are defined as any excise tax, transaction privilege and use taxes and income taxes imposed by the State of Arizona and allocated or apportioned to the City, except the City's share of any such taxes which by State law, rule or regulation must be expended for other purposes.

Source: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds and debt service schedules - City financial records

**CITY OF SAN LUIS, ARIZONA
PLEGGED REVENUE COVERAGE - UTILITY REVENUE BONDS
LAST TEN FISCAL YEARS**

Water and Wastewater Utility Revenue Bonds										
(3)	<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>
Gross Revenues	(1) \$13,679,126	\$12,353,102	\$9,939,699	\$9,012,642	\$9,050,328	\$8,976,213	\$8,598,226	\$8,232,732	\$8,086,255	\$7,506,930
Operating Expenses	(2) 7,497,510	7,432,216	5,970,809	5,494,237	5,130,618	4,405,164	4,059,728	3,363,861	5,027,804	4,388,160
Net Revenues Available	\$6,181,616	\$4,920,886	\$3,968,890	\$3,518,405	\$3,919,710	\$4,571,049	\$4,538,498	\$4,868,871	\$3,058,451	\$3,118,770
Debt Service Requirements										
Principal	\$365,000	\$350,000	\$340,000	\$325,000	\$315,000	\$305,000	\$295,000	\$280,000	\$270,000	\$260,000
Interest	145,920	159,220	172,140	184,490	196,460	208,050	219,260	229,900	240,160	250,040
	\$510,920	\$509,220	\$512,140	\$509,490	\$511,460	\$513,050	\$514,260	\$509,900	\$510,160	\$510,040
Estimated Coverage	12.10	9.66	7.75	6.91	7.66	8.91	8.83	9.55	6.00	6.11

Notes:

- (1) Includes total operating revenues and investment income of the Water Utility and Wastewater Utility Enterprise Funds.
(2) Includes total operating expenses of the Water Utility and Wastewater Utility Enterprise Funds less depreciation and amortization.

Source: Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds and repayment schedules for the Water and Wastewater Utility Revenue Bonds.

**CITY OF SAN LUIS
COMPUTATION OF DIRECT AND OVERAPPING DEBT
JUNE 30, 2025**

<u>Jurisdiction</u>	<u>Net Assessed Value (2)</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
City of San Luis: Note Payable	\$ 119,778,259	\$ 55,070	100.00%	\$ 55,070
City of San Luis: Revenue Bonds	119,778,259	15,713,179	100.00%	15,713,179
City of San Luis: Premiums	119,778,259	995,353	100.00%	995,353
City of San Luis: Leases Payable/SBITAs	119,778,259	79,155	100.00%	79,155
		<u>\$ 16,842,757</u>		<u>\$ 16,842,757</u>
As presented fiscal year ended June 30, 2024				
Arizona Western College	\$ 1,590,477,585	\$ 65,435,000	0.61%	\$ 399,154
Somerton Elementary School District No. 11	116,449,407	782,535	18.00%	140,856
Gadsden School District No. 32	89,616,617	7,818,358	26.70%	2,087,502
Yuma County	1,590,477,585	82,873,836	0.61%	505,530
Yuma Union High School District No 70 (1)	<u>1,491,952,807</u>	<u>55,462,733</u>	0.94%	<u>521,350</u>
Total Overlapping General Obligation Bonded Debt		<u>\$ 212,372,462</u>		<u>3,654,392</u>
Total Direct and Overlapping General Obligation Debt				<u><u>\$ 20,497,149</u></u>

Sources: City of San Luis GIS Department

(1) Total Net Debt Outstanding from FY24 Report of Bonded Indebtedness, AZ Financial Transparency Portal

(2) County records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

**CITY OF SAN LUIS, ARIZONA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Personal Income	Labor force	Employment	Unemployment	Unemployment rate percentage
2025	40,064	49,564	12,848	10,664	2,184	17.0%
2024	38,758	50,089	15,593	11,900	3,693	23.7%
2023	35,372	47,257	15,169	10,907	4,262	28.1%
2022	35,391	47,414	15,096	8,062	7,034	46.6%
2021	35,394	41,122	13,946	10,850	3,096	22.2%
2020	34,394	37,800	14,626	7,386	7,240	49.5%
2019	33,243	37,800	14,534	11,220	3,314	22.8%
2018	33,107	33,967	14,139	10,787	3,352	23.7%
2017	32,540	33,124	13,382	9,897	3,485	26.0%
2016	34,001	33,376	18,632	9,998	8,633	46.3%

Data Source:

Greater Yuma Economic Development Corporation

**CITY OF SAN LUIS, ARIZONA
MAJOR EMPLOYERS WITHIN THE CITY
CURRENT YEAR AND NINE YEARS AGO**

Employer	2025			2016		
	# of Employees	Rank	Percentage of City Employment	# of Employees	Rank	Percentage of City Employment
Arizona State Prison	1,256	1	30.83%	854	2	23.44%
ACT Call Center	915	2	22.46%	820	3	22.50%
Gadsen Elementary School District	593	3	14.56%	869	1	23.85%
Walmart	368	4	9.03%	333	5	9.14%
City of San Luis	365	5	8.96%	237	6	6.50%
Factor Sales	162	6	3.98%	409	4	11.22%
Sunset Community Health Center	100	7	2.45%	-	0	0.00%
San Luis Detention Center	190	8	4.66%	122	7	3.35%
Comite De Bienestar	68	9	1.67%	-	-	-
Basha's/Food City	57	10	1.39%	-	-	-
Total Employees	4,074			3,644		

Source: Greater Yuma Economic Development Corporation

Notes:

(1) Data for 7 employers was the only available information for 2016.

**CITY OF SAN LUIS, ARIZONA
 AUTHORIZED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS**

Permanent Position by Function	Fiscal Year									
	<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>
General Fund										
General Government	104	95	87	76	76	91	89	79	56	58
Public Safety	116	109	105	98	98	80	83	96	89	94
Health and Welfare	7	7	7	5	5	4	4	4	3	4
Culture and Recreation	33	32	32	27	25	23	47	23	35	47
Community Development	16	16	17	16	14	12	12	10	9	9
Sub total General Fund	<u>276</u>	<u>259</u>	<u>248</u>	<u>222</u>	<u>218</u>	<u>210</u>	<u>235</u>	<u>212</u>	<u>192</u>	<u>189</u>
General Fund	276	259	247	222	218	210	235	212	192	189
Public Works & Streets	23	23	23	21	21	20	15	17	18	15
Enterprise Funds	67	62	62	58	53	40	30	53	50	32
Total Permanent Positions	<u><u>366</u></u>	<u><u>344</u></u>	<u><u>332</u></u>	<u><u>301</u></u>	<u><u>292</u></u>	<u><u>270</u></u>	<u><u>280</u></u>	<u><u>282</u></u>	<u><u>260</u></u>	<u><u>237</u></u>

Source: City Payroll

**CITY OF SAN LUIS, ARIZONA
UTILITY STATISTICAL DATA - BILLINGS
LAST TEN FISCAL YEARS**

	Utility Rate Increases & Average Bill									
	<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>
Water										
Average bill	\$54.08	\$50.18	\$45.12	\$46.11	\$48.10	\$48.84	\$48.28	\$48.16	\$48.45	\$48.03
% Increase	7.77%	11.21%	-2.15%	-4.14%	-1.52%	1.16%	0.25%	-0.60%	0.88%	3.09%
Wastewater										
Average bill	\$57.44	\$51.79	\$43.96	\$43.96	\$43.26	\$43.65	\$44.56	\$44.60	\$51.57	\$48.40
% Increase	10.91%	17.81%	0.00%	1.62%	-0.89%	-2.04%	-0.09%	-13.52%	6.56%	4.52%
Residential Solid Waste										
Average bill	\$23.21	\$20.87	\$18.01	\$17.90	\$17.48	\$17.51	\$17.64	\$17.82	\$17.03	\$16.95
% Increase	11.21%	15.88%	0.61%	2.40%	-0.17%	-0.74%	-1.01%	4.64%	0.47%	0.52%

Source: City Customer Service and Billing records (Billing Register Summary)

**CITY OF SAN LUIS, ARIZONA
UTILITY STATISTICAL DATA - ACCOUNTS
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>
Water										
Number of Accounts	9,178	8,870	8,393	8,103	7,949	7,614	7,194	6,828	6,669	6,384
% Increase	3.47%	5.68%	3.58%	1.94%	4.40%	5.84%	5.36%	2.38%	4.46%	3.13%
Wastewater										
Number of Accounts	8,919	8,504	8,164	7,972	7,721	7,383	7,027	6,618	6,495	6,216
% Increase	4.88%	4.16%	2.41%	3.25%	4.58%	5.07%	6.18%	1.89%	4.49%	3.77%
Residential Solid Waste										
Number of Accounts	8,474	8,066	7,693	7,559	7,319	6,983	6,620	6,222	6,113	5,825
% Increase	5.06%	4.85%	1.77%	3.28%	4.81%	5.48%	6.40%	1.78%	4.94%	3.23%

Source: City Customer Service and Billing records

**CITY OF SAN LUIS, ARIZONA
UTILITY STATISTICAL DATA - RATES**

**Charges for Water Services
Base Minimum Monthly Bill**

Water Service Fees						
Residential			Commercial / Government / School			
Meter Size	1st 2,000 G	Excess / 000's	Commercial / Gov't			School
			1st 2,000 G	Excess / 000's		
5/8" - 3/4"	\$ 16.72	\$ 2.56	\$ 42.54	\$ 3.22	\$	3.57
1"	N/A	N/A	\$ 71.04	\$ 3.22	\$	3.57
1 1/2"	N/A	N/A	\$ 141.65	\$ 3.22	\$	3.57
2"	N/A	N/A	\$ 226.73	\$ 3.22	\$	3.57
3"	N/A	N/A	\$ 496.43	\$ 3.22	\$	3.57
4"	N/A	N/A	\$ 1,701.54	\$ 3.22	\$	3.57
6"	N/A	N/A	\$ 3,544.88	\$ 3.22	\$	3.57
8"	N/A	N/A	\$ 5,104.63	\$ 3.22	\$	3.57

**Charges for Wastewater Services
Based Minimum Monthly Bill**

Wastewater Service Fees				
Residential			Commercial / Government / School	
Meter Size	Base	Excess / 000's	Base	Volume/000's
Senior 60+ yrs	\$ 28.68	N/A	N/A	N/A
5/8" - 3/4"	\$ 56.70	N/A	\$ 34.73	\$ 3.50
1" - 8"	N/A	N/A	\$ 34.73	\$ 3.13
Gadsden Residential	\$ 78.34	N/A	N/A	N/A
Gadsden School	N/A	N/A	\$ 291.73	N/A
Gasden Commercial	N/A	N/A	\$ 108.22	N/A

Source: City Customer Service and Billing records

**CITY OF SAN LUIS, ARIZONA
UTILITY STATISTICAL DATA
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>
Miscellaneous data on water utility										
Annual Consumption (000's gal)	1,316,039	1,215,140	1,196,668	1,220,347	1,240,165	1,180,168	1,144,797	1,085,982	1,067,585	1,041,105
Avg gallons/account/month	11,416	11,416	11,882	12,654	13,001	13,671	13,261	13,254	13,340	13,590
Avg gallons/account/year	136,994	136,994	142,579	151,845	156,015	164,049	159,132	159,048.33	160,082	163,080
Avg. daily demand (MGD)	4.26	4	3.8	3.75	3.74	3.53	3.23	3.23	445	453
Peak demand (MGD)	5.25	4.9	4.63	4.48	4.84	4.74	3.81	3.81	3.81	3.43
Number of wells in system	10	10	10	10	10	12	12	12	12	12
Available storage capacity (million Gallons)	4,900	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025
Miscellaneous data on wastewater utility										
Treatment plant capacity (000's)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Annual wastewater treated (000's)	687,351	682,547	651,801	580,295	526,272	613,095	586,810	514,839	458,763	465,867
Average daily flow (000's)	1,881	1,870	1,786	1,590	1,442	1,679	1,608	10,740	1,286	1,340
Miscellaneous data on solid waste service										
Tons of waste collected and disposed	13,503	13,562	13,351	14,313	14,100	12,300	12,046	11,719	10,740	10,306

Source: City Customer Service and Billing records
Public Works records

**CITY OF SAN LUIS, ARIZONA
BUILDING PERMITS AND HOME SALES
LAST TEN FISCAL YEARS
(\$'s in 000's)**

		Building Permits									
		Fiscal Year									
		<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>
Commercial											
	Number of Permits	4	11	5	9	2	6	1	1	6	16
	Value	\$ 5,190	\$ 7,107	\$ 6,512	\$ 25,898	\$ 5,721	\$ 17,447	10	\$568	\$7,091	\$51
Residential											
	Number of Dwelling Units	279	472	251	193	374	355	340	193	267	169
	Value	\$ 56,933	\$ 67,659	\$ 38,089	\$ 30,795	\$ 57,804	\$ 54,327	\$ 49,318	\$ 29,110	\$ 35,339	\$ 24,850
Other											
	Number of Permits	568	383	390	414	484	390	352	404	480	523
	Value	\$ 65,681	\$ 16,843	\$ 12,509	\$ 9,342	\$ 11,432	\$ 8,160	\$ 6,664	\$ 8,293	\$ 9,601	\$ 10,652

		Single Family Housing Sales									
		Calendar Year									
		<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>
New units sold		257	351	235	244	349	317	314	258	228	175

Source: City Development Services

**CITY OF SAN LUIS, ARIZONA
OPERATING INDICATOR BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	<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>
GENERAL GOVERNMENT										
<i>Court</i>										
Charges filed/ Charges adjudicated(resolved)	4,567	4,311	3,613	2,684	2,186	2,630	2,749	2,200	3,317	3,734
Charges dismissed	714	1,170	-	862	399	761	1,014	754	1,037	841
<i>Human Resources</i>										
# of employment Applications Processed	4,336	3,833	2,000	2,044	2,001	2,683	1,816	2,829	3,047	1,643
<i>Finance</i>										
# of Accounts Payable checks issued	5,150	5,096	5,549	5,398	4,247	4,456	4,780	4,721	4,785	4,264
# of Claims filed, injured or ill workers	103	112	107	68	104	221	33	27	16	13
# of electrical inspections performed	-	-	-	-	2	3	4	**	**	3
Notice of claims	12	8	6	4	3	14	7	14	3	2
PUBLIC SAFETY										
<i>Police</i>										
# of 911 Emergency and Animal Calls	13,157	6,488	9,677	5,171	5,518	5,556	7,276	5,467	4,889	5,920
# of Traffic Stops	5,678	6,557	6,406	4,134	3,553	4,147	5,463	4,786	5,220	4,681
# of Arrests on Warrants	217	188	204	254	362	360	396	374	468	439
<i>Fire</i>										
# of Ambulance Transport Services	3,861	3,618	3,576	3,523	3,430	3,341	2,972	2,699	2,767	2,665
# of Fire & Hazmat Incidents	66	70	117	68	71	50	61	63	41	57
HEALTH AND WELFARE										
# of Meals served - Food Assistance	17,824	15,842	15,399	11,470	2,168	5,590	4,787	5,783	7,791	8,869
# of citywide transit ridership	3,955	4,096	3,655	2,682	390	4,797	6,157	6,166	9,538	10,661

Note: (**) Information is not available

Source: Various Departments

**CITY OF SAN LUIS, ARIZONA
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	<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>
General Government										
City Hall										
Building	6	5	3	3	3	3	3	3	3	3
Vehicle	49	46	43	40	41	37	34	33	31	26
Public Safety										
Building	3	3	2	2	2	2	2	2	2	2
Vehicle	103	99	93	73	77	71	72	70	69	70
Culture & Recreation										
Building	5	3	3	3	3	3	3	3	3	3
Equipment	58	65	54	52	45	41	38	37	39	33
Health and Welfare										
Building	1	1	2	2	2	2	2	2	2	2
Vehicle	3	4	4	4	2	2	2	2	3	3
Public Works and streets										
Building	1	1	1	1	1	1	1	1	1	1
Equipment	36	39	36	35	29	28	28	28	27	26
Enterprise										
Building	4	4	4	4	4	4	4	4	4	4
Equipment	71	90	80	76	71	68	67	61	61	51

Source: City records Finance Department

Independent Accountant's Report

Honorable Mayor and Members of the City Council
City of San Luis, Arizona

We have examined the City of San Luis, Arizona's (City) compliance as to whether 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, were used solely for authorized transportation purposes during the fiscal year ended June 30, 2025. Management is responsible for the City's compliance with those specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City of San Luis, Arizona complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2025.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
November 24, 2025

November 25, 2025

To the Governing Board
City of San Luis, Arizona

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund and the Highway Users Fund of City of San Luis, Arizona (City) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter provided to you during the planning phase of the audit. Professional standards also require that we communicate to you the following matters related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of San Luis, Arizona are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

As described in Note 1 of the financial statements, the City implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences. The City analysis of compensated absences in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

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

The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time management estimates those assets will provide some economic benefit in the future.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.

- Management’s estimate of the insurance claims incurred but not reported is based on information provided by the entity’s third-party administrators and subsequent claims activity.
- The assumptions used in the actuarial valuations of the pension are based on historical trends and industry standards.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. A misstatement is defined as a difference between the reported amount, classification, presentation, or disclosure of a financial statement item and the amount, classification, presentation, or disclosure that is required for the item to be presented fairly in accordance with the applicable financial reporting framework. During the course of the audit we did not identify any uncorrected misstatements which require communication.

In addition, as part of the professional services we provided to the City we assisted with the preparation of the financial statements, the notes to financial statements, and the SEFA and related notes as well as the Data Collection Form submission to the Federal Audit Clearinghouse. In providing these services, we prepared adjusting journal entries necessary to convert the accounting records to the basis of accounting required by generally accepted accounting principles. Those adjusting journal entries have been provided to management who reviewed and approved those entries and accepted responsibility for them.

Disagreements with Management

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

Management Representations

We have requested certain written representations from management, which are included in the management representation letter provided to us at the conclusion of the audit.

Management Consultations with Other Independent Accountants

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

Discussions with Management

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

Compliance with Ethics Requirements Regarding Independence

The engagement team, others in our firm, and as appropriate, our firm, have complied with all relevant ethical requirements regarding independence. Heinfeld, Meech & Co., P.C. continually assesses client relationships to comply with relevant ethical requirements, including independence, integrity, and objectivity, and policies and procedures related to the acceptance and continuance of client relationships and specific engagements. Our firm follows the "Independence Rule" of the AICPA Code of Professional Conduct and the rules of state boards of accountancy and applicable regulatory agencies. It is the policy of the firm that all employees be familiar with and adhere to the independence, integrity, and objectivity rules, regulations, interpretations, and rulings of the AICPA, U.S. Government Accountability Office (GAO), and applicable state boards of accountancy.

Responsibility for Fraud

It is important for both management and the members of the governing body to recognize their role in preventing, deterring, and detecting fraud. One common misconception is that the auditors are responsible for detecting fraud. Auditors are required to plan and perform an audit to obtain reasonable assurance that the financial statements do not include material misstatements caused by fraud. Unfortunately, most frauds which occur in an organization do not meet this threshold.

The attached document prepared by the Association of Certified Fraud Examiners (ACFE) is provided as a courtesy to test the effectiveness of the fraud prevention measures of your organization. Some of these steps may already be in place, others may not. Not even the most well-designed internal controls or procedures can prevent and detect all forms of fraud. However, an awareness of fraud related factors, as well as the active involvement by management and the members of the governing body in setting the proper "tone at the top", increases the likelihood that fraud will be prevented, deterred and detected.

Additional Reports Issued

In addition to the auditor's report on the financial statements we will also issue the following documents related to this audit. These reports are typically issued within 60 days of the date of this letter.

- Single Audit Report
- Highway User Revenue Fund Report
- Examination report on the Annual Expenditure Limitation Report

Other Important Communications Related to the Audit

This information is intended solely for the use of the members of the City Council and management of City of San Luis, Arizona and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona

Fraud Prevention Checklist

The most cost-effective way to limit fraud losses is to prevent fraud from occurring. This checklist is designed to help organizations test the effectiveness of their fraud prevention measures.

1. Is ongoing anti-fraud training provided to all employees of the organization?

- Do employees understand what constitutes fraud?
- Have the costs of fraud to the company and everyone in it — including lost profits, adverse publicity, job loss and decreased morale and productivity — been made clear to employees?
- Do employees know where to seek advice when faced with uncertain ethical decisions, and do they believe that they can speak freely?
- Has a policy of zero-tolerance for fraud been communicated to employees through words and actions?

2. Is an effective fraud reporting mechanism in place?

- Have employees been taught how to communicate concerns about known or potential wrongdoing?
- Is there an anonymous reporting channel available to employees, such as a third-party hotline?
- Do employees trust that they can report suspicious activity anonymously and/or confidentially and without fear of reprisal?
- Has it been made clear to employees that reports of suspicious activity will be promptly and thoroughly evaluated?
- Do reporting policies and mechanisms extend to vendors, customers and other outside parties?

3. To increase employees' perception of detection, are the following proactive measures taken and publicized to employees?

- Is possible fraudulent conduct aggressively sought out, rather than dealt with passively?
- Does the organization send the message that it actively seeks out fraudulent conduct through fraud assessment questioning by auditors?
- Are surprise fraud audits performed in addition to regularly scheduled audits?
- Is continuous auditing software used to detect fraud and, if so, has the use of such software been made known throughout the organization?

- 4. Is the management climate/tone at the top one of honesty and integrity?**
 - Are employees surveyed to determine the extent to which they believe management acts with honesty and integrity?
 - Are performance goals realistic?
 - Have fraud prevention goals been incorporated into the performance measures against which managers are evaluated and which are used to determine performance-related compensation?
 - Has the organization established, implemented and tested a process for oversight of fraud risks by the board of directors or others charged with governance (e.g., the audit committee)?

- 5. Are fraud risk assessments performed to proactively identify and mitigate the company's vulnerabilities to internal and external fraud?**

- 6. Are strong anti-fraud controls in place and operating effectively, including the following?**
 - Proper separation of duties
 - Use of authorizations
 - Physical safeguards
 - Job rotations
 - Mandatory vacations

- 7. Does the internal audit department, if one exists, have adequate resources and authority to operate effectively and without undue influence from senior management?**

- 8. Does the hiring policy include the following (where permitted by law)?**
 - Past employment verification
 - Criminal and civil background checks
 - Credit checks
 - Drug screening
 - Education verification
 - References check

- 9. Are employee support programs in place to assist employees struggling with addictions, mental/ emotional health, family or financial problems?**

- 10. Is an open-door policy in place that allows employees to speak freely about pressures, providing management the opportunity to alleviate such pressures before they become acute?**

- 11. Are anonymous surveys conducted to assess employee morale?**

May 7, 2025

Honorable Mayor, Members of the City Council, and Management
City of San Luis
P. O. Box 7740
San Luis, AZ 85349

We are pleased to confirm our understanding of the services we are to provide for City of San Luis, Arizona (City) for the year ended June 30, 2025. We encourage you to read this letter carefully as it includes important information regarding the services we will be providing to the City. If there are any questions on the content of the letter, or the services we will be providing, we would welcome the opportunity to meet with you to discuss this information further.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements of City of San Luis, Arizona as of and for the year ended June 30, 2025.

Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), and GASB-required supplementary pension information to supplement the City's basic financial statements. Such information, although not 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. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will 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.

The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison schedules
3. GASB-required pension schedules

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole.

1. Schedule of expenditures of federal awards
2. Combining and individual fund financial statements and schedules
3. Component unit financial statements

In connection with our audit of the basic financial statements, we will read the following 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.

1. Other information included with the audited financial statements such as the transmittal letter and statistical data

In addition, we will perform the necessary procedures to issue the applicable report for the following.

1. Examination report on the Annual Expenditure Limitation Report
2. Examination report on compliance for highway user revenue fund monies in accordance with ARS §9-481(B)(2)

The objectives of our audit 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 issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and report on the fairness of the supplementary information when considered in relation to the financial statements as a whole. 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. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

An important aspect to our expression of opinions on the financial statements is understanding the concept of materiality. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial information needs of users of the financial statements. For purposes of determining materiality we may assume that reasonable users –

1. have a reasonable knowledge of business and economic activities and accounting and a willingness to study the information in the financial statements with reasonable diligence;
2. understand that financial statements are prepared, presented, and audited to levels of materiality;
3. recognize the uncertainties inherent in the measurement of amounts based on the use of estimates, judgment, and the consideration of future events; and
4. make reasonable judgements based on the information in the financial statements.

Auditor’s Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records for the City, a determination of major programs in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in the financial statements nor do they expect auditors to provide reasonable assurance of detecting waste or abuse. However, auditors may consider whether and how to communicate such matters if they become aware of them. Auditors may discover that waste or abuse are indicative of fraud or noncompliance with provisions of laws, regulations, contract and grant agreements.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs.

However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also conclude, based on the audit evidence obtained, 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 a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts. Our procedures will also include, as deemed necessary, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request, if deemed necessary, written representations from the City's attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We have identified the following significant risks of material misstatement as part of our audit planning:

1. Management override of controls
2. Improper revenue recognition

Audit Procedures – Internal Control

We will obtain an understanding of the City and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the City has complied with federal statutes, regulations and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. For federal programs that are included in the *OMB Compliance Supplement*, our compliance and internal control procedures will relate to the compliance requirements that the *OMB Compliance Supplement* identifies being subject to audit. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management is reliable and financial information is reliable and properly reported.

Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making schedule of expenditures of federal awards, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for the 12 months after the financial statement date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under Uniform Guidance; (3) additional information we may request for the purpose of the audit; and (4) and unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; the schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Management's responsibilities also include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

Management is responsible for the design and implementation of programs to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the City involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the City complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review prior to issuance of our reports.

Management is responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19 related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in a written representation letter that (1) you are responsible for presentation of supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, management understands that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Nonaudit Services

As part of the audit, we will assist with preparation of your financial statements, notes to the financial statements, and supplementary information, including the schedule of expenditures of federal awards in conformity with GAAP and the Uniform Guidance based on information provided by you. In addition, we will assist with the completion of the auditee section of the data collection form to be submitted to the Federal Audit Clearinghouse. You have expressed your intention to use these nonaudit services within the scope of your request for proposal for audit services. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards and related notes services previously defined. We in our sole professional judgment, reserve the right to refuse to perform any procedure to take any action that could be construed as assuming management responsibilities. Upon engagement of the audit we will utilize the general ledger, accounting records, City prepared schedules and other information provided by City personnel in order to prepare the necessary year-end adjusting journal entries and to prepare drafts of the financial statements, notes to the financial statements, and the supplementary information.

You are responsible for the information provided by the City and for assuming all management responsibilities related to the financial statements, notes to the financial statements, supplementary information, schedule of expenditures of federal awards, data collection form, and any other nonaudit services we provide. You are also responsible for designing, implementing, and maintaining internal controls over the financial statements process. Prior to the issuance of the financial statements you will be required to acknowledge in the management representation letter our assistance with the preparation of the financial statements, the schedule of expenditures of federal awards, and related notes to the financial statements, and acknowledge you have accepted responsibility for them. Further, you are required to designate an individual, preferably from senior management, with suitable skill, knowledge, or experience to oversee the nonaudit services we provide; evaluate the adequacy and results of these nonaudit services; and accept responsibility for the nonaudit services.

As the City's independent auditor, professional standards place specific requirements on our provision of certain nonaudit services. We are strictly prohibited from assuming management responsibilities or making management decisions; therefore, the nonaudit services we provide are limited to those indicated above. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities or making management decisions. Accordingly, to maintain our independence it is imperative that management understand its responsibilities and is capable of fulfilling these responsibilities. If there are any questions or concerns regarding management's responsibilities or ability to fulfill these responsibilities we request that you immediately contact us so that we may assess the circumstance and our continued independence with respect to providing audit services.

Planned Scope of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our tests will not include a detailed check of all transactions for the period.

Our audit will include obtaining an understanding of the City and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

Our audit of the financial statements does not relieve you of your responsibilities outlined in the *Responsibilities of Management of the Financial Statements* section of this letter.

Timeliness of Financial Reporting and the Audit

One basic characteristic of financial reporting is timeliness, which indicates that if financial statements are to be useful, they must be issued soon enough after the reported events to affect decisions. Timeliness alone does not make information useful, but the passage of time usually diminishes the usefulness that the information otherwise would have had.

To maintain a timely approach, we expect to begin our audit in May 2025 and conclude audit procedures and date our report in December 2025. In order to meet this expected timeline, we require that all requests for the following significant audit areas be provided by October 2025. If these requests are not provided by the date indicated, it will result in delayed report issuance.

Significant audit areas include:

- Compensated absence schedules (that adhere to GASB 101) – September 2, 2025
- Detention Center trial balance accrual adjustments – October 1, 2025
- Capital asset schedules – October 1, 2025
- Lease and SBITA documentation – October 1, 2025

Engagement Administration, Fees, and Other

Brittney Williams is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are made available for public inspection.

We understand that your employees will prepare all cash, accounts receivable or other confirmations we request and will locate any documents selected by us for testing.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We maintain internal policies, procedures, and safeguards to protect the confidentiality of your information. We may, depending on the circumstances, use third-party service providers in providing our professional services. The following service providers may be utilized in the completion of our engagement:

- Capital Confirmation, Inc. – electronic bank and account balance confirmation service
- Citrix ShareFile – web-based application service to transfer files

You hereby consent and authorize us to use the above service providers, if deemed necessary, to complete the professional services outlined in this letter.

Heinfeld, Meech & Co., P.C. does not host any of the City's information. Sharefile is used solely to transmit data and is not intended to store the City's information. The City is solely responsible for downloading any deliverables and other records from Sharefile that the City wishes to retain for its own records at the completion of the engagement. If the engagement occurs over multiple years, the City should download such information at least annually. The data and deliverable and other records will either be removed from Sharefile or otherwise become unavailable to the City after the completion of the audit. If the engagement is multi-year, the completion of the engagement occurs each year when the deliverables for that year are delivered to the City.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the City; however management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Heinfeld, Meech & Co., P.C., and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, the U.S. Government Accountability Office, or other authorized governmental agency for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Heinfeld, Meech & Co., P.C., personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven (7) years after the report release date, or for any additional period requested by a regulator, cognizant agency, oversight agency for audit, or pass-through entity. Upon expiration of the seven year period, or any additional period, we will commence the process of destroying the contents of our engagement files. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our hourly rates, for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

Any disagreement, controversy, or claim (“dispute”) that may arise from any aspect of our services, including this engagement or any prior engagement, will be submitted to mediation. The parties will engage in the mediation process in good faith once a written request to mediate has been given by any party. Any mediation initiated as a result of this engagement shall be administered by The American Arbitration Association, according to its mediation rules before resorting to litigation. The results of any such mediation shall be binding only upon agreement of each party to be bound. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally.

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between us. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against us must be commenced within twenty-four (24) months (“limitation period”) after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. The limitation period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a dispute.

Professional standards prohibit auditors from agreeing to indemnify attest clients for damages, losses or costs arising from lawsuits, claims or settlements that relate, directly or indirectly, to the client’s acts. As such, professional standards will prevail for indemnification clauses included in audit contracts. In addition, we are unable to obtain waivers on our professional liability insurance policy for certain provisions, including indemnification provisions, provisions requiring the firm to name the City as an additional insured party, and a waiver of subrogation rights.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our fee for these services will be at the amount outlined in our proposal. We exercised care in estimating the fee and believe it accurately indicates the scope of the work. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

Our fees are based on anticipated cooperation from your personnel, timely receipt of information, and the assumption that unexpected circumstances will not be encountered during the audit, including factors beyond our control, such as new accounting pronouncements or legal requirements, additional advisory services, and assistance in correcting errors in your financial records. We will plan the engagement based on the assumption that your personnel will prepare and provide us with the items listed in our request for audit information, including preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement resulting in additional costs for the additional services provided. If additional time is necessary, we will discuss it with you before we invoice the additional costs. Additional fees incurred will be billed at the following hourly rates: Partner - \$281; Manager - \$222; Senior - \$164; Staff - \$122.

If any term or provision of this agreement is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Honorable Mayor, Members of the City Council, and Management of the City. Circumstances may arise in which our reports may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2024 peer review report accompanies this letter.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. Please feel free to contact us at any time if you have any questions or concerns. If you have any questions regarding this letter, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona

cc: Jenny Torres, Acting City Manager
Roula Encinas, Director of Finance

RESPONSE

Please indicate the name of the individual responsible with suitable skill, knowledge, or experience for overseeing the nonaudit services of preparing the year-end adjusting journal entries, the preparation of the financial statements, the schedule of expenditures of federal awards and related notes:

Roula J. de Encinas
Name: _____

This letter correctly sets forth the understanding of City of San Luis, Arizona, including our agreement to the audit documentation deadline(s) established in the *'Timeliness of Financial Reporting and the Audit'* section above, and the potential for delayed issuance of the audit report.

Roula Jouanne de Encinas
Printed Name: _____

Director of Finance
Title: _____

Roula J. de Encinas
Signature: _____

05/07/2025
Date: _____

Report on the Firm's System of Quality Control

October 4, 2024

To Heinfeld, Meech & Co., P.C. and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P.C. (the firm) in effect for the year ended May 31, 2024. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P.C. in effect for the year ended May 31, 2024, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Heinfeld, Meech & Co., P.C. has received a peer review rating of *pass*.

Grant Bennett Associates

GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants




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Princeville, HI
888/763-7323

Together as One. Grant Bennett Associates is a Member of the Alliott Global Alliance of independent professional firms.

SIGNATURE CERTIFICATE



REFERENCE NUMBER
B06E354D-787F-4E2A-91FF-3496AF0C4D2E

TRANSACTION DETAILS

Reference Number
B06E354D-787F-4E2A-91FF-3496AF0C4D2E

Transaction Type
Signature Request

Sent At
05/07/2025 13:35 MST

Executed At
05/07/2025 15:34 MST

Identity Method
email

Distribution Method
email

Signed Checksum
0b13091b1eb944cb65c40edc487e5f48d65e24c5594ff5db40d5e0e880027efe

Signer Sequencing
Disabled

Document Passcode
Disabled

DOCUMENT DETAILS

Document Name
Engagement Ltr FY25 San Luis City

Filename
Engagement_Ltr_FY25_San_Luis_City.pdf


Pages
15 pages

Content Type
application/pdf

File Size
443 KB

Original Checksum
3de7140ba0fd3c29cf209208414674b35eb2d95ea29ff964603eace5ba58efeb

SIGNERS

SIGNER	E-SIGNATURE	EVENTS
Name Roula Encinas	Status signed	Viewed At 05/07/2025 15:30 MST
Email rencinas@sanluisaz.gov	Multi-factor Digital Fingerprint Checksum 9f848a66e86e837855a87ce7ddb8dba0b6e1d88470983206d31b9c92021e8f33	Identity Authenticated At 05/07/2025 15:34 MST
Components 4	IP Address 64.183.172.98	Signed At 05/07/2025 15:34 MST
	Device Microsoft Edge via Windows	
	Typed Signature 	
	Signature Reference ID E7B3EF27	

AUDITS

TIMESTAMP	AUDIT
05/07/2025 13:35 MST	Carri Corbett (carri.corbett@hm.cpa) created document 'Engagement_Ltr_FY25_San_Luis_City.pdf' on Chrome via Windows from 76.134.178.164.
05/07/2025 13:35 MST	Roula Encinas (rencinas@sanluisaz.gov) was emailed a link to sign.
05/07/2025 15:30 MST	Roula Encinas (rencinas@sanluisaz.gov) viewed the document on Microsoft Edge via Windows from 64.183.172.98.
05/07/2025 15:30 MST	Roula Encinas (rencinas@sanluisaz.gov) viewed the document on Microsoft Edge via Windows from 44.217.122.59.
05/07/2025 15:34 MST	Roula Encinas (rencinas@sanluisaz.gov) authenticated via email on Microsoft Edge via Windows from 64.183.172.98.
05/07/2025 15:34 MST	Roula Encinas (rencinas@sanluisaz.gov) signed the document on Microsoft Edge via Windows from 64.183.172.98.



City of San Luis

Finance Department

Heinfeld, Meech & Co., P.C.
1365 N. Scottsdale Rd., Suite 300
Scottsdale, AZ 85257

This representation letter is provided in connection with your audit of the financial statements of City of San Luis, Arizona (City), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, the aggregate remaining fund as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows for the period then ended, and the disclosures (collectively the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of our signature, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP. In addition, we believe:
 - The significant judgments made in making accounting estimates have considered all relevant information of which management is aware
 - The appropriateness and consistency of the measurement processes used by management in determining accounting estimates
 - That the assumptions appropriately reflect management's intent and ability to carry out specific courses of action
 - That the disclosures related to accounting estimates, including those describing estimation uncertainty are complete and appropriate under GAAP
 - That, when necessary, appropriate specialized skills or expertise have been applied
 - That no subsequent event requires adjustment to the accounting estimates and related disclosures included in the financial statements
 - That for any accounting estimates not recognized or disclosed in the financial statements, management has decided to exclude them after considering the appropriate recognition and disclosure criteria in GAAP.
6. There are no known related-party relationships or transactions that need to be accounted for or disclosed in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8. We have identified no unrecorded misstatements in the financial statements.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards (SEFA).
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects the City and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, grantors, regulators, or others.
16. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. If applicable, we have taken timely and appropriate steps to remedy identified and suspected fraud, or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.
21. If applicable, we have a process to track the status of audit findings and recommendations.
22. We have identified and communicated to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
23. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
24. If applicable, we have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
25. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, deferred outflows/inflows of resources, and fund balance or net position.
26. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
27. We have appropriately identified, recorded, and disclosed all leases in accordance with GASB Statement (GASBS) No. 87.
28. We have appropriately identified, recorded and disclosed subscription-based information technology arrangements in accordance with GASBS No. 96.
29. We have appropriately measured, recorded, and disclosed compensated absences and other salary-related payments in accordance with GASBS No. 101.
30. With respect to your compliance examination of highway user revenue fund monies and other dedicated state transportation revenues, we represent the following:
 - we are responsible for compliance with A.R.S. Title 28, Chapter 18, Article 2; and for establishing and maintaining effective internal controls to ensure compliance.
 - we have disclosed to you all known noncompliance with the aforementioned statutes and related requirements.
 - we have disclosed to you all communications from regulatory agencies, internal auditors, other independent accountants or consultants, and others regarding possible noncompliance with the aforementioned statutes and related requirements.

31. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements
32. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
33. We understand that in addition to your audit, you prepared the adjusting journal entries necessary to convert our accounting records to the basis of accounting required by generally accepted accounting principles. We acknowledge that we have reviewed and approved those entries and accepted responsibility for the adjusting journal entries.
34. In addition to your audit, you assisted with preparation of the financial statements, notes to the financial statements, the SEFA, and the data collection form. We acknowledge our responsibility as it relates to those nonaudit services, including that
 - we assume all management responsibilities;
 - oversee the nonaudit services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience;
 - evaluate the adequacy and results of the nonaudit services performed;
 - and accept responsibility for the results of the nonaudit services.
35. We have reviewed, approved, and accepted responsibility for the financial statements, notes to the financial statements, the SEFA, and the data collection form on which you have assisted with the preparation.
36. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
37. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
38. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
39. If applicable, the financial statements include all component units, appropriately present majority equity interest in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
40. The financial statements include all fiduciary activities required by GASBS No. 84, as amended.
41. The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
42. All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as a major fund are identified and presented as such and all other funds that are presented as a major fund are particularly important to financial statement users.

