

**AMBULANCE REVENUE and COST REPORT  
FIRE DISTRICT and SMALL RURAL COMPANY**

**Arizona Department of Health Services  
Annual Ambulance Financial Report**

**CITY OF SAN LUIS FIRE DEPARTMENT**  
Reporting Ambulance Service

Address: 1165 N. McCAIN ST

City: SAN LUIS Zip: 85349

**Report Fiscal Year**

From: July 1, 2018 To: June 30, 2019  
Mo. Day Year Mo. Day Year

*I hereby verify that I have directed the preparation of the enclosed annual report in accordance with the reporting requirements of the State of Arizona.*

*I have read this report and hereby verify that the information provided is true and correct to the best of my knowledge.*

*This report has been prepared using the accrual basis of accounting.*

Authorized Signature:  Date: 1/8/2020

Print Name and Title: ANGEL RAMIREZ, FIRE CHIEF

Phone: 928-341-8550

Mail to:  
Department of Health Services  
Bureau of Emergency Medical Services  
Certificate of Necessity and Rates Section  
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Phoenix, AZ 85007-3248  
Telephone: (602) 364-3150  
Fax: (602) 364-3567

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# AMBULANCE REVENUE AND COST REPORT

## FIRE DISTRICT and SMALL RURAL COMPANY

**AMBULANCE SERVICE ENTITY:** CITY OF SAN LUIS FIRE DEPARTMENT

**FOR THE PERIOD** FROM: July 1, 2018 TO: June 30, 2019

**STATISTICAL SUPPORT DATA**

Line No.	DESCRIPTION	(1) SUBSCRIPTION SERVICE TRANSPORTS	*(2) TRANSPORTS UNDER CONTRACT	(3) TRANSPORTS NOT UNDER CONTRACT	(4) TOTALS
1	Number of ALS Billable Transports:	_____	_____	_____	2,718
2	Number of BLS Billable Transports:	_____	_____	_____	_____
3	Number of Loaded Billable Miles:	_____	_____	_____	59,796
4	Waiting Time (Hr. & Min.):	_____	_____	_____	_____
5	Canceled (Non-Billable) Runs:	_____	_____	_____	_____

**AMBULANCE SERVICE ROUTINE OPERATING REVENUE**

6	ALS Base Rate Revenue	_____	_____	_____	\$ 3,275,190
7	BLS Base Rate Revenue	_____	_____	_____	_____
8	Mileage Charge Revenue	_____	_____	_____	648,786
9	Waiting Charge Revenue	_____	_____	_____	_____
10	Medical Supplies Charge Revenue	_____	_____	_____	_____
11	Nurses Charge Revenue	_____	_____	_____	_____
12	Standby Charge Revenue (Attach Schedule)	_____	_____	_____	_____
13	<b>TOTAL AMBULANCE SERVICE ROUTINE OPERATING REVENUE</b>	_____	_____	_____	<b>\$ 3,923,976</b>

(Post to Page 3, Line 1)

**SALARY AND WAGE EXPENSE DETAIL**

**GROSS WAGES:**

		** No. of FTE's
14	Management	2.0
15	Paramedics and IEMTs	12.0
16	Emergency Medical Technician (EMT)	3.0
17	Other Personnel	1.0
18	Payroll Taxes and Fringe Benefits - All Personnel	_____
19	<b>Total Wages, Taxes &amp; Benefits</b>	<b>18</b>

(Sum Lines 14 through 18; Post to Page 3, Line 10)

\* This column reports only those runs where a contracted discount rate was applied.  
 \*\* Full-time equivalents (F.T.E.) is the sum of all hours for which employees wages were paid during the year divided by 2080.

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**AMBULANCE REVENUE AND COST REPORT**  
**FIRE DISTRICT and SMALL RURAL COMPANY**

**AMBULANCE SERVICE ENTITY:**

CITY OF SAN LUIS FIRE DEPARTMENT

**FOR THE PERIOD**

**FROM:** July 1, 2018

**TO:** June 30, 2019

**SCHEDULE OF REVENUES AND EXPENSES**

Line No.	<u>DESCRIPTION</u>		
<b>Operating Revenues:</b>			
1	Total Ambulance Service Operating Revenue	(From: Page 2, Line 13)	\$ <u>3,923,976</u>
<b>Settlement Amounts:</b>			
2	AHCCCS .....		<u>1,150,838</u>
3	Medicare .....		<u>767,225</u>
4	Subscription Service .....		<u>-</u>
5	Contractual .....		<u>-</u>
6	Other .....		<u>-</u>
7	Total	(Sum of Lines 2 through 6)	<u>1,918,063</u>
8	Total Operating Revenue	(Line 1 minus Line 7)	\$ <u>2,005,913</u>
<b>Operating Expenses:</b>			
9	Bad Debt .....		\$ <u>78,662</u>
10	Total Salaries, Wages, and Employee-Related Expenses	(From: Page 2, Line 19)	<u>1,179,073</u>
11	Professional Services .....		<u>50,130</u>
12	Travel and Entertainment .....		<u>177,092</u>
13	Other General Administrative .....		<u>73,184</u>
14	Depreciation .....		<u>8,318</u>
15	Rent / Leasing .....		<u>56,842</u>
16	Building / Station .....		<u>105,673</u>
17	Vehicle Expense .....		<u>63,465</u>
18	Other Operating Expense .....		<u>7,507</u>
19	Cost of Medical Supplies Charged to Patients .....		<u>-</u>
20	Interest .....		<u>-</u>
21	Subscription Service Sales Expense .....		<u>-</u>
22	Total Operating Expense	(Sum of Lines 9 through 21)	<u>1,799,946</u>
23	Total Operating Income or (Loss)	(Line 8 minus Line 22)	\$ <u>205,967</u>
24	Subscription Contract Sales .....		<u>8,500</u>
25	Other Operating Revenue .....		<u>-</u>
26	Local Supportive Funding .....		<u>-</u>
27	Other Non-Operating Income (Attach Schedule) .....		<u>-</u>
28	Other Non-Operating Expense (Attach Schedule) .....		<u>-</u>
29	NET INCOME or (LOSS) Before Income Taxes	(Sum of Lines 23 through 27, minus Line 28)	\$ <u>214,467</u>
<b>Provision for Income Taxes:</b>			
30	Federal Income Tax		<u>-</u>
31	State Income Tax		<u>-</u>
32	Total Income Tax	(Line 30, plus Line 31)	<u>-</u>
33	<b>Ambulance Service Net Income (Loss)</b>	(Line 29, minus Line 32)	<u>214,467</u>

# AMBULANCE REVENUE AND COST REPORT

## FIRE DISTRICT and SMALL RURAL COMPANY

AMBULANCE SERVICE ENTITY: \_\_\_\_\_ CITY OF SAN LUIS FIRE DEPARTMENT \_\_\_\_\_

FOR THE PERIOD FROM: July 1, 2018 TO: June 30, 2019

**BALANCE SHEET**

Current audited financial statements may be submitted in lieu of these pages.

**ASSETS**

**CURRENT ASSETS**

1	Cash .....	\$ _____		
2	Accounts Receivable .....	_____		
3	Less: Allowance for Doubtful Accounts .....	_____		
4	Inventory .....	_____		
5	Prepaid Expe: .....	_____		
6	Other Current Assets .....	_____		
7	<b>TOTAL CURRENT ASSETS</b>		\$ _____	
9	<b>PROPERTY &amp; EQUIPMENT</b> .....			
10	Less: Accumulated Depreciation .....			
11	<b>OTHER NON CURRENT ASSETS</b>			
12	<b>TOTAL ASSETS</b>		\$ _____	

**LIABILITIES & EQUITY**

**CURRENT LIABILITIES**

13	Accounts Payable .....	\$ _____		
14	Current Portion of Notes Payable .....	_____		
15	Current Portion of Long-Term Debt .....	_____		
16	Deferred Subscription Income .....	_____		
17	Accrued Expenses and Other .....	_____		
18	_____	_____		
19	_____	_____		
20	<b>TOTAL CURRENT LIABILITIES</b>		\$ _____	
21	<b>NOTES PAYABLE</b> .....			
22	<b>LONG-TERM DEBT, OTHER</b> .....			
23	<b>TOTAL LONG-TERM DEBT</b>			

**EQUITY & OTHER CREDITS**

**Paid-In Capital:**

24	Common Stock .....			
25	Paid-In Capital in Excess of Par Value .....	_____		
26	Contributed Capital .....	_____		
27	Retained Earnings .....	_____		
28	_____	_____		
29	_____	_____		
30	Fund Balance .....	_____		
31	<b>TOTAL EQUITY</b>		_____	
32	<b>TOTAL LIABILITIES &amp; EQUITY</b>		\$ _____	

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# AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: CITY OF SAN LUIS FIRE DEPARTMENT

FOR THE PERIOD FROM: July 1, 2018 TO: June 30, 2019

**STATEMENT OF CASH FLOWS** Current audited financial statements may be submitted in lieu of these pages.

**OPERATING ACTIVITIES:**

1	Net (loss) Income .....		\$ _____
	<i>Adjustments to Reconcile Net Income to Net Cash</i>		
	<i>Provided by Operating Activities:</i> Note: a increase in these accounts improves cash flow		
2	Depreciation Expense .....		_____
3	Deferred Income Tax .....		_____
4	Loss (gain) on Disposal of Property & Equipment .....		_____
	<i>(Increase) Decrease in:</i> Note: a decrease in these accounts improves cash flow		
5	Accounts Receivable .....		_____
6	Inventories .....		_____
7	Prepaid Expenses .....		_____
	<i>Increase (Decrease) in:</i> Note: a increase in these accounts improves cash flow		
8	Accounts Payable .....		_____
9	Accrued Expenses .....		_____
10	Deferred Subscription Income .....		_____
11	NET CASH PROVIDED (Used) BY OPERATING ACTIVITIES .....		\$ _____

**INVESTING ACTIVITIES:**

12	Purchases of Property & Equipment .....		_____
13	Proceeds from Disposal of Property & Equipment .....		_____
14	Purchases of Investments .....		_____
15	Proceeds from Disposal of Investments .....		_____
16	Loans Made .....		_____
17	Collections on Loans .....		_____
18	Other .....		_____
19	NET CASH PROVIDED (Used) BY INVESTING ACTIVITIES .....		_____

**FINANCING ACTIVITIES:**

<i>New Borrowings:</i>			
20	Long-Term .....		_____
21	Short-Term .....		_____
<i>Debt Reduction:</i>			
22	Long-Term .....		_____
23	Short-Term .....		_____
24	Capital Contributions .....		_____
25	Dividends Paid .....	\$	_____
26	NET CASH PROVIDED (Used) BY FINANCING ACTIVITIES .....		_____
27	NET INCREASE (Decrease) IN CASH .....		_____
28	CASH AT BEGINNING OF YEAR .....		_____
29	CASH AT END OF YEAR .....		_____

**SUPPLEMENTAL DISCLOSURES:**

<i>Non-cash Investing and Financing Transactions:</i>			
30	.....		_____
31	.....		_____
32	.....		_____
33	Interest Paid (Net of Amounts Capitalized) .....		_____
34	Income Taxes Paid .....	\$	_____

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CITY OF SAN LUIS, AZ  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year ended  
June 30, 2019

City of San Luis, Arizona



COMPREHENSIVE  
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FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019

Prepared by:  
Department of Finance

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**CITY OF SAN LUIS, ARIZONA**  
**Comprehensive Annual Financial**  
**Report for the Fiscal Year Ended June 30, 2019**

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INTRODUCTORY SECTION

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**City of San Luis**  
Finance Department



December 23, 2019

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

I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. 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. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of San Luis for the fiscal year ended June 30, 2019.

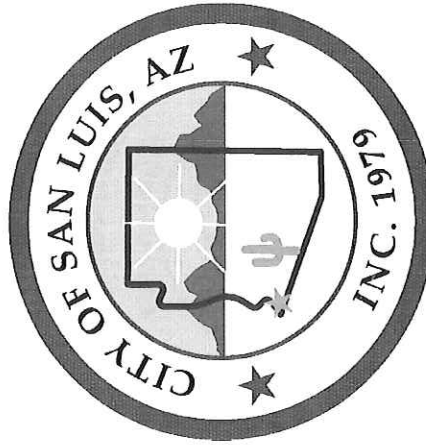
Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. The internal control framework is designed both to protect the government's assets from loss, theft or misuse and to allow the compilation of 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. We believe the data, as presented in this report, is accurate in all material respects and is presented in a manner which 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, Heinfield, 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, 2019, 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.

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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 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 is required to make records available for review or audit by appropriate officials of the federal agencies and the U.S. Government Accountability Office.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's 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 both Mexico and California. It currently occupies 30 square miles and serves a population of approximately 34,000. 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. The Mayor is elected at-large for a four-year term. Council members are elected, for four-year terms, with four members elected every two years. 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, and Magistrate. 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.

Between the 2000 census and the 2010 census the City's population increased by over 66.46 percent, from approximately 15,400 to approximately 25,500. The estimated current population is approximately 36,000 increasing 41% from 2010 to 2018. 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 5 parks encompassing 60 acres.

This report includes financial statements on both a government-wide and a fund basis for the primary government as well as its component units. Component units are separate legal entities included in the reporting entity due to the significance of their financial or operational relationship with the City. 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". 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 or 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 fiscal year 2019 was \$46 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 all of the City's financial operations including funding for one corporation outside the City's organizational structure. The Council adopted a Strategic Plan for San Luis, and in order to implement the Strategic Plan, each department and intergovernmental agency receiving City funds was asked to address the strategies in its requested budget documents. 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, notices, and hold public hearings as defined by state statute. After all these requirements are met, the City may adopt the budget by August 15 or soon thereafter.

#### **Economic Condition of City of San Luis, Arizona**

##### **Factors Affecting Financial Condition**

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

##### **Local economy**

The City of San Luis continues to experience economic growth. Retail trade, agriculture and manufacturing forms a large portion of the local economy.

The real estate sector continues to experience substantial interest in new developments. In this fiscal year, over 600 new residential lots were developed and approximately 300 residential building permits were issued this year. Several residential subdivisions are under construction which will provide 600 new residential lots this coming year.

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Significant investments were made in commercial and industrial development including a new \$2 million gas station, \$1.2 million improvements to an existing commercial facility, a \$4 million textile manufacturing facility and \$9 million warehouse facility creating over 80 jobs. Furthermore, the federal government invested \$6 million in a pedestrian facility at the San Luis I Port of Entry.

Major developments in the pipeline includes a commercial mix use development to include a hotel, gas station, medical office space and retail store. In addition, a 75,000 SF medical mall project is under construction with an investment of \$22 million expected to be completed in June 2020.

A 3 Phase multi-million-dollar mix use project expected to be completed in the next 2 years. Phase I is a 20,000 SF charter school to serve 300 students and employ 20 people. Phase II is a 50,000 SF executive office and Phase III includes a building for medical and dental office. A \$1.8 million expansion of a charter school is under the review process as well as a 3 phase manufacturing plan with an investment of \$4 million.

The City also is a significant economic presence thanks to the state prison that provides employment to more than 900 professional and staff. In addition, since San Luis is a border/US 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. Currently, a \$248 million modernization of the San Luis I Port of Entry project is in the presidential budget. This project will double the amount of vehicle lanes entering the United States.

The City continues to face many important growth issues, and its citizens and municipal government are committed to finding solutions for the future. San Luis growth is estimated to reach a population of 72,566 in 2040.

City of San Luis will continue to take advantage of its strategic location and create a sustainable economy that will increase the quality of life for its residents.

#### Long-Term Financial Planning

The City's financial planning process is guided by the budget 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. Needless to say that the budget process includes input from City Council, the City Manager and citizens and includes 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 bi-annually a review of existing rate study that extends over a ten-year financial forecast in order to determine the long-term funding availability. The City Council reviews the updated financial plans and the associated rates necessary to support the enterprise funds and their capital projects.

#### Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to San Luis for its CAFR for the fiscal year that ended June 30, 2018.

The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standard for 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 CAFR, with contents conforming to program standards. Such CAFR 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 last fiscal year. We believe that our current CAFR continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

The preparation of this Comprehensive Annual 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, Heinfield, Meech & Co., P.C., for their assistance in matters pertaining to the financial affairs of the City.

Respectfully submitted,

Monica Castro, CPA  
Director of Finance

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Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

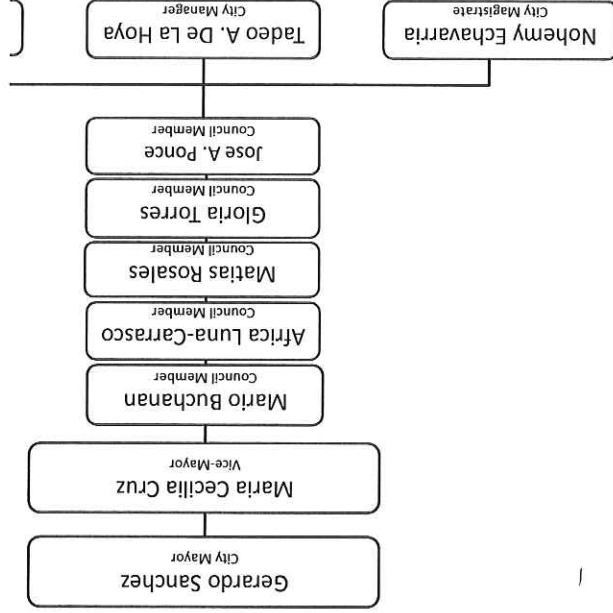
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**City of San Luis  
Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Merrill*  
Executive Director/CEO

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Elected officials

As of June 30, 2019  
*Gerardo Stancé*  
*Mayor*

*Matias Rosales*  
*Councilmember*  
*Africa L. Carrasco*  
*Councilmember*  
*Gloria Torres*  
*Councilmember*



*Maria C. Cruz*  
*Vice Mayor*  
*Mario Buitrago*  
*Councilmember*  
*Jose Vance*  
*Councilmember*

Appointed officials

*Taduo De La Hoya*  
*City Manager*

*Attorney*  
*City Clerk*  
*Economic Development Manager*  
*Director of Parks and Recreation*  
*Director of Finance*  
*Fire Chief*  
*Chief of Police*  
*Magistrate*  
*Information Technology Manager*  
*Director of Planning & Zoning*  
*Acting HR Manager*  
*Risk & Property Manager*  
*Senior Services Manager*  
*Billing and Collection Manager*

*Katy Macuil*  
*Sonia Cornelio*  
*Jenny Torres*  
*Licandro Galaviz*  
*Monica Castro*  
*Angel Ramirez*  
*Richard Jessup*  
*Derek Duenas*  
*Noborny Echazarria*  
*Jose Guzman*  
*Edgar Carbajal*  
*Maria Subori*  
*Araely De La Hoya*  
*Jorge Perez*

**FINANCIAL SECTION**

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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying 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 (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City of San Luis, Arizona, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Highway Users Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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**Change in Accounting Principle**  
As described in Note 1, the City/Town implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, for the year ended June 30, 2019, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

**Other Matters**

**Required Supplementary Information**

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

**Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019, on our consideration of the 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' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of San Luis, Arizona's internal control over financial reporting and compliance.

*Heinfield Meech & Co. PC*

Heinfield, Meech & Co., P.C.  
Phoenix, Arizona  
December 23, 2019

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

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CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019

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, 2019. 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 \$92.7 million.
- The City's net position of governmental activities increased approximately \$10.7 million to \$63.3 million and business-type activities increased \$4.4 million to \$29.4 million representing 68 percent and 32 percent respectively, of the total net position of \$92.7 million.
- As of the close of the fiscal year the City's governmental funds reported combined ending fund balances of \$18.5 million, an increase of \$4.2 million over the prior year. Approximately 18.5 percent of this amount, or \$3.4 million, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$15.2 million, or 90.1 percent of total general fund expenditures for the fiscal year.
- General revenues from governmental activities accounted for \$19.1 million in revenues or 58 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants, and contributions accounted for \$13.9 million or 42 percent of total governmental activities. The City had \$13.6 million of program revenues related to business-type activities.
- The City had \$21.9 million in expenses related to governmental activities, of which \$13.9 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$19.1 million were adequate to provide for the costs of these programs. The City had \$10.5 million in expenses related to business-type activities that were offset by program specific charges for services or capital grants and contributions.
- Among major governmental funds, the general fund had \$21.8 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 \$16.9 million. The general fund's fund balance increased from \$11.9 million to \$15.3 million. The highway users fund had revenues of \$3.2 million, which consisted primarily of intergovernmental revenues, and expenditures of \$2.7 million.
- The City's total long-term liabilities decreased from 69.2 million to 64.5 million during the current fiscal year. This decrease was due to the City making scheduled principal payments on its debt.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019

**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 comprehensive annual financial report are arranged and relate to one another.

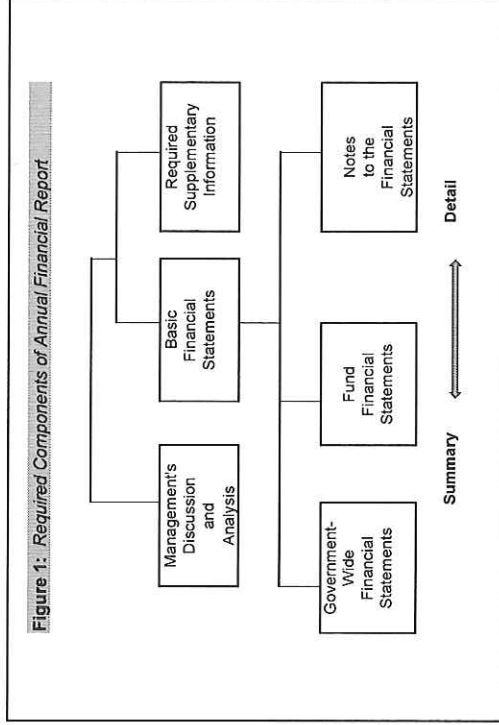


Figure 1: Required Components of Annual Financial Report

**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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019

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 are 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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019

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 9 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 and municipal projects bond funds, all of which are considered to be major funds. Data from the other 6 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, business center, sanitation, ambulance and business incubator, all five 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 programs. 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 health insurance benefits to retirees and pension benefits to its Public Safety employees, EORP and other post-employment benefit information. Required supplementary information can be found immediately following the notes to the financial statements.

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CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019

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 \$92.7 million as of June 30, 2019. By far the largest portion of the City's net position (75 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, 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 7.8 percent of the City's net position, 7.3 million at June 30, 2019 represents resources that are subject to external restrictions on how they may be used. Unrestricted net position, 15.4 percent at June 30, 2019 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, 2019 and 2018.