43. Components of net position (net investment in capital assets; restricted; and unrestricted) and classification of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
44. Investments are properly valued.
45. With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
46. If applicable, provisions for uncollectible receivables have been properly identified and recorded.
47. Direct borrowings and direct placements of debt have been properly separated from other debt; and unused lines of credit, collateral pledged to secure debt, terms in debt agreements related to significant default or termination events with finance-related consequences, and significant subjective acceleration clauses have been properly disclosed.
48. All payroll information and the individual employment data have been properly submitted to the state retirement systems, and the employer contributions have been properly submitted to the retirement systems.
49. We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
50. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
51. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
52. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
53. If applicable, special and extraordinary items (unusual items or infrequent items after implementing GASBS No. 103), are appropriately classified and reported.
54. Deposits and investment securities are properly classified as to risk and are properly disclosed.
55. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

56. If applicable, the government meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach.
57. Asset retirement obligations associated with tangible capital assets have been properly recognized in accordance with GASBS No. 83.
58. Tax abatement agreements have been properly disclosed in the notes to the financial statements, including the names of all governments involved, the gross amount and specific taxes abated, and additional commitments.
59. We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
60. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
61. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
62. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
63. With respect to the supplementary information on which in-relation-to opinions are issued, presented, such as the combining and individual fund financial statements and schedules, and the SEFA.
 - a. We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

64. We acknowledge our responsibility for the other information included in the financial statements, such as the transmittal letter and statistical data.
- a. We acknowledge that we have informed you of all documents that may comprise other information we expect to issue. The financial statements and other information you obtained prior to the auditor's report date are consistent with one another, and the other information does not contain any material misstatements.
 - b. If applicable, with regard to the other information that will be included in the annual report that has not been obtained by you prior to the auditor's report date, we intend to prepare and issue the other information, as well as communicate the expected timing of issuance, and provide you with the final version of the document(s) when available and prior to the issuance of the annual report.
65. With respect to federal award programs:
- a. We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards (SEFA).
 - b. We acknowledge our responsibility for preparing and presenting the SEFA and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
 - d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
 - f. We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing

our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

- g. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards, or confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR Part 200, Subpart E).
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding

significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.

- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. If applicable, we have monitored subrecipients to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- u. If applicable, we have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.
- v. If applicable, we have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- w. We have charged costs to federal awards in accordance with applicable cost principles.
- x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- z. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- aa. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- bb. If applicable, we have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

We have reviewed the drafts of the financial statements, the SEFA and related notes and believe the amounts are properly presented based on the books and records of our City. We hereby take

responsibility for the financial statements and authorize Heinfeld, Meech & Co., P.C. to issue the reports in final form and to distribute to those parties as outlined in the contract.

We understand that at the conclusion of the audit Heinfeld, Meech & Co, P.C. will submit to the City Council a communication to those charged with governance that will include a copy of this representation letter and a copy of the engagement letter.

Jenny Torres

11/24/2025

Jenny Torres, Acting City Manager
City of San Luis, Arizona

Date


Roula J. de Encinas

11/21/2025

Roula Encinas, Finance Director
City of San Luis, Arizona

Date

SIGNATURE CERTIFICATE



REFERENCE NUMBER
2E7F4085-21BC-44FC-A2AC-805E6F63D531

TRANSACTION DETAILS

Reference Number
2E7F4085-21BC-44FC-A2AC-805E6F63D531

Transaction Type
Signature Request

Sent At
11/21/2025 11:10:14 AM EST

Executed At
11/24/2025 03:34:30 PM EST

Identity Method
email

Distribution Method
email

Signed Checksum
1e89a510987581888536c13f42f01a72797e3b623733e64e9449188dc482f6fa

Signer Sequencing
Disabled

Document Passcode
Disabled

DOCUMENT DETAILS

Document Name
GRL Single Audit 25 San Luis City

Filename
GRL_Single_Audit_25_San_Luis_City.pdf


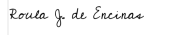
Pages
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Original Checksum
14a6e1947926f1ecda4aa3d706a57f1a4de5ed45ebe3c843b24a6e3ad728d962

SIGNERS

SIGNER	E-SIGNATURE	EVENTS
<p>Name Jenny Torres</p> <p>Email jtorres@sanluisaz.gov</p> <p>Components 2</p>	<p>Status signed</p> <p>Multi-factor Digital Fingerprint Checksum 4f53cda18c2baa0c0354bb5f9a3ecbe5ed12ab4d8e11ba873c2f11161202b945</p> <p>IP Address 170.64.5.70</p> <p>Device Microsoft Edge via Windows</p> <p>Typed Signature </p> <p>Signature Reference ID 2168BA5F</p>	<p>Viewed At 11/24/2025 03:33:40 PM EST</p> <p>Identity Authenticated At 11/24/2025 03:34:29 PM EST</p> <p>Signed At 11/24/2025 03:34:30 PM EST</p>
<p>Name Roula J. de Encinas</p> <p>Email rencinas@sanluisaz.gov</p> <p>Components 2</p>	<p>Status signed</p> <p>Multi-factor Digital Fingerprint Checksum 4f53cda18c2baa0c0354bb5f9a3ecbe5ed12ab4d8e11ba873c2f11161202b945</p> <p>IP Address 208.56.28.48</p> <p>Device Chrome via Windows</p> <p>Typed Signature </p> <p>Signature Reference ID 0271F94B</p>	<p>Viewed At 11/21/2025 11:46:17 AM EST</p> <p>Identity Authenticated At 11/21/2025 11:47:40 AM EST</p> <p>Signed At 11/21/2025 11:47:40 AM EST</p>

AUDITS

TIMESTAMP	AUDIT
11/21/2025 11:10:14 AM EST	Jared Young (jared.young@hm.cpa) created document 'GRL_Single_Audit_25_San_Luis_City.pdf' on Chrome via Windows from 199.117.84.122.
11/21/2025 11:10:14 AM EST	Roula J. de Encinas (rencinas@sanluisaz.gov) was emailed a link to sign.
11/21/2025 11:10:14 AM EST	Jenny Torres (jtorres@sanluisaz.gov) was emailed a link to sign.
11/21/2025 11:46:17 AM EST	Roula J. de Encinas (rencinas@sanluisaz.gov) viewed the document on Chrome via Windows from 208.56.28.48.
11/21/2025 11:47:40 AM EST	Roula J. de Encinas (rencinas@sanluisaz.gov) authenticated via email on Chrome via Windows from 208.56.28.48.
11/21/2025 11:47:40 AM EST	Roula J. de Encinas (rencinas@sanluisaz.gov) signed the document on Chrome via Windows from 208.56.28.48.

TIMESTAMP**AUDIT**

11/24/2025 12:21:00 PM EST	Jenny Torres (jtorres@sanluisaz.gov) was emailed a reminder.
11/24/2025 12:21:21 PM EST	Jenny Torres (jtorres@sanluisaz.gov) viewed the document on Chrome via GNU/Linux from 44.198.219.190.
11/24/2025 03:33:40 PM EST	Jenny Torres (jtorres@sanluisaz.gov) viewed the document on Microsoft Edge via Windows from 170.64.5.70.
11/24/2025 03:33:40 PM EST	Jenny Torres (jtorres@sanluisaz.gov) viewed the document on Microsoft Edge via Windows from 3.227.191.60.
11/24/2025 03:34:29 PM EST	Jenny Torres (jtorres@sanluisaz.gov) authenticated via email on Microsoft Edge via Windows from 170.64.5.70.
11/24/2025 03:34:30 PM EST	Jenny Torres (jtorres@sanluisaz.gov) signed the document on Microsoft Edge via Windows from 170.64.5.70.



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

7. B.

Meeting Date: 01/28/2026

Department Head: Sonia Cornelio, City Clerk, City Clerk's Office

Submitted By: Sonia Cornelio, City Clerk, City Clerk's Office

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding the appointment of a Council Member to serve on the Yuma County Library District Board of Trustees. **(Jenny Torres, Acting City Manager)**

SUMMARY:

The Board of Trustees' primary function is to promote the development and improvement of library services and recommend library policy to the Yuma County Free Library District Board of Directors. The board meets for business purposes on the second Tuesday of each month at 5:30 pm. The location is provided to the board once an agenda is finalized.

Council Member Luis E. Cabrera has resigned from the Yuma County Library District Board of Trustees effective January 6, 2026; the current term expires June 30, 2026. A replacement is needed for the expiring term.

An appointment is also needed for the upcoming three-year term, which begins July 1, 2026, and ends June 30, 2029.

The Mayor and City Council may appoint the same Council Member for both terms or different Council Members (one for the expiring term and one for the next full three-year term).

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPOINT COUNCIL MEMBER _____ TO THE YUMA COUNTY LIBRARY DISTRICT BOARD OF TRUSTEES, WHOSE TERM WILL EXPIRE ON JUNE 30, 2026, AND APPOINT COUNCIL MEMBER _____ TO SERVE THE NEXT THREE-YEAR TERM WHICH EXPIRES ON JUNE 30, 2029.

Fiscal Impact

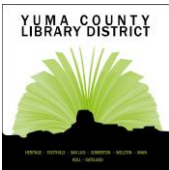
IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	N/A
CITY/STATE/FEDERAL FUNDS:	N/A
TOTAL:	N/A
BUDGETED AMOUNT:	N/A
AVAILABLE AMOUNT TO TRANSFER:	N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	N/A

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

There is no fiscal impact associated with this item.

Attachments

Letter



Administrative Offices • 2951 S. 21st Drive • Yuma, AZ 85364 • 928.782.1871 • www.yumalibrary.org

Yuma Main • Heritage • Dateland • Foothills • Roll • San Luis • Somerton • Wellton

January 6, 2026

Mayor Nieves Riedel
Members of the City Council
1090 E. Union St.
P.O. Box 1170
San Luis, AZ 85349

Dear Mayor and Members of the City Council,

Luis Cabrera, City of San Luis representative on the Yuma County Library District Board of Trustees, resigned from his position on January 6, 2026.

Mr. Cabrera's term expires on June 30, 2026; therefore, we are asking that the City of San Luis appoint someone to fill the remainder of the term and serve a three-year term thereafter.

Once a replacement has been appointed, please provide a letter confirming such appointment so that we can move forward and take it to the Yuma County Board of Supervisors for approval.

Thank you.

Sandra Gutierrez
Library District Executive Coordinator

cc: Nieves Riedel, Mayor
Sonia Cornelio, City Clerk



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

7. C.

Meeting Date: 01/28/2026

Department Head: Eulogio Vera, Director of Public Works, Public Works Department

Submitted By: Jorge Perez, Assistant Director of Public Works, Public Works Department

Action Requested: Discussion Item - No Action to be Taken

ITEM:

Presentation update to City Council followed by discussion and possible direction to staff on any and all matters regarding the West Wastewater Treatment Plant Expansion Project. **(Eulogio Vera, Director of Public Works)**

SUMMARY:

As the City Council is aware, the City of San Luis has been working on planning the expansion of the West Wastewater Treatment Plant for several years. The project was initiated in 2021 with a comprehensive analysis of the existing facility and an evaluation of multiple expansion alternatives. Based on the findings of that study, the City selected the Construction Manager at Risk, or CMAR, delivery method for design and construction of the project.

The City engaged Pacific Advanced Civil Engineering, Inc. (PACE) to serve as the design engineer for the project. Following that selection, the City conducted a separate request-for-qualifications process to select a construction partner, resulting in the selection of PCL Contractors. In July 2025, the City executed a pre-construction services agreement with PCL to work alongside PACE during the design phase.

Throughout the pre-construction phase, PACE, PCL, and City staff conducted multiple design workshops to review the project design and its constructability with the goal of reducing conflicts and risks during construction. As part of these CMAR pre-construction services, PCL collaborated directly with PACE to refine the design and proposed the use of an intensification process intended to improve construction phasing and accelerate the overall schedule. With City approval, PCL retained a third-party engineering firm to evaluate the feasibility of this intensification approach.

In addition, PCL prepared an early procurement Guaranteed Maximum Price (GMP Proposal) for the electrical scope of work and developed a 90% design cost model for the overall project. That cost model was significantly higher, nearly three times the City's established project budget. The City had also reviewed three separate cost estimates, including estimates prepared by PACE at the 60% and 90% design stages, as well as an independent estimate prepared by a third-party cost estimating firm. Based on these prior estimates, the City has set its total project budget for design and construction at under \$30 million.

The City and PCL engaged in multiple negotiations in an effort to reconcile the cost differences. However, both parties ultimately determined that an agreement was unlikely to be reached. As a result, the Department of Public Works, in coordination with the Engineering Department, Finance Department, and City Administration, made the decision to terminate negotiations and conclude the

pre-construction services contract with PCL.

Moving forward, the Department of Public Works will transition the project from the CMAR delivery method to a traditional Design-Bid-Build approach. To facilitate this transition, the City has requested a proposal from PACE to provide additional services necessary to support bidding and construction under this delivery method. These services include revisions to the plans and specifications to accommodate competitive bidding, administration of the bidding process, and construction-phase services.

In addition, the project will be divided into three construction phases.

- Phase One will consist of constructing a new sewer force main connecting Lift Station 300 to the West Wastewater Treatment Plant.
- Phase Two will involve the wastewater treatment plant expansion itself, which is the most complex and time-intensive phase.
- Phase Three will include construction of the new operations building within the treatment plant site.

Under a subsequent agenda item, in the near future, staff will present a change order proposal from PACE to incorporate these additional services and accommodate the transition to the Design-Bid-Build delivery method as described.

RECOMMENDATION / SUGGESTED MOTION:

Presentation Only, no action to be taken.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM: N/A

CITY/STATE/FEDERAL FUNDS: N/A

TOTAL: N/A

BUDGETED AMOUNT: N/A

AVAILABLE AMOUNT TO TRANSFER: N/A

ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: N/A

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

This is an information item only.



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

7. D.

Meeting Date: 01/28/2026

Department Head: Jose A. Guzman, Director of Development Services, Development Services

Submitted By: Jose A. Guzman, Director of Development Services, Development Services

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding the re-appointment of three (3) City of San Luis residents to serve on the City of San Luis Planning and Zoning Commission. **(Jose A. Guzman, Director of Development Services)**

SUMMARY:

Currently, seven (7) Commission Members are serving on the City of San Luis Planning and Zoning Commission:

Chairman Ruben Walshe
Vice-Chairman Angelica Ortiz
Commission Member George Amaya
Commission Member Javier Barraza
Commission Member Marco A. Pinzon
Commission Member Hugo Garcia
Commission Member Veronica Zavala

City Code Section 18.10.020 (E) Term of office. *The term of office of the members of the Commission shall be four years, with the terms of members so staggered that the terms of no more than three members shall expire on January 31 in any one year. The incumbent Commissioner shall continue to serve after their term of office has expired until a successor has been appointed. In the event of a death, resignation, or removal from the Commission, a resident appointment by the City Council shall fill the vacancy, for the unexpired term.*

The following commission members' terms will expire on January 31, 2026:

Member Marco A. Pinzon
Member Hugo Garcia
Member Veronica Zavala

All three members would like to continue serving as commission members for another term. The new term expiration date will be January 31, 2030.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO RE-APPOINT MARCO A. PINZON TO THE CITY OF SAN LUIS PLANNING AND ZONING COMMISSION WITH A TERM EXPIRING ON JANUARY 31, 2030.

I MOVE TO RE-APPOINT HUGO GARCIA TO THE CITY OF SAN LUIS PLANNING AND ZONING COMMISSION WITH A TERM EXPIRING ON JANUARY 31, 2030.

I MOVE TO RE-APPOINT VERONICA ZAVALA TO THE CITY OF SAN LUIS PLANNING AND ZONING COMMISSION WITH A TERM EXPIRING ON JANUARY 31, 2030.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	N/A
CITY/STATE/FEDERAL FUNDS:	N/A
TOTAL:	N/A
BUDGETED AMOUNT:	N/A
AVAILABLE AMOUNT TO TRANSFER:	N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	N/A
FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):	
N/A	



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

7. E.

Meeting Date: 01/28/2026

Department Head: Armando Esparza, Director of Economic Development, Economic Development

Submitted By: Humberto Arcos, Grants Coordinator, Economic Development

Action Requested: Motion
Resolution

ITEM:

Discussion and possible action on any and all matters regarding Resolution No. 2391. A Resolution of the Mayor and City Council of the City of San Luis, Arizona, authorizing the submission of an FY 2026 Arizona State Parks & Trails Historic Preservation Heritage Fund grant application and approving all actions necessary to implement the proposed historic revitalization activities. **(Armando Esparza, Director of Economic Development)**

SUMMARY:

Background and Project Description

On January 14, 2026, the San Luis City Council adopted Resolution No. 2389, formally approving the *El Corazón de San Luis: Cultural and Economic Revitalization Plan*. The Plan recommends completing an in-depth historic resource survey and property evaluation to determine eligibility for listing on local, state, and national historic registers. Eligibility requires properties to meet one or more National Register of Historic Places significance criteria and retain sufficient historic integrity. Completion of this advanced survey is a required first step to position downtown properties for preservation-based economic incentives, including Federal Historic Tax Credits (HTCs) and Arizona Historic Preservation Heritage Fund brick-and-mortar rehabilitation grants.

The Economic Development Department proposes a \$90,000 project focused on historic district and site nomination activities and downtown master planning to support redevelopment in Downtown San Luis. These activities will establish the documentation necessary for preservation-based redevelopment and long-term revitalization. The required 40 percent local match totals \$36,000.

Grant Strategy and Requested Authorization

The Economic Development Department intends to apply for funding through the Arizona Historic Preservation Heritage Fund, administered by Arizona State Parks & Trails. In FY26, the Legislature appropriated \$1,000,000 to the Arizona Heritage Fund, with 30 percent dedicated to historic preservation. Eligible activities include historic surveys and studies, brick-and-mortar rehabilitation, archaeological interpretation, and preservation planning. Eligible applicants include cities, towns, counties, tribal governments, and nonprofit organizations. Grant awards range from \$10,000 to \$60,000 and require a 40 percent local match. Applications are accepted from December 1, 2025, through February 1, 2026.

The City is required to commit \$36,000 local match, which will be budgeted in the Economic Development Department's FY2027 General Fund budget. To potentially offset or reimburse a portion of the City's local match, the Department is also coordinating with Campesinos Sin Fronteras to pursue funding through the *Nuestra Herencia Grant* administered by Latinos in Heritage Conservation (LHC).

Campesinos Sin Fronteras, a registered 501(c)(3), would serve as the City's fiscal sponsor, subject to a 10 percent fiscal sponsorship fee. The City would seek \$40,000 in *Nuestra Herencia* funding, with \$36,000 allocated to the City of San Luis and \$4,000 allocated to Campesinos Sin Fronteras as the sponsor fee. If awarded, these funds would reimburse or offset the City's locally funded match, but are not required to meet the Heritage Fund match obligation.

Grant Activities and Use of Funds

The \$90,000 project will fund two coordinated historic preservation and redevelopment efforts:

- Historic Survey and National Register Nominations (\$40,000): Funds will support advanced historic resource surveys, property evaluations, mapping, documentation, and preparation of district and site nominations in coordination with the Arizona State Historic Preservation Office. This work is required to establish formal eligibility for listing on local, state, and national historic registers and to position properties to access preservation-based economic incentives, including Federal Historic Tax Credits and Historic Preservation Heritage Fund rehabilitation grants.
- Downtown Master Planning and Redevelopment Strategy (\$50,000): Funds will support master planning and redevelopment activities informed by the nomination work, including conceptual site planning, redevelopment scenarios, and implementation strategies to guide adaptive reuse, private investment, and long-term downtown revitalization. Sample master planning and assessment documents are attached for reference and illustrate the scope and level of work anticipated.

The Economic Development Department requests authorization to submit a grant application to the Arizona Historic Preservation Heritage Fund and approve the allocation of \$36,000 in local funds to satisfy the required match. Authorize staff to pursue supplemental grant funding, including the *Nuestra Herencia* Grant, to reimburse or offset the City's local match if awarded.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE AND ADOPT RESOLUTION NO. 2391 AS PRESENTED.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	YES
CITY/STATE/FEDERAL FUNDS:	CITY
TOTAL:	SEE FISCAL IMPACT STATEMENT
BUDGETED AMOUNT:	SEE FISCAL IMPACT STATEMENT
AVAILABLE AMOUNT TO TRANSFER:	SEE FISCAL IMPACT STATEMENT
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	SEE FISCAL IMPACT STATEMENT

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

The Economic Development Department engaged Designing Local for \$5,000 from the Professional Services account for grant writing services. The City will request \$56,000 in State grant funding and provide a \$36,000 General Fund match. The Economic Development Department will budget the \$36,000 General Fund match in the FY 2027 budget. The City intends to offset this General Fund expense through additional funding sought from the *Nuestra Herencia* Grant.

Attachments

Resolution No. 2389

San Luis National Register Nomination & Grant Proposal

San Luis Grant Writing Services Proposal

Support Letter from Campesinos Sin Fronteras



Resolution

No. 2391

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA APPROVING THE APPLICATION FOR HISTORIC PRESERVATION HERITAGE FUNDS; REPEALING CONFLICTING PROVISIONS; AND PROVIDING FOR SEVERABILITY.

WHEREAS, the Legislature under A.R.S. § 41-503 has authorized the establishment of the Historic Preservation Heritage Fund Program providing funds to the State of Arizona and other eligible applicants for the purposes of preserving historic and prehistoric resources; and

WHEREAS, the Arizona State Parks Board (BOARD) is responsible for the administration of the program within the State, setting up necessary rules and procedures governing application under the program; and

WHEREAS, said adopted procedures established by the BOARD require the applicant to certify by resolution the approval of applications, signature authorization, the availability of local matching funds, and authorization to sign a Participant Agreement with the BOARD; and

WHEREAS, the proposed project must be consistent with the Arizona Historic Preservation Plan; and

NOW, THEREFORE BE IT RESOLVED by the Mayor and City Council of the City of San Luis, Arizona:

Section 1: The Mayor and City Council hereby approve the filing of an application for FY 2026 Historic Preservation Heritage Fund Grant assistance for an eligible historic preservation project.

Section 2: The Mayor and City Council certify that the applicable state and federal regulations, policies, guidelines, and requirements related to the submission, administration, and implementation of the grant application.

Section 3: The City of San Luis agrees to comply with all procedures, guidelines, and requirements established by the Arizona State Parks & Trails Board as part of the application and award process.

Section 4: The City of San Luis commits a matching contribution in the amount of \$36,000.00.

Section 5: The Mayor and City Council hereby appoint, Director of Economic Development, Armando Esparza, and any additional designated representatives, as authorized agents of the City of San Luis to conduct all negotiations and to execute and submit all documents necessary for the completion of the project, including but not limited to applications, agreements, amendments, and billing statements.

PASSED, ADOPTED, and APPROVED by the Mayor and City Council of the City of San Luis, Yuma County, Arizona, this ____ day of January, 2026.

City of San Luis, Arizona

Nieves Riedel, Mayor

ATTEST:

APPROVED AS TO FORM:

Sonia Cornelio, City Clerk

Kay Marion Macuil, City Attorney



Resolution

No. 2389

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA APPROVING THE *EL CORAZÓN DE SAN LUIS: CULTURAL & ECONOMIC REVITALIZATION PLAN*; REPEALING CONFLICTING PROVISIONS; AND PROVIDING FOR SEVERABILITY.

WHEREAS, the City of San Luis seeks to strengthen community identity and economic vitality by enhancing the built environment of the downtown core through public art, placemaking, and targeted revitalization efforts that reflect local culture and shared border heritage; and

WHEREAS, the El Corazón de San Luis: Cultural & Economic Revitalization Plan was developed as a strategy to revitalize the historic core through two integrated components: (1) community revitalization through historic preservation and adaptive reuse, and (2) public art and placemaking through a defined vision, policy framework, and implementation approach; and

WHEREAS, the Plan establishes a public art and placemaking vision in which public art serves as a vibrant reflection of local cultures, celebrates Hispanic and agricultural heritage, embodies the shared spirit of the United States and Mexico, and fosters pride and a welcoming public realm; and

WHEREAS, the Plan identifies actionable strategies to leverage public art and placemaking to enhance local identity, strengthen gathering spaces, stimulate economic development, and create more welcoming, walkable, and vibrant cityscape; and

WHEREAS, the Plan recognizes that implementing the community's public art vision requires sustainable funding and recommends a multi-pronged approach including grant-seeking, partnerships, and near-term investment to establish and launch a municipal public art program;

NOW, THEREFORE BE IT RESOLVED by the Mayor and City Council of the City of San Luis, Arizona:

Section 1: The Mayor and City Council hereby approve and adopt the *El Corazón de San Luis: Cultural & Economic Revitalization Plan* as a guiding policy document for the planning, development, and implementation of public art, placemaking, historic

preservation, adaptive reuse, and revitalization initiatives within the City's downtown core.

Section 2: City staff are authorized and directed to use the Plan to pursue grants, external funding sources, and partnerships that advance public art and placemaking projects, including the establishment of a sustainable public art program and implementation of public art projects and typologies recommended in the Plan, alongside complementary revitalization and preservation activities.

Section 3: If a conflict arises between the provisions of this Resolution and any other ordinance, resolution, order, regulation, or policy of the City of San Luis, the conflicting provisions are amended, superseded, and replaced, and this Resolution shall govern.

Section 4: If any section, subsection, paragraph, sentence, clause, phrase, or portion of this Resolution is held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction or controlling legislation, such decision or law shall not affect the validity of the remaining portion of this Resolution.

Section 5: The City officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this Resolution.

PASSED, ADOPTED, and APPROVED by the Mayor and City Council of the City of San Luis, Yuma County, Arizona, this 14th day of January 2026.

City of San Luis, Arizona



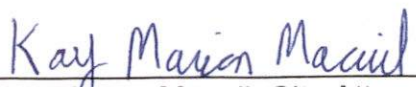
Nieves Riedel, Mayor

ATTEST:



Sonia Cornelio, City Clerk

APPROVED AS TO FORM:



Kay Marion Macuil, City Attorney

NATIONAL REGISTER NOMINATION WORK & GRANT

December 23, 2025





December 23, 2025

Armando Esparza
Director of Economic Development & Government Affairs
1090 E. Union Street
P. O Box 1170
San Luis, Arizona 85349
928.509.0398 | aesparza@sanluisaz.gov

RE : National Register Nomination Work & Grant

SCOPE OF SERVICES

Phase 1 - National Register SHPO Discussion

1. Conduct initial field visit to finalize selected buildings and conduct initial research. Take photos and make working maps to use in discussion with Arizona State Historic Preservation Office staff.
2. Meet with Arizona State Historic Preservation Office staff to review the building and the process for nomination, including requirements for owner notification. This meeting will help to finalize which buildings and properties will be included in the nomination(s).

Phase 2 - Research and Preparation of Draft Nomination

1. Conduct research using both primary and secondary sources that will be used to evaluate significance and prepare the Statement of Significance in the National Register nominations.
2. Take photos of the buildings, as well as representative streetscape photos.
3. Prepare initial mapping that identifies the buildings, districts, and photo views.
4. Prepare draft National Register Nominations for the buildings and district including historic and current photos, historic and current maps, and any other documentation requested by the Arizona State Historic Preservation Office.
5. Submit to Arizona State Historic Preservation Office for review and comments.

Phase 3 - Final Nomination

1. Revise the nominations based on comments received from Arizona State Historic Preservation Office.
2. Submit the finalized nomination to Arizona State Historic Preservation Office for scheduling at the next meeting of Historic Sites Review Committee (HSRC).

Phase 4 - Presentation to Historic Sites Review Committee (HSRC)

1. Attend the HSRC meeting to answer any questions that may arise during review of the National Register nomination.
2. Make any changes requested during the review by HSRC.

Phase 5 - National Park Service Approval

3. Arizona State Historic Preservation Office submits the completed nomination to the National Park Service for its review. The listing does not go into effect until it is officially listed by the National Park Service.

SCHEDULE

8-12 Months from kick-off date.

COMPENSATION

Designing Local anticipates that this will be an hourly contract not to exceed \$40,000. Billing performed on monthly intervals. Hourly rates for key personnel are as follows:

Joshua Lapp	\$200/hr
Megan Adornetto	\$150/hr
Support Staff	\$85/hr

Submitted by:



JOSH LAPP, AICP
Principal & Co-Founder
DESIGNING LOCAL

20 EAST BROAD STREET
COLUMBUS, OH 43215
www.designinglocal.com



Accepted by:

(Signature)

(Printed Name)

(Title)

(Company)

PROPOSAL FOR GRANT WRITING SERVICES

January 14, 2026



PROJECT UNDERSTANDING

We understand the City of San Luis is pursuing several grants that will seek to leverage the recently completed El Corazón de San Luis Cultural & Economic Revitalization Plan. The project team will work to complete grant applications along with narratives and exhibits that will support at a minimum the following grants:

- 1. Arizona Historic Preservation Heritage Fund Grants**
- 2. Nuestra Herencia Grant Program**

In addition to the specific grant applications noted above, the team will assist with other grant applications or work related to potential grants, as needed. Our team has been involved in a number of such efforts over the years, and it is important to craft strong narratives and supporting documentation to successfully complete strong grant applications.

PROPOSED SCOPE OF WORK

The proposed scope of work will be followed for the preparation of each grant application requested by the City. Additional work may be needed outside of the scope of work. Please note that references to “Client Group” is the City of San Luis, members of Council, City staff, and the State Historic Preservation Office, and the “Team” is the Designing Local team members.

TASK 1: INTERNAL KICK OFF & CONFIRMATION MEETING

1.01: The Team will coordinate internally in order to bring the Grant Writer up to speed and meet with the Client Group for a project orientation. We will refine our approach to completing the **Arizona Historic Preservation Heritage Fund Grant** and then meet with the Client Group to confirm our final approach and outline needs for the application.

Task 1 Deliverables

- Grant approach
- Application needs

TASK 2: DEVELOPMENT & DRAFT

2.01: The Team will gather information for the grant and other documentation as needed such as maps, narratives, or other information. The Team will review existing work products for proposed projects in order to familiarize ourselves with the projects and documents that have already been prepared.

2.02: The Team will develop a draft grant application that will be shared for review and feedback by San Luis.

Task 2 Deliverables

- Draft Grant Application

TASK 3: GRANT APPLICATION REVIEW AND REFINEMENT

3.01: The Team will refine the grant application based on feedback from the Client Group to create a final draft.

3.02: The Team will submit the final Grant Application.

Task 3 Deliverables

- Grant Application Submission

PROPOSED COST STRUCTURE

Designing Local will bill hourly for the work outlined in the scope of work and will submit invoices monthly. Designing Local will not exceed \$5,000 for this work.

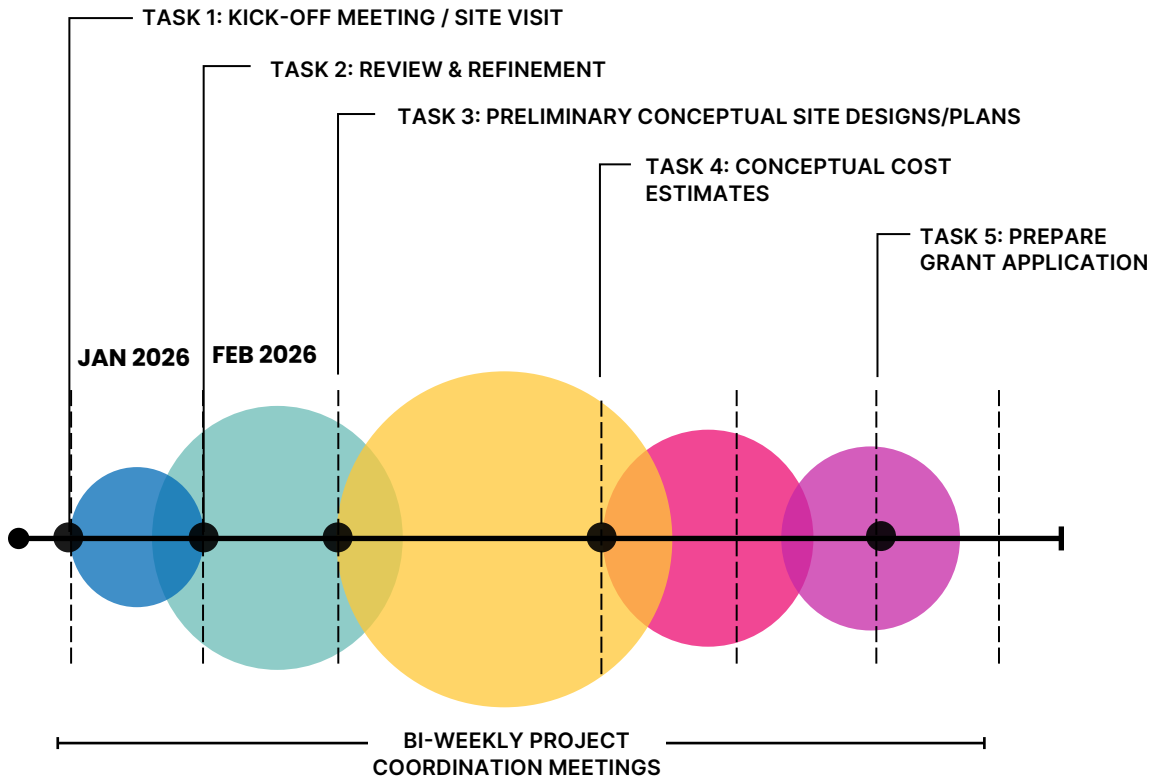
HOURLY RATES

Designing Local would propose an hourly contract using the rates below:

Joshua Lapp	\$200/hr
Meredith Reed	\$160/hr
Megan Adornetto	\$150/hr
Support Staff	\$85/hr

PROPOSED PROJECT TIMELINE

Designing Local anticipates that the preceding proposed scope of work will be complete for the **Arizona Historic Preservation Heritage Fund Grant** by January 30, 2026 in order for the grant application to be submitted by February 2026. Other work will follow as needed.



JOSHUA LAPP, AICP

PRINCIPAL | DESIGNING LOCAL

PROJECT ROLE: PRINCIPAL IN CHARGE

Josh is a Principal and Co-Founder of Designing Local. He has 14 years of professional experience in urban planning on a variety of project types. Driven by the desire to create actionable plans with easy wins for clients and the community, Josh's favorite projects are those that have a complex issue at the center. His broad knowledge of planning related issues have provided clients with well-rounded, highly researched recommendations to move cultural initiatives forward. At Designing Local, Josh oversees historic preservation tax credits, national register nominations, and historic preservation plans.

RELEVANT EXPERIENCE

San Luis Historic Survey & Public Art Plan

Amherst, New Hampshire | Principal in Charge

Amherst Historic Design Guidelines

Amherst, New Hampshire | Project Manager

Old West End Design Guidelines

Toledo, Ohio | Project Manager

Sandusky Preservation Design Guidelines

Sandusky, Ohio | Project Manager

Frankfort Special Capital District Design Guidelines

Frankfort, Kentucky | Project Manager

Mansfield, Ohio Historic Preservation Plan Update

Mansfield, Ohio | Project Manager

Historic Caldwell Revitalization Plan

Caldwell, Ohio | Placemaking Lead

Ohio & Erie Canal Southern Descent Heritage Trail Planning

Southern Ohio | Urban Planner

Ohio and Erie Canal Southern District National Register Nomination

Southern Ohio | Urban Planner

2019 Public Education and Awareness Award: Ohio History Connection

Buckeye Hills Regional Council Downtown Revitalizations Workshops

Southeast Ohio | Engagement Lead

New Albany Design Guidelines Technical Training

New Albany, Ohio | Project Manager

University District Arts & Character Plan

Columbus, Ohio | Project Manager

Roscoe Village, Ohio Heritage Tourism Plan

Ohio Humanities Council Grant | Project Manager



EDUCATION

Bachelor of Science in City & Regional Planning, The Ohio State University

ACCREDITATIONS

Member, American Institute of Certified Planners

APPOINTMENTS

Commissioner, Near East Area Commission

Former Chair of Board, Transit Columbus Multi-Modal Advocacy Group

Former Commissioner, Create Columbus Commission

Former Commissioner, Italian Village Historic Review Commission



MEREDITH REED

URBAN PLANNER | DESIGNING LOCAL

PROJECT ROLE: GRANT WRITER

Meredith is a planner with 14 years of experience as a transportation advocate, instructor, program manager, and writer. She founded Columbus, Ohio's bicycle advocacy organization Yay Bikes! in 2009 and served it in various staff roles, including Communications Director, over the following decade. Her strategic leadership and programmatic contributions during that time made it possible for thousands of people throughout Ohio to experience the joy of confidently, competently bicycling for transportation. Meredith has also served several nonprofits as a grant writer and consultant. She is certified as a League Cycling Instructor through the League of American Bicyclists.



RELEVANT EXPERIENCE

Brunswick Parks Master Plan

Brunswick, Ohio | Urban Planner

Central Ohio Greenways Wayfinding Strategy

Central Ohio | Urban Planner

Appalachia Community Grant Program Procured Planner

Athens, Belmont, Gallia, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Tuscarawas, and Washington Counties | Planner: Project Planner and Community Outreach Lead

Downtown Brockton Publicly Accessible Art Plan

Brockton, Massachusetts | Urban Planner

City of Columbus Bike Hub Feasibility Project*

Columbus, Ohio | Planner*

How We Roll for College Students (ODOT-funded)*

The Ohio State University, University of Akron | Program Designer & Manager*

Pedal Instead Mode-Shift Campaign (Ohio EPA-funded)*

Columbus, Ohio | Program Manager*

Ride Leader Trainings, Professional Development Rides (ODOT-funded)*

Columbus, Ohio | Program Manager & Instructor*

How We Roll for State Employees (Ohio Department of Health-funded)*

Columbus, Ohio | Program Manager & Instructor*

EDUCATION

Master of City & Regional Planning, The Ohio State University

Bachelor of Arts in Philosophy, University of Pittsburgh

* Projects completed with a previous employer

MEGAN ADORNETTO

HISTORIC PRESERVATIONIST | DESIGNING LOCAL

PROJECT ROLE: HISTORIC PRESERVATIONIST & RESEARCHER

Megan is a skilled designer and historic preservationist with a passion for preserving and studying the evolution of cultural heritage. Megan's expertise includes Autodesk Revit, AutoCAD, SketchUP, and GIS. She has experience in laser scanning, building conditions assessments, and historic property research. Megan has also worked as a freelance designer, creating schematic design packages for clients, and as an intern at an architecture and construction company, where she worked on historic structure projects and created existing conditions models in Revit. With her strong background in design and preservation, Megan is dedicated to keeping tradition alive and ensuring the preservation of cultural heritage for future generations.



RELEVANT EXPERIENCE

San Luis Historic Survey & Public Art Plan

Amherst, New Hampshire | Project Manager

Amherst Historic Design Guidelines

Amherst, New Hampshire | Historic Preservationist & Researcher

Old West End Design Guidelines

Toledo, Ohio | Historic Preservationist & Researcher

Historic Property Research for 122 Logan Street*

Charleston, South Carolina | Historic Preservation Researcher

Investigative Report on St. James Church in Goose Creek*

Charleston, South Carolina | Historic Preservation Researcher

Architectural Survey Report of the Old Village*

Mount Pleasant, South Carolina | Historic Preservation Researcher

Preliminary Information Form, Walnut Hill Schoolhouse*

Johns Island, South Carolina | Historic Preservation Researcher

Investigative Report on the Dirleton Plantation House*

Georgetown, South Carolina | Historic Preservation Researcher

Cultural Landscape Report for McLeod Plantation*

James Island, South Carolina | Historic Preservation Researcher

Marble Conservation Report*

Charleston, South Carolina | Historic Preservation Researcher

Folly Beach ACA and Design Template*

Folly Beach, South Carolina | Historic Preservation Researcher

Building Pathology Report*

Charleston, South Carolina | Historic Preservation Researcher

Interior Finish Study, ACE*

Basin, South Carolina | Historic Preservation Researcher

EDUCATION

Master of Science in Historic Preservation, Clemson University

Graduate Certificate in Historic Preservation, Boston Architectural College

Bachelor of Arts in Interior Design, Kent State University

AFFILIATIONS

Association for Preservation Technology, International

* Projects completed with a previous employer





Health, Housing, and Human Services

663 E. Main Street, Suite A
P.O. Box 423
Somerton, Arizona 85350

Phone: (928) 627-5995

Fax: (928) 627-1899

E-Mail: etorres@campesinosinfronteras.org

01/16/2026

City of San Luis
720 Main Street, Suite B
San Luis, AZ 85349

RE: Letter of Support and Fiscal Sponsorship – City of San Luis
El Corazón de San Luis: Cultural & Economic Revitalization Project

To Whom It May Concern,

On behalf of Campesinos Sin Fronteras (CSF), a registered 501(c)(3) nonprofit organization, this letter serves as formal confirmation of our support for the City of San Luis' proposed historic preservation and planning project associated with the *El Corazón de San Luis: Cultural & Economic Revitalization Plan*. CSF is pleased to serve as the fiscal sponsor for this project for purposes of the Nuestra Herencia Grant administered by Latinos in Heritage Conservation (LHC).