	Governmental Activities		Business-type Activities		Total
	2019	2018	2019	2018	
Current and other assets	\$24,354,335	\$21,576,182	\$14,552,100	\$14,196,880	\$38,916,435
Capital assets	68,762,018	63,259,250	52,902,683	50,938,814	121,664,701
<b>Total Assets</b>	<b>93,116,353</b>	<b>84,835,432</b>	<b>67,454,783</b>	<b>65,135,693</b>	<b>160,581,136</b>
<b>Total Deferred Outflow of Resources</b>	<b>3,205,666</b>	<b>2,985,699</b>	<b>1,558,916</b>	<b>1,777,222</b>	<b>4,802,582</b>
Long-term liabilities	26,393,726	30,124,091	35,434,259	39,090,072	61,828,034
Other liabilities	3,852,384	3,514,619	3,493,279	2,173,669	7,326,283
<b>Total Liabilities</b>	<b>30,226,719</b>	<b>33,638,710</b>	<b>38,927,578</b>	<b>41,263,741</b>	<b>68,154,287</b>
<b>Total Deferred Inflow of Resources</b>	<b>2,756,139</b>	<b>1,535,065</b>	<b>724,464</b>	<b>556,509</b>	<b>3,480,603</b>
<b>Net Position</b>	<b>52,027,709</b>	<b>47,586,157</b>	<b>19,200,217</b>	<b>16,864,082</b>	<b>71,227,326</b>
Net investment in capital assets	6,287,051	2,891,920	978,691	284,152	7,265,742
Restricted	5,024,402	2,093,278	9,230,749	7,892,361	14,255,151
Unrestricted	\$83,339,161	\$52,651,356	\$29,409,657	\$25,040,645	\$92,748,818
<b>Total net position</b>	<b>\$83,339,161</b>	<b>\$52,651,356</b>	<b>\$29,409,657</b>	<b>\$25,040,645</b>	<b>\$77,692,000</b>

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CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Changes in net position

**Governmental Activities:** Net position in governmental activities saw an increase of \$10.7 million. The reasons for this change can be summarized as follows:

- Program revenues covered 63 percent of total governmental expenses, increasing from 38 percent from last year to 63 percent. This is a 25 percent increase in total governmental expense coverage. Overall, revenues exceeded expenses resulting in the increase in net position.
- Program revenues totaled \$13.9 million, which was an increase of \$5.4 million from the previous year. Due primarily to a 132.3 percent increase in charges for services, a 18.5 percent increase in operating grants and a 52.4 percent increase in capital grants. These increases reflect the ongoing economic growth experienced locally and nationally over the past years.
- General revenues are used to support program activities citywide. Total general revenues increased from the prior year by \$ 1.1 million totaling \$19.1 million. This amounts to an overall increase in total revenue of 6 percent.
- Expenses totaled \$21.9 million, a 2.5 percent decrease compared to the previous year.
- For governmental activities city sales taxes represents 29.5 percent of the total revenues, being the largest single source of funds, followed by state share revenues representing 26.1 percent and 20.9 percent of capital grants and contributions.

**Business-type Activities:** Net position of the enterprise funds at the end of the year amounted to \$29.4 million. The Enterprise Funds had an increase in net position of \$4.4 million. Overall, total revenues exceeded expenses for all the proprietary funds, with the exception of business incubator. Expenses totaled \$10.5 million, a 1.5 percent decrease compared to prior year.

Capital contributions and investment earnings increased in comparison with prior year a 16 percent and 285 percent respectively, offset by a decrease in charges for services. This decrease is caused by an increase to the allowance for doubtful account in the ambulance fund to appropriately reflect the accounts receivable the ambulance fund might not collect.

The last rate increase from city rate study to compensate for historical shortfalls took place on July 1<sup>st</sup>, 2017. The steady rate increases over the past years are also contributors to the increase in net position for the enterprise funds.

For Business-type activities, the largest part of the revenue is attributable to Charges for Services - Program Revenues, which is made up of 35.3 percent Water, 31.7 percent Wastewater, 16.2 percent Ambulance, and 11.6 percent Sanitation.

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CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019

CITY OF SAN LUIS, ARIZONA  
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YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$4,611,810	\$1,985,216	\$12,411,706	\$12,756,708	\$17,023,516	\$14,741,925
Operating grants and contributions	2,372,433	2,002,228			2,372,433	2,002,228
Capital grants and contributions	6,874,510	4,511,855	1,214,350	1,046,430	8,088,860	5,558,285
General Revenues:						
City sales taxes	9,720,729	8,978,743			9,720,729	8,978,743
Franchise taxes	437,765	435,767			437,765	435,767
State shared revenues	8,609,052	8,407,534			8,609,052	8,407,534
Investment earnings	256,968	182,505	285,758	74,278	582,725	255,783
Development fees			552,832		552,832	
<b>Total Revenues</b>	<b>32,523,267</b>	<b>26,503,849</b>	<b>14,464,846</b>	<b>13,877,417</b>	<b>47,387,912</b>	<b>40,381,286</b>
<b>Expenses</b>						
General Government	5,691,431	6,163,171			5,691,431	6,163,171
Public Safety	8,248,004	8,144,859			8,248,004	8,144,859
Health and Welfare	183,081	213,634			183,081	213,634
Culture and Recreation	2,726,204	2,579,256			2,726,204	2,579,256
Community Development	1,035,590	987,340			1,035,590	987,340
Public Works & Streets	3,436,305	3,810,361			3,436,305	3,810,361
Interest on Long-Term Debt	550,817	541,343			550,817	541,343
Water			2,955,792	2,695,643	2,955,792	2,695,643
Wastewater			3,624,956	3,648,877	3,624,956	3,648,877
Business Center			669,248	1,015,409	669,248	1,015,409
Sanitation			1,305,797	1,141,085	1,305,797	1,141,085
Business Incubator			182,586	175,272	182,586	175,272
Ambulance Services			1,721,285	1,946,014	1,721,285	1,946,014
<b>Total expenses</b>	<b>21,871,431</b>	<b>22,439,965</b>	<b>10,459,664</b>	<b>10,622,300</b>	<b>32,331,094</b>	<b>33,062,264</b>
Increase/(decrease) in net position	11,051,836	4,063,884	4,004,882	3,255,117	15,056,818	7,319,001
Transfer	-364,030	-407,435	364,030	407,435	0	0
Net position - beginning, as restated	52,651,355	48,994,906	25,040,645	21,378,093	77,692,000	70,372,999
Net position - ending	\$63,339,161	\$52,651,355	\$29,409,657	\$25,040,645	\$92,748,818	\$77,692,000

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**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 governmental'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 and the Debt Service fund. The remaining governmental funds are considered non-major.

At June 30, 2019, the City's governmental funds reported combined fund balance of \$18.5 million, an increase of \$4.2 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 \$15.3 million and the total fund balance was \$18.5 million. As a measure of the general fund's liquidity, unassigned fund balance represents approximately 90.1 percent of total general fund expenditures, while total fund balance represents approximately 90.5 percent of that same amount. A fund balance percentage of 15 to 20 percent of expenditures is typically considered a sign of financial health.

**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 \$21.9 million. The cost of all business-type activities this year was \$10.5 million.
- Federal, State, and County governments and charges for services subsidized certain governmental and business-type programs with grants and contributions and other local revenues of \$27.5 million.
- The net cost of governmental activities of \$8.0 million was financed by general revenues of \$19.1 million, which are made up of primarily taxes and state shared revenues.
- Business type activities showed an increase in changes to net position of \$4.4 million in the fiscal year ended June 30, 2019 as compared to the prior fiscal year. The steady increase in user rates over the past years have played a significant role to this result. In addition, grants, capital contributions received, and investment earnings increased in significantly in comparison with prior year.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Figure 4 - Activities	Total Expenses	Net (Expense)/ Revenue
<b>Governmental Activities</b>		
General Government	\$ 5,691,431	\$ (1,252,855)
Public Safety	8,248,004	(7,311,831)
Public Works and Streets	3,436,305	4,506,661
Health and Welfare	183,081	(183,081)
Culture and Recreation	2,726,204	(2,453,736)
Community Development	1,035,590	(767,020)
Interest on Long-Term Debt	550,817	(550,817)
<b>Total Expenses</b>	<b>21,871,431</b>	<b>(8,012,678)</b>
<b>Business-Type Activities</b>		
Water	2,955,792	2,034,950
Wastewater	3,624,956	912,554
Business Center	669,248	(69,248)
Sanitation	1,305,797	138,725
Ambulance Services	1,721,285	293,129
Business Incubator	182,596	(143,717)
<b>Total Expenses</b>	<b>10,459,664</b>	<b>3,166,393</b>
<b>Total</b>	<b>\$ 32,331,094</b>	<b>\$ (4,846,285)</b>

Discretely Component Unit

The Detention Facility, which is a legally separate component unit from the financial statements of the City of San Luis, presents at June 30, 2019, a deficit of 1.5 million. This is an increase of 11.7 million when compared to the \$13.2 million deficit from last year. The reason for this favorable result is due to a change in the accounting method. At inception, the building and subsequent building expansion were depreciated at 20 years. In order to reflect appropriately the life of the asset and to be consistent with City of San Luis depreciation policy we changed the depreciation method to 45 years, instead of 20 years. There was also a considerable increase in revenue and expenses due to an increase in bed count occupancy due to the current political environment. Revenues increased 56 percent in comparison to prior year and expenditures increased 52 percent.

BUDGETARY HIGHLIGHTS

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements are required for the general fund and all major 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 2019 were \$ 3.0 million more than projected. Key differences between final estimated revenues and actual revenues were as follows:

- An increase in inmate population caused an increase in the rent revenue originated from the San Luis Detention Facility. The fees collected from this facility have a fixed fee component, in addition to a variable fee driven by the number of inmates.
- There was a significant increase in tax revenue. This is the result of an increase in housing developments, which have contributed to an increase in construction sales.

General Fund expenditures were 3.2 million less than the revised fiscal year 2019 budget due to the following:

- Per City of San Luis incentive policy, we can assist investors to bring new business to the City. In the budget FY 2019, City of San Luis allocated \$500,000 to assist investor in the development of a Hotel. This project experienced some delays in FY 2019, and it has been included again in budget for FY 2020.
- City of San Luis has struggled in filling its open positions in various departments, particularly in the Police and Fire Department. This has contributed to a significant variance in operating budget for these two departments.
- Construction of the first phase of a fleet shop was budgeted for \$450,000. There were delays in securing the design; hence, the project did not come to fruition in 2019.

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**CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**CAPITAL ASSETS**

As of June 30, 2019, the City had invested \$180.4 million in capital assets including land, buildings, facilities, vehicles, computers, equipment, and infrastructure assets prior to depreciation. Total depreciation expense for the year was \$3.2 million for the governmental activities and \$2.0 million for the business-type-activities.

The following schedule (Figure 5) presents capital asset balances for the fiscal year ended June 30, 2019.

**CAPITAL ASSETS**

	Governmental Activities		Business-type Activities		Total
	2019	2018	2019	2018	
Land	\$ 2,073,972	\$ 1,531,972	\$ 665,239	\$ 665,239	\$ 2,759,211
Construction in progress	775,827	933,622	107,468	800,157	1,733,779
Buildings and improvements	25,452,080	24,492,880	8,860,617	35,264,362	33,353,497
Machinery and equipment	11,880,275	11,571,732	10,090,660	9,119,143	21,970,935
Infrastructure	61,248,638	58,396,651	56,295,688	119,485,289	114,632,339
<b>Total</b>	<b>\$ 101,330,732</b>	<b>\$ 96,866,857</b>	<b>\$ 79,032,239</b>	<b>\$ 75,750,644</b>	<b>\$ 150,383,092</b>

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

- In 2001 the Public Health Community Facilities District (PHCFD) entered into a 30 year lease agreement with WAAHEC, such agreement stipulates that buildings and improvements constructed in PHCFD land are property of the PHCFD. Accordingly, the building and improvements for \$880,000 have been added to the Capital assets.
- Completion of reconstruction of Roadway International Plaza | Arden & Guiu at a cost of \$476,625.
- Developer contributed construction of infrastructure in subdivisions Santa Cecilia I, and Santa Cecilia II in the amount of \$1.9 Million and \$2.1 million respectively.
- Developer contributed construction of water and wastewater lines in subdivisions Santa Cecilia I, and Santa Cecilia II in the amount of \$653,020 and \$ 561,330 respectively.

Additional information on the City's capital assets can be found in Note 5 of this report.

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**CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**DEBT ADMINISTRATION**

At year end, the City's debts represent Revenue Bonds in the amount of \$49.3 million for both governmental and business-type activities that are backed solely by specified revenue sources (i.e., taxes and fees collected). The remainder which is composed of loans and notes are paid from user fees and charges and others.

The following schedule presents a summary of the City's outstanding long-term obligations for the fiscal year ended June 30, 2019.

**OUTSTANDING DEBT  
(Revenue Bonds, Capital Leases, Notes and Loan Payable)**

	Governmental Activities		Business-type Activities		Total
	2019	2018	2019	2018	
Revenue bonds	\$ 14,546,314	\$ 15,231,768	\$ 34,744,986	\$ 36,427,536	\$ 49,291,301
Capital leases	265,209	297,873	262,367	339,795	527,576
Note payable	174,463	270,762	243,768	57,843	418,231
<b>Total</b>	<b>\$ 14,985,986</b>	<b>\$ 15,800,402</b>	<b>\$ 35,251,121</b>	<b>\$ 36,825,174</b>	<b>\$ 50,237,108</b>

Additional information on the City's long-term obligations can be found in Notes 7 through 10 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 total number of visitors crossing the border in the City increased considerably for private vehicles as well as pedestrians crossing which is a good indication that retail sales have increased. Conversely, when comparing the current year to the previous year data on a month-to-month basis there seemed to be no consistency in the pattern as to when the peak or the low month occurred for both the former and the latter (source: Greater Yuma Economic Development Corporation, GYEDC).

**Figure 7 BORDER CROSSING**

Class	FY 2019		Daily		Per Month		Per Month		Daily	
	High	Low	Average	High	Low	Average	High	Low	Average	
										Per Month
Vehicles	279,305	218,228	8,263	294,516	256,731	9,079				
Pedestrians	273,033	156,686	6,721	363,727	151,796	7,499				
Commercial	4,511	1,799	88	3,230	1,857	77				

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**CITY OF SAN LUIS, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**ECONOMICS FACTORS AND NEXT YEAR'S BUDGET (CONTINUED)**

- General fund revenues come from three main sources: local taxes, state taxes and intergovernmental. The City of San Luis, like all Arizona cities, places significant reliance on collected sales tax. Overall, sales tax revenues encompassed 51 percent of the 19.1 million general revenues in fiscal year 2019. Our composition of sales taxes is made up of retail trade, wholesale trade, construction activities, and communications all showed progress in a stabilized economy during 2019, with the exception of retail sales which slightly declined 3.9 percent in comparison to prior year.
- The City also receives significant revenue allocations from the State for income tax, sales tax, gas 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.

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

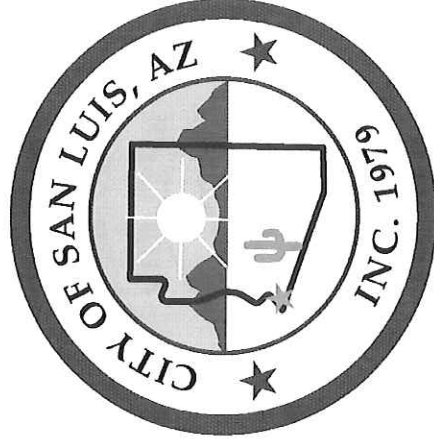
Plan for a major hotel complex from 2011, designed to enhance the overall concept of the downtown area has been revisited by the developer. The realization of the project will attract major new commercial and office developments enhancing the economic outlook for the City.

A 3 Phase multi-million-dollar mix use project expected to be completed in the next 2 years. Phase I is a 20,000 square feet charter school to serve 300 students and employ 20 people. Phase II is a 50,000 square feet executive office and Phase III includes a building for medical and dental office.

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.