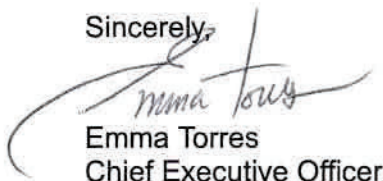
CSF will act as the fiscal sponsor for the Project Organization and will be responsible for receiving, managing, and disbursing grant funds in accordance with LHC requirements and applicable nonprofit and financial regulations. Should the grant be awarded, Campesinos Sin Fronteras agrees to allocate **\$36,000** of the grant award to the City of San Luis to support eligible project activities, including National Register nomination work and historic preservation-based master planning efforts. A fiscal sponsorship fee of **10 percent (\$4,000)** will be retained by Campesinos Sin Fronteras for administrative and compliance purposes.

The proposed project aligns with CSFs' mission by advancing the well-being of the region's Latinx communities through uplifting cultural heritage preservation, education, and community empowerment. The historic resources within Downtown San Luis represent significant cultural, social, and economic narratives tied to the lived experiences of border communities and agricultural workers. This project will help document, preserve, and position these resources for long-term stewardship while enabling access to preservation-based economic development tools such as Federal Historic Tax Credits and Historic Preservation Heritage Fund grants.

Campesinos Sin Fronteras fully supports this effort and affirms its commitment to partnering with the City of San Luis to ensure the successful administration and implementation of the project. We believe this initiative represents an important investment in Latinx heritage conservation, community identity, and equitable economic revitalization.

Please feel free to contact us if additional information or documentation is required.

Sincerely,



Emma Torres
Chief Executive Officer



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

7. F.

Meeting Date: 01/28/2026

Department Head: Nigel Reynoso, Chief of Police, Police Department

Submitted By: Michelle Boucher, Police Administrator, Police Department

Action Requested: Motion
Order

ITEM:

Discussion and possible action on any and all matters regarding the approval and adoption of Order No. 2026-01. An Order of the Mayor and City Council of the City of San Luis, Arizona to authorize the City of San Luis Police Department to receive funding for equipment by approving an Intergovernmental Agreement and authorizing execution of the Agreement Regarding the Local Border Support Grant, between the State of Arizona, through its Department of Public Safety, and the City of San Luis, Arizona authorized through the San Luis Police Department. **(Damian Miller, Police Lieutenant)**

SUMMARY:

The City of San Luis Police Department has been awarded \$511,383.80 in Local Border Support funding for the purchase of the following items.

1. \$7,803 for Ebikes,
2. \$367,424.80 for vehicles,
3. \$59,400 for Base Drone,
4. \$52,400 for Ballistic Vests, and
5. \$24,356 for Drone analytics.

The grant cycle ends June 30th, 2027.

The adoption of this order will help enhance our law enforcement services to deter, apprehend, prosecute, and detain individuals charged with drug trafficking, human smuggling, illegal immigration, and other border-related crimes.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO ADOPT ORDER NO. 2026-01 APPROVING THE INTERGOVERNMENTAL AGREEMENT FOR THE LOCAL BORDER SUPPORT GRANT AND AUTHORIZING THE CHIEF OF POLICE TO ENTER INTO THE INTERGOVERNMENTAL AGREEMENT ON BEHALF OF THE CITY.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	Yes
CITY/STATE/FEDERAL FUNDS:	State
TOTAL:	Yes
BUDGETED AMOUNT:	\$0

AVAILABLE AMOUNT TO TRANSFER:

See fiscal Impact Statement

ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: See fiscal Impact Statement

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

Funds were not budgeted for FY 2026 for this item as the grant was not approved until December 2025.

The San Luis Police Department will receive \$511,383.80 as reimbursements.

Based on the available amount allocated by finance, some purchases can be made this fiscal year, the remainder will be next fiscal year.

Each purchase for this grant will be presented to council separately for approval with funds approved by finance.

Account numbers:

250-181-90000 Special Revenue Public Safety-Capital Outlay Equipment

Attachments

Order No. 2026-01

Local Border Support Agreement



Order

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

No. 2026-01

AN ORDER OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA TO AUTHORIZE THE CITY OF SAN LUIS POLICE DEPARTMENT TO RECEIVE FUNDING FOR EQUIPMENT BY APPROVING AN INTERGOVERNMENTAL AGREEMENT AND AUTHORIZING EXECUTION OF THE AGREEMENT REGARDING THE LOCAL BORDER SUPPORT GRANT, BETWEEN THE STATE OF ARIZONA, THROUGH ITS DEPARTMENT OF PUBLIC SAFETY, AND THE CITY OF SAN LUIS, ARIZONA, AUTHORIZED THROUGH THE SAN LUIS POLICE DEPARTMENT.

WHEREAS, the City of San Luis desires to increase police presence within our city limits to support the United States Border Patrol mission by allowing police officers to stop or prevent the transportation of drugs, undocumented persons, smuggling, and the nexus to terrorism;

WHEREAS, the Arizona Department of Public Safety has approved HB2897 - Local Border Support to enhance law enforcement services to deter, apprehend, prosecute, and detain individuals charged with drug trafficking, human smuggling, illegal immigration, and other border-related crimes throughout the City of San Luis;

WHEREAS, the Arizona Department of Public Safety has prepared an Intergovernmental Agreement which provides for all the funds, including that these funds shall not be used to supplant other funding of the San Luis Police Department.

NOW, THEREFORE, BE IT ORDERED by the Mayor and Council of the City of San Luis, State of Arizona, as follows:

Section 1. The Intergovernmental Agreement titled "Local Border Support" attached to this order is approved.

Section 2. The Chief of Police and City officials are hereby authorized and directed to enter into said agreement on behalf of the City of San Luis and take any and all actions as may be necessary to effectuate said agreement.

PASSED AND ADOPTED by the Mayor and Council of the City of San Luis, Arizona this _____ day of January 2026.

Nieves Reidel, Mayor

ATTEST:

APPROVED AS TO FORM:

Sonia Cornelio, City Clerk

Kay Marion Macuil
City Attorney

AGREEMENT REGARDING LOCAL BORDER SUPPORT

This agreement is entered into between the State of Arizona through its Department of Public Safety, hereinafter referred to as “DPS” and the San Luis Police Department, hereinafter referred to as “SLPD.”

DPS is authorized and empowered to enter into this Agreement pursuant to A.R.S. § 41-1713(B)(3). Both parties are authorized and empowered to enter into the Agreement pursuant to A.R.S. § 11-952.

In consideration of the mutual promises set forth herein, the parties to this Agreement hereby agree to the following conditions.

I. PARTICIPATION

The purpose of the Agreement shall be to enhance law enforcement services to deter, apprehend, prosecute and detain individuals charged with drug trafficking, human smuggling, illegal immigration and other border-related crimes within the City of San Luis, through cooperative efforts of DPS and the SLPD - Local Border Support, hereinafter referred to as “LBS.”

Additionally, ongoing information exchange and intelligence sharing will occur between DPS and SLPD.

II. DISBURSMENT AND REPORTING

DPS agrees to disburse LBS funding as requested in the Local Border Support application at a total of \$511,383.80.

Category	Description	Amount
Vehicles	(4) Fully Marked Patrol Vehicles with Upfitting and MDCs	\$ 367,424.80
Vehicles	(2) E-Bikes	\$ 7,803.00
Equipment	Base Drone as First Responder	\$ 59,400.00
Equipment	(48) Plate Carriers with Ballistic Plates	\$ 52,400.00
Software	Drone Analytics	\$ 24,356.00

At the close of the agreement’s performance period, a summary and evidence of expenditures shall be prepared and submitted to DPS. The end of program summary report shall be received electronically no later than the last business day of the month immediately following the month in which all grant funds are exhausted or June 30, 2027, whichever is earlier. Expenditures must align with the approved budget and be incurred within the performance period.

III. IMMIGRATION

DPS and SLPD agree to comply with A.R.S. §§23-214 and 41-4401.

IV. NON-DISCRIMINATION

DPS and SLPD agree to comply with the non-discrimination provisions of the Governor’s Executive Order 2023-001.

V. INDEMNIFICATION

DPS and SLPD (as “Indemnitor”) agree to indemnify, defend, and hold harmless the other party (as “Indemnitee”) from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney’s fees, hereinafter collectively referred to as “claims”) arising out of bodily injury (including death) of any person or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, agents, employees, or volunteers.

VI. RECORDKEEPING

All records regarding the Agreement, including time accounting logs, must be retained for five (5) years in compliance with A.R.S. § 35-214.

VII. FEES

In no event shall DPS or SLPD charge the other for any administrative fees for any work performed pursuant to the Agreement.

VIII. JURISDICTION

SLPD agrees to permit its staff to work outside of their regular jurisdictional boundaries.

IX. ARBITRATION

In the event of a dispute under this Agreement, the parties agree to use arbitration to the extent required under A.R.S. §§ 12-1518 and §§ 12-133.

X. LIMITATIONS

This Agreement in no way restricts DPS or SLPD from participating in similar activities with other public or private agencies, organization, and individuals. Nothing in this agreement shall be construed as limiting or expanding statutory responsibilities of the parties.

XI. EFFECTIVE DATE/DURATION

The terms of this agreement shall become effective on July 1, 2025, and shall remain in effect until June 30, 2027. All equipment must be received and fully paid for by June 30, 2027. Any funds unexpended will be de-obligated and returned to DPS.

XII. AVAILABILITY OF FUNDS

Every payment obligation of DPS under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of the Agreement, the Agreement may be terminated by DPS at the end of the period for which funds are available. No liability shall accrue to DPS in the event this provision is exercised, and DPS shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

XIII. CANCELLATION

This Agreement is subject to cancellation for conflicts of interest under A.R.S. § 38-511.

XIV. TERMINATION

DPS and SLPD may terminate the Agreement for convenience or cause upon thirty (30) days written notice to the other party. Upon termination, DPS shall pay all outstanding amounts up through the time upon which the termination becomes effective. All property purchased by a party pursuant to that party's respective duties pursuant to this Agreement shall be returned to the purchasing party upon termination of this Agreement for any reason.

Any notice required to be given under the Agreement will be provided by mail to:

Mike Dodd, Budget Officer
Arizona Department of Public Safety
P.O. Box 6638, Mail Drop 1330
Phoenix, AZ 85005-6638

Nigel Reynoso, Chief of Police
San Luis Police Department
1030 E Union St. #3720
San Luis, AZ 85349

XV. VALIDITY

This document contains the entire Agreement between the parties and may not be modified, amended, altered or extended except through a written amendment signed by all parties. If any portion of this Agreement is held to be invalid, the remaining provision shall not be affected.

The parties hereto have caused this Agreement to be executed by the proper officers and officials.

STATE OF ARIZONA

BY: _____
Jeffrey D. Glover, Director
Arizona Department of Public Safety

DATE: _____

SAN LUIS POLICE DEPARTMENT

BY: _____
Nigel Reynoso, Chief of Police

DATE: _____

BY: _____
Name, position

DATE: _____

BY: _____

DATE: _____



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

7. G.

Meeting Date: 01/28/2026

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

Action Requested: Motion
Ordinance

ITEM:

Discussion and possible action on any and all matters regarding Ordinance No. 478. An Ordinance of the Mayor and City Council of the City of San Luis, Arizona, repealing Section 2.05.250 and replacing Section 2.05.220 of the City Code to clarify the timing of the oath of office and to create a consistent date to take office for the Mayor and City Council. (ITEM CONTINUED FROM THE SPECIAL COUNCIL MEETING HELD ON JANUARY 16, 2026) **(Council Members Luis E. Cabrera, Lizeth Servin and Javier Vargas)**

- A. Action on Reading of Ordinance No. 478 by title only
- B. Action on Ordinance No. 478

SUMMARY:

Ordinance No. 478 amends and restates San Luis City Code Section 2.05.020 so that the Mayor and Council Members take and subscribe to the Oath of Office on the first Wednesday in December, except for those elected to fill a vacancy or elected by a special election. If the certificate of election is not issued by the first Wednesday in December, then the City shall aim to hold the Swearing-In-Ceremony on another day within the same month of December when all the newly elected officials have their certificates of election and assume office together.

The following Council Members requested that this item be added to the agenda for the Special Meeting of January 16, 2026. (Please see the attached signed Agenda Item Review Form.)

Council Member Luis E. Cabrera

Council Member Lizeth Servin

Council Member Javier Vargas

RECOMMENDATION / SUGGESTED MOTION:

- A. I MOVE TO APPROVE THEIR READING OF ORDINANCE NO. 478 BY TITLE ONLY
(CITY CLERK TO READ ORDINANCE NO. 478 BY TITLE ONLY)**
- B. I MOVE TO APPROVE ORDINANCE NO. 478 AS PRESENTED**

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM: No
CITY/STATE/FEDERAL FUNDS: Not Applicable
TOTAL: Not Applicable
BUDGETED AMOUNT: Not Applicable
AVAILABLE AMOUNT TO TRANSFER: Not Applicable
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: Not Applicable
FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):
Designating a Vice-Mayor does not affect the budget.

Attachments

Ordinance No. 478
Signed AIR Form



Ordinance

No. 478

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, REPEALING SECTION 2.05.250 AND REPLACING SECTION 2.05.220 OF THE CITY CODE TO CLARIFY THE TIMING OF THE OATH OF OFFICE AND TO CREATE A CONSISTENT DATE TO TAKE OFFICE FOR THE MAYOR AND CITY COUNCIL.

WHEREAS, this Ordinance aligns with the requirement of A.R.S. § 38-232 for the timing of the Oath of Office; and

WHEREAS, it makes clear the sequence of events for elected or appointed officials that the elected or appointed officials first take and subscribe to the Oath of Office, then assume their official duties; and

WHEREAS, this Ordinance sets a consistent date for all newly elected Mayors and Councilpersons to take office so that one newly elected official does not take office earlier than other newly elected officials;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of San Luis, Arizona:

Section 1: In San Luis City Code Title 2 Administration and Personnel, Chapter 2.05 Mayor and Council, Article II. Council, Article II shall change its title to read:

Article II. Mayor and Council

Section 2: San Luis City Code § 2.05.220 is amended and restated to read:

2.05.220 Timing of Oath of Office and Assuming Duties.

(A) Oath of Office.

When the law requires no other specific time, the Mayor and Councilpersons shall take and subscribe to the Oath of Office as follows:

1. **If appointed:** at or before commencement of the term of office.
2. **If elected:** after their certificate of election is issued and before the term of office.

3. **In Public:** The Mayor and each Councilperson shall take and subscribe the Oath of Office in public, at a Swearing-In Ceremony described below.

(B) **Assuming Duties**

Immediately after taking and subscribing to the Oath of Office, the Mayor and each Councilperson shall assume the duties of office.

(C) **Reception**

A reception may immediately follow the taking of the Oath of Office and assumption of duties.

(D) **Official Start Date.**

1. A newly elected Mayor and each newly elected Councilperson shall take the Oath of Office and assume their duties at a publicly noticed, Swearing-In Ceremony on the **first Wednesday in December**, which falls after an August or November regular candidate election of the same year.

2. This date does not apply to those Mayors or Council Members who are appointed to fill a vacancy or elected by a special election.

(E) **Alternative Dates.**

1. If the certificate of election does not issue for one or more of the newly elected officials (the Mayor and Councilpersons) by the first Wednesday in December - due to a delay or delays in counting the votes or legal challenges- then the City shall aim to hold the Swearing-In-Ceremony on another day within the same month of December when all the newly elected officials have their certificates of election and assume office together.

2. If a certificate or certificates of election will be issued after December, the affected officials shall individually take and subscribe to the Oath of Office in public and assume their duties as soon as legally permissible.

Section 3: San Luis City Code § 2.05.250 is repealed in its entirety.

Section 4: The City Council authorizes and directs the appropriate City officers and employees to perform all necessary or desirable acts to give effect to this Ordinance.”

Section 5: If a conflict arises between the provisions of this ordinance and any resolution, other ordinance, regulation, or policy of the City of San Luis, the conflicting provisions are amended, superseded, and replaced, and this Ordinance shall govern.

Section 6: If any section, subsection, sentence, clause, phrase, or portion of Ordinance No. 465 is held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction or operation of law by legislation, such decision or law shall not affect the validity of the remaining portion of this ordinance.

PASSED, ADOPTED, and APPROVED by the Mayor and City Council of the City of San Luis, Yuma County, Arizona, this ____ day of January 2026.

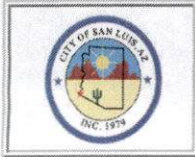
Nieves Riedel, Mayor

ATTEST:

APPROVED AS TO FORM:

Sonia Cornelio, City Clerk

Kay Marion Macuil, City Attorney



AGENDA ITEM REVIEW FORM

RECEIVED

3. B.

Special City Council Meeting

Meeting Date: 01/16/2026

JAN 15 2026

Department Head: Kay Macuil, City Attorney, Attorney's Office

CITY CLERK'S OFFICE

Submitted By: Kay Macuil, City Attorney, Attorney's Office

Action Requested: Motion
Ordinance

ITEM:

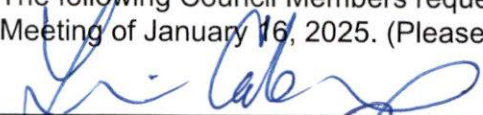
Discussion and possible action on any and all matters regarding Ordinance No. 478. An ordinance of the Mayor and City Council of the City of San Luis, Arizona, repealing Section 2.05.250. **(Council Members)**

- A. Action on Reading of Ordinance No. 478 by title only
- B. Action on Ordinance No. 478

SUMMARY:

Ordinance No. 479 amends and restates San Luis City Code Section 2.05.020 so that the Mayor and Council Members take and subscribe to the Oath of Office on the first Wednesday in December, except for those elected to fill a vacancy or elected by a special election. If the certificate of election is not issued by the first Wednesday in December, then the City shall aim to hold the Swearing-In-Ceremony on another day within the same month of December when all the newly elected officials have their certificates of election and assume office together.

The following Council Members requested that this item be added to the agenda for the Special Meeting of January 16, 2025. (Please see the attached signed Agenda Item Review Form.)



Council Member



Council Member



Council Member

RECOMMENDATION / SUGGESTED MOTION:

- A. I MOVE TO APPROVE THEIR READING OF ORDINANCE NO. 478 BY TITLE ONLY.
(CITY CLERK TO READ ORDINANCE NO. 478 BY TITLE ONLY)**
- B. I MOVE TO APPROVE ORDINANCE NO. 478 AS PRESENTED.**

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM: No

CITY/STATE/FEDERAL FUNDS:

Not Applicable

TOTAL:

Not Applicable

BUDGETED AMOUNT:

Not Applicable

AVAILABLE AMOUNT TO TRANSFER:

Not Applicable

ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: Not Applicable

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

Designating a Vice-Mayor does not affect the budget.

Attachments

Ordinance No. 478



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

7. H.

Meeting Date: 01/28/2026

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding payment for legal work of the city's outside counsel, Gammage & Burnham, for the federal lawsuit against the city, Gethsemani Baptist Church v. San Luis. **(Kay Marion Macuil, City Attorney)**

SUMMARY:

The City's Outside Counsel, Gamage & Burnham, submitted to the City for payment for legal work on the federal case that Gethsemani Baptist Church brought against the City of San Luis (U.S. District Court for Arizona Civil Case No. 2:24-cv-00534-ESW Gethsemani Baptist Church v. San Luis). Subtracting the legal fees that were already approved by the City Council, the following fees have been paid, so we request ratification.

\$48,390.28 in the fiscal year July 1, 2024 - June 30, 2025, and

\$69,798.79 in the fiscal year July 1, 2025 - to date.

\$118,189.07 Total

Since this total, we have involved Gamage & Burnham to help us work through the legal issues that arose with Gethsemani's lack of compliance with the Federal Court-Ordered Consent Decree. We will return to the City Council if these issues are estimated to go beyond \$45,000.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO RATIFY \$118,189.07 IN LEGAL EXPENSES TO GAMMAGE AND BURNHAM AS PRESENTED.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	Yes
CITY/STATE/FEDERAL FUNDS:	City
TOTAL:	\$69,798.79 Please see the fiscal impact statement
BUDGETED AMOUNT:	\$480,000 Please see the fiscal impact statement
AVAILABLE AMOUNT TO TRANSFER:	N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	City Attorney Legal Services GL Account 100-117-80003 Balance \$185,490.00

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

* The \$69,798.79 total cost is for the current fiscal year, starting July 1, 2025. The \$480,000 budget amount is for all outside legal costs for this fiscal year.

The additional \$48,390.28 requested for ratification is for the fiscal year starting July 1, 2024, and ending June 30, 2025.

The payment over the two fiscal years is the total requested \$118,189.07

Attachments

Engagement Letter

Gammage & Burnham Invoices

GAMMAGE & BURNHAM

A PROFESSIONAL LIMITED LIABILITY COMPANY

ATTORNEYS AT LAW

40 NORTH CENTRAL AVENUE

20TH FLOOR

PHOENIX, ARIZONA 85004

TELEPHONE (602) 256-0566
FACSIMILE (602) 256-4475

March 22, 2024

WRITER'S DIRECT LINE
(602) 256-4461
mvaz@gblaw.com

Via Email:(kmacuil@sanluisaz.gov)

Ms. Kay Macuil
San Luis City Attorney

Re: Gammage & Burnham Representation—Gethsemani Baptist Church v City of San Luis

Dear Ms. Macuil:

This letter will confirm that the City of San Luis (“The City”) wishes to employ the law firm of Gammage & Burnham, PLC to assist with a response to the complaint and motion for preliminary injunction filed by the Gethsemani Baptist Church against the City of San Luis, several members of the city staff and the Mayor.

Generally, this Firm bills on an hourly basis; we will bill for our services monthly. Our hourly government rates are as follows:

\$450.00 for partners
\$325-for associates
\$225 for paralegals

My partner, Cameron Artigue and I, will be primarily responsible for such services and representation, although we may delegate matters to other attorneys, and/or paralegals to serve the City’s best interests in the most productive and cost-effective manner. All attorneys and/or paralegals who serve and represent the City shall bill their time on an hourly basis. For this matter, we have agreed to use our discounted government billing rates. The partner billing rate on this matter will be \$450.00.

We will send you a bill on approximately the 15th of the month for work done in the preceding month. Since this is a litigation matter, which can be intensive, we request a retainer of \$50,000.00. We will bill our services against the retainer. We will send you a monthly invoice which shows the work for the month and the payment applied to the retainer.

Although we will perform our professional services on your behalf to the best of our ability, we cannot make (and have not made) any promises regarding the outcome of your matter. You have the right to terminate our services at any time. Similarly, the firm may withdraw from the representation if you fail to promptly pay invoices, fail to disclose material facts, fail to effectively communicate, act in a manner contrary to the advice given, or anything else occurs that, in our opinion, impairs an effective attorney-client relationship.

In addition to attorneys’ fees, we will bill you for costs and expenses such as court costs, long distance telephone calls, photocopying and facsimile transmissions, travel expenses and other expenses incurred in connection with our representation. All of these expenses will be billed to you at our cost with the exception of photocopying and outgoing facsimile transmissions which we do mark up. Other costs such as office supplies, parking and incoming facsimile transmissions will not be billed to you. A copy of the memorandum explaining

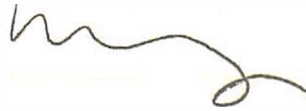
firm policy as to billing costs is enclosed. We anticipate that the rates listed in this letter will apply for the duration of this matter. If you ever have any questions concerning our statements, please call me immediately.

Our relationship is covered by the lawyer-client privilege and our ethical duty of confidentiality. Our communications with you are privileged.

Once this representation has been completed, we will close the file and maintain electronic records for five years, at which time the file may be destroyed in accordance with our policies. You must keep us advised regarding any changes of address, email or phone numbers, or of changes regarding key personnel so that we will be able to communicate with you during the course of representation and in the event the need arises even after the file is closed.

We look forward to working with you. If you have any questions, comments or concerns, please do not hesitate to contact me.

Best regards,
GAMMAGE & BURNHAM, PLC



By
Manjula M. Vaz

MMV/bbb
Attachment

ACCEPTED and AGREED:

CITY OF SAN LUIS

By: Kay Marion Macuil
Name: Kay Marion Macuil
Title: City Attorney
March 25, 2025

MEMORANDUM
GAMMAGE & BURNHAM, PLC
A Professional Limited Liability Company

TO: Gammage & Burnham Clients
FROM: Management Committee
RE: Firm Policy as to Billing of Costs

An ethics opinion from The American Bar Association indicates that clients must agree to pay "mark-up" on costs incurred on their behalf. Our practice is to add mark-up to on-site document reproduction costs and outgoing facsimile transmissions. In addition, payments made via credit card will incur a non-refundable service fee, not to exceed 3% of the total amount, which will be added to each transaction.

Other costs are either passed through directly with no mark-up or absorbed in our general overhead – these include:

Costs Charged to Clients Without Mark-Up Costs Not Charged to Clients

- | | |
|---------------------------------|-----------------------|
| ■ computer research | ■ incoming facsimiles |
| ■ depositions | ■ normal postage |
| ■ express mail | ■ office supplies |
| ■ filing fees | ■ parking |
| ■ investigative services | |
| ■ messenger service | |
| ■ outside professional services | |
| ■ publications | |
| ■ recording fees | |
| ■ search fees | |
| ■ secretarial overtime | |
| ■ service of process | |
| ■ sheriff's fees | |
| ■ special postage | |
| ■ title reports | |
| ■ travel expense | |
| ■ witness fees | |

If you have any questions regarding our policy, please feel free to call. If we do not hear from you, we will assume you agree to our policies regarding costs.

Yethunorid

*P.O. 2024 - 1801
Paying from Retainer
\$2500-*

**GAMMAGE
&
BURNHAM**
Attorneys at Law

City of San Luis
Kay Macuil (kmacuil@sanluisaz.gov)
San Luis City Attorney

40 NORTH CENTRAL AVENUE
20TH FLOOR
PHOENIX, ARIZONA 85004
TELEPHONE (602) 256-0566
FEDERAL TAX ID 86-0450146

December 20, 2023

Invoice 318176

ID: MMV 12990-0001

RE: RLUIPA Lawsuit

For Services Rendered Through: November 30, 2023

Balance Forward	\$0.00
Current Fees	\$1,395.00
Total Current Charges	\$1,395.00
Less Trust Applied	-\$1,395.00
Total Due	\$0.00

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
Pay online via credit card (3% service charge) – <https://www.gblaw.com/online-payments/>

Gammage & Burnham

CLIENT: City of San Luis	Invoice Date 12/20/2023
RE: RLUIPA Lawsuit	Invoice Number 318176
ID MMV 12990-0001	Page 2

Fees					
Date	Atty	Description	Hours	Rate	Amount
11/28/2023	MMV	Emails with Cameron Artigue regarding response to City of San Luis	0.30	\$450	135.00
11/29/2023	CCA	Analysis of RLUIPA issues.	1.00	\$450	450.00
11/29/2023	MMV	Calls with Kay Macuil (City Attorney) and Mayor regarding RLUIPA; Conversations with Cameron Artigue regarding RLUIPA response;	0.50	\$450	225.00
11/30/2023	CCA	Review memo from Mr. Gimbut.	0.80	\$450	360.00
11/30/2023	CCA	Draft correspondence back to church.	0.50	\$450	225.00
Total Fees			3.10		1,395.00

Timekeeper		Hours	Rate	Amount
CCA	Artigue, Cameron C.	2.30	450.00	1,035.00
MMV	Vaz, Manjula M.	0.80	450.00	360.00
Total Fees				\$1,395.00

Total Current Charges	\$1,395.00
Less trust applied	-\$1,395.00
Total Balance Due	\$0.00

Trust Account Summary		Payments	Deposits	Balance
Chase IOLTA Trust Account				
12/5/2023	Payment Received from: City of San Luis Check #: 107565 Retainer		2,500.00	\$2,500.00
12/20/2023	Client/Matter Code: 12990/0001 RLUIPA Lawsuit Trust applied to Bill #318176	1,395.00		\$1,105.00



City of San Luis
Kay Macuil (kmacuil@sanluisaz.gov)
San Luis City Attorney
Janet Taylor
jtaylor@sanluisaz.gov

40 NORTH CENTRAL AVENUE
20TH FLOOR
PHOENIX, ARIZONA 85004
TELEPHONE (602) 256-0566
FEDERAL TAX ID 86-0450146

January 9, 2024

Invoice 319795

ID: MMV 12990-0001
RE: RLUIPA Lawsuit

For Services Rendered Through: January 9, 2024

Balance Forward	\$0.00
Current Fees	\$3,780.00
Total Current Charges	\$3,780.00
Less Trust Applied	-\$1,105.00
Total Due	\$2,675.00

JAN - 9 2024

APPROVED
Kay Marion Macuil

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
Pay online via credit card (3% service charge) – <https://www.gblaw.com/online-payments/>

Gammage & Burnham

CLIENT: City of San Luis
RE: RLUIPA Lawsuit
ID MMV 12990-0001

Invoice Date 01/09/2024
Invoice Number 319795
Page 2

Fees					
Date	Atty	Description	Hours	Rate	Amount
12/04/2023	CCA	Revise letter to Church regarding traffic and zoning infractions.	1.00	\$450	450.00
12/04/2023	CCA	Review comments from Mr. Gimbut.	0.30	\$450	135.00
12/04/2023	MMV	Review letter to City: Conversation with Cameron Artigue: email to City of San Luis	0.50	\$450	225.00
12/05/2023	MMV	Review City revisions; Conversation with CCA	0.30	\$450	135.00
12/06/2023	CCA	Call with City Attorney and Glenn Gimbut.	0.70	\$450	315.00
12/06/2023	CCA	Revise letter to Church based upon discussions with co-counsel.	0.50	\$450	225.00
12/06/2023	MMV	Review emails and letter revisions from Glenn Glimlet;	0.20	\$450	90.00
12/06/2023	MMV	Call with the City of San Luis	0.50	\$450	225.00
12/07/2023	CCA	Finalize letter to Gethsemani Church.	0.40	\$450	180.00
12/07/2023	MMV	Finalize letter; Email final letter to clients;	0.30	\$450	135.00
12/07/2023	MMV	Conversation with Cameron Artigue regarding final letter; Finalize letter;	0.30	\$450	135.00
12/13/2023	CCA	Review emails and research from Mr. Gimbut.	0.40	\$450	180.00
12/13/2023	CCA	Legal research regarding ripeness under RLUIPA.	1.00	\$450	450.00
12/15/2023	CCA	Additional legal research regarding scope of commercial activity that is protected under RLUIPA.	0.80	\$450	360.00
12/15/2023	CCA	Prepare email for client summarizing strategic points and use of CUP procedure against Gethsemani church.	0.90	\$450	405.00
12/15/2023	MMV	review emails from Glen Gimlet; Conversation with Cameron Artigue regarding RLUIPA issues and Council executive session;	0.30	\$450	135.00
Total Fees			8.40		3,780.00

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FEDERAL TAX ID 86-0450146

City of San Luis
Kay Macuil (kmacuil@sanluisaz.gov)
San Luis City Attorney
Janet Taylor
jtaylor@sanluisaz.gov

February 15, 2024

ID: MMV 12990-0001

RE: RLUIPA Lawsuit

For Services Rendered Through: January 31, 2024

Previous Balance	\$2,675.00
Payments	\$0.00
Balance Forward	\$2,675.00

Total Due	\$2,675.00
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Prior Invoice Date	Invoice Number	Original Amount	Payments & Credits	Prior Invoice Balance
01/09/2024	319795	\$3,780.00	\$1,105.00	\$2,675.00
Total Outstanding Balance				\$2,675.00

Aged Accounts Receivable						
	0-30	31-60	61-90	91-120	120+	Total Due
Totals	\$0.00	\$2,675.00	\$0.00	\$0.00	\$0.00	\$2,675.00

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
Pay online via credit card (3% service charge) – <https://www.gblaw.com/online-payments/>

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 01/09/2024

RE: RLUIPA Lawsuit

Invoice Number 319795

ID MMV 12990-0001

Page 3

Timekeeper		Hours	Rate	Amount
CCA	Artigue, Cameron C.	6.00	450.00	2,700.00
MMV	Vaz, Manjula M.	2.40	450.00	1,080.00
Total Fees				\$3,780.00

Total Current Charges **\$3,780.00**

Less trust applied -\$1,105.00

Total Balance Due **\$2,675.00**

Trust Account Summary		Payments	Deposits	Balance
<u>Chase IOLTA Trust Account</u>				
12/20/2023	Balance as of 12/20/2023			\$2,500.00
12/22/2023	Client/Matter Code: 12990/0001 RLUIPA Lawsuit Trust applied to Bill #318176	1,395.00		\$1,105.00
1/23/2024	Client/Matter Code: 12990/0001 RLUIPA Lawsuit Trust applied to Bill #319795	1,105.00		\$0.00

**GAMMAGE
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FEDERAL TAX ID 86-0450146

May 22, 2024

Invoice 323092

ID: MMV 12990-0002

RE: Gethsemani Baptist Church

For Services Rendered Through: April 30, 2024

Balance Forward	\$0.00
Current Fees	\$21,207.50
Current Expenses	\$55.20
Discount	-\$2,201.84
Total Current Charges	\$19,060.86
Less Trust Applied	-\$19,060.86
Total Due	\$0.00

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
Pay online via credit card (3% service charge) – <https://www.gblaw.com/online-payments/>

4-2-2024

Gammage & Burnham

CLIENT: City of San Luis	Invoice Date	05/22/2024
RE: Gethsemani Baptist Church	Invoice Number	323092
ID MMV 12990-0002	Page	2

Fees					
Date	Atty	Description	Hours	Rate	Amount
03/19/2024	CCA	Review complaint and application for preliminary injunction	2.00	\$450	900.00
03/19/2024	CCA	Research regarding jurisdictional objections to RLUIPA complaint and related issues	1.80	\$450	810.00
03/19/2024	MMV	Review email and new complaint ; Conversaiton with Cameron Artigue regarding complaint; Call with Kay Macuil regarding new complaint;	0.50	\$450	225.00
03/20/2024	CCA	Review complaint and application for preliminary injunction	1.50	\$450	675.00
03/20/2024	CCA	Legal research regarding RLUIPA claims against individual defendants and city officials	0.60	\$450	270.00
03/20/2024	CCA	Outline possible defense strategies	0.80	\$450	360.00
03/20/2024	CCA	Emails with City Attorney regarding service of process and consultation	0.60	\$450	270.00
03/21/2024	CCA	Research regarding ripeness issues under RLUIPA and outline possible motion to dismiss	2.00	\$450	900.00
03/21/2024	CCA	Email to City attorney regarding municipal court action	0.30	\$450	135.00
03/21/2024	MMV	Meeting with Cameron Artigue regarding RLUIPA lawsuit	0.50	\$450	N/C
03/21/2024	MMV	Meeting with Cameron Artigue regarding complaint and response	0.50	\$450	N/C
03/22/2024	CCA	Call with City Attorney regarding service and response to complaint	1.00	\$450	450.00
03/22/2024	CCA	Outline issues for dismissal of individual defendants	0.80	\$450	360.00
03/22/2024	CCA	Legal research regarding ripeness of First amendment claims	0.50	\$450	225.00
03/22/2024	MMV	Call with City Attorney Kay Macuil and Cameron Artigue regarding case strategy and response	0.70	\$450	315.00
03/26/2024	MMV	Emails with Kay Macuil regarding church press opportunities	0.10	\$450	45.00
03/27/2024	MMV	Call with Kay Macuil regarding response to press;	0.20	\$450	90.00
04/02/2024	MMV	Call with Kay Macuil regarding scheduling conference	0.30	\$450	135.00
04/03/2024	CLH	Attend scheduling conference and phone call with K. Macuil	0.60	\$450	N/C

Gammage & Burnham

CLIENT: City of San Luis	Invoice Date	05/22/2024
RE: Gethsemani Baptist Church	Invoice Number	323092
ID MMV 12990-0002	Page	3

Fees					
Date	Atty	Description	Hours	Rate	Amount
04/03/2024	EMR	Attend and take notes during status conference with opposing parties and Judge Snow.	0.40	\$325	130.00
04/03/2024	MMV	Emails with Cameron Artigue regarding response to scheduling conference: email to Kay Macuil regarding response for scheduling conference	0.50	\$450	225.00
04/03/2024	MMV	Review and respond to emails from Kay Macuil: Review public records request from Snell & Wilmer;	0.30	\$450	N/C
04/05/2024	CCA	Review emails regarding conference with Judge Snow and outline possible motion to dismiss for lack of jurisdiction	1.00	\$450	450.00
04/08/2024	MMV	Conversation with Cameron Artigue regarding schedule conference and executive session	0.30	\$450	135.00
04/09/2024	KB	Drafted templates for Answer to Complaint and Response to Motion for Preliminary Injunction	0.70	\$225	157.50
04/10/2024	CCA	Prepare for and attend executive session with City Council	2.00	\$450	900.00
04/10/2024	CCA	Prepare motion to dismiss complaint	2.00	\$450	900.00
04/10/2024	MMV	Attend executive session with San Luis City Council	1.00	\$450	450.00
04/12/2024	CCA	Start preparation of Motion to dismiss complaint for lack of jurisdiction	2.20	\$450	990.00
04/12/2024	EMR	Develop case strategy and necessary steps to take in moving forward with City's defense.	1.00	\$325	325.00
04/12/2024	MMV	Meeting with Cameron Artigue and Evan Russell regarding strategy	1.00	\$450	N/C
04/15/2024	CCA	Prepare motion to dismiss complaint	1.80	\$450	810.00
04/15/2024	CCA	Email to Snell regarding records and case management	0.20	\$450	90.00
04/15/2024	EMR	Review and analysis of Arizona case law interpreting FERA in preparation to draft motion to dismiss.	1.00	\$325	325.00
04/15/2024	MMV	Emails with Cameron Artigue regarding motion to dismiss; Email to Kay Macuil regarding status;	0.20	\$450	90.00
04/16/2024	CCA	Research regarding distinction between profit and nonprofit regulations under RLUIPA	0.80	\$450	360.00
04/16/2024	CCA	Prepare introduction for motion to dismiss and cases on supplemental jurisdiction over state law claims	1.00	\$450	450.00
04/16/2024	EMR	Review and analysis of different requirements for filing a motion to dismiss under rule 12(b)(1) versus 12(b)(6).	1.10	\$325	357.50
04/18/2024	CCA	Prepare for call with Church's lawyers	0.40	\$450	180.00
04/18/2024	CCA	Call with opposing counsel regarding status of pleadings and injunction request	0.80	\$450	360.00

4-2024-10

Gammage & Burnham

CLIENT: City of San Luis

RE: Gethsemani Baptist Church

ID MMV 12990-0002

Invoice Date 05/22/2024

Invoice Number 323092

Page 4

Fees

Date	Atty	Description	Hours	Rate	Amount
04/18/2024	CCA	Prepare motion to dismiss complaint for lack of jurisdiction	1.40	\$450	630.00
04/18/2024	EMR	Review and analysis of relevant documents prior to telephone call with Plaintiff's counsel to ensure thoroughness and effectiveness of call.	0.50	\$325	162.50
04/18/2024	EMR	Review and analysis of Federal Rules of Civil Procedure regarding time to respond to complaints as well as additional mailing days.	0.40	\$325	130.00
04/18/2024	EMR	Telephone call with Plaintiff's counsel, Ryan Regula and Charlene Warner, re case strategy, potential joint agreement, and steps necessary to resolve this case.	0.70	\$325	N/C
04/18/2024	MMV	Review emails from Kay Macuil related to police records for Gethseme church	0.20	\$450	N/C
04/19/2024	CCA	Call with City Attorney regarding strategy	0.50	\$450	225.00
04/22/2024	CCA	Emails to city attorney regarding city's position on enforcement	0.30	\$450	135.00
04/22/2024	CCA	Talk to Kay Macuil regarding communication to Church lawyers on use of trucks and related issues	0.30	\$450	135.00
04/23/2024	CCA	Emails to and from Church lawyers re city position and need for preliminary injunction	0.40	\$450	180.00
04/24/2024	CCA	Write motion to dismiss complaint against city and officials	2.20	\$450	990.00
04/24/2024	EMR	Continue to draft motion to dismiss, ensuring all citations are proper and conforming.	1.00	\$325	325.00
04/24/2024	EMR	Continue to draft motion to dismiss, elaborating on the jurisdictional element required under RLUIPA.	0.90	\$325	292.50
04/24/2024	EMR	Continue to draft motion to dismiss, focusing on grounds for dismissal of Plaintiffs' FERA claims.	1.00	\$325	325.00
04/25/2024	CCA	Prepare motion to dismiss complaint and related papers	1.00	\$450	450.00
04/25/2024	EMR	Continue to draft motion to dismiss, focusing on legal analysis related to dismissal of Plaintiffs' FERA claims.	1.00	\$325	325.00
04/25/2024	EMR	Review and analysis of federal case law related to the interpretation of "substantial burden" in the context of FERA.	1.00	\$325	325.00
04/25/2024	EMR	Continue to draft motion to dismiss, focusing on conclusion section and reiterating strong points of each dismissal ground.	1.00	\$325	325.00
04/25/2024	EMR	Review and analysis of federal case law related to the similarities between FERA and RLUIPA and dismissal grounds under each.	1.00	\$325	325.00

Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

Invoice Date 05/22/2024
Invoice Number 323092
Page 5

Fees					
Date	Atty	Description	Hours	Rate	Amount
04/25/2024	EMR	Review and analysis of federal case law related to when a RLUIPA claim becomes ripe.	0.50	\$325	162.50
04/25/2024	EMR	Continue to draft motion to dismiss, focusing on the inability to bring RLUIPA claims against individuals.	0.90	\$325	292.50
04/26/2024	CCA	Revise motion to dismiss in district court	1.50	\$450	675.00
04/28/2024	EMR	Draft certificate required to accompany motion to dismiss under U.S. District Court of Arizona local rule 12.1.	0.70	\$325	227.50
04/30/2024	CCA	Prepare Guzman declaration	0.60	\$450	270.00
04/30/2024	CCA	Add discussion of ripeness under state law to motion to dismiss	1.00	\$450	450.00
			Total Fees	55.00	21,207.50

Disbursements				
Date	Description			Amount
04/09/2024	Photocopy Expense- Color	56 @	0.35	19.60
04/09/2024	Photocopy Expense	2 @	0.25	0.50
04/09/2024	Photocopy Expense	6 @	0.25	1.50
04/09/2024	Photocopy Expense- Color	56 @	0.35	19.60
04/09/2024	Photocopy Expense- Color	40 @	0.35	14.00
Total Disbursements				55.20

Gammage & Burnham

CLIENT: City of San Luis
 RE: Gethsemani Baptist Church
 ID MMV 12990-0002

Invoice Date 05/22/2024
 Invoice Number 323092
 Page 6

Timekeeper	Hours	Rate	Amount	
CCA Artigue, Cameron C.	33.30	450.00	14,985.00	
KB Brown, Kevin	0.70	225.00	157.50	
CLH Hering, Christopher L.	0.60	0.00	0.00	
EMR Russell, Evan M	0.70	0.00	0.00	
EMR Russell, Evan M	13.40	325.00	4,355.00	
MMV Vaz, Manjula M.	2.50	0.00	0.00	
MMV Vaz, Manjula M.	3.80	450.00	1,710.00	
Total Fees			\$21,207.50	
Total Disbursements			55.20	
Discount			-\$2,201.84	
Total Current Charges				\$19,060.86
Less trust applied				-\$19,060.86
Total Balance Due				\$0.00

Trust Account Summary		Payments	Deposits	Balance
<u>Chase IOLTA Trust Account</u>				
4/30/2024	Payment Received from: City of San Luis Check #: 108775 Retainer		50,000.00	\$50,000.00
5/22/2024	Client/Matter Code: 12990/0002 Gethsemani Baptist Church Trust applied to Bill #323092	19,060.86		\$30,939.14

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PHOENIX, ARIZONA 85004
TELEPHONE (602) 256-0566
FEDERAL TAX ID 86-0450146

June 14, 2024

Invoice 325224

ID: MMV 12990-0002
RE: Gethsemani Baptist Church

For Services Rendered Through: May 31, 2024

Balance Forward	\$0.00
Current Fees	\$8,895.00
Total Current Charges	\$8,895.00
Total Due	\$8,895.00

JUN 17 2024

APPROVED

Kay Maria Macuil

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
Pay online via credit card (3% service charge) – <https://www.gblaw.com/online-payments/>

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 06/14/2024

RE: Gethsemani Baptist Church

Invoice Number 325224

ID MMV 12990-0002

Page 2

Fees

Date	Atty	Description	Hours	Rate	Amount
05/01/2024	CCA	Prepare Declaration of Jose Guzman	0.80	\$450	360.00
05/06/2024	CCA	Prepare declaration of Jose Guzman	0.50	\$450	225.00
05/06/2024	CCA	Prepare motion to dismiss by reworking arguments on section 1983 liability	2.20	\$450	990.00
05/07/2024	CCA	Prepare motion to dismiss claims against private defendants	1.00	\$450	450.00
05/07/2024	EMR	Review and analysis of Jose Guzman's declaration and proposed changes thereto.	0.30	\$325	97.50
05/08/2024	CCA	Prepare Declaration of Mr. Guzman	1.00	\$450	450.00
05/08/2024	CCA	Add case citations to motion to dismiss	0.90	\$450	405.00
05/10/2024	CCA	Revise motion to dismiss and email to client for review and comment	2.00	\$450	900.00
05/14/2024	CCA	Prepare motion to dismiss and related certificate	2.20	\$450	990.00
05/15/2024	CCA	Prepare notice of status for district court in federal lawsuit	0.80	\$450	360.00
05/15/2024	EMR	Review and finalize Defendant's Motion to Dismiss and corresponding Certification in preparation for filing.	1.50	\$325	487.50
05/15/2024	EMR	Review and analysis of Arizona District Court rules related to whether a "proof of service" is required for electronic filings.	0.40	\$325	130.00
05/15/2024	EMR	Evaluate reasons for Motion to Dismiss being held in abeyance and determine steps necessary to correct the same.	0.50	\$325	162.50
05/15/2024	EMR	Draft Notice of Status to submit to District Court.	0.50	\$325	162.50
05/15/2024	EMR	Telephone call with District Court Clerk re compliance with Court's May 15, 2024, order holding Defendant's Motion to Dismiss in abeyance.	0.20	\$325	65.00
05/16/2024	EMR	Review Plaintiffs' Response to Defendants' Notice of Status.	0.30	\$325	97.50
05/16/2024	EMR	Review Proposed Joint Stipulation.	0.40	\$325	130.00
05/17/2024	CCA	Prepare for and call with Kay Macuil regarding status and strategy for next week's conference with district court	0.60	\$450	270.00
05/17/2024	CCA	Call with opposing counsel regarding conversion of motion, status of injunction hearing, and amendment of complaint	0.70	\$450	315.00

Gammage & Burnham

CLIENT: City of San Luis
 RE: Gethsemani Baptist Church
 ID MMV 12990-0002

Invoice Date 06/14/2024
 Invoice Number 325224
 Page 3

Fees

Date	Atty	Description	Hours	Rate	Amount
05/17/2024	EMR	Telephone call with Kay Macuil re strategy for May 21, telephonic conference with Judge Snow.	0.70	\$325	227.50
05/21/2024	CCA	Telephonic status conference with District Court	0.70	\$450	315.00
05/21/2024	CCA	Email to client following call with court	0.20	\$450	90.00
05/23/2024	CCA	Email with City Attorney regarding witness interviews	0.30	\$450	135.00
05/24/2024	CCA	Review draft of proposed status report by plaintiff	0.40	\$450	180.00
05/28/2024	CCA	Email to Church council regarding joint status report	0.30	\$450	135.00
05/28/2024	CCA	Emails to and from Kay Macuil regarding joint status report	0.20	\$450	90.00
05/28/2024	CCA	Prepare statement of City's position for status report to court	1.30	\$450	585.00
05/29/2024	CCA	Review order regarding status of case	0.20	\$450	90.00

Total Fees 21.10 8,895.00

Timekeeper		Hours	Rate	Amount
CCA	Artigue, Cameron C.	16.30	450.00	7,335.00
EMR	Russell, Evan M	4.80	325.00	1,560.00
Total Fees				\$8,895.00

Total Current Charges \$8,895.00

Total Balance Due \$8,895.00

Trust Account Summary

Chase IOLTA Trust Account

		Payments	Deposits	Balance
5/22/2024	Balance as of 05/22/2024			\$50,000.00
5/31/2024	Client/Matter Code: 12990/0002 Gethsemani Baptist Church Trust applied to Bill #323092	19,060.86		\$30,939.14

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TELEPHONE (602) 256-0566
FEDERAL TAX ID 86-0450146

July 16, 2024

Invoice 326477

ID: MMV 12990-0002

RE: Gethsemani Baptist Church

For Services Rendered Through: June 30, 2024

Previous Balance	\$8,895.00
Payments	\$0.00
Balance Forward	\$8,895.00
Current Fees	\$10,640.00
Total Current Charges	\$10,640.00
Total Due	\$19,535.00

Prior Invoice Date	Invoice Number	Original Amount	Payments & Credits	Prior Invoice Balance
06/14/2024	325224	\$8,895.00	\$0.00	\$8,895.00
Total Outstanding Balance				\$8,895.00

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
Pay online via credit card (3% service charge) – <https://www.gblaw.com/online-payments/>

Gammage & Burnham

CLIENT: City of San Luis	Invoice Date	07/16/2024
RE: Gethsemani Baptist Church	Invoice Number	326477
ID MMV 12990-0002	Page	2

Fees

Date	Atty	Description	Hours	Rate	Amount
06/04/2024	CCA	Review amended complaint and email to City Attorney	1.00	\$450	450.00
06/04/2024	EMR	Review and analysis of church's First Amended Complaint and corresponding Notice of Filing Amended Pleading.	0.90	\$325	292.50
06/04/2024	KB	Prepare template for new motion to dismiss anticipating Church's amended complaint	0.50	\$225	112.50
06/05/2024	CCA	Legal research re consistency of amended complaint with prior verified pleading	0.50	\$450	225.00
06/07/2024	EMR	Review and analysis of updates to Motion to Dismiss made in light of church's dismissal of individual defendants.	0.50	\$325	162.50
06/07/2024	EMR	Review and analysis of new cases cited by the church in their First Amended Complaint.	0.60	\$325	195.00
06/07/2024	EMR	Draft summary to file of church's First Amended Complaint and implications on case strategy moving forward.	2.30	\$325	747.50
06/07/2024	KB	Draft and edit amended motion to dismiss based on Church's amended complaint	1.00	\$225	225.00
06/10/2024	CCA	Call with Kay Macuil regarding public records and related issues	0.50	\$450	225.00
06/10/2024	CCA	Prepare motion to dismiss amended complaint	2.00	\$450	900.00
06/10/2024	KB	Correspondence re amended motion to dismiss and timeline moving forward	0.20	\$225	45.00
06/11/2024	EMR	Draft Defendant's Certification Under LRCiv 12.1 Regarding Motion to Dismiss Plaintiff's Amended Complaint.	1.70	\$325	552.50
06/11/2024	EMR	Review timeline of case to ensure clear outline of events described in Defendant's Certification Under LRCiv 12.1 Regarding Motion to Dismiss Plaintiff's Amended Complaint.	0.60	\$325	195.00
06/12/2024	CCA	Research regarding ripeness of 1983 claim	0.80	\$450	360.00
06/12/2024	CCA	Add new cases to revised motion to dismiss	1.00	\$450	450.00
06/13/2024	CCA	Revise motion to dismiss first amended complaint	1.00	\$450	450.00
06/13/2024	CCA	Email to Kay regarding watermelons and code compliance	0.10	\$450	45.00
06/13/2024	KB	Correspondence re City of San Luis Motion to Dismiss	0.10	\$225	22.50
06/14/2024	CCA	Revise motion to dismiss by adding new discussion of municipal 1983 liability	1.00	\$450	450.00

Gammage & Burnham

CLIENT: City of San Luis	Invoice Date	07/16/2024
RE: Gethsemani Baptist Church	Invoice Number	326477
ID MMV 12990-0002	Page	3

Fees

Date	Atty	Description	Hours	Rate	Amount
06/14/2024	CCA	Emails to and from Kay Macuil regarding dumpster and scheduling of motion	0.50	\$450	225.00
06/14/2024	EMR	Continue to draft renewed Motion to Dismiss, ensuring correct case cites, adhesion to federal court rules, accuracy of factual allegations, and strength of argument against church's state law claims.	6.60	\$325	2,145.00
06/14/2024	EMR	Review email from Kay Macuil regarding statements from potential fact witnesses.	0.20	\$325	65.00
06/14/2024	EMR	Review and analysis of Arizona District Court Local Rules 7.1 re capitalization of caption pages.	0.30	\$325	97.50
06/14/2024	KB	Correspondence re City of San Luis Motion to Dismiss for C. Artigue and E. Russell	0.20	\$225	45.00
06/17/2024	KB	Updates and correspondence re next steps for City of San Luis Motion to Dismiss	0.10	\$225	22.50
06/18/2024	CCA	Prepare motion to dismiss amended complaint and related papers	3.30	\$450	1,485.00
06/18/2024	EMR	Review and finalize renewed Motion to Dismiss in preparation to file.	0.90	\$325	292.50
06/18/2024	KB	Correspondence re filing City of San Luis Motion to Dismiss	0.10	\$225	22.50
06/19/2024	CCA	Review proposed citation for garbage and email to City Attorney regarding same	0.30	\$450	135.00
Total Fees			28.80		10,640.00

Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

Invoice Date 07/16/2024
Invoice Number 326477
Page 4

Timekeeper		Hours	Rate	Amount
CCA	Artigue, Cameron C.	12.00	450.00	5,400.00
KB	Brown, Kevin	2.20	225.00	495.00
EMR	Russell, Evan M	14.60	325.00	4,745.00
Total Fees				\$10,640.00

Total Current Charges \$10,640.00

6/14/2024 Previous balance \$8,895.00

Net Balance Forward \$8,895.00

Total Balance Due \$19,535.00

Trust Account Summary	Payments	Deposits	Balance
<u>Chase IOLTA Trust Account</u>			
6/14/2024 Balance as of 06/14/2024			\$30,939.14

GAMMAGE & BURNHAM

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San Luis City Attorney
Janet Taylor
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40 NORTH CENTRAL AVENUE
20TH FLOOR
PHOENIX, ARIZONA 85004
TELEPHONE (602) 256-0566
FEDERAL TAX ID 86-0450146

August 29, 2024

Invoice 327604

ID: MMV 12990-0002

RE: Gethsemani Baptist Church

For Services Rendered Through: July 31, 2024

Previous Balance	\$19,535.00
Payments	-\$19,535.00
Balance Forward	\$0.00
Current Fees	\$10,335.00
Current Expenses	\$0.70
Discount	-\$1,000.00
Total Current Charges	\$9,335.70
Less Trust Applied	-\$9,335.70
Total Due	\$0.00

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
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Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

Invoice Date 08/29/2024
Invoice Number 327604
Page 2

Fees					
Date	Atty	Description	Hours	Rate	Amount
07/08/2024	EMR	Review Stipulation for Extension of Time and corresponding Proposed Order sent by Plaintiff's counsel Ryan Regula.	0.30	\$325	97.50
07/12/2024	EMR	Review and analysis of Order entered by Judge Snow granting Stipulation to Extend Deadlines.	0.10	\$325	32.50
07/25/2024	CCA	Email to City Attorney	0.10	\$450	45.00
07/25/2024	CCA	Review response to motion to dismiss	1.00	\$450	450.00
07/25/2024	EMR	Review and analysis of Plaintiff's Opposition to Defendant's Motion to Dismiss.	1.10	\$325	357.50
07/28/2024	EMR	Draft summary of Plaintiff's Opposition to Defendant's Motion to Dismiss.	2.90	\$325	942.50
07/28/2024	EMR	Review and analysis of additional federal case law cited in Plaintiff's Opposition to Defendant's Motion to Dismiss.	0.90	\$325	292.50
07/30/2024	CCA	Email to city attorney.	0.30	\$450	135.00
07/30/2024	CCA	Review statement of interest by US Justice Department and related press.	1.00	\$450	450.00
07/30/2024	CCA	Read Pakdel opinions re ripeness analysis and outline arguments in response to DOJ Filing.	2.00	\$450	900.00
07/30/2024	EMR	Review and analysis of Statement of Interest filed by United States of America in support of Plaintiff's position.	1.30	\$325	422.50
07/30/2024	EMR	Review news articles concerning the United States' filing of its Statement of Interest in this matter.	0.40	\$325	130.00
07/30/2024	EMR	Review and analysis of Ninth Circuit case law regarding the "law of the circuit" in preparation to draft Reply in Support of Defendant's Motion to Dismiss.	1.10	\$325	357.50
07/30/2024	EMR	Draft Reply in Support of Motion to Dismiss, detailing the "law of the circuit" doctrine and its application to this case.	2.20	\$325	715.00

Gammage & Burnham

CLIENT: City of San Luis	Invoice Date 08/29/2024
RE: Gethsemani Baptist Church	Invoice Number 327604
ID MMV 12990-0002	Page 3

Fees

Date	Atty	Description	Hours	Rate	Amount
07/30/2024	EMR	Continue to draft Defendant's Reply in Support of Motion to Dismiss, highlighting the distinction between finality and exhaustion in the RLUIPA context, and explaining that Defendant has never sought exhaustion from Plaintiff.	1.10	\$325	357.50
07/30/2024	EMR	Review and analysis of 28 USC 517 and cases interpreting the same to determine significance of United States' Statement of Interest.	0.80	\$325	260.00
07/30/2024	EMR	Review and analysis of relevant legal articles discussing the impact of a DOJ Statement of Interest.	1.10	\$325	357.50
07/30/2024	EMR	Review and analysis of the DOJ website to better understand its process in filing Statements of Interest.	0.60	\$325	195.00
07/30/2024	EMR	Draft memorandum to file regarding the significance of DOJ Statements of Interest.	0.80	\$325	260.00
07/30/2024	EMR	Review and analysis of Ninth Circuit Case law regarding the distinction between exhaustion and finality in preparation to draft Defendant's Reply in Support of Motion to Dismiss.	0.80	\$325	260.00
07/30/2024	MMV	Review and respond to City of San Luis regarding Statement of Interest from DOJ	0.10	\$450	45.00
07/30/2024	MMV	Emails with City of San Luis regarding DOJ Statement of Interest: Conversation with Cameron Artigue;	0.30	\$450	135.00
07/31/2024	CCA	Call with City Manager and City Attorney re Justice Department and related strategy matters.	0.50	\$450	225.00
07/31/2024	CCA	Legal research re unpublished ninth circuit opinions on Pakdel ripeness issues	1.70	\$450	765.00
07/31/2024	CCA	Outline and dictate portions of reply to US Justice department filing.	3.00	\$450	1,350.00
07/31/2024	EMR	Draft Stipulation to Extend Deadlines and Corresponding Proposed Order related to Defendant's Reply in Support of Motion to Dismiss.	1.30	\$325	422.50
07/31/2024	EMR	Review and analysis of Arizona District Court Local Rules regarding extending motion deadlines in preparation to draft Stipulation and Proposed Order.	0.60	\$325	195.00
07/31/2024	MMV	Call with Jenny Torres, Kay Macuil and Cameron Artigue regarding DOJ Statement of Interest;	0.40	\$450	180.00
Total Fees			27.80		10,335.00

Disbursements

Date	Description	Amount
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Gammage & Burnham

CLIENT: City of San Luis
 RE: Gethsemani Baptist Church
 ID MMV 12990-0002

Invoice Date 08/29/2024
 Invoice Number 327604
 Page 4

Disbursements

Date	Description	Amount
07/16/2024	Online research; Pacer Service Center - Online research - Q22024	0.70
Total Disbursements		0.70

Timekeeper	Hours	Rate	Amount
CCA Artigue, Cameron C.	9.60	450.00	4,320.00
EMR Russell, Evan M	17.40	325.00	5,655.00
MMV Vaz, Manjula M.	0.80	450.00	360.00
Total Fees			\$10,335.00
Total Disbursements			0.70
Discount			-\$1,000.00
Total Current Charges			\$9,335.70
7/16/2024 Previous balance			\$19,535.00
07/29/2024 Payment from Trust Account			-\$8,895.00
07/29/2024 Payment from Trust Account			-\$10,640.00
Net Balance Forward			\$0.00
Less trust applied			-\$9,335.70
Total Balance Due			\$0.00

Trust Account Summary		Payments	Deposits	Balance
Chase IOLTA Trust Account				
7/16/2024	Balance as of 07/16/2024			\$30,939.14
7/31/2024	Client/Matter Code: 12990/0002 Gethsemani Baptist Church Trust applied to Bill #325224	8,895.00		\$22,044.14
7/31/2024	Client/Matter Code: 12990/0002 Gethsemani Baptist Church Trust applied to Bill #326477	10,640.00		\$11,404.14
8/29/2024	Client/Matter Code: 12990/0002 Gethsemani Baptist Church Trust applied to Bill #327604	9,335.70		\$2,068.44

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&
BURNHAM**
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September 11, 2024

Invoice 328664

ID: MMV 12990-0002
RE: Gethsemani Baptist Church

For Services Rendered Through: August 31, 2024

Balance Forward	\$0.00
Current Fees	\$24,950.00
Total Current Charges	\$24,950.00
Less Trust Applied	-\$2,068.44
Total Due	\$22,881.56

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BALANCE OF \$50K ENDS HERE
RETAINED

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 09/11/2024

RE: Gethsemani Baptist Church

Invoice Number 328664

ID MMV 12990-0002

Page 2

Fees

Date	Atty	Description	Hours	Rate	Amount
08/01/2024	CCA	Dictate draft of response to Justice Department statement of interest	2.50	\$450	1,125.00
08/01/2024	CCA	Legal research re ninth circuit decisions on ripeness requirements since Knick and Pakdel decisions	1.00	\$450	450.00
08/01/2024	EMR	Review and analysis of Department of Justice press release regarding the United States' Statement of Interest filed in this matter.	0.40	\$325	130.00
08/01/2024	MMV	Email to Cameron Artigue regarding DOJ press release; Review DOJ press release	0.20	\$450	90.00
08/02/2024	CCA	Prepare argument re exhaustion and finality requirements	2.00	\$450	900.00
08/02/2024	CCA	Obtain stipulation re due date for answering brief on ripeness	0.50	\$450	225.00
08/05/2024	CCA	Review cases re differences between prudential and jurisdictional ripeness	0.90	\$450	405.00
08/06/2024	CCA	Review case law from around the Ninth Circuit on exhaustion	2.20	\$450	990.00
08/06/2024	CCA	Write discussion of effect of precedent and duty to obey it	1.50	\$450	675.00
08/06/2024	EMR	Finalize Stipulation to Extend Time and corresponding Proposed Order	0.30	\$325	97.50
08/06/2024	EMR	Exchange emails with Ryan Regula re Stipulation to Extend Time and corresponding Proposed Order.	0.20	\$325	65.00
08/07/2024	CCA	Review legislative history of RLUIPA and impact of Boerene decision	1.00	\$450	450.00
08/07/2024	CCA	Research re role and scope of DOJ participation	0.50	\$450	225.00
08/07/2024	CCA	Draft portions of reply brief	1.50	\$450	675.00

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 09/11/2024

RE: Gethsemani Baptist Church

Invoice Number 328664

ID MMV 12990-0002

Page 3

Fees

Date	Atty	Description	Hours	Rate	Amount
08/07/2024	EMR	Exchange additional emails with Ryan Regula regarding any potential objection from his client regarding the Stipulation to Extend Time and corresponding Proposed Order.	0.20	\$325	65.00
08/07/2024	EMR	Review and analysis of Church's Opposition to the City's Motion to Dismiss, focusing on their arguments in support of their 1983 claims.	0.40	\$325	130.00
08/07/2024	EMR	Review and analysis of federal case law regarding the final decision requirement in the context of 1983 claims.	0.80	\$325	260.00
08/07/2024	EMR	Review and analysis of federal case law cited by the Church in their Opposition to the City's Motion to Dismiss.	0.90	\$325	292.50
08/07/2024	EMR	Review and analysis of federal case law addressing the pattern of discriminatory behavior required for a plaintiff to maintain a 1983 claim against the government.	1.10	\$325	357.50
08/07/2024	EMR	Draft City's Reply in Support of its Motion to Dismiss, focusing on outlining responses to Church's arguments in support of its 1983 claims.	1.60	\$325	520.00
08/08/2024	EMR	Review and analysis of Federal Rules of Civil Procedure and Local Arizona District Court Rules to determine presumptive page limit for reply memoranda.	0.40	\$325	130.00
08/08/2024	EMR	Draft Motion to Exceed Page Limits and corresponding Proposed Order granting the same.	1.30	\$325	422.50
08/09/2024	CCA	Dictate portion of brief regarding nonconforming use issues	1.00	\$450	450.00
08/09/2024	CCA	Legal research re effect of recent supreme court decisions on RLUIPA cases generally	1.20	\$450	540.00
08/09/2024	CCA	More research on 1983 claim and deliberate indifference standard	0.90	\$450	405.00
08/09/2024	EMR	Revise Motion to Exceed Page Limits and corresponding Proposed Order.	0.40	\$325	130.00
08/09/2024	EMR	Review and analysis of Judge Snow's grant of Parties' Stipulation to Extend Deadlines.	0.20	\$325	65.00
08/12/2024	CCA	Prepare section on 1983 claim for reponse	1.20	\$450	540.00
08/12/2024	CCA	Research re scope and effect of DOJ submissions	0.80	\$450	360.00
08/12/2024	CCA	Thorough edit of response to DOJ submission and reply brief	2.20	\$450	990.00
08/13/2024	CCA	Prepare summary of litigation background for Senator Kelly	1.00	\$450	450.00
08/13/2024	MMV	Call with Kay Macuil regarding request for Senator Kelly	0.20	\$450	90.00

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 09/11/2024

RE: Gethsemani Baptist Church

Invoice Number 328664

ID MMV 12990-0002

Page 4

Fees

Date	Atty	Description	Hours	Rate	Amount
08/14/2024	CCA	Review and prepare narrative of case for Sen. Kelly and review edits by Kay	1.00	\$450	450.00
08/14/2024	CCA	Draft section of argument re exhaustion of administrative remedies	1.20	\$450	540.00
08/15/2024	CCA	Prepare stipulation to combine filings	0.40	\$450	180.00
08/15/2024	CCA	Research re 1983 claims and exhaustion requirements	1.00	\$450	450.00
08/15/2024	CCA	Revise reply memorandum	1.20	\$450	540.00
08/15/2024	EMR	Finalize Motion to Exceed Page Limits and corresponding Proposed Order prior to sending to opposing counsel for approval.	0.50	\$325	162.50
08/15/2024	EMR	Email Ryan Regula re Motion to Exceed Page Limits.	0.20	\$325	65.00
08/16/2024	CCA	Prepare opposition to motion to dismiss	1.50	\$450	675.00
08/16/2024	EMR	Revise Motion to Exceed Page Limits to include sentence regarding no objections from the Church.	0.20	\$325	65.00
08/16/2024	EMR	Exchange emails with Ryan Regula re filing of Motion to Exceed Page Limits.	0.20	\$325	65.00
08/18/2024	EMR	Review and analysis of Church's arguments in Opposition to City's Motion to Dismiss the Church's state law claims.	0.50	\$325	162.50
08/18/2024	EMR	Draft City's Motion to Dismiss, focusing on section related to potential dismissal of Church's state law claims under FERA.	2.50	\$325	812.50
08/19/2024	CCA	Revise discussion of futility and final decision arguments	1.40	\$450	630.00
08/21/2024	EMR	Review and analysis of Judge Snow's Order granting the City's Motion for Leave to File Combined Response and Reply that Exceeds Page Limits.	0.20	\$325	65.00
08/21/2024	EMR	Vet and formulate all citations included in the City's Reply in Support of its Motion to Dismiss to ensure compliance with all relevant Bluebook provisions.	3.60	\$325	1,170.00
08/21/2024	EMR	Revise and polish City's entire Reply in Support of Motion to Dismiss.	0.80	\$325	260.00
08/21/2024	EMR	Review and summarize the United States' position on and understanding of the Guatay case as articulated in its Statement of Interest.	1.20	\$325	390.00
08/21/2024	EMR	Review and summarize the United States' argument concerning the potential applicability of 42 U.S.C. 2000cc(a)(2)(B) to the present case as articulated in its Statement of Interest.	0.50	\$325	162.50

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 09/11/2024

RE: Gethsemani Baptist Church

Invoice Number 328664

ID MMV 12990-0002

Page 5

Fees

Date	Atty	Description	Hours	Rate	Amount
08/22/2024	CCA	Thorough edit and revision of response to United States and reply in support of motion to dismiss	2.90	\$450	1,305.00
08/23/2024	CCA	Incorporate new responses to United States arguments on commerce clause and final decision requirement	1.00	\$450	450.00
08/26/2024	EMR	Review and analysis of documents sent by Kay Macuil in support of factual changes to be made to Reply in Support of Motion to Dismiss.	0.60	\$325	195.00
08/27/2024	CCA	Thorough edit of motion document and incorporate comments by city attorney	2.60	\$450	1,170.00
08/28/2024	CCA	Incorporate edits from various people and do through read thru and comprehensive edit	3.50	\$450	1,575.00
08/28/2024	EMR	Revise Reply in Support of Motion to Dismiss to include citations to additional cases and add conclusion.	0.50	\$325	162.50
08/29/2024	CCA	Finalize reply filing and email to Kay Macuil re filing and comments to Justice Department	1.00	\$450	450.00
08/29/2024	EMR	Revise Reply in Support of Motion to Dismiss to include additional pincites to relevant case law.	0.30	\$325	97.50
Total Fees			61.00		24,950.00

Gammage & Burnham

CLIENT: City of San Luis
 RE: Gethsemani Baptist Church
 ID MMV 12990-0002

Invoice Date 09/11/2024
 Invoice Number 328664
 Page 6

Timekeeper	Hours	Rate	Amount
CCA Artigue, Cameron C.	40.60	450.00	18,270.00
EMR Russell, Evan M	20.00	325.00	6,500.00
MMV Vaz, Manjula M.	0.40	450.00	180.00
Total Fees			\$24,950.00

Total Current Charges	\$24,950.00
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Less trust applied	-\$2,068.44
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Total Balance Due	\$22,881.56
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Trust Account Summary	Payments	Deposits	Balance
<u>Chase IOLTA Trust Account</u>			
8/29/2024 Balance as of 08/29/2024			\$11,404.14
8/29/2024 Client/Matter Code: 12990/0002 Gethsemani Baptist Church Trust applied to Bill #327604	9,335.70		\$2,068.44
9/11/2024 Client/Matter Code: 12990/0002 Gethsemani Baptist Church Trust applied to Bill #328664	2,068.44		\$0.00

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City of San Luis
Kay Macuil (kmacuil@sanluisaz.gov)
San Luis City Attorney
Janet Taylor
jtaylor@sanluisaz.gov

COPY

November 18, 2024

ID: MMV 12990-0002
RE: Gethsemani Baptist Church

For Services Rendered Through: October 31, 2024

Previous Balance	\$22,881.56
Payments	\$0.00
Balance Forward	\$22,881.56
Current Fees	\$1,747.50
Total Current Charges	\$1,747.50
Total Due	\$24,629.06

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
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CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

Invoice Date 11/18/2024
Invoice Number 330807
Page 2

Prior Invoice Date	Invoice Number	Original Amount	Payments & Credits	Prior Invoice Balance
09/11/2024	328664	\$24,950.00	\$2,068.44	\$22,881.56
Total Outstanding Balance				\$22,881.56

Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

Invoice Date 11/18/2024
Invoice Number 330807
Page 4

Timekeeper	Hours	Rate	Amount
CCA Artigue, Cameron C.	0.20	450.00	90.00
EMR Russell, Evan M	5.10	325.00	1,657.50
Total Fees			\$1,747.50

Total Current Charges **\$1,747.50**

10/3/2024 Previous balance \$22,881.56

Net Balance Forward **\$22,881.56**

Total Balance Due **\$24,629.06**

Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

Invoice Date 11/18/2024
Invoice Number 330807
Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
10/11/2024	CCA	Review order re oral argument and email to client	0.20	\$450	90.00
10/14/2024	EMR	Review and analysis of Judge Snow's Order setting Oral Argument for November 14, 2024.	0.20	\$325	65.00
10/15/2024	EMR	Telephone call with Judge Snow's clerk re virtual access to oral argument.	0.20	\$325	65.00
10/15/2024	EMR	Email Ryan Regula re virtual access to upcoming oral argument.	0.20	\$325	65.00
10/15/2024	EMR	Email to Kay Macuil regarding procedure for gaining remote access to November 14, Oral Argument.	0.20	\$325	65.00
10/16/2024	EMR	Draft Stipulation for Remote Access and corresponding Proposed Order to circulate to plaintiff.	1.10	\$325	357.50
10/17/2024	EMR	Email to Ryan Regula regarding Stipulation for Remote Access and corresponding Proposed Order.	0.20	\$325	65.00
10/23/2024	EMR	Exchange emails with Ryan Regula to follow-up on outstanding Stipulation for Remote Access and corresponding Proposed Order.	0.30	\$325	97.50
10/24/2024	EMR	Email to Kay Macuil regarding filing of Stipulation for Remote Access and corresponding Proposed Order.	0.20	\$325	65.00
10/28/2024	EMR	Email to Kay Macuil regarding Judge Snow's Order Granting Remote Access.	0.20	\$325	65.00
10/28/2024	EMR	Exchange emails with Vickie Guidas, Judge Snow's clerk, regarding dial-in access for November 14, Oral Argument.	0.20	\$325	65.00
10/28/2024	EMR	Review and analysis of Order entered by Judge Snow granting remote access for November 14, Oral Argument.	0.20	\$325	65.00
10/29/2024	EMR	Exchange emails Kay Macuil regarding dial-in access for November 14, Oral Argument.	0.30	\$325	97.50
10/30/2024	EMR	Prepare Oral Argument binder ahead of November 14, 2024, Oral Argument.	1.60	\$325	520.00
Total Fees			5.30		1,747.50

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 01/09/2024

RE: RLUIPA Lawsuit

Invoice Number 319795

ID MMV 12990-0001

Page 3

Timekeeper		Hours	Rate	Amount
CCA	Artigue, Cameron C.	6.00	450.00	2,700.00
MMV	Vaz, Manjula M.	2.40	450.00	1,080.00
Total Fees				\$3,780.00

Total Current Charges **\$3,780.00**

Less trust applied -\$1,105.00

Total Balance Due **\$2,675.00**

Trust Account Summary		Payments	Deposits	Balance
<u>Chase IOLTA Trust Account</u>				
12/20/2023	Balance as of 12/20/2023			\$2,500.00
12/22/2023	Client/Matter Code: 12990/0001 RLUIPA Lawsuit Trust applied to Bill #318176	1,395.00		\$1,105.00
1/9/2024	Client/Matter Code: 12990/0001 RLUIPA Lawsuit Trust applied to Bill #319795	1,105.00		\$0.00

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City of San Luis
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San Luis City Attorney
Janet Taylor
jtaylor@sanluisaz.gov

February 24, 2025

Invoice 334078

COPY

ID: MMV 12990-0002
RE: Gethsemani Baptist Church

For Services Rendered Through: January 31, 2025

Previous Balance	\$24,629.06
Payments	-\$24,629.06
Balance Forward	\$0.00
Current Fees	\$30,405.00
Total Current Charges	\$30,405.00
Total Due	\$30,405.00

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Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

Invoice Date 02/24/2025
Invoice Number 334078
Page 2

Fees					
Date	Atty	Description	Hours	Rate	Amount
11/03/2024	CCA	Emails to and from Justice Department re participation in argument	0.30	\$450	135.00
11/04/2024	EMR	Review and analysis of emails received from United States attorney Noah Sacks concerning appearance at November 14, oral argument.	0.20	\$325	65.00
11/05/2024	CCA	Emails to and from Department of Justice re participation in argument	0.80	\$450	360.00
11/06/2024	CCA	Prepaere for federal court hearing on motion to dismiss	1.00	\$450	450.00
11/08/2024	EMR	Review United States's Unopposed Motion for Leave to Argue and Modify Argument Times and corresponding Proposed Order.	0.40	\$325	130.00
11/10/2024	CCA	Email to client re status	0.30	\$450	135.00
11/10/2024	CCA	Begin preparation for oral argument in district court	2.00	\$450	900.00
11/11/2024	EMR	Draft summary and outline of significant points to reinforce during November 14 oral argument.	2.30	\$325	747.50
11/11/2024	EMR	Review case file to determine specific dates and information concerning citations issued to Plaintiff by the City.	0.30	\$325	97.50
11/12/2024	CCA	Email to client re questions	0.40	\$450	180.00
11/12/2024	CCA	Review briefs and prepare for oral argument	1.50	\$450	675.00
11/12/2024	EMR	Review and analysis of Judge Snow's Order concerning Oral Argument details ahead of November 14, oral argument.	0.20	\$325	65.00
11/12/2024	EMR	Review federal court docket to determine whether Judge Snow issued an order concerning the United States' request for appearance at oral argument.	0.20	\$325	65.00
11/13/2024	CCA	Review pleadings and prepare for hearing in district court	2.00	\$450	900.00
11/13/2024	EMR	Review and analysis of endorsed Order granting Unopposed Motion for Leave issued by Judge Snow.	0.20	\$325	65.00

Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

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Fees					
Date	Atty	Description	Hours	Rate	Amount
11/13/2024	EMR	Draft Notice of Citation to Supplemental Authority.	1.10	\$325	357.50
11/14/2024	CCA	Outline and practice argument for hearing on motion to dismiss in district court	2.50	\$450	1,125.00
11/14/2024	CCA	Attend and argue motion to dismiss on behalf of city	2.00	\$450	900.00
11/14/2024	EMR	Exchange emails with Kay Macuil concerning information required to access oral argument virtually.	0.20	\$325	65.00
11/14/2024	EMR	Exchange additional emails with Kay Macuil concerning schedule for oral argument and rules for virtual attendance.	0.20	\$325	65.00
11/14/2024	EMR	Draft summary of November 14, oral argument for Kay Macuil and other City representatives.	1.90	\$325	617.50
11/22/2024	CCA	Review district court decision and email client	0.50	\$450	225.00
11/22/2024	EMR	Review and analysis of Judge Snow's Order denying Defendant's Motion to Dismiss.	0.90	\$325	292.50
11/25/2024	EMR	Review Federal Rules of Civil Procedure to determine proper timeline moving forward in light of Judge Snow's denial of Motion to Dismiss.	0.40	\$325	130.00
11/29/2024	EMR	Draft Answer to Plaintiff's First Amended Complaint, focusing on factual allegations section.	1.40	\$325	455.00
12/02/2024	EMR	Review and analysis of Federal Rules of Civil Procedure 12(a) to determine proper answer filing deadline in light of denial of Motion to Dismiss.	0.30	\$325	97.50
12/03/2024	EMR	Draft Answer to Plaintiff's First Amended Complaint.	3.90	\$325	1,267.50
12/04/2024	EMR	Evaluate responses to complaint and affirmative defenses to be included in forthcoming answer.	0.40	\$325	130.00
12/05/2024	CCA	Call with Kay Macuil re answer	0.30	\$450	135.00
12/05/2024	CCA	Edit and revise answer to complaint	1.00	\$450	450.00
12/05/2024	EMR	Exchange emails with Kay Macuil re draft Answer to Plaintiff's First Amended Complaint.	0.20	\$325	65.00
12/05/2024	EMR	Continue to draft Answer to Plaintiff's First Amended Complaint, incorporating changes received from the City.	0.50	\$325	162.50
12/06/2024	EMR	Finalize Answer to Plaintiff's First Amended Complaint before filing.	0.30	\$325	97.50
12/16/2024	CCA	Prepare for and call with Kay Macuil re status and strategy of lawsuit	0.60	\$450	270.00
12/16/2024	EMR	Telephone call with K. Macuil re strategy for forthcoming executive session.	0.60	\$325	195.00

Gammage & Burnham

CLIENT: City of San Luis

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RE: Gethsemani Baptist Church