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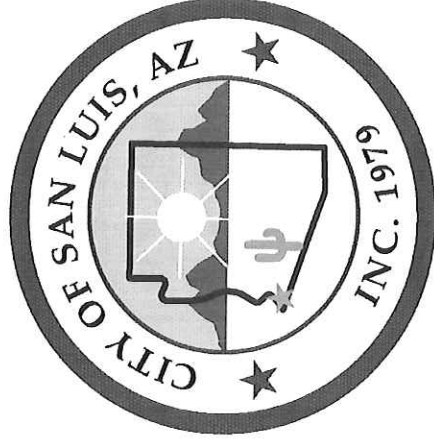
BASIC FINANCIAL STATEMENTS



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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



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CITY OF SAN LUIS, ARIZONA  
STATEMENT OF NET POSITION  
June 30, 2019

	Primary Government		Total	Component Unit	
	Governmental Activities	Business-Type Activities		Detention Facility	Facility
<b>ASSETS</b>					
Current assets:					
Cash and Cash Equivalents	\$3,628,848	\$1,145,464	\$4,774,312	\$ -	\$ -
Accounts Receivable	3,128,853	566,404	3,695,257	3,517,233	-
Inventories	12,810,654	12,810,547	25,621,201	-	-
Prepaid Items	2,211,620	1,250,830	3,462,450	2,944,551	-
Deferred Outflows of Resources	142,854	143,031	285,885	-	-
Internal Balances	1,190,982	(1,190,982)	-	-	-
Notes receivable	152,172	-	152,172	-	-
Due from other governments	-	64,806	64,806	-	-
Due from other governments	1,893,972	-	1,893,972	-	-
Total current assets	24,354,335	14,562,100	38,916,435	6,461,784	-
Noncurrent assets:					
Restricted Investment	1,680,747	668,155	2,348,902	5,537,444	-
Land	2,073,972	683,239	2,757,211	661,309	-
Construction in progress	775,827	107,468	883,295	-	-
Buildings and improvements	25,452,680	9,812,262	35,264,942	34,129,886	-
Machinery and equipment	11,889,275	10,096,660	21,985,935	326,194	-
Infrastructure	81,148,638	56,336,651	137,485,289	-	-
Accumulated depreciation	(34,259,531)	(28,757,772)	(63,017,303)	(7,944,862)	-
Total noncurrent assets	88,762,018	52,862,683	141,624,701	32,713,021	-
Total assets	93,116,353	67,424,783	160,541,136	39,174,804	-

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflow related to pension	3,069,333	511,821	3,581,154	-	-
Deferred Loss on Refunding	118,333	1,086,095	1,204,428	441,743	-
<b>Total deferred outflows of resources</b>	3,325,666	1,597,916	4,923,582	441,743	-

**LIABILITIES**

Current liabilities					
Accounts payable	\$1,002,247	\$463,573	\$1,465,820	\$ -	\$ 4,168,587
Claims payable	284,423	-	284,423	-	-
Accrued payroll and taxes	994,199	53,415	1,047,614	-	-
Court bonds payable	72,381	-	72,381	-	-
Customer deposits	350	426,010	426,360	-	-
Refundage	-	101,317	101,317	-	-
Accrued interest	320,503	616,136	936,639	426,130	-
Accrued principal	587,325	-	587,325	-	-
Current portion of Long Term Debt	588,956	1,772,859	2,361,815	2,235,000	-
Unearned Revenue	32,050	-	32,050	-	-
Total Current Liabilities	3,822,884	3,482,279	7,305,163	6,849,717	-
Non current liabilities					
Pension	11,892,897	1,861,824	13,754,721	-	-
Non-current portion of long term debt	14,500,838	33,572,675	48,073,513	34,252,977	-
Total non current liabilities	26,393,735	35,434,499	61,828,234	34,252,977	-
<b>Total liabilities</b>	39,226,619	38,916,778	78,143,397	41,102,694	-

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflow related to pension	2,583,231	533,544	3,116,775	-	-
Deferred gain on refunding	172,808	196,920	369,728	-	-
<b>Total deferred inflows of resources</b>	2,756,039	730,464	3,486,503	-	-

**NET POSITION**

Net Investment in capital assets	52,027,709	16,200,217	68,227,926	(8,870,687)	-
Restricted:					
Debt service	-	-	-	-	5,111,314
Capital Project	2,313,172	978,691	3,291,863	-	-
Assessment Districts	417,210	-	417,210	-	-
Employee Benefit Trust	3,075,725	-	3,075,725	-	-
HURF	188,882	-	188,882	-	-
Restricted for other purposes	292,062	-	292,062	-	-
Unrestricted	3,024,452	9,230,749	12,255,201	2,273,197	-
Total net position	563,338,101	529,459,657	1,092,797,758	(31,486,100)	-

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



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City of San Luis  
Statement of Activities  
For the Year Ended June 30, 2019

Functions/Programs	Program Revenues			Capital Grants and Contributions
	Expenses	Charges for Services	Operating Grants and Contributions	
<b>Primary Government</b>				
Governmental activities:				
General government	\$5,691,431	\$3,544,657	\$4,919	\$889,000
Public safety	8,248,004	423,258	322,859	190,056
Public works and streets	3,436,305	371,427	1,776,085	5,795,454
Health and welfare	183,081	-	-	-
Culture and recreation	2,726,204	272,468	-	-
Community development	1,035,590	-	268,570	-
Interest on long-term debt	550,817	-	-	-
Total governmental activities	21,871,431	4,611,810	2,372,433	6,874,510
Business-type activities:				
Water	2,955,792	4,382,952	-	607,790
Wastewater	3,624,956	3,930,950	-	606,560
Business Center	669,248	600,000	-	-
Sanitation	1,305,797	1,444,522	-	-
Ambulance Services	1,721,285	2,014,413	-	-
Business Incubator	182,586	38,869	-	-
Total business-type activities	10,459,664	12,411,706	-	1,214,350
<b>Total primary government</b>	<b>\$ 32,331,094</b>	<b>\$ 17,023,516</b>	<b>\$ 2,372,433</b>	<b>\$ 8,088,860</b>

Component Unit	Operating Grants and Contributions	Capital Grants and Contributions
Detention Facility	\$ -	\$ -
<b>Total component unit</b>	<b>\$ -</b>	<b>\$ -</b>

General revenues:

Taxes:

- City sales taxes for general purposes
- Franchise taxes
- State shared revenue (not restricted)
- Investment earnings
- Development Fees
- Transfer

Total general revenues and transfers

Changes in net position

Net position - beginning, as restated

Net position - ending

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

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Net (Expense) Revenue and Changes in Net Position

	Primary Government		Component Unit
	Governmental Activities	Business-type Activities	
	(\$1,252,855)	\$ -	\$ -
	(7,311,831)	-	-
	4,506,661	-	-
	(183,081)	-	-
	(2,453,736)	-	-
	(767,020)	-	-
	(550,817)	-	-
	(8,012,678)	-	(8,012,678)
		2,034,950	2,034,950
	-	912,554	912,554
	-	(69,248)	(69,248)
	-	138,725	138,725
	-	293,129	293,129
	-	(143,717)	(143,717)
	-	3,166,393	3,166,393
	(8,012,678)	3,166,393	(4,846,285)

	9,720,729	-	9,720,729
	437,765	-	437,765
	8,609,052	-	8,609,052
	296,968	285,758	582,725
	-	552,832	552,832
	(364,030)	364,030	-
	18,700,483	1,202,620	19,903,103
	10,687,806	4,369,012	15,056,818
	52,651,355	25,040,645	77,691,999
	63,339,161	29,409,657	92,748,817
			(1,486,146)

			(\$293,391)
			(\$293,391)

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**FUND FINANCIAL STATEMENTS**

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**GOVERNMENTAL FUNDS**

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CITY OF SAN LUIS, ARIZONA  
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2019

	MAJOR FUNDS				Total Governmental Funds
	General	Highway Users	Debt Service	Non-Major Funds	
<b>ASSETS</b>					
Equity in Pooled Cash	\$ 2,951,764	\$ -	\$ -	\$ 677,065	\$ 3,628,848
Investments	9,271,711	446,751	-	2,297,594	12,016,056
Restricted Investments	-	-	1,690,747	-	1,690,747
Accounts receivable (net)	1,897,819	-	2,232	90,374	1,990,425
Due from governmental entities	1,535,164	250,312	-	97,596	1,883,072
Due from other funds	2,487,783	-	-	-	2,487,783
Prepaid items	63,098	278	857	78,400	142,634
Supplies Inventory	13,977	138,195	-	-	152,172
<b>Total assets</b>	<b>\$ 18,211,316</b>	<b>\$ 835,536</b>	<b>\$ 1,693,837</b>	<b>\$ 3,241,049</b>	<b>\$ 23,981,737</b>

<b>LIABILITIES</b>					
Liabilities:					
Accounts payable	\$ 689,219	\$ 185,624	\$ -	\$ 127,405	\$ 1,002,247
Accrued payroll and taxes	984,050	10,148	-	-	994,198
Due to other funds	312,409	984,392	-	-	1,296,802
Court bonds payable	72,981	-	-	-	72,981
Customer deposits	350	-	-	-	350
Accrued interest	-	-	320,503	-	320,503
Accrued principal	-	-	567,325	-	567,325
Unearned Revenue	19,200	-	-	12,800	32,000
<b>Total liabilities</b>	<b>1,765,800</b>	<b>506,161</b>	<b>1,872,220</b>	<b>140,205</b>	<b>4,286,406</b>

DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	1,122,832
<b>Total Deferred Inflows of resources</b>	<b>1,122,832</b>

FUND BALANCES (DEFICITS)	
Non-spendable	77,075
Non spendable in form Restricted for:	138,473
HURF	188,882
Other Purposes	292,062
Assessment Districts	355,480
Impact Fees	2,313,172
Unassigned	(179,241)
<b>Total fund balances</b>	<b>3,241,049</b>

<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 18,211,316</b>	<b>\$ 835,536</b>	<b>\$ 1,693,836</b>	<b>\$ 3,241,049</b>	<b>\$ 23,981,737</b>
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The notes to the financial statements are an integral part of this statement.