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Fees					
Date	Atty	Description	Hours	Rate	Amount
12/16/2024	EMR	Review Judge Murray's scheduling order to determine discovery priorities over next two months.	0.30	\$325	97.50
12/16/2024	EMR	Exchange emails with Kay Macuil re forthcoming conference call.	0.20	\$325	65.00
12/16/2024	EMR	Review and analysis of Federal Rules of Civil Procedure re filing deadlines for amending as a matter of course.	0.20	\$325	65.00
12/16/2024	EMR	Draft Amended Answer to Plaintiff's First Amended Complaint.	0.50	\$325	162.50
12/16/2024	EMR	Draft Notice of Filing Amended Answer required by Arizona District Court Local Rules 15.1.	0.90	\$325	292.50
12/17/2024	CCA	Review amended answer	0.30	\$450	135.00
12/17/2024	EMR	Finalize Amended Answer and corresponding Notice prior to filing the same.	0.50	\$325	162.50
12/23/2024	CCA	Outline plan for discovery schedule	0.30	\$450	135.00
12/26/2024	CCA	Prepare disclosure and outline discovery requests	1.00	\$450	450.00
12/30/2024	EMR	Review and analysis of Settlement Demand circulated by Plaintiff's Counsel.	0.30	\$325	97.50
12/31/2024	EMR	Exchange emails with Ryan Regula re forthcoming scheduling conference call.	0.20	\$325	65.00
01/03/2025	CCA	Call with opposing counsel re Rule 16 case management order	1.00	\$450	450.00
01/03/2025	EMR	Preparatory telephone call re forthcoming Rule 26 Meet and Confer.	1.00	\$325	325.00
01/03/2025	EMR	Appear for Rule 26 Meet and Confer with Plaintiff's Counsel.	0.60	\$325	195.00
01/03/2025	EMR	Review and analysis of American Law of Zoning chapters concerning legal nonconfirming use.	0.50	\$325	162.50
01/03/2025	EMR	Email summary to K. Macuil re Rule 26 Meet and Confer.	0.30	\$325	97.50
01/05/2025	CCA	Review proposed disclosure and research re immunity of Mayor to discovery	1.00	\$450	450.00
01/05/2025	EMR	Exchange emails with K. Macuil re further discussion on Rule 26 Meet and Confer.	0.20	\$325	65.00
01/06/2025	CCA	Research re fee provisions	0.30	\$450	135.00
01/06/2025	EMR	Exchange emails with K. Macuil re rescheduling of planned discussion.	0.20	\$325	65.00
01/07/2025	CCA	Call with Kay and Glenn re strategy and council executive session	1.00	\$450	450.00

Gammage & Burnham

CLIENT: City of San Luis
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ID MMV 12990-0002

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Fees					
Date	Atty	Description	Hours	Rate	Amount
01/07/2025	EMR	Telephone call with K. Macuil and G. Gimbut re overall case strategy and decisions moving forward.	1.00	\$325	325.00
01/08/2025	CCA	Prepare for executive session with City council	0.50	\$450	225.00
01/08/2025	CCA	Participate in executive session and give update and discuss strategy	0.60	\$450	270.00
01/08/2025	EMR	Revise and organize notes from executive session.	0.30	\$325	97.50
01/08/2025	EMR	Appear for San Luis city council meeting and executive session to discuss path forward in lawsuit.	2.60	\$325	845.00
01/09/2025	CCA	Email to Kay re status	0.50	\$450	225.00
01/09/2025	CCA	Review options for discovery	1.00	\$450	450.00
01/09/2025	EMR	Finalize notes from executive session meeting before sending the same to K. Macuil.	0.50	\$325	162.50
01/09/2025	EMR	Evaluate case strategy moving forward in light of executive session and city council decision moving forward.	0.40	\$325	130.00
01/09/2025	EMR	Revise notes from executive session to reflect changes requested by K. Macuil.	0.20	\$325	65.00
01/10/2025	CCA	Emails to and from Kay re status of city court citations and position on discovery	0.80	\$450	360.00
01/13/2025	CCA	Review photos	0.30	\$450	135.00
01/13/2025	CCA	Outline revisions to proposed case management order	0.50	\$450	225.00
01/13/2025	EMR	Review draft Case Management Report sent by Plaintiff's counsel.	0.30	\$325	97.50
01/13/2025	EMR	Review photographs posted on Facebook by both Pastor Castro and Gethsemani Food Ministry,	0.30	\$325	97.50
01/14/2025	EMR	Draft Defendant's Position to include in Case Management Report.	2.20	\$325	715.00
01/14/2025	EMR	Review and analysis of Federal Rules of Civil Procedure concerning discovery limits and depositions.	0.50	\$325	162.50
01/14/2025	EMR	Debrief with K. Brown re forthcoming task of gathering all of Pastor Castro's and Church's online posts.	0.50	\$325	162.50
01/14/2025	EMR	Draft Defendant's Initial Disclosure Statement.	1.80	\$325	585.00
01/14/2025	EMR	Draft Notice of Serving Initial Disclosure Statement.	0.30	\$325	97.50
01/14/2025	EMR	Review and analysis of Arizona District Court local rules re Notice of Serving Initial Disclosure.	0.20	\$325	65.00
01/14/2025	KB	Analyzing Church's social media presence for relevant information and photographs on lawsuit	2.10	\$225	472.50

Gammage & Burnham

CLIENT: City of San Luis
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Fees					
Date	Atty	Description	Hours	Rate	Amount
01/15/2025	CCA	Review proposed disclosure and research re immunity of Mayor to discovery	1.00	\$450	450.00
01/15/2025	EMR	Finalize Case Management Report before sending to R. Regula.	0.30	\$325	97.50
01/15/2025	EMR	Exchange emails with K. Macuil re draft Initial Disclosure Statement.	0.20	\$325	65.00
01/15/2025	EMR	Finalize Initial Disclosure Statement before sending to K. Macuil.	0.30	\$325	97.50
01/15/2025	EMR	Exchange emails with R. Regula re draft Case Management Report.	0.20	\$325	65.00
01/16/2025	CCA	Propose changes to case management order	0.60	\$450	270.00
01/16/2025	EMR	Review Plaintiff's final edits to Case Management Report.	0.20	\$325	65.00
01/16/2025	EMR	Revise draft Case Management Report to outline potential discovery disagreements between the parties.	0.40	\$325	130.00
01/17/2025	EMR	Telephone call with R. Regula re final changes to Case Management Report.	0.30	\$325	97.50
01/17/2025	EMR	Telephone call with K. Macuil re changes to Initial Disclosure.	0.30	\$325	97.50
01/17/2025	EMR	Review and analysis of photographs sent by K. Macuil of the Food Ministry.	0.20	\$325	65.00
01/17/2025	EMR	Review and analysis of Plaintiff's Initial Disclosure Statement.	0.30	\$325	97.50
01/17/2025	EMR	Exchange emails with R. Regula re final revisions to Case Management Report.	0.20	\$325	65.00
01/17/2025	EMR	Finalize Initial Disclosure Statement incorporating changes from K. Macuil.	0.60	\$325	195.00
01/17/2025	EMR	Exchange additional emails with R. Regula re Plaintiff's filing of the Case Management Report.	0.20	\$325	65.00
01/20/2025	EMR	Draft summary of Plaintiff's Initial Disclosure Statement to file.	0.30	\$325	97.50
01/21/2025	EMR	Review and analysis of Plaintiff's Motion to Withdraw as Counsel and corresponding Proposed Order.	0.20	\$325	65.00
01/22/2025	EMR	Review and analysis of City's dismissal of municipal charges against Pastor Castro.	0.30	\$325	97.50
01/22/2025	EMR	Exchange emails with K. Macuil re meeting with members of Church neighborhood who may be willing to testify as witnesses.	0.20	\$325	65.00

Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
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Fees

Date	Atty	Description	Hours	Rate	Amount
01/23/2025	EMR	Review and analysis of Pastor Castro's Affidavit with Verification and Certificate of Translation.	0.20	\$325	65.00
01/24/2025	EMR	Appear for Scheduling Conference with Judge Snow.	0.50	\$325	162.50
01/24/2025	EMR	Prepare for scheduling conference with Judge Snow.	0.20	\$325	65.00
01/24/2025	EMR	Evaluate case strategy moving forward in light of scheduling conference.	0.30	\$325	97.50
01/24/2025	EMR	Discussion w I. Gonzalez re his potential assistance with San Luis matter.	0.30	\$325	97.50
01/24/2025	EMR	Review final Case Management Order entered by Judge Snow.	0.20	\$325	65.00
01/24/2025	EMR	Draft summary of Case Management Conference for K. Macuil.	0.30	\$325	97.50
01/27/2025	CCA	Research re foreign language depositions and legislative immunity	1.40	\$450	630.00
01/27/2025	EMR	Correspond with I. Gonzalez re his findings on Facebook pages of Pastor Castro and the Food Ministry.	0.20	\$325	65.00
01/27/2025	EMR	Leave voicemail for K. Macuil re further discussion on potential trial witnesses and testimony.	0.20	\$325	65.00
01/27/2025	IG	Review relevant documents in case file including complaint and order denying Defendant's motion to dismiss.	1.80	\$325	585.00
01/28/2025	EMR	Telephone call w K. Macuil re potential testimony of Mayor Riedel.	0.30	\$325	97.50
01/29/2025	CCA	Outline all legal contentions and update research on commercial activities argument	2.00	\$450	900.00
01/29/2025	EMR	Continue review of Pastor Castro's and Food Ministry's Facebook profiles to find relevant information about costs of food.	0.80	\$325	260.00
01/29/2025	EMR	Discussion with I. Gonzalez and C. C. Artigue re I. Gonzalez's assistance with the trial moving forward.	1.00	\$325	325.00
01/29/2025	IG	Review various documents in case file and publicly available information to assist with discovery strategy.	1.70	\$325	552.50
01/29/2025	IG	Confer with team re: litigation strategy.	1.00	\$325	325.00
01/29/2025	TR	Review Complaint and conduct background research related to the Church and its pastor Jose Manuel Castro and provide details to Attorney Gonzalez.	1.20	\$225	270.00
01/30/2025	IG	Confer with E. Russell re: discovery strategy.	0.30	\$325	97.50

Gammage & Burnham

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Fees					
Date	Atty	Description	Hours	Rate	Amount
01/30/2025	TR	Multiple communications with First Legal regarding forensic collection of social media accounts.	0.40	\$225	90.00
01/31/2025	CCA	Outline master matrix of legal issues for motion and trial	1.40	\$450	630.00
01/31/2025	CCA	Legal research on commercial uses and RLUIPA	0.50	\$450	225.00
01/31/2025	CCA	Outline discovery requests	0.50	\$450	225.00
			Total Fees	82.50	30,405.00

Timekeeper		Hours	Rate	Amount
CCA	Artigue, Cameron C.	31.70	450.00	14,265.00
KB	Brown, Kevin	2.10	225.00	472.50
IG	Gonzalez, Ivan	4.80	325.00	1,560.00
TR	Roa, Traci	1.60	225.00	360.00
EMR	Russell, Evan M	42.30	325.00	13,747.50
Total Fees				\$30,405.00

Total Current Charges **\$30,405.00**

11/18/2024	Previous balance	\$24,629.06
12/10/2024	Payment - Thank you, Check # 110737	-\$22,881.56
12/10/2024	Payment - Thank you, Check # 110737	-\$1,747.50

Net Balance Forward **\$0.00**

Total Balance Due **\$30,405.00**

GAMMAGE & BURNHAM

Attorneys at Law

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Kay Macuil (kmacuil@sanluisaz.gov)
San Luis City Attorney
Janet Taylor
jtaylor@sanluisaz.gov

40 NORTH CENTRAL AVENUE
20TH FLOOR
PHOENIX, ARIZONA 85004
TELEPHONE (602) 256-0566
FEDERAL TAX ID 86-0450146

March 20, 2025

Invoice 335160

ID: MMV 12990-0002

RE: Gethsemani Baptist Church

For Services Rendered Through: February 28, 2025

Previous Balance	\$30,405.00
Payments	-\$30,405.00
Balance Forward	\$0.00
Current Fees	\$10,692.50
Total Current Charges	\$10,692.50
Total Due	\$10,692.50

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
Pay online via credit card (3% service charge) – <https://www.gblaw.com/online-payments/>
Pay via Zelle - payments@gblaw.com (or scan QR code in your banking app)



Zelle®

Gammage & Burnham

CLIENT: City of San Luis

RE: Gethsemani Baptist Church

ID MMV 12990-0002

Invoice Date 03/20/2025

Invoice Number 335160

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Fees

Date	Atty	Description	Hours	Rate	Amount
02/03/2025	EMR	Exchange emails with K. Macuil re potential witness meetings.	0.20	\$325	65.00
02/04/2025	EMR	Review Google Maps area of Pastor Castro's home address to determine proximity to food ministry site.	0.30	\$325	97.50
02/04/2025	EMR	Review and analysis of draft outline of legal/factual issues in this matter.	0.30	\$325	97.50
02/04/2025	IG	Analyze legal issues in dispute to assist with written discovery.	0.30	\$325	97.50
02/06/2025	EMR	Review and analysis of documents evidencing Plaintiff's tax exempt status from 2000-2010.	0.80	\$325	260.00
02/06/2025	EMR	Exchange emails with J. Taylor re forthcoming potential witness meeting.	0.20	\$325	65.00
02/06/2025	IG	Analyze next steps as it pertains to preserving Plaintiff's Facebook data.	0.20	\$325	65.00
02/11/2025	EMR	Exchange emails with K. Macuil re need for potential witness meetings prior to March 20 due to impending subpoena and deposition notice deadline.	0.20	\$325	65.00
02/12/2025	EMR	Review and analysis of Amicus Brief filed in separate first amendment matter by First Liberty Institute.	0.50	\$325	162.50
02/12/2025	EMR	Exchange emails with K. Macuil re additional availability to meet with potential witnesses.	0.20	\$325	65.00
02/12/2025	IG	Review portion of First Liberty Institute amicus brief describing subject litigation.	0.10	\$325	32.50
02/12/2025	IG	Confer with E. Russel re: witness meeting strategy.	0.20	\$325	65.00
02/13/2025	EMR	Draft Requests for Production to Plaintiff.	2.80	\$325	910.00
02/13/2025	IG	Analyze information to be ascertained as it pertains to upcoming witnesses meeting.	0.20	\$325	65.00
02/13/2025	IG	Send email to K. Macuil re: witnesses meeting.	0.10	\$325	32.50

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 03/20/2025

RE: Gethsemani Baptist Church

Invoice Number 335160

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Fees

Date	Atty	Description	Hours	Rate	Amount
02/14/2025	EMR	Draft Non-Uniform Interrogatories to Plaintiff.	3.10	\$325	1,007.50
02/17/2025	EMR	Draft Requests for Admission to Plaintiff.	1.80	\$325	585.00
02/18/2025	EMR	Exchange emails with K. Macuil re scheduling conflict for potential witness meeting.	0.20	\$325	65.00
02/18/2025	IG	Review scheduling and strategy for upcoming meeting with potential witnesses.	0.20	\$325	65.00
02/19/2025	IG	Determine questions to ask witnesses during tomorrow's call.	0.20	\$325	65.00
02/20/2025	EMR	Review Facebook photos and videos posted by Pastor regarding the scale and operation of the Food Ministry.	0.50	\$325	162.50
02/20/2025	EMR	Review photographs and police report re accident involving Pastor Castro's truck, forwarded by K. Macuil.	0.70	\$325	227.50
02/20/2025	EMR	Review conditional use language used in Amicus Brief filed by First Liberty Institute in separate first amendment case.	0.30	\$325	97.50
02/20/2025	EMR	Appear for Zoom meeting with potential witnesses Angelica and Salvador Torres.	1.30	\$325	422.50
02/20/2025	EMR	Prepare questions for potential witnesses prior to Zoom meeting.	1.20	\$325	390.00
02/20/2025	EMR	Exchange emails with K. Macuil re finalizing times for potential witness meeting.	0.20	\$325	65.00
02/20/2025	EMR	Exchange emails with K. Macuil re contact information for Angelica Torres, a potential witness in this matter.	0.20	\$325	65.00
02/20/2025	IG	Review relevant documents in case file in preparation for witness call.	0.70	\$325	227.50
02/20/2025	IG	Zoom call with E. Russell, city attorney and staff, and witnesses.	1.20	\$325	390.00
02/20/2025	IG	Confer with E. Russell re: witness call and discovery strategy.	0.50	\$325	162.50
02/21/2025	IG	Review email correspondence and attachments from K. Macuil re: First Liberty amicus brief and Torres accident.	0.20	\$325	65.00
02/24/2025	EMR	Exchange emails with K. Macuil re uploading relevant documents to a share file folder.	0.20	\$325	65.00
02/24/2025	IG	Exchange emails with staff and K. Macuil to obtain evidence from City of San Luis.	0.20	\$325	65.00
02/26/2025	EMR	Review Notice of Service of Discovery filed by Plaintiff.	0.20	\$325	65.00

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 03/20/2025

RE: Gethsemani Baptist Church

Invoice Number 335160

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						Fees
Date	Atty	Description	Hours	Rate	Amount	
02/26/2025	EMR	Revise written discovery to include additional information re Plaintiff's foreign and domestic bank accounts, and clarify timeframes for document requests.	0.60	\$325	195.00	
02/26/2025	EMR	Review first set of written discovery served by Plaintiff and assess potential responses or objections to the same.	0.80	\$325	260.00	
02/26/2025	EMR	Review and analysis of Federal Rules of Civil Procedure 33-36 for bases for objections to written discovery to determine those applicable to Plaintiff's first set.	0.40	\$325	130.00	
02/26/2025	IG	Confer with E. Russell re: site inspection.	0.10	\$325	32.50	
02/27/2025	EMR	Review documents uploaded by K. Macuil and A. Gomez to iManage share file.	0.70	\$325	227.50	
02/27/2025	EMR	Assess potential benefits of drafting letter to First Liberty re their comments in the Amicus Brief.	0.20	\$325	65.00	
02/27/2025	EMR	Conduct post-meeting discussion with I. Gonzalez re witness meeting and next steps.	0.30	\$325	97.50	
02/27/2025	EMR	Review statement drafted by Angelica Torres re community's feelings towards Pastor Castro's actions and desire to stymie the food ministry.	0.20	\$325	65.00	
02/27/2025	EMR	Prepare questions for potential witnesses prior to Zoom meeting.	0.90	\$325	292.50	
02/27/2025	EMR	Appear for Zoom meeting with potential witnesses.	1.90	\$325	617.50	
02/27/2025	EMR	Exchange emails with K. Macuil re February 27, 2025, meeting with potential witnesses.	0.20	\$325	65.00	
02/27/2025	IG	Prepare for meeting with potential witnesses and participate in meeting with potential witnesses.	1.90	\$325	617.50	
02/27/2025	IG	Confer with E. Russell re: discovery and trial strategy.	0.30	\$325	97.50	
02/27/2025	IG	Analyze potential issues to address at trial with particular focus on commercial activity's effect on residents of neighborhood.	0.30	\$325	97.50	
02/27/2025	IG	Review M. Castro Facebook page posts and videos re: ministry activity	1.20	\$325	390.00	
02/28/2025	EMR	Review summary of September 24, 2023, Facebook video posted by Pastor Castro re incident involving his truck.	0.20	\$325	65.00	
02/28/2025	EMR	Draft subpoena to Pastor Castro.	1.30	\$325	422.50	
02/28/2025	EMR	Evaluate need for testimony from additional potential witnesses and foreseeable benefits from the same.	0.30	\$325	97.50	
02/28/2025	IG	Draft memo to file re: M. Castro's lengthy Facebook video.	0.40	\$325	130.00	

Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
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Invoice Date 03/20/2025
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			Fees		
Date	Atty	Description	Hours	Rate	Amount
02/28/2025	IG	Review Defendant's first set of written discovery.	1.00	\$325	325.00
			Total Fees	32.90	10,692.50

Timekeeper		Hours	Rate	Amount
IG	Gonzalez, Ivan	9.50	325.00	3,087.50
EMR	Russell, Evan M	23.40	325.00	7,605.00
Total Fees				\$10,692.50

Total Current Charges				\$10,692.50
2/24/2025	Previous balance			\$30,405.00
03/04/2025	Payment - Thank you, Check # 111354			-\$30,405.00
Net Balance Forward				\$0.00
Total Balance Due				\$10,692.50

**GAMMAGE
&
BURNHAM**
Attorneys at Law

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 San Luis City Attorney
 Janet Taylor
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 TELEPHONE (602) 256-0566
 FEDERAL TAX ID 86-0450146

COPY

April 10, 2025
 Invoice 336347

ID: MMV 12990-0002
 RE: Gethsemani Baptist Church

For Services Rendered Through: March 31, 2025

Previous Balance	\$10,692.50
Payments	-\$10,692.50
Balance Forward	\$0.00
Current Fees	\$24,577.50
Total Current Charges	\$24,577.50
Total Due	\$24,577.50

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
 Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
 Pay online via credit card (3% service charge) – <https://www.gblaw.com/online-payments/>
 Pay via Zelle - payments@gblaw.com (or scan QR code in your banking app)



Zelle

Gammage & Burnham

CLIENT: City of San Luis

RE: Gethsemani Baptist Church

ID MMV 12990-0002

Invoice Date 04/10/2025

Invoice Number 336347

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Fees

Date	Atty	Description	Hours	Rate	Amount
02/03/2025	CCA	Prepare outline of factual and legal issues for discovery and motion practice	1.50	\$450	675.00
02/04/2025	CCA	Outline discovery requests re Church and state and federal tax treatment	1.00	\$450	450.00
02/05/2025	CCA	Call with Glenn Gimbut re discovery	0.30	\$450	135.00
02/05/2025	CCA	Prepare outline of Rule 56 motion	0.80	\$450	360.00
02/07/2025	KB	Gathering evidence of commercial distribution of food supplies at Gethsemani Church	1.80	\$225	405.00
02/11/2025	KB	Correspondence re accumulation of evidence demonstrating commercial distribution of food supplies	0.20	\$225	45.00
02/20/2025	KB	Compiled photographs from Church's Facebook account to demonstrate commercial distribution of food and use of facilities	0.70	\$225	157.50
02/24/2025	CCA	Review discovery requests	1.00	\$450	450.00
02/26/2025	KB	Final review of Church Facebook page for photographs that may be used as evidence demonstrating commercial food distribution	1.20	\$225	270.00
02/28/2025	CCA	Review discovery requests and witness statements	0.30	\$450	135.00
03/03/2025	EMR	Review and incorporate input from K. Macuil on Defendant's written discovery.	0.50	\$325	162.50
03/03/2025	EMR	Review and incorporate changes from I. Gonzalez on Defendant's written discovery requests.	0.50	\$325	162.50
03/03/2025	EMR	Exchange emails with K. Macuil re Defendant's draft written discovery requests.	0.20	\$325	65.00
03/03/2025	IG	Review and modify first set of written discovery and confer with E. Russell re: the same.	0.30	\$325	97.50
03/04/2025	EMR	Review statement of Angelica and Salvador Torres re impact of Church food ministry on their neighborhood.	0.20	\$325	65.00

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 04/10/2025

RE: Gethsemani Baptist Church

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Fees					
Date	Atty	Description	Hours	Rate	Amount
03/04/2025	IG	Review witness statement from witness Ms. Torres.	0.10	\$325	32.50
03/05/2025	EMR	Exchange emails with K. Macuil re updates to Defendant's written discovery.	0.20	\$325	65.00
03/05/2025	IG	Analyze potential edits to written discovery requests and confer with E. Russell regarding the same.	0.30	\$325	97.50
03/06/2025	CCA	Review discovery plans and outline strategies for motion practice	1.00	\$450	450.00
03/06/2025	EMR	Review Defendant's draft Non-Uniform Interrogatories and incorporate changes from I. Gonzalez.	0.50	\$325	162.50
03/06/2025	EMR	Exchange emails with K. Macuil re Plaintiff's written discovery requests.	0.20	\$325	65.00
03/06/2025	IG	Review and modify draft discovery requests.	1.10	\$325	357.50
03/07/2025	EMR	Review Notices of Deposition for J. Torres and A. Gomez filed by Plaintiff.	0.30	\$325	97.50
03/07/2025	IG	Send email to K. Macuil and team re: document production.	0.10	\$325	32.50
03/10/2025	EMR	Review text message files sent by K. Macuil.	0.60	\$325	195.00
03/10/2025	EMR	Exchange emails with K. Macuil re uploading documents to sharefile.	0.20	\$325	65.00
03/10/2025	IG	Review emails and documents provided by client.	0.20	\$325	65.00
03/11/2025	EMR	Review NPR story re Gethsemani Church forwarded by K. Macuil.	0.20	\$325	65.00
03/13/2025	EMR	Conference with K. Macuil and team re written discovery responses.	1.20	\$325	390.00
03/13/2025	EMR	Confer with I. Gonzalez re written discovery response strategy ahead of meeting with team.	0.30	\$325	97.50
03/13/2025	EMR	Conduct in-depth review of written discovery requests from Plaintiff ahead of meeting with team on the same.	0.80	\$325	260.00
03/13/2025	EMR	Telephone call with K. Macuil re truck drivers' illicit use of public park adjacent to Church.	0.40	\$325	130.00
03/13/2025	EMR	Exchange emails with K. Macuil re Plaintiff's Notices of Deposition and links to upload case documents.	0.20	\$325	65.00
03/13/2025	IG	Review Plaintiff's requests for production and interrogatories.	0.50	\$325	162.50
03/13/2025	IG	Meeting with K. Macuil and team re: responding to discovery requests and depositions.	1.20	\$325	390.00

Gammage & Burnham

CLIENT: City of San Luis

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RE: Gethsemani Baptist Church

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Fees

Date	Atty	Description	Hours	Rate	Amount
03/13/2025	IG	Determine next steps re: responding to discovery requests and defending depositions including objections and objecting to depositions locations.	0.20	\$325	65.00
03/13/2025	IG	Confer with E. Russell re: responding to discovery requests.	0.30	\$325	97.50
03/14/2025	EMR	Review and analysis of documents uploaded to sharefile by K. Macuil and team.	1.20	\$325	390.00
03/14/2025	EMR	Exchange emails with K. Macuil re Plaintiff's written discovery requests.	0.20	\$325	65.00
03/14/2025	EMR	Exchange emails with G. Gimbut re his input on Defendant's draft written discovery.	0.20	\$325	65.00
03/14/2025	IG	Review J. Torres and A. Gomez deposition notices and emails from K. Macuil.	0.20	\$325	65.00
03/17/2025	EMR	Review Church's and Pastor's social media pages and create timeline of relevant events.	1.60	\$325	520.00
03/17/2025	EMR	Review Federal Rules of Civil Procedure re the permissibility of deposing the same person twice; once in their individual capacity and once as a 30(b)(6) representative.	0.40	\$325	130.00
03/17/2025	IG	Send emails to E. Russell and K. Macuil re: witness meetings.	0.20	\$325	65.00
03/17/2025	IG	Confer with team re: discovery responses and potential visit to site.	0.20	\$325	65.00
03/18/2025	EMR	Telephone call with K. Macuil re discovery responses.	0.20	\$325	65.00
03/18/2025	IG	Send email to A. Gomez re: witness meeting and review emails from K. Macuil re: Plaintiff's discovery requests.	0.20	\$325	65.00
03/19/2025	EMR	Review emails and statements of Church neighbors forwarded by K. Macuil.	0.40	\$325	130.00
03/19/2025	EMR	Review of call to the public meeting minutes forwarded by K. Macuil.	0.40	\$325	130.00
03/19/2025	IG	Confer with C. Artigue regarding, among other things, discovery strategy.	0.20	\$325	65.00
03/19/2025	IG	Review documents in case file, including pleadings and motions, to assist with discovery strategy and preparing City of San Luis employees for depositions.	1.90	\$325	617.50
03/20/2025	EMR	Exchange emails with R. Gardner re potential call to discuss open discovery questions.	0.20	\$325	65.00

Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

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Fees

Date	Atty	Description	Hours	Rate	Amount
03/20/2025	IG	Microsoft Teams meeting with K. Macuil and potential witnesses.	2.00	\$325	650.00
03/20/2025	IG	Discussions with IT, T. Roa, and G. Carrillo re: strategy for obtaining electronically stored information from City employees in order to respond to requests for production.	1.10	\$325	357.50
03/20/2025	IG	Analyze Plaintiff's requests for production and interrogatories to determine potential objections and responses.	0.50	\$325	162.50
03/20/2025	IG	Phone call with K. Macuil re: discovery responses and case strategy.	0.80	\$325	260.00
03/20/2025	TR	Conduct research related to collection of text messages and photos, run test for possible software iMazing and provide results to attorney to provide to client.	1.00	\$225	225.00
03/21/2025	EMR	Review and analysis of additional documents uploaded to sharefile by K. Macuil and team.	2.10	\$325	682.50
03/21/2025	EMR	Exchange emails with K. Macuil re rescheduling of J. Torres's and A. Gomez's depositions.	0.20	\$325	65.00
03/21/2025	EMR	Exchange additional emails with K. Macuil re A. Gomez's boss and the proper contact person for scheduling his deposition.	0.20	\$325	65.00
03/21/2025	EMR	Exchange emails with K. Macuil re potential meeting with Osvaldo Rodriguez.	0.20	\$325	65.00
03/21/2025	EMR	Review email sent by K. Macuil re additional witnesses and documents helpful to Defendant's position in this matter.	0.30	\$325	97.50
03/21/2025	EMR	Review email from K. Macuil re potential witness descriptions and document production.	0.20	\$325	65.00
03/21/2025	IG	Review and exchange emails with legal team and City of San Luis employees re: witness interviews and discovery.	0.40	\$325	130.00
03/24/2025	EMR	Review accounts receivable ledgers documenting payments made to the Church forwarded by K. Macuil.	0.40	\$325	130.00
03/24/2025	EMR	Review Development Services Director's timeline of the Church forwarded by K. Macuil.	0.40	\$325	130.00
03/24/2025	EMR	Review of citations issued to Pastor Castro demonstrating a lack of proper permitting, forwarded by K. Macuil.	0.20	\$325	65.00
03/24/2025	EMR	Review email from K. Macuil re discovery questions and details evidencing expansion of the Food Ministry.	0.20	\$325	65.00
03/24/2025	IG	Review and exchange emails with K. Macuil and team re: responses to requests for production.	0.40	\$325	130.00

Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
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						Fees
Date	Atty	Description	Hours	Rate	Amount	
03/24/2025	IG	Draft list of search terms to use for purposes of response to requests for production.	0.40	\$325	130.00	
03/24/2025	IG	Confer with E. Russell regarding discovery responses and depositions.	0.30	\$325	97.50	
03/24/2025	IG	Review documents provided by K. Macuil in preparation for production.	0.50	\$325	162.50	
03/24/2025	IG	Review emails from K. Macuil re: discovery responses.	0.30	\$325	97.50	
03/25/2025	EMR	Telephone call with R. Gardner of First Liberty Institute re discovery timeline and potential deposition dates.	0.50	\$325	162.50	
03/25/2025	EMR	Exchange multiple emails with R. Gardner re open discovery questions and resolution of the same.	0.40	\$325	130.00	
03/25/2025	EMR	Review Federal Rules of Civil Procedure 12(i) and relevant commentary on the same to assess viability of potential 12(i) motion.	0.90	\$325	292.50	
03/25/2025	IG	Confer with E. Russell regarding, among other things, written discovery and depositions.	0.40	\$325	130.00	
03/26/2025	CCA	Conference re discovery status with co-counsel	1.00	\$450	450.00	
03/26/2025	EMR	Case assessment and strategy development meeting with I. Gonzalez and C. Artigue re written discovery, dispositive motions, and trial strategy.	1.10	\$325	357.50	
03/26/2025	EMR	Review file in preparation for strategy meeting with I. Gonzalez and C. Artigue.	0.20	\$325	65.00	
03/26/2025	EMR	Review Church's and Pastor Castro's Facebook profiles for information related to setting a price.	0.40	\$325	130.00	
03/26/2025	EMR	Review of Fire Inspection Report of Price Center Building where Pastor Castro was storing supplies, forwarded by K. Macuil.	0.40	\$325	130.00	
03/26/2025	EMR	Review emails from K. Macuil re subjects of forthcoming witness interview and Pastor's Facebook posts.	0.20	\$325	65.00	
03/26/2025	EMR	Review Pastor's Facebook profile for instances where he has sold equipment, materials, or other miscellaneous items outside the context of the Food Ministry.	0.70	\$325	227.50	
03/26/2025	IG	Confer with C. Artigue and E. Russell regarding, among other things, discovery, dispositive motions, and general strategy.	1.10	\$325	357.50	
03/26/2025	IG	Send email to K. Macuil re: Pastor Castro's social media activity.	0.20	\$325	65.00	

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CLIENT: City of San Luis

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RE: Gethsemani Baptist Church

Invoice Number 336347

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Fees					
Date	Atty	Description	Hours	Rate	Amount
03/26/2025	IG	Review relevant rules and pleadings to assist with dispositive motion strategy.	0.80	\$325	260.00
03/27/2025	CCA	Assemble outline of materials on zoning issues and prepare declaration of Jose Guzman	2.00	\$450	900.00
03/27/2025	EMR	Conduct witness interview of Osvaldo Rodriguez.	1.10	\$325	357.50
03/27/2025	EMR	Draft questions in preparation for meeting with Osvaldo Rodriguez.	0.30	\$325	97.50
03/27/2025	EMR	Telephone call with I. Gonzalez re e-discovery service and cost.	0.20	\$325	65.00
03/27/2025	EMR	Draft responses to Plaintiff's Non-Uniform Interrogatories.	3.60	\$325	1,170.00
03/27/2025	EMR	Conduct public record search to determine context of prior lawsuit between J. Torres and the City.	0.60	\$325	195.00
03/27/2025	EMR	Evaluate potential issues for dispositive motions, including ripeness and nonconforming use.	0.90	\$325	292.50
03/27/2025	EMR	Evaluate success of potential jury instruction re the fact that selling food is not a protected religious exercise and whether there's legal support for the same.	0.80	\$325	260.00
03/27/2025	IG	Zoom call with City attorney, E. Russell, and O. Rodriguez.	1.40	\$325	455.00
03/27/2025	IG	Review email from K. Macuil re: discovery and confer with E. Russell regarding the same.	0.30	\$325	97.50
03/28/2025	CCA	Prepare outline of zoning history of NCU issues and declaration of Jose Guzman for eventual use	1.00	\$450	450.00
03/28/2025	EMR	Discussion with T. Roa re information to send First Legal for quote on e-discovery.	0.30	\$325	97.50
03/28/2025	EMR	Draft 30(b)(6) Deposition Notice.	2.30	\$325	747.50
03/28/2025	EMR	Draft Notice of Deposition of Jose Manuel Castro.	0.50	\$325	162.50
03/28/2025	EMR	Draft Responses to Plaintiff's Requests for Production and begin organizing responsive documents.	3.80	\$325	1,235.00
03/28/2025	EMR	Review emails from K. Macuil re warehouse used by Pastor Castro and e-discovery issues.	0.20	\$325	65.00
03/28/2025	EMR	Continue drafting Subpoena Duces Tecum to Pastor Manuel Castro.	0.90	\$325	292.50
03/28/2025	IG	Review and modify notice of appearance.	0.10	\$325	32.50
03/28/2025	IG	Send emails to K. Macuil and team re: discovery and witness interviews.	0.20	\$325	65.00

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 04/10/2025

RE: Gethsemani Baptist Church

Invoice Number 336347

ID MMV 12990-0002

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Fees					
Date	Atty	Description	Hours	Rate	Amount
03/28/2025	TR	Review email from client with details related to email data; participate in multiple communications with First Legal regarding quote for discovery database for review and production of client emails.	0.90	\$225	202.50
03/31/2025	CCA	Prepare timeline and declaration of Jose Guzman	0.90	\$450	405.00
03/31/2025	CCA	Review new Ninth Circuit opinion	0.40	\$450	180.00
03/31/2025	IG	Review case management order to determine upcoming deadlines and develop strategy.	0.10	\$325	32.50
03/31/2025	IG	Confer with E. Russell re: depositions and subpoena for documents to Pastor Castro.	0.20	\$325	65.00
03/31/2025	IG	Review and modify depositions notices for Pastor Castro and 30(b)(6) designee(s).	1.40	\$325	455.00
			Total Fees	73.10	24,577.50

Timekeeper		Hours	Rate	Amount
CCA	Artigue, Cameron C.	11.20	450.00	5,040.00
KB	Brown, Kevin	3.90	225.00	877.50
IG	Gonzalez, Ivan	20.10	325.00	6,532.50
TR	Roa, Traci	1.90	225.00	427.50
EMR	Russell, Evan M	36.00	325.00	11,700.00
Total Fees				\$24,577.50

Total Current Charges			\$24,577.50
3/20/2025	Previous balance		\$10,692.50
04/01/2025	Payment - Thank you, Check # 111622		-\$10,692.50
Net Balance Forward			\$0.00
Total Balance Due			\$24,577.50

COPY

City of San Luis
Kay Macuil (kmacuil@sanluisaz.gov)
San Luis City Attorney
Janet Taylor
jtaylor@sanluisaz.gov



40 NORTH CENTRAL AVENUE
20TH FLOOR
PHOENIX, ARIZONA 85004
TELEPHONE (602) 256-0566
FEDERAL TAX ID 86-0450146

May 21, 2025
Invoice 337403

ID: MMV 12990-0002
RE: Gethsemani Baptist Church

For Services Rendered Through: April 30, 2025

Previous Balance	\$24,577.50
Payments	-\$24,577.50
Balance Forward	\$0.00
Current Fees	\$63,737.50
Discount	-\$33,737.50
Total Current Charges	\$30,000.00
Total Due	\$30,000.00

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
Pay online via credit card (3% service charge) – <https://www.gblaw.com/online-payments/>
Pay via Zelle - payments@gblaw.com (or scan QR code in your banking app)



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Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

Invoice Date 05/21/2025
Invoice Number 337403
Page 2

				Fees		
Date	Atty	Description	Hours	Rate	Amount	
04/01/2025	CCA	Prepare outline of issues on nonconforming use issue	0.50	\$450	225.00	
04/01/2025	CCA	Review new Ninth Circuit decision on substantial burden	0.60	\$450	270.00	
04/01/2025	EMR	Review and analysis of new Ninth Circuit decision which may impact strategy decisions in this matter.	0.30	\$325	97.50	
04/01/2025	EMR	Exchange emails with K. Macuil re changes to written discovery drafts.	0.20	\$325	65.00	
04/01/2025	EMR	Review 30(b)(6) Deposition Notice circulated by Plaintiff's counsel.	0.20	\$325	65.00	
04/01/2025	EMR	Review finalized Notices of Deposition before sending to opposing counsel.	0.20	\$325	65.00	
04/01/2025	EMR	Exchange emails with K. Macuil re draft Notice of 30(b)(6) Deposition of the Church.	0.20	\$325	65.00	
04/01/2025	EMR	Exchange emails with K. Macuil re whether scheduled April 3, witness interview is necessary.	0.20	\$325	65.00	
04/01/2025	EMR	Exchange emails with R. Gardner re service of deposition notices.	0.20	\$325	65.00	
04/01/2025	IG	Confer with E. Russell re: depositions of Pastor Castro and Church.	0.30	\$325	97.50	
04/02/2025	CCA	Prepare narrative on conditional use issues, zoning history, and nonconforming use	1.00	\$450	450.00	
04/02/2025	EMR	Exchange emails with J. Torres re availability for her upcoming deposition.	0.20	\$325	65.00	
04/02/2025	EMR	Exchange emails with K. Macuil re her team's deposition availability.	0.20	\$325	65.00	
04/02/2025	IG	Confer with C. Artigue regarding, among other things, discovery and trial strategy.	0.40	\$325	130.00	

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 05/21/2025

RE: Gethsemani Baptist Church

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Fees					
Date	Atty	Description	Hours	Rate	Amount
04/02/2025	TR	Communication with First Legal regarding e-discovery platform Relativity, quote and processing data, up to 100gb's of data.	0.40	\$225	90.00
04/03/2025	CCA	Prepare strategy for trial schedule	0.40	\$450	180.00
04/03/2025	CCA	Revise timeline re zoning and NCU issues	0.40	\$450	180.00
04/03/2025	EMR	Assess need to move trial date to early 2026.	0.20	\$325	65.00
04/03/2025	EMR	Evaluate deposition schedule and sequencing for forthcoming May depositions of City employees.	0.20	\$325	65.00
04/03/2025	EMR	Exchange multiple emails with K. Macuil re forthcoming City employee depositions.	0.30	\$325	97.50
04/03/2025	EMR	Draft objections to Plaintiff's Written Discovery.	2.10	\$325	682.50
04/03/2025	IG	Confer with team re: using Relativity platform for purposes of reviewing emails provided by City of San Luis.	0.20	\$325	65.00
04/03/2025	IG	Prepare for and participate in meeting with City employee D. Zepeda and city attorney.	0.90	\$325	292.50
04/03/2025	IG	Review correspondence from K. Macuil and opposing counsel re: depositions and determine dates for rescheduling depositions of J. Torres and A. Gomez.	0.30	\$325	97.50
04/03/2025	TR	Communicate with First Legal regarding quote for e-Discovery services in this matter.	0.30	\$225	67.50
04/04/2025	CCA	Prepare outline of motion for summary judgment and insert cases	2.20	\$450	990.00
04/04/2025	EMR	Draft email to K. Macuil re outline of costs for conducting e-discovery using First Legal.	0.50	\$325	162.50
04/04/2025	EMR	Exchange emails with K. Macuil re engaging First Legal to conduct e-discovery.	0.20	\$325	65.00
04/04/2025	EMR	Draft email to R. Gardner re scheduling of forthcoming City employee depositions.	0.20	\$325	65.00
04/04/2025	EMR	Exchange multiple emails with K. Macuil re retention of First Legal for assistance with e-discovery.	0.30	\$325	97.50
04/04/2025	EMR	Continue to draft Defendant's Responses to Plaintiff's Written Discovery.	0.90	\$325	292.50
04/04/2025	IG	Email Plaintiff's counsel re: deposition scheduling.	0.20	\$325	65.00
04/04/2025	IG	Begin reviewing documents provided by client in preparation for disclosing in response to requests for production.	0.40	\$325	130.00
04/07/2025	CCA	Prepare motion for summary judgment on RLUIPA claim	1.70	\$450	765.00

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 05/21/2025

RE: Gethsemani Baptist Church

Invoice Number 337403

ID MMV 12990-0002

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Fees

Date	Atty	Description	Hours	Rate	Amount
04/07/2025	EMR	Review proposed Service Agreement between City and First Legal re e-discovery.	0.30	\$325	97.50
04/07/2025	EMR	Discussion with I. Gonzalez and C. Artigue re strategy for September trial and forthcoming motion practice.	0.50	\$325	162.50
04/07/2025	IG	Confer with T. Roa and E. Russell re: discovery responses and e-discovery issues.	0.50	\$325	162.50
04/07/2025	IG	Confer with C. Artigue and E. Russell re: litigation strategy and discovery.	0.50	\$325	162.50
04/07/2025	IG	Determine potential issues to address in supplemental disclosure statement.	0.30	\$325	97.50
04/07/2025	IG	Microsoft Teams meeting with City of San Luis staff and First Legal re: e-discovery.	0.70	\$325	227.50
04/07/2025	TR	Participate in multiple communications with First Legal and the City of San Luis regarding collection, processing and production of data.	1.40	\$225	315.00
04/08/2025	CCA	Add new cases on commercial activity to MSJ	1.00	\$450	450.00
04/08/2025	CCA	Prepare Guzman declaration	0.50	\$450	225.00
04/08/2025	EMR	Review notes from K. Macuil re proper 30(b)(6) City deponents by topic.	0.20	\$325	65.00
04/08/2025	EMR	Review prior engagements with First Legal to determine whether any material changes were made to agreement between City and First Legal.	0.20	\$325	65.00
04/08/2025	EMR	Review choice of law provisions to include in agreement with First Legal and assess benefits of Arizona versus California.	0.20	\$325	65.00
04/08/2025	EMR	Continue to draft Defendant's Responses to Plaintiff's Written Discovery.	1.30	\$325	422.50
04/08/2025	IG	Send email to R. Gardner re: deposition scheduling and related issues.	0.30	\$325	97.50
04/08/2025	IG	Send email to B. Olsen re: retaining Spanish interpreters in Yuma County.	0.20	\$325	65.00
04/08/2025	IG	Exchange emails with E. Russell and team re: document review.	0.40	\$325	130.00
04/08/2025	IG	Send emails to K. Macuil and her legal team re: City's 30(b)(6) witness subpoena designees.	0.40	\$325	130.00
04/08/2025	IG	Send emails to K. Macuil and her team re: retaining First Legal to assist with e-discovery.	0.20	\$325	65.00

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 05/21/2025

RE: Gethsemani Baptist Church

Invoice Number 337403

ID MMV 12990-0002

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Fees

Date	Atty	Description	Hours	Rate	Amount
04/08/2025	IG	Confer with E. Russel and T. Roa regarding, among other things, document review and responses to Plaintiff's discovery requests.	0.50	\$325	162.50
04/08/2025	IG	Review documents provided by client to assist with discovery responses.	0.80	\$325	260.00
04/08/2025	IG	Phone call with K. Macuil and her team regarding, among other things, responding to Plaintiff's requests for production.	0.50	\$325	162.50
04/08/2025	TR	Begin to download and analyze the first 5 folders of data received from the client (approx. 19gb's of data), review for responsiveness to discovery requests and create summary of the contents.	6.40	\$225	1,440.00
04/09/2025	CCA	Research re history of nonprofit law on religious and commercial activities and incorporation into RLUIPA	1.00	\$450	450.00
04/09/2025	EMR	Review revised agreement between First Legal and City.	0.20	\$325	65.00
04/09/2025	EMR	Review renewed listed of potential 30(b)(6) City deponents sent by K. Macuil.	0.20	\$325	65.00
04/09/2025	EMR	Exchange emails with R. Rivera of First Legal re organization of files in Relativity.	0.20	\$325	65.00
04/09/2025	EMR	Review Pastor Castro's Facebook video describing the expansion of his Food Ministry over the years.	0.50	\$325	162.50
04/09/2025	EMR	Finalize draft of Defendant's Responses to Plaintiff's Non-Uniform Interrogatories.	0.90	\$325	292.50
04/09/2025	EMR	Finalize Draft Response to Plaintiff's Requests for Production.	2.40	\$325	780.00
04/09/2025	IG	Review and modify responses to Plaintiff's first set of interrogatories and requests for production.	2.10	\$325	682.50
04/09/2025	IG	Send emails to team and K. Macuil re: document production.	0.30	\$325	97.50
04/09/2025	IG	Confer with T. Roa re: document production strategy.	0.20	\$325	65.00
04/09/2025	IG	Confer with E. Russell re: edits to responses to Plaintiff's interrogatories and requests for production.	0.30	\$325	97.50
04/09/2025	TR	Work with First Legal to load relevant data from first 5 folders into the platforms for review.	0.60	\$225	135.00
04/09/2025	TR	Continue to analyze the first set of data received from the client that has been loaded into Relativity for responsive and create issue tags to match each RFP number.	5.20	\$225	1,170.00
04/10/2025	CCA	Review interrogatory answers	0.80	\$450	360.00

Gammage & Burnham

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Fees					
Date	Atty	Description	Hours	Rate	Amount
04/10/2025	CCA	Prepare Guzman timeline on nonconforming use issues	0.80	\$450	360.00
04/10/2025	EMR	Review draft Interrogatory Verification of J. Torres before finalizing the same.	0.20	\$325	65.00
04/10/2025	EMR	Revise Defendant's Response to Plaintiff's First Set of Interrogatories to incorporate changes from C. C. Artigue.	0.80	\$325	260.00
04/10/2025	EMR	Review and analysis of documents produced by the City to evaluate whether they should be disclosed in Defendant's Response to Plaintiff's First Set of Discovery requests.	1.30	\$325	422.50
04/10/2025	EMR	Continue to review documents potentially responsive to Plaintiff's First Set of Written Discovery.	0.80	\$325	260.00
04/10/2025	IG	Phone call with K. Macuil, J. Torres, and C. Artigue re: trial continuance, discovery, and general strategy.	0.60	\$325	195.00
04/10/2025	IG	Review and modify responses to Plaintiff's first set of interrogatories.	2.60	\$325	845.00
04/10/2025	IG	Review and modify J. Torres verification to responses to Plaintiff's first set of interrogatories.	0.20	\$325	65.00
04/10/2025	IG	Send emails to R. Gardner re: discovery and scheduling meeting.	0.20	\$325	65.00
04/10/2025	IG	Send email to K. Macuil re: responses to Plaintiff's first set of interrogatories.	0.20	\$325	65.00
04/10/2025	IG	Confer with E. Russell and T. Roa re: discovery responses and document review.	0.50	\$325	162.50
04/10/2025	IG	Review thousands of pages of documents provided by client in preparation for disclosure.	2.90	\$325	942.50
04/10/2025	IG	Confer with C. Artigue re: trial continuance and discovery.	0.20	\$325	65.00
04/10/2025	TR	Continue to analyze the first set of data received from the client that has been loaded into Relativity for responsive to discovery requests.	4.60	\$225	1,035.00
04/11/2025	EMR	Telephone call with Plaintiff's counsel re discovery and potential continuance of trial.	0.50	\$325	162.50
04/11/2025	EMR	Review numerous emails from R. Rivera of First Legal re format of production.	0.20	\$325	65.00
04/11/2025	EMR	Review document outlining all relevant citations issued by City police and assess responsiveness to Plaintiff's written discovery.	0.40	\$325	130.00
04/11/2025	EMR	Review draft Declaration of J. Guzman.	0.30	\$325	97.50

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Fees					
Date	Atty	Description	Hours	Rate	Amount
04/11/2025	EMR	Review Defendant's finalized discovery responses before serving the same.	0.60	\$325	195.00
04/11/2025	EMR	Review documents tagged for disclosure and ensure they're tagged responsive to the correct requests.	0.70	\$325	227.50
04/11/2025	EMR	Finalize Defendant's responses to Plaintiff's written discovery.	0.70	\$325	227.50
04/11/2025	EMR	Review Yuma Food Bank agreement with City circulated by K. Macuil.	0.20	\$325	65.00
04/11/2025	EMR	Exchange emails with K. Macuil re J. Torres's signed verification.	0.20	\$325	65.00
04/11/2025	EMR	Update document tracking spreadsheet to reflect responsiveness of various documents to be produced by City.	0.30	\$325	97.50
04/11/2025	IG	Review documents provided by client requiring redactions and send email to team re: the same.	0.30	\$325	97.50
04/11/2025	IG	Send emails to R. Gardner re: today's meeting.	0.20	\$325	65.00
04/11/2025	IG	Prepare for today's phone call with Plaintiff's counsel by reviewing court orders and email correspondence and confer with E. Russell.	0.40	\$325	130.00
04/11/2025	IG	Microsoft Teams meeting with Plaintiff's counsel and E. Russell re: trial continuance and discovery.	0.50	\$325	162.50
04/11/2025	IG	Review and modify draft interrogatory responses.	1.50	\$325	487.50
04/11/2025	IG	Review and modify draft request for production responses.	1.50	\$325	487.50
04/11/2025	IG	Finalize review of thousands of pages of documents in preparation for production.	1.60	\$325	520.00
04/11/2025	IG	Exchanges emails with Gammage & Burnham team and confer with the same in preparation for finalizing document production.	0.40	\$325	130.00
04/11/2025	TR	Begin review and analyzing data received in Folder 2 from the client, this data is in the ECA platform and consists of 76 zip files that were collected during a request for public records, run key word search terms and create list of terms to eliminate data that is not needed..	2.10	\$225	472.50
04/11/2025	TR	Continue to tag for responsiveness, redact where needed and create report to attached to RFP responses.	3.90	\$225	877.50
04/14/2025	EMR	Draft Supplemental Disclosure Statement to include witnesses interviewed to date.	1.10	\$325	357.50
04/14/2025	EMR	Draft Notice of Service of Responses to Written Discovery.	0.30	\$325	97.50

Gammage & Burnham

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Fees

Date	Atty	Description	Hours	Rate	Amount
04/14/2025	EMR	Draft Notice of Service of Deposition Notices on Plaintiff.	0.30	\$325	97.50
04/14/2025	EMR	Draft Notice of Service of First Supplemental Disclosure Statement.	0.30	\$325	97.50
04/14/2025	IG	Confer with team regarding, among other things, upcoming document production, trial strategy, and witness interviews.	0.30	\$325	97.50
04/14/2025	IG	Exchange emails with First Legal and F. Corona re: document production and Relativity.	0.30	\$325	97.50
04/14/2025	IG	Review and modify draft list of search terms re: upcoming document production.	0.40	\$325	130.00
04/14/2025	IG	Review and modify notice of service of discovery responses.	0.20	\$325	65.00
04/14/2025	IG	Send emails to K. Macuil re: supplemental disclosure statement.	0.40	\$325	130.00
04/14/2025	IG	Review and modify Defendant's draft supplemental disclosure statement and review Plaintiff's initial disclosure statement.	0.50	\$325	162.50
04/14/2025	IG	Review communications between City of San Luis and First Legal.	0.10	\$325	32.50
04/15/2025	CCA	Review emails re witness threats	0.30	\$450	135.00
04/15/2025	CCA	Prepare MSJ	1.00	\$450	450.00
04/15/2025	EMR	Review emails from K. Macuil re potential harassment of Church neighbors by Church employees.	0.20	\$325	65.00
04/15/2025	EMR	Discussion with I. Gonzalez re strategy moving forward with disclosure of email records.	0.20	\$325	65.00
04/15/2025	IG	Call with K. Macuil regarding, among other things, neighbor harassment issues, discovery responses, and general background.	1.10	\$325	357.50
04/15/2025	IG	Send email to C. Artigue and E. Russell re: alleged harassment of Church's neighbors and potential next steps.	0.20	\$325	65.00
04/15/2025	IG	Begin drafting motion to continue trial and related declarations.	1.70	\$325	552.50
04/15/2025	TR	Evaluate quote from First Legal and participate in negotiations with First Legal regarding the same.	0.60	\$225	135.00
04/15/2025	TR	Work with First Legal to identify the list of custodians in Folder 2.	0.80	\$225	180.00
04/16/2025	IG	Review and modify Motion to Continue Trial and I. Gonzalez and C. Artigue declarations.	1.10	\$325	357.50

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Date	Atty	Description	Hours	Rate	Amount
04/16/2025	IG	Confer with C. Artigue regarding, among other things, alleged harassment, trial continuance, and discovery.	0.40	\$325	130.00
04/16/2025	IG	Send email to opposing counsel re: trial continuance.	0.40	\$325	130.00
04/16/2025	IG	Begin preparing litigation budget.	0.80	\$325	260.00
04/16/2025	IG	Review Plaintiff's document production to determine next round of written discovery.	0.70	\$325	227.50
04/16/2025	TR	Work with First Legal to determine the stats related to how much data is in both the ECA platform and the review platform.	0.60	\$225	135.00
04/17/2025	EMR	Review draft Stipulated Motion to Continue Trial.	0.30	\$325	97.50
04/17/2025	EMR	Review finalized list of search terms for e-discovery.	0.20	\$325	65.00
04/17/2025	EMR	Review additional details from K. Macuil re potential harassment of Church neighbors by Church employees.	0.20	\$325	65.00
04/17/2025	EMR	Revise list of search terms to ensure responsive documents will be flagged during e-discovery.	0.40	\$325	130.00
04/17/2025	IG	Phone call with C. Artigue regarding, among other things, trial continuance and alleged harassment.	0.30	\$325	97.50
04/17/2025	IG	Continue preparing litigation budget.	0.50	\$325	162.50
04/17/2025	IG	Send emails to R. Gardner re: trial continuance.	0.60	\$325	195.00
04/17/2025	IG	Review and modify motion for trial continuance and declarations of I. Gonzalez and C. Artigue.	1.50	\$325	487.50
04/17/2025	IG	Review and modify document production search terms and confer with T. Roa re: the same.	0.40	\$325	130.00
04/17/2025	IG	Send email to C. Artigue and E. Russell re: Church's alleged harassment of neighbors.	0.20	\$325	65.00
04/17/2025	IG	Phone call with K. Macuil re: alleged harassment and trial continuance.	0.40	\$325	130.00
04/17/2025	TR	Begin to analyze the new data (all email from the client) to create list of keywords or search terms.	1.40	\$225	315.00
04/18/2025	CCA	Sign declaration and review motion to continue trial	0.30	\$450	135.00
04/18/2025	CCA	Legal research re witness harassment and admissibility of admission by conduct	0.50	\$450	225.00
04/18/2025	EMR	Review draft Order granting Motion to Continue Trial.	0.20	\$325	65.00
04/18/2025	EMR	Review and assess impact of lawsuit against City of Tempe re permit requirement to feed homeless people in a public park.	0.30	\$325	97.50

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Fees					
Date	Atty	Description	Hours	Rate	Amount
04/18/2025	IG	Send emails to opposing counsel re: motion to continue trial.	0.20	\$325	65.00
04/18/2025	IG	Phone calls with R. Gardner re: motion to continue trial.	0.20	\$325	65.00
04/18/2025	IG	Review and modify motion to continue trial, I. Gonzalez declaration, and proposed order.	1.10	\$325	357.50
04/18/2025	IG	Send email to First Legal re: document production.	0.10	\$325	32.50
04/18/2025	RKM	Review case background and legal issues.	4.90	\$450	2,205.00
04/20/2025	EMR	Review email sent by City Police Chief to City Police Department re ongoing lawsuit.	0.20	\$325	65.00
04/21/2025	EMR	Review Police Report re possible harassment of Church neighbors by Church employees.	0.20	\$325	65.00
04/21/2025	EMR	Review and analysis of Plaintiff's Responses to Defendant's First Set of Written Discovery.	1.40	\$325	455.00
04/21/2025	EMR	Review documents produced by Plaintiff as responsive to Defendant's First Set of Requests for Production.	0.80	\$325	260.00
04/21/2025	EMR	Discussion re strategy moving forward with anticipated increase in discovery review.	0.50	\$325	162.50
04/21/2025	IG	Confer with team re: reviewing and producing voluminous documents uploaded to Relativity.	0.20	\$325	65.00
04/21/2025	IG	Confer with T. Roa regarding, among other things, search terms to use for upcoming document production.	0.30	\$325	97.50
04/21/2025	IG	Send emails to team re: document review and alleged harassment incident.	0.30	\$325	97.50
04/21/2025	IG	Send emails to K. Macuil re: alleged harassment incident.	0.20	\$325	65.00
04/21/2025	IG	Review and modify list of search terms re: document production.	0.50	\$325	162.50
04/21/2025	IG	Confer with T. Roa re: document review and production.	0.40	\$325	130.00
04/21/2025	IG	Confer with R. Mahrle regarding, among other things, discovery strategy.	0.50	\$325	162.50
04/21/2025	IG	Begin reviewing documents provided by client in preparation for document production.	1.00	\$325	325.00
04/21/2025	IG	Begin reviewing Plaintiff's discovery responses.	0.50	\$325	162.50
04/21/2025	RKM	Continue review of background materials. Outline issues. Strategy conference with C. C. Artigue.	2.60	\$450	1,170.00
04/21/2025	TR	Continue to evaluate data in the ECA platform (1.6 million documents); evaluate key search term list.	1.30	\$225	292.50

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Fees					
Date	Atty	Description	Hours	Rate	Amount
04/22/2025	EMR	Review Judge Snow's Order setting Scheduling Conference.	0.20	\$325	65.00
04/22/2025	IG	Review and modify litigation budget.	0.20	\$325	65.00
04/22/2025	IG	Confer with T. Roa re: next steps as it pertains to document review.	0.30	\$325	97.50
04/22/2025	IG	Send email to J. Torres re: deposition.	0.20	\$325	65.00
04/22/2025	IG	Review documents in case file and analyze next steps as it pertains to scheduling depositions and potential witnesses to depose.	0.50	\$325	162.50
04/22/2025	IG	Confer with R. Mahrle re: litigation strategy.	0.30	\$325	97.50
04/22/2025	IG	Review documents in preparation for disclosure.	0.90	\$325	292.50
04/22/2025	RKM	Consult on discovery issues.	0.50	\$450	225.00
04/22/2025	TR	Work with First Legal regarding search term report, results from the ECA platform and evaluate if the results included the proper custodians (note: First Legal had a corrupt file from Documents Folder 2 that they are resolving and will update results).	1.30	\$225	292.50
04/23/2025	EMR	Review Internal Revenue Service website for 501(c)(3) filings by Plaintiff.	0.40	\$325	130.00
04/23/2025	EMR	Discussion with I. Gonzalez re Plaintiff's discovery responses and their impact on case strategy moving forward.	0.30	\$325	97.50
04/23/2025	IG	Confer with R. Mahrle regarding, among other things, discovery strategy and document review.	0.30	\$325	97.50
04/23/2025	IG	Confer with E. Russell and T. Roa re: document review.	0.40	\$325	130.00
04/23/2025	IG	Review Church's responses to City's discovery requests and determine potential issues to address.	1.10	\$325	357.50
04/23/2025	IG	Send emails to K. Macuil and J. Torres.	0.30	\$325	97.50
04/23/2025	IG	Review hundreds of emails, for responsiveness and privilege, in preparation for production.	3.20	\$325	1,040.00
04/23/2025	IG	Review and modify litigation budget.	0.50	\$325	162.50
04/23/2025	IG	Review and modify litigation update to City Council and Acting City Manager and send to K. Macuil.	0.40	\$325	130.00
04/23/2025	RKM	Work on budget. Continue review of background of case. Start review of plaintiff's discovery responses.	1.40	\$450	630.00

Gammage & Burnham

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Fees					
Date	Atty	Description	Hours	Rate	Amount
04/23/2025	TR	Continue to work with First Legal regarding search terms for data and layout of platform for review, work within Relativity to review batches of documents and run various queries related to discovery requests.	1.40	\$225	315.00
04/24/2025	CCA	Prepare for and call with City Manager and City Attorney re status and budget	1.00	\$450	450.00
04/24/2025	IG	Phone calls with potential witnesses re: case status and disclosure statement.	0.60	\$325	195.00
04/24/2025	IG	Prepare plan for deposition scheduling in May.	0.50	\$325	162.50
04/24/2025	IG	Begin research re: legislative privilege in preparation for objecting to deposition of Mayor Riedel.	0.50	\$325	162.50
04/24/2025	IG	Review hundreds of emails and documents, for responsiveness and privilege, in preparation for production.	2.60	\$325	845.00
04/24/2025	IG	Phone call with K. Macuil, J. Torres, R. Mahrle, and C. Artigue.	0.80	\$325	260.00
04/24/2025	RKM	Continue review of the Church's discovery responses. Prep for meeting with City Attorney. Conference call with City Attorney.	1.90	\$450	855.00
04/25/2025	EMR	Review and mark responsive email documents for forthcoming disclosure.	1.90	\$325	617.50
04/25/2025	EMR	Discussion with I. Gonzalez re process for evaluating potentially relevant email documents from City.	0.20	\$325	65.00
04/25/2025	IG	Send email to opposing counsel re: depositions.	0.40	\$325	130.00
04/25/2025	IG	Confer with E. Russell re: document review and depositions.	0.20	\$325	65.00
04/25/2025	IG	Review law re: objecting to subpoena based on privilege.	0.40	\$325	130.00
04/25/2025	IG	Send emails to K. Macuil re: meeting with Torreses.	0.20	\$325	65.00
04/25/2025	IG	Phone calls with witnesses O. Padilla and G. Castillo.	0.40	\$325	130.00
04/25/2025	IG	Draft letter objecting to Mayor Riedel's deposition.	1.80	\$325	585.00
04/25/2025	IG	Continue reviewing documents in preparation for disclosure.	2.50	\$325	812.50
04/25/2025	RKM	Revise objection letter. Confer with I. Gonzalez re document production issues.	0.30	\$450	135.00
04/26/2025	IG	Review hundreds of documents in preparation for disclosure.	4.20	\$325	1,365.00
04/27/2025	EMR	Continue to review and mark responsive email documents for forthcoming disclosure.	3.90	\$325	1,267.50

Gammage & Burnham

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Fees

Date	Atty	Description	Hours	Rate	Amount
04/27/2025	IG	Review hundreds of documents in preparation for disclosure.	3.30	\$325	1,072.50
04/28/2025	CCA	Prepare budget and email client re same	0.70	\$450	315.00
04/28/2025	EMR	Continue to review and mark responsive email documents for forthcoming disclosure.	2.50	\$325	812.50
04/28/2025	EMR	Discussion with I. Gonzalez re continued review of potentially responsive email documents from the City.	0.20	\$325	65.00
04/28/2025	EMR	Exchange multiple emails with R. Rivera of First Legal re document retention following review.	0.30	\$325	97.50
04/28/2025	IG	Continue reviewing documents in preparation for disclosure.	1.40	\$325	455.00
04/28/2025	IG	Review case file to determine next round of written discovery requests.	0.50	\$325	162.50
04/29/2025	CCA	Prepare letter to First Liberty re objections to discovery requests	1.50	\$450	675.00
04/29/2025	EMR	Review draft letter to R. Gardner re Plaintiff's deficient discovery responses.	0.20	\$325	65.00
04/29/2025	EMR	Continue to review and mark responsive email documents for forthcoming disclosure.	2.10	\$325	682.50
04/29/2025	EMR	Revise Defendant's Second Set of Written Discovery.	0.50	\$325	162.50
04/29/2025	IG	Exchange emails with team re: discovery dispute and settlement.	0.30	\$325	97.50
04/29/2025	IG	Phone call with R. Gardner re: discovery and settlement.	0.40	\$325	130.00
04/29/2025	IG	Draft second set of interrogatories and requests for production.	1.50	\$325	487.50
04/29/2025	IG	Review and modify letter to R. Gardner re: religious privilege objections to Defendant's discovery requests.	0.50	\$325	162.50
04/29/2025	IG	Review and modify second set of interrogatories and requests for production.	0.40	\$325	130.00
04/29/2025	IG	Review hundreds of documents in preparation for production.	1.40	\$325	455.00
04/29/2025	IG	Send emails to R. Gardner re: discovery and scheduling call.	0.30	\$325	97.50
04/29/2025	RKM	Review draft of letter related to discovery issues.	0.10	\$450	45.00
04/30/2025	CCA	Prepare MSJ on equal terms argument of RLUIPA	1.40	\$450	630.00
04/30/2025	EMR	Continue to review and mark responsive email documents for forthcoming disclosure.	6.50	\$325	2,112.50

Gammage & Burnham

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Fees					
Date	Atty	Description	Hours	Rate	Amount
04/30/2025	IG	Review and modify supplemental disclosure statement.	0.80	\$325	260.00
04/30/2025	IG	Review and modify notice of service of discovery and disclosure statement.	0.30	\$325	97.50
04/30/2025	IG	Confer with R. Mahrle re: discovery and settlement.	0.20	\$325	65.00
04/30/2025	IG	Confer with team re: document review.	0.30	\$325	97.50
04/30/2025	IG	Review thousands of documents in preparation for disclosure.	4.30	\$325	1,397.50
04/30/2025	IG	Send emails to K. Macuil re: depositions and settlement.	0.30	\$325	97.50
04/30/2025	RKM	Finish review of initial discovery responses from the church. Continue evaluation of defenses, legal responses.	2.00	\$450	900.00
04/30/2025	TR	Run query related to documents marked responsive in preparation for supplemental disclosure statement.	0.30	\$225	67.50
04/30/2025	TR	Communicate with First Legal regarding archiving data.	0.30	\$225	67.50

Total Fees 194.20 63,737.50

Timekeeper		Hours	Rate	Amount
CCA	Artigue, Cameron C.	17.60	450.00	7,920.00
IG	Gonzalez, Ivan	82.60	325.00	26,845.00
RKM	Mahrle, Richard K.	13.70	450.00	6,165.00
TR	Roa, Traci	32.90	225.00	7,402.50
EMR	Russell, Evan M	47.40	325.00	15,405.00
Total Fees				\$63,737.50

Discount - \$33,737.50

Total Current Charges \$30,000.00

4/10/2025 Previous balance \$24,577.50

04/25/2025 Payment - Thank you, Check # 111821 -\$24,577.50

Net Balance Forward \$0.00

Total Balance Due	\$30,000.00
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**GAMMAGE
&
BURNHAM**

Attorneys at Law

City of San Luis
Kay Macuil (kmacuil@sanluisaz.gov)
San Luis City Attorney
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FEDERAL TAX ID 86-0450146

June 30, 2025

Invoice 338446

ID: MMV 12990-0002

RE: Gethsemani Baptist Church

COPY

For Services Rendered Through: May 31, 2025

Previous Balance	\$30,000.00
Payments	-\$30,000.00
Balance Forward	\$0.00
Current Fees	\$36,957.50
Current Expenses	\$3,715.05
Discount	-\$10,672.55
Total Current Charges	\$30,000.00
Total Due	\$30,000.00

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
Pay online via credit card (3% service charge) – <https://www.gblaw.com/online-payments/>
Pay via Zelle - payments@gblaw.com (or scan QR code in your banking app)



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Gammage & Burnham

CLIENT: City of San Luis

RE: Gethsemani Baptist Church

ID MMV 12990-0002

Invoice Date 06/30/2025

Invoice Number 338446

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Fees					
Date	Atty	Description	Hours	Rate	Amount
05/01/2025	IG	Confer with R. Mahrle re: settlement and general litigation strategy.	0.40	\$325	130.00
05/01/2025	IG	Zoom meeting with K. Macuil and Torreses re: recent incident involving church and nuisance issue.	1.30	\$325	422.50
05/01/2025	IG	Determine potential matters to address in supplemental disclosure statement including lay witnesses.	0.50	\$325	162.50
05/01/2025	IG	Review hundreds of documents provided by client in preparation for disclosure.	3.30	\$325	1,072.50
05/01/2025	IG	Send email to K. Macuil re: settlement.	0.20	\$325	65.00
05/01/2025	RKM	Continue evaluation of defenses. Consult with I. Gonzalez.	1.50	\$450	675.00
05/02/2025	CCA	Prepare motion for summary judgment on equal terms claim	1.40	\$450	630.00
05/02/2025	CCA	Review new cases on RLUIPA	0.80	\$450	360.00
05/02/2025	IG	Confer with R. Mahrle re: scheduling conference and litigation strategy.	0.30	\$325	97.50
05/02/2025	IG	Participate in scheduling conference.	0.30	\$325	97.50
05/02/2025	IG	Send email to K. Macuil re: scheduling conference.	0.10	\$325	32.50
05/02/2025	IG	Confer with C. Artigue re: scheduling conference and discovery.	0.20	\$325	65.00
05/02/2025	IG	Send emails to R. Gardner re: discovery.	0.30	\$325	97.50
05/02/2025	IG	Confer with E. Russell and T. Roa re: document production.	0.50	\$325	162.50
05/02/2025	IG	Exchange emails with E. Russell and T. Roa re: document production.	0.40	\$325	130.00
05/02/2025	IG	Phone call with K. Macuil re: settlement and general strategy.	0.70	\$325	227.50
05/02/2025	IG	Review hundreds of document in preparation for disclosure.	2.30	\$325	747.50

Gammage & Burnham

CLIENT: City of San Luis

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RE: Gethsemani Baptist Church

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Fees

Date	Atty	Description	Hours	Rate	Amount
05/02/2025	RKM	Prep for conference with Court. Continue evaluation of defenses. Trial setting conference.	4.00	\$450	1,800.00
05/04/2025	IG	Review thousands of documents in preparation for disclosure.	5.50	\$325	1,787.50
05/04/2025	RKM	Emails from client re burglary and DOJ issues. Continual evaluation of legal basis for defenses.	2.00	\$450	900.00
05/05/2025	IG	Review hundreds of documents in preparation for disclosure.	1.20	\$325	390.00
05/05/2025	IG	Confer with R. Mahrle re: litigation strategy and settlement.	0.40	\$325	130.00
05/05/2025	IG	Send email to K. Macuil re: settlement.	0.20	\$325	65.00
05/05/2025	RKM	Review court's order setting the trial. Strategy conference.	0.70	\$450	315.00
05/05/2025	TR	Make second pass review for responsiveness, privilege and redactions for batches 2, 4, 5, 12, and 10 approx. 5,000 documents, and work with First Legal to finalize Prod002.	4.80	\$225	1,080.00
05/06/2025	IG	Send emails to K. Macuil re: settlement and discovery.	0.30	\$325	97.50
05/06/2025	IG	Prepare second supplemental disclosure statement.	0.70	\$325	227.50
05/06/2025	IG	Confer with team regarding documents to be produced today and review documents.	0.70	\$325	227.50
05/06/2025	IG	Send email to opposing counsel re: discovery.	0.20	\$325	65.00
05/06/2025	RKM	Confer with I. Gonzalez re witness disclosure.	0.10	\$450	45.00
05/06/2025	TR	Review data and run search terms for specific documents requested by the team.	0.80	\$225	180.00
05/06/2025	TR	Finalize review of second set of documents for inconsistencies in tagging and prepare for Prod002 to go out today.	1.60	\$225	360.00
05/07/2025	IG	Phone call with R. Gardner.	0.40	\$325	130.00
05/07/2025	IG	Review Plaintiff's discovery responses and objections to determine next steps in discovery.	1.10	\$325	357.50
05/07/2025	IG	Review RLUIPA law to assist with trial preparation.	1.40	\$325	455.00
05/07/2025	IG	Zoom meeting with client.	0.60	\$325	195.00
05/07/2025	IG	Confer with R. Mahrle re: litigation strategy and settlement.	0.40	\$325	130.00
05/07/2025	RKM	Evaluate attorneys fees issue. Prep for conference with client. Conference call with client rep. Follow-up email.	2.40	\$450	1,080.00
05/07/2025	TR	Make second pass review for responsiveness, privilege and redactions for batches 6, 7, 10, 11, 14, 25 and those items in Folder 6 and Folder 7 (approx. 6,000 documents)	3.20	\$225	720.00

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 06/30/2025

RE: Gethsemani Baptist Church

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Fees					
Date	Atty	Description	Hours	Rate	Amount
05/07/2025	TR	Receive and review new documents from client (Folder 7), make arrangements to have them added to Relativity and tag them as responsive in preparation for upcoming production.	0.70	\$225	157.50
05/08/2025	IG	Phone call with Judge Snow's chambers re: settlement conference.	0.10	\$325	32.50
05/08/2025	IG	Review hundreds of documents in preparation for disclosure.	1.00	\$325	325.00
05/08/2025	IG	Draft stipulation to extend unexpired deadlines and proposed order.	1.60	\$325	520.00
05/08/2025	IG	Send R. Gardner emails re: settlement.	0.20	\$325	65.00
05/08/2025	TR	Continue review and run queries relate to batches 6, 7, 10, 11, 14, 25 and those items in Folder 6 and Folder 7 in preparation for 3rd production.	3.60	\$225	810.00
05/09/2025	IG	Review and modify stipulation to extend unexpired deadlines and related proposed order.	0.80	\$325	260.00
05/09/2025	IG	Review thousands of documents in preparation for disclosure.	2.20	\$325	715.00
05/09/2025	IG	Send email to R. Gardner re: stipulation to extend unexpired deadlines and related proposed order.	0.20	\$325	65.00
05/09/2025	TR	Work with First Legal to finalize PROD003 to include responsive documents from batches 6, 7, 10, 11, 14, 25 and those items in Folder 6 and Folder 7.	3.10	\$225	697.50
05/12/2025	IG	Finalize stipulation to extend unexpired deadlines and related proposed order.	0.30	\$325	97.50
05/12/2025	IG	Confer with R. Mahrle re: settlement and discovery.	0.20	\$325	65.00
05/12/2025	IG	Send email to K. Macuil re: mediation.	0.20	\$325	65.00
05/12/2025	IG	Review documents in case file to determine potential questions re: M. Castro's deposition.	0.30	\$325	97.50
05/12/2025	IG	Send emails to R. Gardner re: stipulation to extend unexpired deadlines and discovery dispute.	0.30	\$325	97.50
05/12/2025	RKM	Discuss settlement conference issues.	0.10	\$450	45.00
05/13/2025	IG	Develop strategy as it pertains to mediation with particular focus on mediator selection, timing, and obtaining council approval.	0.30	\$325	97.50
05/13/2025	IG	Phone call with K. Macuil.	0.40	\$325	130.00
05/13/2025	IG	Review profiles of potential mediators.	0.30	\$325	97.50

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 06/30/2025

RE: Gethsemani Baptist Church

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Fees					
Date	Atty	Description	Hours	Rate	Amount
05/14/2025	IG	Phone call with K. Macuil.	0.10	\$325	32.50
05/14/2025	IG	Send email to K. Macuil re: mediation.	0.20	\$325	65.00
05/14/2025	IG	Send email to R. Gardner re: mediation.	0.20	\$325	65.00
05/14/2025	IG	Review next steps re: mediation with particular focus on timing, possible terms, and approval process.	0.40	\$325	130.00
05/15/2025	IG	Confer with T. Roa re: document disclosure and review next steps as it pertains to mediation.	0.30	\$325	97.50
05/15/2025	IG	Send emails to R. Gardner, Judge Albrecht, and K. Macuil re: mediation.	0.40	\$325	130.00
05/16/2025	IG	Send emails to K. Macuil re: mediation.	0.20	\$325	65.00
05/16/2025	IG	Begin drafting mediation memorandum.	0.30	\$325	97.50
05/16/2025	IG	Review documents provided by Judge Albrecht re: upcoming mediation.	0.20	\$325	65.00
05/16/2025	IG	Confer with R. Marhle re: mediation strategy.	0.30	\$325	97.50
05/16/2025	RKM	Start outline for mediation memo.	0.50	\$450	225.00
05/16/2025	TR	Draft data input/output log to track all incoming and outgoing data.	0.40	\$225	90.00
05/19/2025	IG	Phone call with K. Macuil.	0.40	\$325	130.00
05/19/2025	IG	Send emails to K. Macuil and R. Mahrle re: mediation.	0.20	\$325	65.00
05/19/2025	IG	Confer with R. Mahrle re: mediation strategy.	0.20	\$325	65.00
05/19/2025	IG	Continue drafting mediation memorandum.	1.10	\$325	357.50
05/20/2025	IG	Review applicable law to assist with drafting mediation memo legal background section.	1.50	\$325	487.50
05/20/2025	IG	Begin drafting mediation memo legal background section.	1.60	\$325	520.00
05/21/2025	IG	Draft mediation memorandum introduction, prior settlement discussions, anticipated outcome at trial, and additional information sections.	2.20	\$325	715.00
05/21/2025	IG	Draft mediation memorandum factual background section.	2.10	\$325	682.50
05/21/2025	IG	Draft mediation memorandum legal background section and modify factual background.	2.90	\$325	942.50
05/21/2025	IG	Microsoft Teams meeting with K. Macuil, J. Torres, and J. Guzman.	0.60	\$325	195.00
05/21/2025	IG	Attend City Council meeting.	0.90	\$325	292.50
05/21/2025	RKM	Prepare for meeting with the City re settlement discussions. Review proposed conditions. Meet with town officials on strategy. Meet with City Council.	1.80	\$450	810.00

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 06/30/2025

RE: Gethsemani Baptist Church

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						Fees
Date	Atty	Description	Hours	Rate	Amount	
05/22/2025	IG	Phone calls with K. Macuil.	0.40	\$325	130.00	
05/22/2025	IG	Confer with R. Mahrle re: mediation memo and mediation strategy.	0.30	\$325	97.50	
05/22/2025	IG	Prepare mediation memorandum exhibits with particular focus on photographs demonstrating nuisance created by Food Ministry.	1.50	\$325	487.50	
05/22/2025	IG	Modify mediation memorandum to incorporate edits from R. Mahrle and K. Macuil, and strengthen factual and legal background sections.	1.90	\$325	617.50	
05/22/2025	RKM	Revise draft of mediation memo.	0.60	\$450	270.00	
05/23/2025	IG	Send email to K. Macuil and J. Torres re: mediation memorandum.	0.10	\$325	32.50	
05/23/2025	IG	Send email to Judge Albrecht re: mediation.	0.10	\$325	32.50	
05/23/2025	IG	Send emails to R. Gardner re: mediation and discovery response extension.	0.20	\$325	65.00	
05/23/2025	IG	Send emails and calendar invites to City mediation attendees re: mediation.	0.10	\$325	32.50	
05/23/2025	IG	Confer with T. Roa re: document case file maintenance and next disclosure of documents.	0.20	\$325	65.00	
05/23/2025	IG	Prepare talking points for upcoming mediation.	0.40	\$325	130.00	
05/24/2025	RKM	Review emails re possible alternative sites.	0.10	\$450	45.00	
05/27/2025	IG	Prepare for mediation by reviewing mediation memorandum, pleadings, and other disclosures.	0.60	\$325	195.00	
05/27/2025	IG	Participate in mediation.	4.40	\$325	1,430.00	
05/27/2025	IG	Confer with R. Marhle re: mediation and send email to K. Macuil regarding the same.	0.20	\$325	65.00	
05/27/2025	IG	Review hundreds of documents in preparation for disclosure.	1.00	\$325	325.00	
05/27/2025	IG	Review email from K. Macuil re: Pastor Castro potentially disclosing confidential mediation communications to media and analyze next steps.	0.30	\$325	97.50	
05/27/2025	RKM	Prep for mediation. Mediation.	5.00	\$450	2,250.00	
05/28/2025	IG	Send email to K. Macuil re: Plaintiff's potential disclosure of confidential mediation communications.	0.10	\$325	32.50	
05/28/2025	IG	Confer with R. Mahrle re: next steps in litigation with particular focus on settlement.	0.20	\$325	65.00	