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total governmental fund balances	\$ 18,490,766
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Governmental capital assets	\$ 101,330,791
Less accumulated depreciation	(34,259,521)
Some Receivables are not available to pay current period expenditures and, therefore, are reported as unavailable revenues in the funds.	67,071,270

Municipal Court	786,521
LaSalle	336,311
Assessments	81,730
Intergovernmental	-
	1,204,562

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds. (57,575)

Deferred outflows and inflows of resources related to pensions are applicable to future period and therefore are not reported in the funds 3,090,333

Deferred outflows of resources related to pension (2,583,231)

Deferred inflows of resources related to pension 507,102

The assets and liabilities of the internal service fund, which is used by management to charge the cost of insurance to individual funds, are included in governmental activities in the statement of net position. 3,075,725

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

Net pension liability (11,892,897)

Revenue bonds payable (13,978,989)

Capital Lease Payable (265,209)

Compensated absences payable (641,133)

Note payable (174,462)

**\$ 63,339,161**

Net position of governmental activities

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

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CITY OF SAN LUIS, ARIZONA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	MAJOR FUNDS				Total Governmental Funds
	General	Highway Users	Debt Service Fund	Non-Major Governmental Funds	
<b>REVENUES</b>					
Taxes	\$ 10,158,485	\$ -	\$ -	\$ -	\$ 10,158,485
Special assessments	843,768	-	-	335,006	335,006
Licenses and permits	8,609,052	-	-	-	843,768
Intergovernmental	2,804,155	2,804,155	-	1,223,480	12,636,687
Charges for services	101,775	-	-	763,955	865,730
Fines and forfeitures	270,007	-	-	224,821	494,828
Investment earnings	178,783	35,565	36,654	40,845	291,947
Rents	1,358,079	-	-	2,500	1,358,079
Other	304,536	371,427	-	-	678,463
<b>Total revenues</b>	<b>21,824,495</b>	<b>3,211,147</b>	<b>36,654</b>	<b>2,590,717</b>	<b>27,663,013</b>
<b>EXPENDITURES</b>					
Current:					
General government	5,248,380	-	-	171,578	5,419,958
Public safety	7,701,341	-	-	520,065	8,221,406
Public works and streets	-	1,628,617	-	66,438	1,695,053
Health and welfare	258,917	-	-	-	258,917
Culture and recreation	2,511,205	-	-	18,637	2,529,842
Community development	824,189	-	1,283	283,024	1,108,506
Capital outlay	237,386	1,042,629	-	1,238,145	2,518,160
Debt service	2,854	-	841,005	-	843,859
Interest	141,265	-	567,325	-	708,590
Principal	-	-	1,209,624	-	1,209,624
<b>Total expenditures</b>	<b>16,525,538</b>	<b>2,671,246</b>	<b>1,209,624</b>	<b>2,297,885</b>	<b>23,104,293</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>4,898,956</b>	<b>539,901</b>	<b>(1,172,970)</b>	<b>292,832</b>	<b>4,558,720</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	243,186	1,436,164
Transfers out	(1,528,170)	(243,196)	1,192,968	(28,828)	(1,800,194)
Issuance of capital lease	12,302	-	-	-	12,302
<b>Total other financing sources (uses)</b>	<b>(1,515,868)</b>	<b>(243,196)</b>	<b>1,192,968</b>	<b>214,358</b>	<b>(351,728)</b>
<b>Net Change in fund balances</b>	<b>3,383,088</b>	<b>296,705</b>	<b>(18,998)</b>	<b>507,200</b>	<b>4,206,992</b>
<b>Fund balance - beginning, as restated</b>	<b>11,938,597</b>	<b>30,648</b>	<b>(198,383)</b>	<b>2,511,915</b>	<b>14,283,777</b>
<b>Fund balance (deficit) - ending</b>	<b>\$ 15,322,684</b>	<b>\$ 327,353</b>	<b>\$ (178,384)</b>	<b>\$ 3,019,115</b>	<b>\$ 18,460,768</b>

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



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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, 2019**

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

Net change in fund balances - total governmental funds	\$4,206,992
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense in the current period.	
Expenditures for capitalized assets	2,097,384
Less current year depreciation	<u>(3,197,904)</u>
	(1,100,520)

Some Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the Governmental funds.

Municipal Court	(28,342)
Capital Contribution	4,915,692
LaSalle	336,311
Intergovernmental grant and special assessments	<u>31,574</u>
	5,255,235

The issuance of long term debt provides current financial resources to governmental funds, while the repayments of Long Term Debt principal are expenditures in the governmental funds that consumes the current financial resources of governmental funds; however, neither transaction has any effect on net position.

Principal/Accrued	327,325
Principal/Accrued	240,000
Issuance of Capital Lease	(12,302)
Capital Lease Payable	44,966
Net Payable Principal Repayment	<u>96,300</u>
	696,289

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 pension items, is reported as pension expense in the statement of activities

Current year pension contributions	1,454,054
Pension Expense	<u>(583,319)</u>
	870,735

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.

Less on disposal of assets	(3,153)
Amortization of Deferred bond items	93,043
Compensated absences	<u>(91,359)</u>
	8,532

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

Change in net position in governmental activities	<u>750,544</u>
	<u>\$10,687,906</u>

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

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CITY OF SAN LUIS, ARIZONA  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2019**

Budgeted Amounts

	Original	Final	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$8,935,600	\$8,935,600	\$10,158,495	\$1,222,895
Licenses and permits	587,600	587,600	843,788	256,188
Intergovernmental	8,575,000	8,575,000	8,609,052	34,052
Charges for services	99,600	99,600	101,775	2,175
Fines and forfeitures	253,500	253,500	270,007	16,507
Investment earnings	90,500	90,500	178,783	88,283
Rents	228,900	228,900	1,388,079	1,159,179
Other	91,100	91,100	304,536	213,436
<b>Total revenues</b>	<u>18,859,800</u>	<u>18,859,800</u>	<u>21,824,464</u>	<u>2,964,664</u>

**Expenditures:**

General Government	1,339,260	1,211,323	827,875	383,448
City Council	1,278,420	584,470	441,264	143,206
City Administration	257,230	328,597	296,276	32,321
City Clerk	431,770	431,770	378,318	53,452
City Attorney	303,050	304,130	258,926	45,304
City Prosecutor	842,420	853,520	827,359	26,161
Finance	473,810	479,730	378,337	101,393
Human Resources	675,590	680,740	588,846	81,794
Municipal Court	432,160	438,750	418,636	20,114
Information Technology	341,900	348,600	336,179	12,421
Fleet Services	217,320	220,020	180,767	39,253
Risk & Property	137,530	137,530	180,767	43,237
Non-Departmental	163,400	243,240	242,773	467
Public Safety	5,330,670	5,471,860	5,171,646	300,232
Police Department	2,857,230	3,025,700	2,929,694	486,006
Fire Department	2,356,480	2,771,130	258,917	18,213
Health and Welfare	263,330	265,160	261,820	3,340
Senior Services	1,371,200	1,404,580	1,350,583	53,997
Cultural Center	410,490	426,000	407,078	18,922
Parks - Recreation	280,780	285,370	258,894	26,476
Youth Center	276,040	287,520	232,830	54,690
Aquatic Center	378,400	378,400	278,947	99,453
Community Development	343,510	350,800	287,846	62,954
Development Services	338,430	338,430	257,396	81,034
Building Safety	1,213,990	1,208,790	237,396	971,404
Economic Development	2,250	2,950	2,854	96
Capital Outlay	138,850	141,350	141,265	85
Debt Service	20,355,510	20,126,460	16,925,538	3,200,942
Interest and Fiscal Changes	(1,495,710)	(1,265,680)	4,808,956	6,165,636
Principal Retirement				
<b>Total expenditures</b>	<u>20,355,510</u>	<u>20,126,460</u>	<u>16,925,538</u>	<u>3,200,942</u>