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 06/30/2025

RE: Gethsemani Baptist Church

Invoice Number 338446

ID MMV 12990-0002

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Fees

Date	Atty	Description	Hours	Rate	Amount
05/28/2025	IG	Continue reviewing documents in preparation for disclosure.	0.30	\$325	97.50
05/28/2025	RKM	Research re laches and waiver argument against the City.	3.20	\$450	1,440.00
05/28/2025	TR	Continue to review documents in First Legal database for responsiveness and provide shared link to Ivan for review of most recent production.	1.40	\$225	315.00
05/29/2025	IG	Confer with R. Mahrle re: dispute as it pertains to Church's financial documents and information.	0.20	\$325	65.00
05/29/2025	IG	Review Plaintiff's responses to discovery requests, correspondence between the parties, and applicable law to determine strategy as it pertains to discovery dispute re: Plaintiff's production of Church's financial documents and information.	1.40	\$325	455.00
05/29/2025	RKM	Review proposed discovery stipulations.	0.20	\$450	90.00
05/29/2025	TR	Organize all productions that have been made to date and provide saved search from Relativity to Ivan for review of the most recently prepared production.	1.40	\$225	315.00
05/30/2025	IG	Send emails to K. Macuil re: depositions and sending letter to Church to discuss issues with Food Ministry.	0.30	\$325	97.50
05/30/2025	IG	Send email to R. Gardner re: scheduling depositions.	0.20	\$325	65.00
05/30/2025	IG	Review client emails and documents re: issues to discuss with Church as it pertains to Food Ministry.	0.30	\$325	97.50
05/30/2025	IG	Draft letter for Church re: issues to discuss as it pertains to Food Ministry.	1.40	\$325	455.00
05/30/2025	RKM	Work on issues letter to send to the church.	0.50	\$450	225.00
Total Fees			110.60		36,957.50

Disbursements

Date	Description	Amount
05/21/2025	Express Mail; FedEx - Express Mail - G&B IG to Rebecca A. Albrecht - Delivered 5/22/2025	28.71
05/01/2025	Online research; Thomson Reuters - West - Online research - April Searches - Richard Mahrle	86.34
05/15/2025	Arbitrators/mediators; BOWMAN AND BROOKE, LLP - Arbitrators/mediators - Gethsemani Baptist Church v. City of San Luis Private Mediation	3,600.00
Total Disbursements		3,715.05

Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

Invoice Date 06/30/2025
Invoice Number 338446
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Timekeeper	Hours	Rate	Amount	
CCA Artigue, Cameron C.	2.20	450.00	990.00	
IG Gonzalez, Ivan	64.70	325.00	21,027.50	
RKM Mahrle, Richard K.	22.70	450.00	10,215.00	
TR Roa, Traci	21.00	225.00	4,725.00	
Total Fees			\$36,957.50	
Total Disbursements			3,715.05	
Discount			-\$10,672.55	
Total Current Charges				\$30,000.00
5/21/2025 Previous balance			\$30,000.00	
06/10/2025 Payment - Thank you, Check # 112230			-\$30,000.00	
Net Balance Forward				\$0.00
Total Balance Due				\$30,000.00

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FEDERAL TAX ID 86-0450146

July 25, 2025

Invoice 339639

ID: MMV 12990-0002
RE: Gethsemani Baptist Church

For Services Rendered Through: June 30, 2025

Previous Balance	\$30,000.00
Payments	-\$30,000.00
Balance Forward	\$0.00
Current Fees	\$55,367.50
Current Expenses	\$1,172.78
Total Current Charges	\$56,540.28
Total Due	\$56,540.28

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
Pay online via credit card (3% service charge) – <https://www.gblaw.com/online-payments/>
Pay via Zelle - payments@gblaw.com (or scan QR code in your banking app)



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Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

Invoice Date 07/25/2025
Invoice Number 339639
Page 2

				Fees		
Date	Atty	Description	Hours	Rate	Amount	
06/02/2025	IG	Review and modify letter to R. Gardner re: Food Ministry discussion.	1.10	\$325	357.50	
06/02/2025	IG	Send emails to K. Macuil re: letter to Church pertaining to discussion with Church pertaining to issues with Food Ministry.	0.10	\$325	32.50	
06/02/2025	IG	Confer with R. Mahrle re: depositions and settlement discussions with Church.	0.20	\$325	65.00	
06/02/2025	RKM	Comment on letter outlining issues. Confer re depositions.	0.30	\$450	135.00	
06/03/2025	EMR	Continue to review emails and documents in advance of production of the same.	1.40	\$325	455.00	
06/03/2025	IG	Finalize deposition notices re: J. Castro and N. Castro.	0.20	\$325	65.00	
06/03/2025	IG	Analyze next steps in litigation with particular focus on depositions, discovery disputes, and settlement and confer with R. Mahrle re: the same.	0.40	\$325	130.00	
06/03/2025	IG	Send emails to K. Macuil re: depositions.	0.20	\$325	65.00	
06/04/2025	EMR	Continue to review emails and documents in advance of production of the same.	1.80	\$325	585.00	
06/04/2025	IG	Confer with C. Artigue and R. Mahrle re: discovery and summary judgment strategy.	0.40	\$325	130.00	
06/04/2025	IG	Send email to R. Gardner re: document production discovery dispute.	0.20	\$325	65.00	
06/04/2025	IG	Review law re: legislative privilege.	0.70	\$325	227.50	
06/04/2025	IG	Phone call with K. Macuil re: Mayor Reidel's deposition.	0.30	\$325	97.50	
06/04/2025	IG	Send email to K. Macuil re: Mayor Reidel's deposition.	0.10	\$325	32.50	
06/04/2025	IG	Develop strategy re: Mayor Reidel's deposition.	0.30	\$325	97.50	
06/04/2025	RKM	Confer about strategy re MPSJ and depositions.	0.20	\$450	90.00	
06/05/2025	EMR	Continue to review emails and documents in advance of production of the same.	1.80	\$325	585.00	

Gammage & Burnham

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Invoice Date 07/25/2025
 Invoice Number 339639
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Fees

Date	Atty	Description	Hours	Rate	Amount
06/05/2025	IG	Send emails to R. Gardner re: discovery dispute.	0.20	\$325	65.00
06/06/2025	IG	Review correspondence and discovery responses in preparation for meet and confer with opposing counsel.	0.30	\$325	97.50
06/06/2025	IG	Phone call with opposing counsel regarding, among other things, settlement and discovery disputes.	0.60	\$325	195.00
06/06/2025	IG	Analyze next step re: discovery disputes and confer with R. Mahrle re: the same.	0.40	\$325	130.00
06/06/2025	RKM	Confer with I. Gonzalez re status.	0.40	\$450	180.00
06/09/2025	IG	Send emails to opposing counsel re: issues with Church's responses to second set of discovery requests.	0.20	\$325	65.00
06/09/2025	IG	Confer with R. Mahrle re: settlement and litigation strategy.	0.30	\$325	97.50
06/09/2025	IG	Confer with team re: technical issues with reviewing Church's responses to second set of discovery requests.	0.20	\$325	65.00
06/09/2025	IG	Continue reviewing Church's responses to second set of discovery requests and review items for potential disclosure.	0.50	\$325	162.50
06/09/2025	IG	Begin reviewing Church's responses to City's second set of discovery requests.	0.60	\$325	195.00
06/09/2025	TR	Receive and review Plaintiff's responses to second set of discovery, download video and discuss download issues.	0.40	\$225	90.00
06/10/2025	IG	Send email to R. Gardner re: discovery dispute and deposition of Mayor Riedel.	0.30	\$325	97.50
06/10/2025	IG	Confer with R. Mahrle re: discovery dispute and deposition of Mayor Reidel.	0.10	\$325	32.50
06/10/2025	IG	Send emails to K. Macuil re: deposition of Mayor Reidel.	0.10	\$325	32.50
06/10/2025	IG	Review items for potential disclosure.	0.20	\$325	65.00
06/10/2025	TR	Continue to review remaining documents for responsiveness, privilege and issue tagging.	1.60	\$225	360.00
06/10/2025	TR	Review Relativity regarding error message and communicate with First Legal regarding the same (Note: there was an issue with the ECA archive and First Legal will correct the issue so the errors will no longer appear)	0.40	\$225	90.00
06/11/2025	CCA	Prepare questions for deposition of pastor Castro	0.80	\$450	360.00
06/11/2025	IG	Confer with C. Artigue and R. Mahrle regarding, among other things, settlement and general strategy.	0.50	\$325	162.50
06/11/2025	IG	Send email to opposing counsel re: discovery dispute.	0.20	\$325	65.00
06/11/2025	IG	Send email to K. Macuil re: settlement.	0.20	\$325	65.00

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 07/25/2025

RE: Gethsemani Baptist Church

Invoice Number 339639

ID MMV 12990-0002

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Fees

Date	Atty	Description	Hours	Rate	Amount
06/11/2025	IG	Analyze next steps in litigation with particular focus on arguments for discovery dispute conference and settlement strategy.	0.60	\$325	195.00
06/11/2025	IG	Phone call with K. Macuil regarding, among other things, settlement.	0.50	\$325	162.50
06/11/2025	RKM	Start work on preparing for Pastor's deposition.	0.80	\$450	360.00
06/12/2025	IG	Phone call with opposing counsel re: discovery dispute and other items.	0.40	\$325	130.00
06/12/2025	IG	Review law re: 1st Amendment religious privilege to prepare for discovery dispute teleconference.	1.50	\$325	487.50
06/12/2025	IG	Send emails to court re: discovery dispute teleconference.	0.30	\$325	97.50
06/12/2025	IG	Confer with team re: deposition preparations.	0.30	\$325	97.50
06/12/2025	IG	Review disclosures and discovery responses to prepare for upcoming depositions of M. Castro and N. Castro.	1.10	\$325	357.50
06/12/2025	RKM	Review email re Castro's land purchase.	0.10	\$450	45.00
06/12/2025	TR	Continue to review remaining documents for responsiveness, privilege and issue tagging and work with First Legal regarding the processing of SANLUIS003.	1.40	\$225	315.00
06/13/2025	IG	Send email to opposing counsel re: interpreter selection.	0.20	\$325	65.00
06/13/2025	IG	Correspond with staff re: retaining interpreter for Castros depositions.	0.10	\$325	32.50
06/13/2025	IG	Begin preparing outline for discovery dispute telephone conference.	0.40	\$325	130.00
06/13/2025	IG	Send emails to K. Macuil and R. Mahrle re: settlement discussion.	0.20	\$325	65.00
06/16/2025	IG	Phone call with R. Gardner re: discovery dispute.	0.20	\$325	65.00
06/16/2025	IG	Send email to K. Macuil re: settlement discussion and phone call re: the same.	0.20	\$325	65.00
06/16/2025	IG	Draft discovery dispute joint report.	1.50	\$325	487.50
06/16/2025	IG	Review and modify third supplemental disclosure statement.	0.30	\$325	97.50
06/16/2025	IG	Review and modify outline for discovery dispute telephone conference.	0.50	\$325	162.50
06/16/2025	IG	Review thousands of documents in preparation for disclosure.	4.70	\$325	1,527.50
06/16/2025	IG	Confer with R. Mahrle re: discovery dispute strategy.	0.20	\$325	65.00
06/16/2025	RKM	Start prep for plaintiff depositions.	4.50	\$450	2,025.00

Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

Invoice Date 07/25/2025
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Fees					
Date	Atty	Description	Hours	Rate	Amount
06/17/2025	CCA	Prepare for and call with City Attorney and City Manager re settlement points and strategy	0.60	\$450	270.00
06/17/2025	IG	Microsoft Teams meeting with J. Torres, K. Macuil, and attorneys.	0.90	\$325	292.50
06/17/2025	IG	Draft Joint Statement re: Discovery Dispute.	0.70	\$325	227.50
06/17/2025	IG	Review and modify third supplemental disclosure statement.	0.30	\$325	97.50
06/17/2025	IG	Confer with R. Mahrle re: discovery dispute conference strategy.	0.30	\$325	97.50
06/17/2025	RKM	Work on draft of joint statement of discovery dispute. Continue prep for Pastor Castro's deposition. Conference call with client.	5.70	\$450	2,565.00
06/17/2025	TR	Edit supplemental disclosure statement and finalize production.	1.00	\$225	225.00
06/17/2025	TR	Continue to review remaining documents for responsiveness, privilege and issue tagging.	1.50	\$225	337.50
06/18/2025	IG	Prepare and rehearse arguments for today's discovery dispute conference.	2.10	\$325	682.50
06/18/2025	IG	Participate in discovery dispute conference.	0.40	\$325	130.00
06/18/2025	IG	Send email to opposing counsel re: discovery dispute.	0.20	\$325	65.00
06/18/2025	IG	Send email to opposing counsel re: discovery dispute.	0.20	\$325	65.00
06/18/2025	IG	Send email to K. Macuil re: trip to San Luis, depositions, and discovery dispute victory.	0.40	\$325	130.00
06/18/2025	IG	Confer with team re: status of deposition interpreter and court reporter.	0.20	\$325	65.00
06/18/2025	IG	Review and modify notice of disclosure.	0.20	\$325	65.00
06/18/2025	IG	Send email to B. Olsen re: interpreters in Yuma County.	0.20	\$325	65.00
06/18/2025	IG	Confer with R. Mahrle re: various issues including discovery dispute victory, depositions, and discovery.	0.50	\$325	162.50
06/18/2025	IG	Review voluminous documents in preparation for disclosure.	1.00	\$325	325.00
06/18/2025	RKM	Continue prep for Pastor Castro's depo. Call with the Court.	5.70	\$450	2,565.00
06/18/2025	TR	Continue to review remaining documents for responsiveness, privilege and issue tagging with focus on batch 24 (approx. 1,000 documents)	1.70	\$225	382.50
06/19/2025	IG	Send email to K. Macuil re: upcoming depositions.	0.20	\$325	65.00

Gammage & Burnham

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Fees

Date	Atty	Description	Hours	Rate	Amount
06/19/2025	IG	Confer with R. Mahrle and staff re: upcoming depositions of J. Castro and N. Castro.	0.30	\$325	97.50
06/19/2025	RKM	Continue prep for pastor's depo.	1.70	\$450	765.00
06/19/2025	TR	Run various searches for documents tagged as Hot, download, organize and print those that have been produced for review in preparation for upcoming depositions, and prepare for production those documents that have not been produced and tagged as Hot.	3.30	\$225	742.50
06/20/2025	IG	Send email to K. Macuil re: court report issue.	0.10	\$325	32.50
06/20/2025	IG	Confer with R. Mahrle re: deposition and discovery strategy.	0.20	\$325	65.00
06/20/2025	IG	Send emails to R. Mahrle re: document disclosure.	0.20	\$325	65.00
06/20/2025	IG	Send email to R. Gardner re: deposition scheduling and protective order.	0.30	\$325	97.50
06/20/2025	RKM	Continue prep for Pastor's deposition. Conference with I. Gonzalez re issues to raise during deposition and scheduling issues.	1.60	\$450	720.00
06/20/2025	TR	Work on family conflict within document set for those being prepared for production, provide detailed instructions to First Legal to finalize production, draft fourth supplemental disclosure statement.	1.70	\$225	382.50
06/20/2025	TR	Continue to review remaining documents for responsiveness, privilege and issue tagging.	1.40	\$225	315.00
06/22/2025	IG	Send email to K. Macuil re: deposition scheduling.	0.10	\$325	32.50
06/22/2025	IG	Review thousands of documents in preparation for disclosure.	6.50	\$325	2,112.50
06/22/2025	RKM	Review new documents to be produced. Separate out those needed for Pastor's depo. Continue prep for Pastor's depositions.	3.50	\$450	1,575.00
06/23/2025	IG	Confer with T. Roa re: document disclosure strategy.	0.30	\$325	97.50
06/23/2025	IG	Confer with R. Marhle re: deposition strategy.	0.40	\$325	130.00
06/23/2025	IG	Review voluminous documents in preparation for disclosure.	2.10	\$325	682.50
06/23/2025	IG	Review documents in case file to assist with N. Castro's deposition preparation.	1.80	\$325	585.00
06/23/2025	IG	Send email to K. Macuil re: deposition preparation.	0.20	\$325	65.00
06/23/2025	RKM	Continue prep for Pastor Castro's depo. Consult with I. Gonzalez on discovery issues.	1.90	\$450	855.00

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Fees					
Date	Atty	Description	Hours	Rate	Amount
06/23/2025	TR	Assist with identifying and organizing key documents in preparation for upcoming depositions this week.	2.40	\$225	540.00
06/23/2025	TR	Work with First Legal to finalize document production for our Fourth Supplemental Disclosure Statement.	1.00	\$225	225.00
06/23/2025	TR	Edit and finalize fourth supplemental disclosure statement and provide links to production to all parties.	0.40	\$225	90.00
06/23/2025	TR	Create multiple saved searched in Relativity related to those documents that need further review and those remaining to be produced.	0.80	\$225	180.00
06/24/2025	IG	Call with R. Gardner re: protective order.	0.30	\$325	97.50
06/24/2025	IG	Send email to R. Gardner re: protective order.	0.30	\$325	97.50
06/24/2025	IG	Confer with R. Mahrle re: protective order.	0.40	\$325	130.00
06/24/2025	IG	Exchange emails with R. Mahrle re: protective order.	0.30	\$325	97.50
06/24/2025	IG	Review draft protective order.	0.50	\$325	162.50
06/24/2025	IG	Send email to K. Macuil re: depositions.	0.30	\$325	97.50
06/24/2025	IG	Review disclosures and discovery responses in preparation for N. Castro's deposition.	2.10	\$325	682.50
06/24/2025	IG	Draft N. Castro's deposition outline.	4.30	\$325	1,397.50
06/24/2025	RKM	Review proposed protective order. Conference with I. Gonzalez.	0.30	\$450	135.00
06/25/2025	IG	Review modified protective order and send email to R. Gardner re: the same.	0.40	\$325	130.00
06/25/2025	IG	Confer with R. Marhle re: N. Castro deposition strategy.	0.40	\$325	130.00
06/25/2025	IG	Review documents in case file and finalize N. Castro deposition exhibits.	1.00	\$325	325.00
06/25/2025	IG	Review voluminous documents in preparation for disclosure.	1.10	\$325	357.50
06/25/2025	IG	Finalize N. Castro deposition outline.	2.50	\$325	812.50
06/25/2025	IG	Travel to San Luis for depositions and visit key sites.	4.20	\$325	1,365.00
06/25/2025	RKM	Emails re marking of deposition exhibits. Continue depo prep. Travel to San Luis. Evaluate church property.	8.70	\$450	3,915.00
06/26/2025	IG	Finalize N. Castro deposition outline.	0.50	\$325	162.50
06/26/2025	IG	Attend deposition of J. Castro, take deposition of N. Castro, and meeting with K. Macuil and J. Torres	9.60	\$325	3,120.00
06/26/2025	RKM	Castro deposition in San Luis. Meet with clients.	9.70	\$450	4,365.00
06/27/2025	IG	Travel from Yuma to Phoenix.	3.00	\$325	975.00

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RE: Gethsemani Baptist Church

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Fees

Date	Atty	Description	Hours	Rate	Amount
06/27/2025	IG	Email court reporter re: deposition exhibits.	0.10	\$325	32.50
06/27/2025	RKM	Return from San Luis depositions.	2.90	\$450	1,305.00
06/30/2025	IG	Confer with R. Mahrle re: deposition strategy.	0.30	\$325	97.50
06/30/2025	IG	Send calendar invites to several City of San Luis employees re: upcoming depositions.	0.30	\$325	97.50
06/30/2025	IG	Send emails to K. Macuil re: depositions.	0.20	\$325	65.00
06/30/2025	IG	Send email to A. Guevara and J. Campa re: upcoming depositions.	0.20	\$325	65.00
06/30/2025	IG	Review documents and pleadings to prepare A. Gomez, A. Guevara, and J. Campa for depositions.	1.50	\$325	487.50
06/30/2025	IG	Review thousands of documents in preparation for disclosure.	2.70	\$325	877.50
06/30/2025	RKM	Start depo prep outlines with focus on the Mayor.	3.40	\$450	1,530.00
Total Fees			155.90		55,367.50

Disbursements

Date	Description	Amount
06/27/2025	Translation; Patrick Brandlin - Translation - Interpreter/Translator - Depositions of Jose Miguel Castro and Maria Noemi Castro - Mileage - Per Diem	910.40
06/01/2025	Online research; Thomson Reuters - West - Online research - May Searches - Richard Mahrle	35.13
06/18/2025	Photocopy Expense	3 @ 0.25 0.75
06/20/2025	Photocopy Expense	95 @ 0.25 23.75
06/20/2025	Photocopy Expense- Color	177 @ 0.35 61.95
06/22/2025	Photocopy Expense	6 @ 0.25 1.50
06/22/2025	Photocopy Expense	3 @ 0.25 0.75
06/23/2025	Photocopy Expense	1 @ 0.25 0.25
06/25/2025	Photocopy Expense	18 @ 0.25 4.50
06/25/2025	Photocopy Expense	12 @ 0.25 3.00
06/25/2025	Photocopy Expense	1 @ 0.25 0.25
06/25/2025	Photocopy Expense- Color	14 @ 0.35 4.90
06/25/2025	Photocopy Expense- Color	4 @ 0.35 1.40
06/25/2025	Photocopy Expense- Color	10 @ 0.35 3.50
06/25/2025	Photocopy Expense- Color	6 @ 0.35 2.10
06/25/2025	Photocopy Expense- Color	4 @ 0.35 1.40
06/25/2025	Photocopy Expense- Color	8 @ 0.35 2.80
06/25/2025	Photocopy Expense- Color	2 @ 0.35 0.70
06/25/2025	Photocopy Expense- Color	4 @ 0.35 1.40

Gammage & Burnham

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 RE: Gethsemani Baptist Church
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Disbursements			
Date	Description		Amount
06/25/2025	Photocopy Expense- Color	22 @ 0.35	7.70
06/25/2025	Photocopy Expense- Color	24 @ 0.35	8.40
06/25/2025	Photocopy Expense- Color	42 @ 0.35	14.70
06/25/2025	Photocopy Expense- Color	4 @ 0.35	1.40
06/25/2025	Photocopy Expense- Color	4 @ 0.35	1.40
06/25/2025	Photocopy Expense- Color	3 @ 0.35	1.05
06/25/2025	Photocopy Expense- Color	20 @ 0.35	7.00
06/25/2025	Photocopy Expense- Color	5 @ 0.35	1.75
06/25/2025	Photocopy Expense- Color	5 @ 0.35	1.75
06/25/2025	Photocopy Expense- Color	5 @ 0.35	1.75
06/25/2025	Photocopy Expense- Color	10 @ 0.35	3.50
06/25/2025	Photocopy Expense- Color	5 @ 0.35	1.75
06/25/2025	Photocopy Expense- Color	5 @ 0.35	1.75
06/25/2025	Photocopy Expense- Color	5 @ 0.35	1.75
06/25/2025	Photocopy Expense- Color	20 @ 0.35	7.00
06/25/2025	Photocopy Expense- Color	5 @ 0.35	1.75
06/25/2025	Photocopy Expense- Color	5 @ 0.35	1.75
06/25/2025	Photocopy Expense- Color	5 @ 0.35	1.75
06/25/2025	Photocopy Expense- Color	55 @ 0.35	19.25
06/25/2025	Photocopy Expense- Color	52 @ 0.35	18.20
06/25/2025	Photocopy Expense- Color	20 @ 0.35	7.00
Total Disbursements			1,172.78

Timekeeper		Hours	Rate	Amount
CCA	Artigue, Cameron C.	1.40	450.00	630.00
IG	Gonzalez, Ivan	79.10	325.00	25,707.50
RKM	Mahrle, Richard K.	51.40	450.00	23,130.00
TR	Roa, Traci	19.00	225.00	4,275.00
EMR	Russell, Evan M	5.00	325.00	1,625.00
Total Fees				\$55,367.50
Total Disbursements				1,172.78

Total Current Charges **\$56,540.28**

6/30/2025	Previous balance	\$30,000.00
07/08/2025	Payment - Thank you, Check # 112493	-\$30,000.00

Net Balance Forward **\$0.00**

Total Balance Due **\$56,540.28**

COPY

City of San Luis
Kay Macuil (kmacuil@sanluisaz.gov)
San Luis City Attorney
Janet Taylor
jtaylor@sanluisaz.gov

**GAMMAGE
&
BURNHAM**
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40 NORTH CENTRAL AVENUE
20TH FLOOR
PHOENIX, ARIZONA 85004
TELEPHONE (602) 256-0566
FEDERAL TAX ID 86-0450146

September 2, 2025

Invoice 340260

*July
Services*

ID: MMV 12990-0002
RE: Gethsemani Baptist Church

For Services Rendered Through: July 31, 2025

Previous Balance	\$56,540.28
Payments	-\$56,540.28
Balance Forward	\$0.00
Current Fees	\$49,600.00
Current Expenses	\$754.54
Total Current Charges	\$50,354.54
Total Due	\$50,354.54

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
Pay online via credit card (3% service charge) – <https://www.gblaw.com/online-payments/>
Pay via Zelle - payments@gblaw.com (or scan QR code in your banking app)



Zelle

Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
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Date	Atty	Description	Hours	Rate	Amount
07/01/2025	IG	Microsoft Teams meeting with Mayor Reidel to prepare her for deposition.	1.50	\$450	675.00
07/01/2025	IG	Review voluminous documents in preparation for disclosure.	1.20	\$450	540.00
07/01/2025	IG	Review pleadings, disclosures, and discovery responses in preparation for meetings with A. Gomez and J. Guzman re: their upcoming depositions.	1.30	\$450	585.00
07/01/2025	IG	Send email to City staff re: Plaintiff's notice of Rule 30(b)(6) deposition.	0.20	\$450	90.00
07/01/2025	IG	Confer with R. Marhle re: deposition strategy.	0.30	\$450	135.00
07/01/2025	IG	Send email to O. Jenkins and Mayor Riedel re: the Mayor's upcoming deposition.	0.20	\$450	90.00
07/01/2025	RKM	Depo prep for Mayor. Work on Torres outline. Outline prep for Torres.	5.00	\$450	2,250.00
07/02/2025	IG	Review documents in case file to prepare A. Gomez for deposition.	1.80	\$325	585.00
07/02/2025	IG	Meeting with A. Gomez re: deposition.	1.80	\$325	585.00
07/02/2025	IG	Meeting with J. Torres re: deposition.	1.50	\$325	487.50
07/02/2025	IG	Meeting with J. Guzman re: deposition.	1.50	\$325	487.50
07/02/2025	IG	Phone call with K. Macuil.	0.30	\$325	97.50
07/02/2025	IG	Phone call with J. Campa re: 30(b)(6) deposition.	0.20	\$325	65.00
07/02/2025	IG	Send email to R. Gardner re: 30(b)(6) deposition.	0.30	\$325	97.50
07/02/2025	IG	Review and modify fifth supplemental disclosure statement and finalize document production.	0.40	\$325	130.00
07/02/2025	RKM	Continue depo prep. Attend part of Gomez depo prep. Emails with C. C. Artigue re legal issues. Conference I. Gonzalez re document production. Depo prep for Torres and Guzman.	5.20	\$450	2,340.00

Gammage & Burnham

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Fees					
Date	Atty	Description	Hours	Rate	Amount
07/02/2025	TR	Review final set of documents for production, create searches for those items tagged for redaction and perform redactions.	1.40	\$225	315.00
07/02/2025	TR	Create saved searches for any inconsistent tagging, review documents within that search to correct inconsistencies, prepare search for PROD005 and work with First Legal to finalize production.	1.30	\$225	292.50
07/03/2025	IG	Review disclosures, discovery responses, and City codes in preparation for A. Guevara's deposition.	1.80	\$325	585.00
07/03/2025	IG	Meeting with A. Guevara re: deposition.	1.80	\$325	585.00
07/03/2025	IG	Confer with R. Mahrle re: litigation strategy.	0.20	\$325	65.00
07/03/2025	RKM	Depo prep for Guevara.	2.20	\$450	990.00
07/04/2025	JAF	research the doctrine of legislative privilege as it relates to oral testimony	0.50	\$225	112.50
07/04/2025	JAF	research the doctrine of legislative privilege as it relates to written communications	0.70	\$225	157.50
07/07/2025	IG	Phone call with K. Macuil re: depositions.	0.30	\$325	97.50
07/07/2025	IG	Phone calls with A. Gomez and A. Guevara re: depositions.	0.10	\$325	32.50
07/07/2025	IG	Send emails to K. Macuil re: depositions and City of San Luis city council meeting.	0.10	\$325	32.50
07/07/2025	IG	Send emails to R. Gardner re: deposition scheduling.	0.20	\$325	65.00
07/07/2025	JAF	outline parameters for determining when an official act is considered to be legislative or administrative	1.20	\$225	270.00
07/07/2025	JAF	apply research to analyze issue of whether acts of enforcement of zoning laws are legislative or administrative	0.80	\$225	180.00
07/08/2025	IG	Determine next steps re: capturing Church and Pastor Castro's Facebook activity as it pertains to Facebook accounts and confer with T. Roa regarding the same.	0.20	\$325	65.00
07/08/2025	IG	Send email to R. Gardner re: deposition scheduling.	0.10	\$325	32.50
07/08/2025	IG	Send emails to K. Macuil and J. Torres re: aerial photos of Church and deposition scheduling.	0.20	\$325	65.00
07/08/2025	IG	Send email to R. Gardner re: deposition scheduling.	0.10	\$325	32.50
07/08/2025	JAF	catalog additional relevant and persuasive case law related to legislative privilege in the context of zoning enforcement actions	1.40	\$225	315.00
07/08/2025	RKM	Evaluate and report on church financials.	2.30	\$450	1,035.00

Gammage & Burnham

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Fees					
Date	Atty	Description	Hours	Rate	Amount
07/08/2025	TR	Review and evaluate emails for responsiveness in preparation for additional productions.	3.20	\$225	720.00
07/09/2025	IG	Phone call with K. Macuil and J. Torres re: settlement.	0.50	\$325	162.50
07/09/2025	IG	Confer with C. Artigue regarding, among other things, case and settlement strategy and depositions.	0.40	\$325	130.00
07/09/2025	IG	Phone call with K. Macuil and J. Guzman regarding, among other things, deposition scheduling, settlement strategy, and City Council meeting.	0.50	\$325	162.50
07/09/2025	IG	Send email to K. Macuil and J. Torres re: potential settlement terms and City Council meeting.	0.30	\$325	97.50
07/09/2025	IG	Review list of potential settlement terms provided by K. Macuil and City staff.	0.40	\$325	130.00
07/09/2025	IG	Phone call with R. Mahrle regarding, among other things, case and settlement strategy.	0.30	\$325	97.50
07/09/2025	IG	Attend City Council meeting.	1.60	\$325	520.00
07/09/2025	JAF	construct potential arguments for establishing how deposition testimony and internal communications might be protected from disclosure under legislative privilege	1.70	\$225	382.50
07/09/2025	RKM	Conference with I. Gonzalez re settlement options. Review settlement parameters being suggested by the City. Follow-up discussions with I. Gonzalez.	1.00	\$450	450.00
07/09/2025	TR	Review and evaluate emails for responsiveness in preparation for additional productions.	1.00	\$225	225.00
07/09/2025	TR	Follow-up with First Legal regarding collection of social media data.	0.30	\$225	67.50
07/10/2025	IG	Send email to R. Gardner re: deposition scheduling.	0.10	\$325	32.50
07/10/2025	IG	Draft letter to R. Gardner re: potential settlement.	4.50	\$325	1,462.50
07/10/2025	JAF	draft memorandum detailing research and arguments in furtherance of establishing legislative privilege for potential deposition testimony	1.60	\$225	360.00
07/10/2025	RKM	Review settlement parameters from City Council meeting. Telephone calls with I. Gonzalez. Review final calculation prepared by T. Roa. Revise draft of settlement letter.	1.40	\$450	630.00
07/10/2025	TR	Review and evaluate production from Plaintiff's related to its financial documents, create chart showing analysis regarding the same.	3.30	\$225	742.50
07/11/2025	CCA	Review terms of proposed settlement and edits to same	0.30	\$450	135.00
07/11/2025	CCA	Emails to and from City Attorney	0.20	\$450	90.00

Gammage & Burnham

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RE: Gethsemani Baptist Church

Invoice Number 340260

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Fees					
Date	Atty	Description	Hours	Rate	Amount
07/11/2025	IG	Phone call with K. Macuil re: settlement letter to Church and general litigation strategy.	0.40	\$325	130.00
07/11/2025	IG	Send email to R. Gardner re: deposition scheduling.	0.20	\$325	65.00
07/11/2025	IG	Send emails to K. Macuil re: deposition scheduling and settlement letter.	0.30	\$325	97.50
07/11/2025	IG	Send emails to N. Riedel, J. Torres, J. Guzman, A. Guevara, and A. Gomez re: depositions.	0.20	\$325	65.00
07/11/2025	IG	Review and modify settlement letter to Church.	1.10	\$325	357.50
07/14/2025	IG	Review Church business license documents provided by client.	0.20	\$325	65.00
07/14/2025	IG	Confer with staff re: disclosure of Church business license documents and aerial photographs.	0.20	\$325	65.00
07/14/2025	IG	Review legislative privilege memorandum in preparation for next week's depositions.	0.20	\$325	65.00
07/14/2025	TR	Review and evaluate documents for responsiveness in preparation for additional production and deposition preparation.	2.00	\$225	450.00
07/15/2025	IG	Review potential items to address before close of discovery and settlement strategy.	0.30	\$325	97.50
07/15/2025	IG	Confer with M. Vaz and C. Artigue re: settlement discussions.	0.40	\$325	130.00
07/15/2025	RKM	Conference with I. Gonzalez re strategy.	0.10	\$450	45.00
07/15/2025	TR	Review and evaluate emails for responsiveness in preparation for additional productions.	2.00	\$225	450.00
07/16/2025	CCA	Call with Kay Macuil re council meeting and settlement	0.50	\$450	225.00
07/16/2025	IG	Phone call with K. Macuil and C. Artigue re: settlement with particular focus on conditional use permit application process.	0.50	\$325	162.50
07/16/2025	IG	Phone calls with C. Artigue re: settlement strategy, City Council's authority as it pertains to settlement, and next steps.	0.80	\$325	260.00
07/16/2025	IG	Send emails to D. Peterson re: settlement.	0.20	\$325	65.00
07/16/2025	IG	Send email to K. Macuil re: Church's settlement term sheet.	0.30	\$325	97.50
07/16/2025	IG	Review Church's settlement term sheet.	0.40	\$325	130.00
07/16/2025	RKM	Review proposed terms sheet. Follow-up emails.	0.40	\$450	180.00
07/17/2025	CCA	Call with opposing counsel re settlement	0.50	\$450	225.00
07/17/2025	CCA	Outline response to term sheet and discuss settlement	0.40	\$450	180.00

Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

Invoice Date 09/02/2025
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Fees

Date	Atty	Description	Hours	Rate	Amount
07/17/2025	IG	Phone calls with C. Artigue and D. Peterson re: settlement.	0.90	\$325	292.50
07/17/2025	IG	Phone call with J. Torres and K. Macuil.	0.80	\$325	260.00
07/17/2025	IG	Send email to R. Marhle, C. Artigue, and M. Vaz re: settlement strategy.	0.20	\$450	90.00
07/17/2025	IG	Draft stipulation to extend unexpired deadlines and related proposed order.	1.80	\$450	810.00
07/17/2025	RKM	Emails re settlement terms.	0.30	\$450	135.00
07/18/2025	IG	Calls with D. Peterson re: deposition scheduling and settlement.	0.20	\$325	65.00
07/18/2025	IG	Review and modify Second Stipulation to Extend Unexpired Deadlines and related proposed order.	0.30	\$325	97.50
07/18/2025	IG	Exchange emails with R. Mahrle, C. Artigue, and M. Vaz re: settlement discussions and City Council executive session.	0.30	\$325	97.50
07/18/2025	IG	Send emails to Mayor Riedel, J. Torres, J. Guzman, A. Gomez, and A. Guevara re: deposition scheduling and case status.	0.40	\$325	130.00
07/20/2025	RKM	Email from Ms. Macuil re City Council request. Follow-up emails.	0.20	\$450	90.00
07/21/2025	IG	Exchange emails with R. Marhle, C. Artigue, and M. Vaz re: settlement strategy, discovery, and Court order denying stipulation to extend unexpired deadlines.	0.30	\$325	97.50
07/21/2025	IG	Send emails and text messages to D. Peterson and Church's attorneys re: discovery and settlement.	0.40	\$325	130.00
07/21/2025	IG	Phone calls with R. Mahrle re: discovery and settlement strategy.	0.30	\$325	97.50
07/21/2025	IG	Confer with M. Vaz and R. Mahrle re: discovery and settlement strategy.	0.30	\$325	97.50
07/21/2025	IG	Phone call with D. Peterson re: Court order denying stipulation to extend unexpired deadlines, discovery, and settlement.	0.20	\$325	65.00
07/21/2025	IG	Phone call with K. Macuil re: Court order denying stipulation to extend unexpired deadlines, depositions, and settlement.	0.20	\$325	65.00
07/21/2025	RKM	Confer with I. Gonzalez re discovery and settlement issues. Follow-up conference calls.	0.70	\$450	315.00
07/22/2025	IG	Send email to K. Macuil re: settlement conditions and next steps.	0.20	\$325	65.00

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 09/02/2025

RE: Gethsemani Baptist Church

Invoice Number 340260

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Fees

Date	Atty	Description	Hours	Rate	Amount
07/22/2025	IG	Send email to Mayor Riedel re: deposition scheduling.	0.10	\$325	32.50
07/22/2025	IG	Send emails to J. Torres, J. Guzman, A. Gomez, and A. Guevara re: deposition scheduling.	0.20	\$325	65.00
07/22/2025	IG	Send emails to J. Torres, K. Macuil, and J. Guzman re: settlement terms and next steps.	0.40	\$325	130.00
07/22/2025	IG	Review documents re: settlement terms from City and Church in preparation for drafting letter to Church.	0.50	\$325	162.50
07/22/2025	IG	Phone calls with K. Macuil re: discovery, settlement, and next steps.	0.60	\$325	195.00
07/22/2025	IG	Review letter from Church re: deposition scheduling and settlement.	0.10	\$325	32.50
07/22/2025	IG	Phone calls with D. Peterson and R. Gardner.	0.30	\$325	97.50
07/22/2025	IG	Confer with R. Mahrle re: settlement strategy.	0.20	\$325	65.00
07/22/2025	IG	Draft letter to Church re: settlement.	2.10	\$325	682.50
07/22/2025	IG	Exchange emails with R. Marhle and M. Vaz re: settlement status and negoations.	0.30	\$325	97.50
07/22/2025	RKM	Confer with I. Gonzalez re settlement approaches. Telephone call with I. Gonzalez re status.	0.50	\$450	225.00
07/23/2025	IG	Exchange emails with R. Mahrle and M. Vaz re: settlement response letter.	0.40	\$325	130.00
07/23/2025	IG	Prepare additional documents for disclosure and confer with T. Roa re: the same.	0.90	\$325	292.50
07/23/2025	IG	Review and modify settlement response letter.	1.00	\$325	325.00
07/23/2025	IG	Send emails to K. Macuil, J. Torres, J. Guzman and other City employees re: settlement response letter and deposition scheduling.	0.30	\$325	97.50
07/23/2025	RKM	Review City input and draft letter. Review and comment on final of letter to Church outlining settlement terms.	0.80	\$450	360.00
07/24/2025	IG	Review and modify settlement letter to Church.	1.40	\$450	630.00
07/24/2025	IG	Send emails to K. Macuil, J. Torres, and J. Guzman re: settlement discussions.	0.30	\$450	135.00
07/24/2025	IG	Exchange emails with R. Mahrle and M. Vaz re: settlement discussions.	0.30	\$450	135.00
07/24/2025	IG	Send emails to J. Torres and Mayor Riedel re: depositions.	0.20	\$450	90.00
07/24/2025	IG	Send email to R. Gardner re: deposition scheduling.	0.20	\$450	90.00
07/24/2025	IG	Review and modify supplemental disclosure statement.	0.30	\$450	135.00
07/24/2025	IG	Phone call with R. Mahrle re: settlement.	0.30	\$450	135.00

Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

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Fees

Date	Atty	Description	Hours	Rate	Amount
07/24/2025	RKM	Confer with I. Gonzalez re settlement strategy.	0.40	\$450	180.00
07/24/2025	TR	Review file and database to confirm we are producing all additional data for deadline of 7/25, have additional data added to Relativity database, draft supplemental disclosure statement.	1.50	\$225	337.50
07/25/2025	IG	Settlement meeting with Gethsemani Baptist Church.	4.20	\$325	1,365.00
07/25/2025	IG	Confer with R. Mahrle re: settlement discussions.	0.30	\$325	97.50
07/25/2025	IG	Prepare Fifth Supplemental Disclosure Statement and finalize document production.	0.80	\$325	260.00
07/25/2025	IG	Teleconference with J. Guzman, J. Torres, and K. Macuil	1.10	\$325	357.50
07/25/2025	RKM	Telephone calls with I. Gonzalez re settlement negotiations.	0.70	\$450	315.00
07/25/2025	TR	Identify additional documents to be disclosed and have them uploaded to the database, review and tag responsive photos and documents, work with First Legal to finalize production, edit and finalize supplemental disclosure statement.	2.70	\$225	607.50
07/28/2025	IG	Exchange emails with R. Mahrle, M. Vaz, and C. Artigue re: Church's new term sheet and next steps in settlement efforts.	0.40	\$325	130.00
07/28/2025	IG	Send emails K. Macuil, J. Torres, and J. Guzman re: Church's new term sheet.	0.40	\$325	130.00
07/28/2025	IG	Call with R. Mahrle re: Church's new settlement term sheet.	0.30	\$325	97.50
07/28/2025	IG	Send email to Church's attorneys re: Church property site inspecetion.	0.20	\$325	65.00
07/28/2025	IG	Make edits to Church's settlement term sheet and send email to K. Macuil, J. Torres, and J. Guzman re: the same.	1.60	\$325	520.00
07/28/2025	IG	Review Church's updated term sheet and prior versions of the same to advise client.	0.90	\$325	292.50
07/28/2025	RKM	Review church terms sheet and send comments. Follow-up emails. Conference call with I. Gonzalez.	0.90	\$450	405.00
07/29/2025	IG	Microsoft Teams meeting with K. Macuil, R. Mahrle, J. Torres, and J. Guzman re: settlement terms.	0.50	\$450	225.00
07/29/2025	IG	Microsoft Teams meeting with City staff, M. Castro, and Church attorneys re: settlement.	3.00	\$450	1,350.00
07/29/2025	IG	Exchange emails with R. Mahrle, M. Vaz, and C. Artigue re: settlement and City Council issues.	0.40	\$450	180.00
07/29/2025	IG	Send emails to K. Macuil and City staff re: settlement term.	0.30	\$450	135.00

Gammage & Burnham

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RE: Gethsemani Baptist Church

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Fees

Date	Atty	Description	Hours	Rate	Amount
07/29/2025	IG	Send email to R. Gardner re: deposition scheduling and discovery.	0.10	\$450	45.00
07/29/2025	IG	Phone calls with R. Mahrle re: settlement issues.	0.40	\$450	180.00
07/29/2025	IG	Phone calls with K. Macuil re: settlement and City Council issues.	0.60	\$450	270.00
07/29/2025	IG	Review Church's draft settlement term sheet.	0.40	\$450	180.00
07/29/2025	RKM	Review latest edition of the terms sheet. Confer with I. Gonzalez. Follow-up emails re conference with clients. Conference call with client reps. Settlement conference. Conference with our clients. Follow-up with I. Gonzalez.	2.80	\$450	1,260.00
07/30/2025	CCA	Comment on settlement drafts	0.70	\$450	315.00
07/30/2025	IG	Review documents and correspondence from client and modify draft settlement term sheet.	1.40	\$450	630.00
07/30/2025	IG	Phone calls with K. Macuil and other City employees re: settlement terms.	0.80	\$450	360.00
07/30/2025	IG	Calls with R. Mahrle re: settlement terms and next steps.	0.50	\$450	225.00
07/30/2025	IG	Calls with M. Vaz re: settlement terms and City Council meeting.	0.20	\$450	90.00
07/30/2025	IG	Send emails to Mayor Riedel, J. Torres, J. Guzman, A. Gomez, and A. Guevara re: deposition scheduling.	0.30	\$450	135.00
07/30/2025	IG	Modify draft settlement term sheet based on comments and edits from City staff.	0.90	\$450	405.00
07/30/2025	IG	Send email to Church's attorneys re: draft settlement term sheet.	0.20	\$450	90.00
07/30/2025	IG	Send communications to K. Macuil re: settlement term sheet and City Council meeting.	0.20	\$450	90.00
07/30/2025	IG	Review City's inspection report re: Church property.	0.30	\$450	135.00
07/30/2025	IG	Prepare for City Council meeting.	0.80	\$450	360.00
07/30/2025	IG	Attend and participate in City Council meeting.	2.30	\$450	1,035.00
07/30/2025	IG	Review Church's response to draft settlement term sheet and determine next steps in settlement.	0.20	\$450	90.00
07/30/2025	RKM	Review and comment on our revised terms sheet. Review property inspection report. Confer with I. Gonzalez re strategy.	1.40	\$450	630.00
07/31/2025	IG	Phone calls with R. Gardner re: settlement terms.	0.60	\$450	270.00
07/31/2025	IG	Several phone calls with K. Macuil and other members of City Staff.	1.50	\$450	675.00

Gammage & Burnham

CLIENT: City of San Luis
 RE: Gethsemani Baptist Church
 ID MMV 12990-0002

Invoice Date 09/02/2025
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Fees

Date	Atty	Description	Hours	Rate	Amount
07/31/2025	IG	Review Church's settlement term sheet counter.	0.40	\$450	180.00
07/31/2025	IG	Phone calls with R. Mahrle re: settlement term sheet and general settlement strategy.	0.90	\$450	405.00
07/31/2025	IG	Exchange emails with R. Mahrle and M. Vaz re: settlement term sheet and settlement generally.	0.20	\$450	90.00
07/31/2025	IG	Send emails to K. Macuil, J. Torres, and J. Guzman re: settlement term sheet and settlement generally.	0.30	\$450	135.00
07/31/2025	IG	Send email to R. Gardner re: settlement term sheet.	0.20	\$450	90.00
07/31/2025	IG	Draft updated settlement term sheet and send to Church's attorneys.	2.20	\$450	990.00
07/31/2025	RKM	Review latest proposal from the client. Strategy conferences with I. Gonzalez. Review and comment on revised terms sheet. Follow-up emails.	2.40	\$450	1,080.00
			Total Fees	137.30	49,600.00

Disbursements

Date	Description	Amount
07/01/2025	Out-of-town travel; RADISSON HOTEL - Out-of-town travel - Hotel Accomodations for IG in San Luis During Depositions	234.82
07/01/2025	Out-of-town travel; RADISSON HOTEL - Out-of-town travel - RKM Hotel Accommodations in San Luis During Depositions	234.82
07/08/2025	MILEAGE; Ivan Gonzalez - Mileage Reimbursement - Travel to/from San Luis for Depos	407 @ 0.70 284.90
Total Disbursements		754.54

Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

Invoice Date 09/02/2025
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Timekeeper	Hours	Rate	Amount	
CCA Artigue, Cameron C.	2.60	450.00	1,170.00	
JAF Flickinger, Jessica A.	7.90	225.00	1,777.50	
IG Gonzalez, Ivan	49.60	325.00	16,120.00	
IG Gonzalez, Ivan	29.80	450.00	13,410.00	
RKM Mahrle, Richard K.	28.70	450.00	12,915.00	
TR Roa, Traci	18.70	225.00	4,207.50	
Total Fees			\$49,600.00	
Total Disbursements			754.54	
Total Current Charges				\$50,354.54
7/25/2025 Previous balance			\$56,540.28	
08/05/2025 Payment - Thank you, Check # 112837			-\$56,540.28	
Net Balance Forward				\$0.00
Total Balance Due				\$50,354.54

**GAMMAGE
&
BURNHAM**

Attorneys at Law

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PHOENIX, ARIZONA 85004
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FEDERAL TAX ID 86-0450146

City of San Luis
Kay Macuil (kmacuil@sanluisaz.gov)
San Luis City Attorney
Janet Taylor
jtaylor@sanluisaz.gov

September 18, 2025

Invoice 341729

ID: MMV 12990-0002

RE: Gethsemani Baptist Church

August Services

For Services Rendered Through: August 31, 2025

Current Fees	\$8,685.00
Total Current Charges	\$8,685.00
Total Due	\$8,685.00

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
Pay online via credit card (3% service charge) – <https://www.gblaw.com/online-payments/>
Pay via Zelle - payments@gblaw.com (or scan QR code in your banking app)



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Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

Invoice Date 09/18/2025
Invoice Number 341729
Page 2

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/01/2025	IG	Phone calls with R. Gardner re: settlement terms.	0.80	\$450	360.00
08/01/2025	IG	Review and modify several drafts of settlement term sheet.	1.80	\$450	810.00
08/01/2025	IG	Send emails to K. Macuil and J. Torres re: settlement terms.	0.30	\$450	135.00
08/01/2025	IG	Exchange emails with R. Mahrle and M. Vaz re: settlement terms and City Council executive session.	0.40	\$450	180.00
08/01/2025	IG	Send emails to R. Gardner re: settlement terms.	0.30	\$450	135.00
08/01/2025	IG	Participate in City Council executive session.	0.50	\$450	225.00
08/01/2025	IG	Phone calls with K. Macuil and City staff re: settlement terms.	0.80	\$450	360.00
08/01/2025	RKM	Review and comment on our latest terms sheet. Review and comment on the church's proposal. Confer with I. Gonzalez re strategy. Review final response from clients.	2.60	\$450	1,170.00
08/02/2025	RKM	Review and comment on proposed counsel adoption of the settlement agreement.	0.10	\$450	45.00
08/04/2025	IG	Phone call with R. Gardner re: depositions and settlement agreement.	0.20	\$450	90.00
08/04/2025	IG	Send email to K. Macuil re: depositions.	0.10	\$450	45.00
08/05/2025	IG	Send emails to City employees re: cancelled depositions.	0.10	\$450	45.00
08/05/2025	IG	Draft notice of settlement and send email to R. Mahrle re: the same.	0.40	\$450	180.00
08/06/2025	IG	Review and modify Notice of Settlement and send to R. Gardner.	0.30	\$450	135.00
08/06/2025	RKM	Review and comment on draft notice of settlement.	0.20	\$450	90.00
08/07/2025	IG	Review proposed edits to Notice of Settlement and send email to R. Mahrle re: the same.	0.20	\$450	90.00
08/08/2025	IG	Review and modify Notice of Settlement.	0.30	\$450	135.00
08/08/2025	IG	Send email to R. Gardner re: notice of settlement.	0.10	\$450	45.00
08/08/2025	RKM	Email re notice of settlement language. Conference with I. Gonzalez.	0.20	\$450	90.00

Gammage & Burnham

CLIENT: City of San Luis
 RE: Gethsemani Baptist Church
 ID MMV 12990-0002

Invoice Date 09/18/2025
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Fees

Date	Atty	Description	Hours	Rate	Amount
08/18/2025	RKM	Draft formal settlement agreement.	2.60	\$450	1,170.00
08/19/2025	IG	Review and modify draft settlement agreement and send to K. Macuil.	1.30	\$450	585.00
08/19/2025	RKM	Revise draft of formal settlement agreement. Review and comment on changes made by I. Gonzalez.	2.20	\$450	990.00
08/20/2025	RKM	Review Kay's proposed changes to formal settlement agreement. Make additional edits.	0.90	\$450	405.00
08/26/2025	IG	Send emails to R. Gardner re: settlement agreement.	0.20	\$450	90.00
08/26/2025	IG	Review draft settlement agreement and prepare exhibits to the same.	0.70	\$450	315.00
08/26/2025	IG	Phone calls with K. Macuil and R. Mahrle re: settlement agreement.	0.30	\$450	135.00
08/26/2025	RKM	Telephone call with I. Gonzalez re completion of settlement.	0.10	\$450	45.00
08/28/2025	IG	Review next steps in litigation with particular focus on finalizing settlement agreement.	0.20	\$450	90.00
08/29/2025	RKM	Review changes to settlement agreement sought by First Liberty. Comments to I. Gonzalez.	0.40	\$450	180.00
08/30/2025	IG	Review Church's edits to draft settlement agreement and make additional edits to the same.	0.70	\$450	315.00

Total Fees 19.30 8,685.00

Timekeeper		Hours	Rate	Amount
IG	Gonzalez, Ivan	10.00	450.00	4,500.00
RKM	Mahrle, Richard K.	9.30	450.00	4,185.00
Total Fees				\$8,685.00

Total Current Charges \$8,685.00

Total Balance Due	\$8,685.00
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GAMMAGE & BURNHAM

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FEDERAL TAX ID 86-0450146

City of San Luis
Kay Macuil (kmacuil@sanluisaz.gov)
San Luis City Attorney
Janet Taylor
jtaylor@sanluisaz.gov

September 18, 2025

Invoice 341729

Aug Services

ID: MMV 12990-0002

RE: Gethsemani Baptist Church

For Services Rendered Through: August 31, 2025

Previous Balance	\$50,354.54
Payments	\$0.00
Balance Forward	\$50,354.54
Current Fees	\$8,685.00
Total Current Charges	\$8,685.00
Total Due	\$59,039.54

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
Pay online via credit card (3% service charge) – <https://www.gblaw.com/online-payments/>
Pay via Zelle - payments@gblaw.com (or scan QR code in your banking app)



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Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

Invoice Date 09/18/2025
Invoice Number 341729
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Prior Invoice Date	Invoice Number	Original Amount	Payments & Credits	Prior Invoice Balance
09/02/2025	340260	\$50,354.54	\$0.00	\$50,354.54
Total Outstanding Balance				\$50,354.54

Gammage & Burnham

CLIENT: City of San Luis

Invoice Date 09/18/2025

RE: Gethsemani Baptist Church

Invoice Number 341729

ID MMV 12990-0002

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Fees

Date	Atty	Description	Hours	Rate	Amount
08/01/2025	IG	Phone calls with R. Gardner re: settlement terms.	0.80	\$450	360.00
08/01/2025	IG	Review and modify several drafts of settlement term sheet.	1.80	\$450	810.00
08/01/2025	IG	Send emails to K. Macuil and J. Torres re: settlement terms.	0.30	\$450	135.00
08/01/2025	IG	Exchange emails with R. Mahrle and M. Vaz re: settlement terms and City Council executive session.	0.40	\$450	180.00
08/01/2025	IG	Send emails to R. Gardner re: settlement terms.	0.30	\$450	135.00
08/01/2025	IG	Participate in City Council executive session.	0.50	\$450	225.00
08/01/2025	IG	Phone calls with K. Macuil and City staff re: settlement terms.	0.80	\$450	360.00
08/01/2025	RKM	Review and comment on our latest terms sheet. Review and comment on the church's proposal. Confer with I. Gonzalez re strategy. Review final response from clients.	2.60	\$450	1,170.00
08/02/2025	RKM	Review and comment on proposed counsel adoption of the settlement agreement.	0.10	\$450	45.00
08/04/2025	IG	Phone call with R. Gardner re: depositions and settlement agreement.	0.20	\$450	90.00
08/04/2025	IG	Send email to K. Macuil re: depositions.	0.10	\$450	45.00
08/05/2025	IG	Send emails to City employees re: cancelled depositions.	0.10	\$450	45.00
08/05/2025	IG	Draft notice of settlement and send email to R. Mahrle re: the same.	0.40	\$450	180.00
08/06/2025	IG	Review and modify Notice of Settlement and send to R. Gardner.	0.30	\$450	135.00
08/06/2025	RKM	Review and comment on draft notice of settlement.	0.20	\$450	90.00
08/07/2025	IG	Review proposed edits to Notice of Settlement and send email to R. Mahrle re: the same.	0.20	\$450	90.00
08/08/2025	IG	Review and modify Notice of Settlement.	0.30	\$450	135.00
08/08/2025	IG	Send email to R. Gardner re: notice of settlement.	0.10	\$450	45.00
08/08/2025	RKM	Email re notice of settlement language. Conference with I. Gonzalez.	0.20	\$450	90.00
08/18/2025	RKM	Draft formal settlement agreement.	2.60	\$450	1,170.00
08/19/2025	IG	Review and modify draft settlement agreement and send to K. Macuil.	1.30	\$450	585.00
08/19/2025	RKM	Revise draft of formal settlement agreement. Review and comment on changes made by I. Gonzalez.	2.20	\$450	990.00
08/20/2025	RKM	Review Kay's proposed changes to formal settlement agreement. Make additional edits.	0.90	\$450	405.00

Gammage & Burnham

CLIENT: City of San Luis
 RE: Gethsemani Baptist Church
 ID MMV 12990-0002

Invoice Date 09/18/2025
 Invoice Number 341729
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Fees

Date	Atty	Description	Hours	Rate	Amount
08/26/2025	IG	Send emails to R. Gardner re: settlement agreement.	0.20	\$450	90.00
08/26/2025	IG	Review draft settlement agreement and prepare exhibits to the same.	0.70	\$450	315.00
08/26/2025	IG	Phone calls with K. Macuil and R. Mahrle re: settlement agreement.	0.30	\$450	135.00
08/26/2025	RKM	Telephone call with I. Gonzalez re completion of settlement.	0.10	\$450	45.00
08/28/2025	IG	Review next steps in litigation with particular focus on finalizing settlement agreement.	0.20	\$450	90.00
08/29/2025	RKM	Review changes to settlement agreement sought by First Liberty. Comments to I. Gonzalez.	0.40	\$450	180.00
08/30/2025	IG	Review Church's edits to draft settlement agreement and make additional edits to the same.	0.70	\$450	315.00

Total Fees 19.30 8,685.00

Timekeeper		Hours	Rate	Amount
IG	Gonzalez, Ivan	10.00	450.00	4,500.00
RKM	Mahrle, Richard K.	9.30	450.00	4,185.00
Total Fees				\$8,685.00

Total Current Charges \$8,685.00

9/2/2025 Previous balance \$50,354.54

Net Balance Forward \$50,354.54

Total Balance Due	\$59,039.54
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GAMMAGE & BURNHAM

Attorneys at Law

City of San Luis
Kay Macuil (kmacuil@sanluisaz.gov)
San Luis City Attorney
Janet Taylor
jtaylor@sanluisaz.gov

40 NORTH CENTRAL AVENUE
20TH FLOOR
PHOENIX, ARIZONA 85004
TELEPHONE (602) 256-0566
FEDERAL TAX ID 86-0450146

October 15, 2025

Invoice 342716

ID: MMV 12990-0002

RE: Gethsemani Baptist Church

For Services Rendered Through: September 30, 2025

Previous Balance	\$59,039.54
Payments	-\$59,039.54
Balance Forward	\$0.00
Current Fees	\$7,110.00
Total Current Charges	\$7,110.00
Total Due	\$7,110.00

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
Pay online via credit card (3% service charge) – <https://www.gblaw.com/online-payments/>
Pay via Zelle - payments@gblaw.com (or scan QR code in your banking app)



Zelle®

Gammage & Burnham

CLIENT: City of San Luis

RE: Gethsemani Baptist Church

ID MMV 12990-0002

Invoice Date 10/15/2025

Invoice Number 342716

Page 2

Fees

Date	Atty	Description	Hours	Rate	Amount
09/01/2025	IG	Send email to K. Macuil re: draft settlement agreement.	0.30	\$450	135.00
09/02/2025	IG	Modify draft settlement agreement.	0.80	\$450	360.00
09/02/2025	IG	Send email to K. Macuil and J. Guzman re: draft settlement agreement.	0.20	\$450	90.00
09/02/2025	IG	Send email to R. Gardner re: draft settlement agreement.	0.20	\$450	90.00
09/02/2025	IG	Phone call with R. Marhle re: settlement agreement.	0.10	\$450	45.00
09/02/2025	RKM	Review and comment on final of settlement agreement.	0.30	\$450	135.00
09/03/2025	IG	Phone call with R. Mahrle re: settlement.	0.10	\$450	45.00
09/03/2025	IG	Phone call with R. Gardner re: settlement and consent decree.	0.20	\$450	90.00
09/03/2025	IG	Send email to K. Macuil re: settlement.	0.10	\$450	45.00
09/03/2025	IG	Send email to K. Macuil re: settlement.	0.20	\$450	90.00
09/03/2025	IG	Phone calls with K. Macuil re: settlement.	0.40	\$450	180.00
09/03/2025	RKM	Confer with I. Gonzalez re consent decree issues.	0.10	\$450	45.00
09/04/2025	IG	Send email to K. Macuil re: settlement agreement edits.	0.10	\$450	45.00
09/04/2025	IG	PLACEHOLDER - Send emails to R. Garner and K. Macuil - Call with K. Macuil	0.80	\$450	360.00
09/08/2025	IG	Confer with R. Mahrle re: settlement issues.	0.20	\$450	90.00
09/08/2025	IG	Send emails to K. Macuil re: settlement issues.	0.20	\$450	90.00
09/08/2025	IG	Review draft settlement agreement and related exhibits and make edits to the same.	0.70	\$450	315.00
09/08/2025	IG	Phone call with K. Macuil re: settlement.	0.20	\$450	90.00
09/08/2025	RKM	Confer with I. Gonzalez re status of settlement agreement.	0.40	\$450	180.00
09/09/2025	IG	Confer with R. Mahrle re: settlement agreement and proposed consent decree.	0.30	\$450	135.00

Gammage & Burnham

CLIENT: City of San Luis
RE: Gethsemani Baptist Church
ID MMV 12990-0002

Invoice Date 10/15/2025
Invoice Number 342716
Page 3

Fees

Date	Atty	Description	Hours	Rate	Amount
09/09/2025	IG	Review and modify draft motion for consent decree and proposed consent decree.	1.60	\$450	720.00
09/09/2025	IG	Send emails to K. Macuil and City employees re: draft consent decree and proposed consent decree.	0.30	\$450	135.00
09/09/2025	IG	Phone call with K. Macuil re: settlement and City Council meeting.	0.10	\$450	45.00
09/09/2025	RKM	Confer with I. Gonzalez re Consent Decree.	0.20	\$450	90.00
09/10/2025	IG	Phone call with K. Macuil re: draft settlement agreement.	0.50	\$450	225.00
09/10/2025	IG	Send emails to K. Macuil and R. Gardner re: draft settlement agreement.	0.20	\$450	90.00
09/10/2025	IG	Review K. Macuil and J. Guzman's edits to draft settlement agreement.	0.70	\$450	315.00
09/11/2025	IG	Analyze issues re: 28 U.S.C. 2201 and motion for consent decree and proposed consent.	0.40	\$450	180.00
09/11/2025	IG	Review and modify motion for consent decree and proposed consent decree.	0.70	\$450	315.00
09/11/2025	IG	Send emails to K. Macuil re: motion for consent decree and proposed consent decree.	0.20	\$450	90.00
09/11/2025	IG	Send email to R. Gardner re: motion for consent decree and proposed consent decree.	0.10	\$450	45.00
09/12/2025	IG	Send email to R. Gardner re: status of settlement documents.	0.20	\$450	90.00
09/12/2025	RKM	Review and comment on agenda for special council meeting.	0.20	\$450	90.00
09/15/2025	IG	Send emails to K. Macuil re: settlement and consent decree documents.	0.20	\$450	90.00
09/15/2025	IG	Send emails to R. Gardner re: settlement and consent decree documents.	0.20	\$450	90.00
09/15/2025	IG	Modify and finalize settlement agreement with exhibits, joint motion for consent decree, and proposed consent decree.	1.00	\$450	450.00
09/15/2025	TR	Assist with finalizing Settlement Agreement.	0.40	\$225	90.00
09/16/2025	IG	Review correspondence and City Council materials from K. Macuil.	0.10	\$450	45.00
09/17/2025	RKM	Prepare for City Council meeting. Attend meeting for approval of the settlement.	0.60	\$450	270.00

Gammage & Burnham

CLIENT: City of San Luis
 RE: Gethsemani Baptist Church
 ID MMV 12990-0002

Invoice Date 10/15/2025
 Invoice Number 342716
 Page 4

Fees					
Date	Atty	Description	Hours	Rate	Amount
09/18/2025	RKM	Emails related to getting settlement docs signed. Receive fully signed documents.	0.30	\$450	135.00
09/24/2025	RKM	Respond to email from Kay re changing the terms of the CUP.	0.10	\$450	45.00
09/27/2025	RKM	Provide responses to Kay re various questions and issues related to the settlement.	0.30	\$450	135.00
09/29/2025	RKM	Draft proposed public statement for the City re the settlement. Make revisions and forward to the City.	1.20	\$450	540.00
09/29/2025	TR	Review Order and Consent Decree and provide instructions regarding docketing upcoming deadlines.	0.20	\$225	45.00
09/30/2025	IG	Review consent decree entered by Court.	0.20	\$450	90.00
			Total Fees	16.10	7,110.00

Timekeeper		Hours	Rate	Amount
IG	Gonzalez, Ivan	11.80	450.00	5,310.00
RKM	Mahrle, Richard K.	3.70	450.00	1,665.00
TR	Roa, Traci	0.60	225.00	135.00
Total Fees				\$7,110.00

Total Current Charges **\$7,110.00**

9/18/2025	Previous balance	\$59,039.54
09/30/2025	Payment - Thank you, Check # 113356	-\$50,354.54
09/30/2025	Payment - Thank you, Check # 113356	-\$8,685.00

Net Balance Forward **\$0.00**

Total Balance Due	\$7,110.00
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**GAMMAGE
&
BURNHAM**

Attorneys at Law

City of San Luis
Kay Macuil (kmacuil@sanluisaz.gov)
San Luis City Attorney
Janet Taylor
jtaylor@sanluisaz.gov

40 NORTH CENTRAL AVENUE
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PHOENIX, ARIZONA 85004
TELEPHONE (602) 256-0566
FEDERAL TAX ID 86-0450146

November 17, 2025

Invoice 343820

Dot Sumner

ID: MMV 12990-0002

RE: Gethsemani Baptist Church

For Services Rendered Through: October 31, 2025

Previous Balance	\$7,110.00
Payments	-\$7,110.00
Balance Forward	\$0.00
Current Fees	\$675.00
Total Current Charges	\$675.00
Total Due	\$675.00

Pay via wire transfer – JPMorgan Chase ABA Routing 021000021 / Account 31903149
Pay via ACH – JPMorgan Chase ABA Routing 122100024 / Account 31903149
Pay online via credit card (3% service charge) – <https://www.gblaw.com/online-payments/>
Pay via Zelle - payments@gblaw.com (or scan QR code in your banking app)



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Gammage & Burnham

CLIENT: City of San Luis
 RE: Gethsemani Baptist Church
 ID MMV 12990-0002

Invoice Date 11/17/2025
 Invoice Number 343820
 Page 2

Fees

Date	Atty	Description	Hours	Rate	Amount
10/02/2025	RKM	Emails with Kay re payment terms and who payment should go to.	0.30	\$450	135.00
10/10/2025	IG	Confer with R. Marhle re: status of settlement tasks.	0.10	\$450	45.00
10/14/2025	IG	Send email to K. Macuil re: settlement agreement payment.	0.10	\$450	45.00
10/16/2025	IG	Send email to Kay Macuil re: the designation of point of contact for the Gethsemani Baptist Church litigation.	0.10	\$450	45.00
10/16/2025	IG	Send email to Ryan Gardner re: substantiation of the receipt of the settlement agreement payment.	0.20	\$450	90.00
10/21/2025	IG	Review Consent Decree and settlement agreement to determine compliance deadlines. Send emails to K. Macuil re: the same.	0.70	\$450	315.00

Total Fees 1.50 675.00

Timekeeper		Hours	Rate	Amount
IG	Gonzalez, Ivan	1.20	450.00	540.00
RKM	Mahrle, Richard K.	0.30	450.00	135.00
Total Fees				\$675.00

Total Current Charges \$675.00

10/15/2025	Previous balance	\$7,110.00
10/28/2025	Payment - Thank you, Check # 113602	-\$7,110.00

Net Balance Forward \$0.00

Total Balance Due	\$675.00
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AGENDA ITEM REVIEW FORM

Regular City Council Meeting

7. I.

Meeting Date: 01/28/2026

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Justin Neuman, Paralegal, Attorney's Office

Action Requested: Motion
Ordinance

ITEM:

Discussion and possible action on any and all matters regarding Ordinance No. 480. An Ordinance of the Mayor and City Council of the City of San Luis, Arizona, amending city code sections 6.05.085 and 10.05.010 to update the definition for Animal Control Enforcement Officer and authorize Transit Enforcement Officer duties. **(Kay Marion Macuil, City Attorney)**

A. Action on Reading of Ordinance No. 480 by title only

B. Action on Ordinance No. 480

SUMMARY:

BACKGROUND

Animal Control Officers

As our city continues to grow, so does the San Luis Police Department's need to use personnel effectively. After reviewing the city's current definitions for animal control and transit enforcement officers, it was determined that the positions aren't being utilized to the extent permitted under state law. By amending San Luis City Code Section 6.05.085 to reference A.R.S. § 9-499.04, our city's animal control officers will have a clear avenue to enforce all state statutes regarding animal control in addition to local ordinances.

Transit Officers

Under the current San Luis City Code, transit enforcement officers are defined and designated solely in Chapter 10.15 for parking enforcement. Defining the authority of transit enforcement officers under Section 10.05.010 to include traffic control and traffic investigation will allow the Police Department to assign its peace officers to other, more specialized tasks aligned with their training.

THE PURPOSE OF THIS ORDINANCE

Animal Control Officers

This ordinance amends the San Luis City Code Section 6.05.085 definition for Enforcement Officer to read: "ANIMAL CONTROL ENFORCEMENT OFFICER. Any certified peace officer or any person delegated by the City Manager or his or her designee under the supervision of the Chief of Police, who is responsible for enforcing this chapter, and any regulations promulgated under this chapter, and as authorized for Animal Control Officers under A.R.S. 9-499.04, as it may be amended or renumbered."

Transit Officers

This ordinance amends San Luis City Code Section 10.05.010 by adding: "(C) Any transit enforcement officer of the City may be authorized by the Police Chief to perform any of the duties of the Police Chief included in this chapter, to the extent authorized for non-peace officers pursuant to A.R.S. § 28-627, as

it may be amended or renumbered.”

RECOMMENDATION / SUGGESTED MOTION:

A. I MOVE TO APPROVE THE READING OF ORDINANCE NO. 480 BY TITLE ONLY

(CITY CLERK TO READ ORDINANCE NO. 480 BY TITLE ONLY)

B. I MOVE TO APPROVE AND ADOPT ORDINANCE NO. 480 AS PRESENTED

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM: N/A
CITY/STATE/FEDERAL FUNDS: N/A
TOTAL: N/A
BUDGETED AMOUNT: N/A
AVAILABLE AMOUNT TO TRANSFER: N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: N/A
FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):
N/A

Attachments

Ordinance No. 480
SLCC 6.05.085
SLCC 10.05.010



Ordinance

No. 480

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, AMENDING SAN LUIS CITY CODE SECTIONS 6.05.085 AND 10.05.010 TO UPDATE THE DEFINITION FOR ANIMAL CONTROL ENFORCEMENT OFFICER AND AUTHORIZE TRANSIT ENFORCEMENT OFFICER DUTIES; REPEALING CONFLICTING PROVISIONS, AND PROVIDING FOR SEVERABILITY.

WHEREAS, the City desires to amend San Luis City Code Section 6.05.085 to update the definition of Enforcement Officer to authorize animal control officers to perform all duties allowed under A.R.S. §9-499.04; and.

WHEREAS, the City desires to amend San Luis City Code Section 10.05.010 to authorize transit enforcement officers to conduct traffic investigations and other duties allowed under A.R.S. §28-627.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of San Luis, Arizona:

Section 1: Section 6.05.085 of the San Luis City Code is to read:

“Unless otherwise specifically defined, the following words and phrases, as used in this chapter, have the following meaning:

ANIMAL. Any mammal, bird, reptile or amphibian.

CONSECUTIVE BUSINESS DAYS. Monday through Friday are considered business days; business days do not include Saturdays, Sundays, or City holidays, even if the Animal Control Division is open during these days.

DOG. A member of the *Canis familiaris* species.

ANIMAL CONTROL ENFORCEMENT OFFICER. Any certified peace officer or any person delegated by the City Manager or his or her designee under the supervision of the Chief of Police, who is responsible for enforcing this chapter, and any regulations promulgated under this chapter, and as authorized for Animal Control Officers under A.R.S. 9-499.04, as it may be amended or renumbered.”

FOWL. A bird of any kind, domesticated or wild, including poultry.

IMPOUND. The act of taking or receiving into custody by the Enforcement Officer any animal for the purpose of confinement in an authorized impound facility under the provisions of this chapter.

IMPOUND FACILITY. Any establishment authorized for the confinement, maintenance, safekeeping, and control of dogs and other animals that come into the custody of the Enforcement Officer in performing his or her official duties.

KENNEL. Any establishment authorized for the confinement, maintenance, safekeeping, and control of dogs and other animals that come into the custody of the Enforcement Officer in performing his or her official duties.

KNOWINGLY. With respect to conduct or to a circumstance described by a law defining an offense, that a person is aware or believes that the person's conduct is of that nature or that the circumstance exists, it does not require any knowledge of the unlawfulness of the act or omission.

OWNER. Any person exercising care, custody, or control of any animal for more than six consecutive calendar days or claiming any legal interest in that animal. Indicators to determine who the owner is also include any license, permit, certificate, registration, or other documentation establishing a legal interest in such animal.

PERSON. Any individual, corporation, partnership, association, or other legal entity.

VACCINATION. The administration of an anti-rabies vaccine to animals by a veterinarian or an authorized impound facility by employees trained by a veterinarian licensed by the State of Arizona.

VETERINARIAN. Any veterinarian licensed to practice in Arizona or any veterinarian employed in Arizona by a governmental agency.

VETERINARY HOSPITAL. Any establishment operated by a veterinarian licensed to practice in Arizona that provides clinical facilities and houses animals or birds for dental, medical, or surgical treatment; a veterinary hospital may have adjacent to it, or in conjunction with it, or as an integral part of it, pens, stalls, cages or kennels for quarantine, observation or boarding.”

Section 2 Section 10.05.010 of the San Luis City Code is to read:

“(A) It shall be the duty of the Police Chief to provide for the enforcement of the street traffic regulations of the City and all of the state vehicle laws applicable to street traffic in the City, to make arrests for traffic violations, to investigate accidents and to assist in developing ways and means to improve traffic conditions and to carry out all duties specially imposed upon the Police Chief by this chapter.

(B) Any peace officer of the City may be authorized by the Police Chief to perform any of the duties of the Police Chief included in this chapter.

(C) Any transit enforcement officer of the City may be authorized by the Police Chief to perform any of the duties of the Police Chief included in this chapter, to the extent authorized for non-peace officers pursuant to A.R.S. § 28-627, as it may be amended or renumbered.”

Section 3 The City Council authorizes and directs the appropriate City officers and employees to perform all necessary or desirable acts to give effect to this Ordinance.

Section 4: If a conflict arises between the provisions of this ordinance and any resolution, other ordinance, regulation, or policy of the City of San Luis, the conflicting provisions are amended, superseded, and replaced, and this Ordinance shall govern.

Section 5: If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction or operation of law by legislation, such decision or law shall not affect the validity of the remaining portion of this Ordinance.

PASSED, ADOPTED, and APPROVED by the Mayor and City Council of the City of San Luis, Yuma County, Arizona, this ____ day of January 2026.

Nieves Riedel, Mayor

ATTEST:

APPROVED AS TO FORM:

Sonia Cornelio, City Clerk

Kay Marion Macuil, City Attorney

6.05.085 Definitions.

Unless otherwise specifically defined, the following words and phrases, as used in this chapter, have the following meaning:

ANIMAL. Any mammal, bird, reptile or amphibian.

CONSECUTIVE BUSINESS DAYS. Monday through Friday are considered business days; business days do not include Saturdays, Sundays, or City holidays, even if the Animal Control Division is open during these days.

DOG. A member of the *Canis familiaris* species.

ENFORCEMENT OFFICER. Any certified peace officer or any person delegated by the City Manager or his or her designee responsible for enforcing this chapter and the regulations promulgated under this chapter.

FOWL. A bird of any kind, domesticated or wild, including poultry.

IMPOUND. The act of taking or receiving into custody by the Enforcement Officer any animal for the purpose of confinement in an authorized impound facility under the provisions of this chapter.

IMPOUND FACILITY. Any establishment authorized for the confinement, maintenance, safekeeping, and control of dogs and other animals that come into the custody of the Enforcement Officer in performing his or her official duties.

KENNEL. Any establishment authorized for the confinement, maintenance, safekeeping, and control of dogs and other animals that come into the custody of the Enforcement Officer in performing his or her official duties.

KNOWINGLY. With respect to conduct or to a circumstance described by a law defining an offense, that a person is aware or believes that the person's conduct is of that nature or that the circumstance exists, it does not require any knowledge of the unlawfulness of the act or omission.

OWNER. Any person exercising care, custody, or control of any animal for more than six consecutive calendar days or claiming any legal interest in that animal. Indicators to determine who the owner is also include any license, permit, certificate, registration, or other documentation establishing a legal interest in such animal.

PERSON. Any individual, corporation, partnership, association, or other legal entity.

VACCINATION. The administration of an anti-rabies vaccine to animals by a veterinarian or an authorized impound facility by employees trained by a veterinarian licensed by the State of Arizona.

VETERINARIAN. Any veterinarian licensed to practice in Arizona or any veterinarian employed in Arizona by a governmental agency.

VETERINARY HOSPITAL. Any establishment operated by a veterinarian licensed to practice in Arizona that provides clinical facilities and houses animals or birds for dental, medical, or surgical treatment; a veterinary hospital may

have adjacent to it, or in conjunction with it, or as an integral part of it, pens, stalls, cages or kennels for quarantine, observation or boarding. (Ord. 455 § 2, passed 9-25-2024.)

The San Luis City Code is current through Ordinance 470, passed August 27, 2025.

Disclaimer: The City Clerk's Office has the official version of the San Luis City Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

[City Website: www.sanluisaz.gov](http://www.sanluisaz.gov)

[Hosted by General Code.](#)

10.05.010 Duty of Police Chief.

(A) It shall be the duty of the Police Chief to provide for the enforcement of the street traffic regulations of the City and all of the state vehicle laws applicable to street traffic in the City, to make arrests for traffic violations, to investigate accidents and to assist in developing ways and means to improve traffic conditions and to carry out all duties specially imposed upon the Police Chief by this chapter.

(B) Any peace officer of the City may be authorized by the Police Chief to perform any of the duties of the Police Chief included in this chapter. (Code 1982 § 10-1. Code 2012 § 70.01.)

The San Luis City Code is current through Ordinance 470, passed August 27, 2025.

Disclaimer: The City Clerk's Office has the official version of the San Luis City Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

[City Website: www.sanluisaz.gov](http://www.sanluisaz.gov)

[Hosted by General Code.](#)



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

9.

Meeting Date: 01/28/2026

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

Action Requested: Motion

ITEM:

EXECUTIVE SESSION

Discussion and possible action to hold an executive session jointly with San Luis Facility Development Corporation pursuant to A.R.S. § 38-431.03(A) (3), (4) and (7) on any and all matters regarding the possible sale of the San Luis Detention Center for discussion or consultation for legal advice with the San Luis Facility Development Corporation's legal counsel in order to consider the Corporation's position and instructs its legal counsel. **(Kay Marion Macuil, General Counsel and Bill Sims, Outside Counsel)**

SUMMARY:

The City Council can be properly advised by holding an executive session for the purposes described in the agenda item.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO HOLD AN EXECUTIVE SESSION JOINTLY WITH SAN LUIS FACILITY DEVELOPMENT CORPORATION FOR REASONS IN THE AGENDA ITEM.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:

No

CITY/STATE/FEDERAL FUNDS:

Not applicable, please see the fiscal impact statement below.

TOTAL:

Not applicable, please see the fiscal impact statement below.

BUDGETED AMOUNT:

Not applicable, please see the fiscal impact statement below.

AVAILABLE AMOUNT TO TRANSFER:

Not applicable, please see the fiscal impact statement below.

ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: Not applicable, please see the fiscal impact statement below.

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

Fiscal impact is not applicable to this agenda item. Under A.R.S. § 38-431.03(D), legal action involving a final vote or decision is not permitted to be taken at an executive session.