Excess (deficiency) of revenues over expenditures

	(2,357,025)	(2,357,025)	(1,515,866)	(815,533)
--	-------------	-------------	-------------	-----------

Other financing sources (uses):

Capital lease agreement	(3,852,735)	(3,623,705)	3,383,068	7,006,793
Transfers out	4,323,222	3,887,452	11,939,597	8,052,145

Total other financing sources (uses)

	(2,357,025)	(2,357,025)	(1,528,170)	(828,855)
--	-------------	-------------	-------------	-----------

Change in fund balances

	(2,357,025)	(2,357,025)	(1,515,866)	(815,533)
--	-------------	-------------	-------------	-----------

Fund balances - beginning

	\$ 470,487	\$ 263,747	\$ 15,322,685	\$ 15,058,938
--	------------	------------	---------------	---------------

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

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CITY OF SAN LUIS, ARIZONA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
 HIGHWAY USERS FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 2,533,900	\$ 2,533,900	\$2,804,155	\$270,255
Investment Earnings	21,400	21,400	35,565	14,165
Other	202,800	202,800	371,427	168,627
<b>TOTAL REVENUES</b>	<b>2,758,100</b>	<b>2,758,100</b>	<b>3,211,147</b>	<b>453,047</b>
<b>EXPENDITURES</b>				
Current				
Public Works and Streets	2,084,410	2,182,660	1,628,617	554,043
Capital Outlay	1,202,520	1,177,020	1,042,629	134,391
<b>Total Expenditures</b>	<b>3,286,930</b>	<b>3,359,680</b>	<b>2,671,246</b>	<b>688,434</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(528,830)</b>	<b>(601,580)</b>	<b>539,901</b>	<b>1,141,481</b>
<b>Other financing sources (uses):</b>				
Transfers out	(260,000)	(260,000)	(243,196)	(16,804)
<b>Total other financing sources (uses)</b>	<b>(260,000)</b>	<b>(260,000)</b>	<b>(243,196)</b>	<b>(16,804)</b>
<b>Change in fund balances</b>	<b>(788,830)</b>	<b>(861,580)</b>	<b>296,705</b>	<b>1,158,285</b>
<b>Fund balances - beginning, as restated</b>	<b>(1,087,520)</b>	<b>(1,408,955)</b>	<b>30,648</b>	<b>1,439,603</b>
<b>Fund Balances - ending</b>	<b>\$ (1,876,350)</b>	<b>\$ (2,270,555)</b>	<b>\$ 327,353</b>	<b>\$ 2,597,868</b>

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

PROPRIETARY FUND FINANCIAL STATEMENTS

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CITY OF SAN LUIS, ARIZONA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2018

	Enterprise Funds			Business Incubator
	Water	Wastewater	Sanitation	
<b>ASSETS</b>				
Current assets:				
Equity in pooled cash	\$ 370,004	\$ 128,518	\$ -	\$ -
Cash and cash equivalents	7,786,278	4,517,269	-	-
Investments	500,145	137,962	43,726	3,474
Accounts receivable (net)	64,806	-	-	-
Notes receivable	93,784	16,609	13,030	150
Prepaid items and other assets	-	-	-	-
<b>Total current assets</b>	<b>8,815,017</b>	<b>4,800,358</b>	<b>56,756</b>	<b>3,624</b>
Non-current assets:				
Restricted investments	667,689	-	-	-
Land	190,271	150,757	-	-
Buildings and improvements	24,628,860	33,707,801	26,596	2,007,718
Infrastructure	2,438,918	2,098,321	2,217,831	136,264
Machinery and equipment	6,368	(11,906,143)	(1,757,585)	(209,226)
Construction in progress	19,915,587	26,051,146	485,842	1,834,756
Accumulated depreciation	(28,731,504)	(30,851,504)	543,358	1,938,380
<b>Total non-current assets</b>	<b>77,390</b>	<b>108,305</b>	<b>36,576</b>	<b>-</b>
<b>Total assets</b>	<b>9,587,407</b>	<b>5,908,663</b>	<b>93,332</b>	<b>3,624</b>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflow related to pension	77,390	108,305	36,576	-
Deferred loss on refundings	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>77,390</b>	<b>108,305</b>	<b>36,576</b>	<b>-</b>

**LIABILITIES**

Current liabilities:				
Accounts payable	142,030	181,920	77,097	3,029
Estimated claims and judgments	-	-	3,438	541
Accrued payroll and taxes	10,902	15,209	39,494	496,783
Due to other funds	158,892	6,800	-	4,109
Customer deposits	415,101	-	-	-
Retainage payable	101,317	278,818	-	-
Accrued interest	238,635	468,874	67,562	1,180
Current portion of long-term debt	374,480	-	-	-
<b>Total current liabilities</b>	<b>1,441,357</b>	<b>951,421</b>	<b>187,591</b>	<b>505,642</b>
Non-current liabilities:				
Pension	530,273	785,410	265,137	-
Non-current portion of long-term debt	10,640,371	12,557,187	183,325	346
<b>Total non-current liabilities</b>	<b>11,170,644</b>	<b>13,352,597</b>	<b>454,462</b>	<b>346</b>
<b>Total liabilities</b>	<b>12,612,001</b>	<b>14,304,018</b>	<b>642,053</b>	<b>505,988</b>
Deferred inflows related to pension	68,380	102,569	34,190	-
Deferred inflow on refundings	90,057	100,863	-	-
<b>Total deferred inflow</b>	<b>158,437</b>	<b>203,432</b>	<b>34,190</b>	<b>-</b>

**NET POSITION**

Net investment in capital assets	8,163,746	14,273,059	243,074	1,994,755
Restricted for Capital Project	60,945	917,746	-	-
Restricted for Employee Benefit Trust	7,813,665	1,261,554	(339,143)	(502,363)
Unrestricted	(8,038,336)	(8,452,339)	(96,069)	(1,432,392)
<b>Total net position</b>	<b>8,000,020</b>	<b>7,000,020</b>	<b>868,862</b>	<b>500,000</b>

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

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	Enterprise Funds			Total	Internal Service Fund
	Ambulance Services	Business Center	Insurance Fund		
	\$ 1,014,946	\$ 198,400	\$ 1,143,464	\$ 3,128,653	
	784,522	50,001	12,303,547	231,485	
	19,458	-	64,806	-	
	1,828,926	248,401	15,753,082	3,360,148	
	-	466	668,155	-	
	-	344,211	885,239	-	
	-	5,075,204	9,812,282	-	
	536,387	2,663,944	56,386,851	-	
	(153,069)	(4,761,263)	(26,707,772)	-	
	393,318	4,130,034	52,802,693	-	
	2,212,244	4,378,435	88,657,765	3,360,148	
	289,550	-	511,821	-	
	-	1,085,095	1,085,095	-	
	289,550	1,085,095	1,596,916	-	
	59,422	75	463,573	284,423	
	23,325	-	53,415	-	
	-	485,813	1,190,982	-	
	-	-	426,010	-	
	7,507	-	101,317	-	
	105,733	151,375	676,135	-	
	195,987	1,402,263	4,684,281	284,423	
	270,804	-	1,851,624	-	
	190,215	9,995,031	33,572,675	-	
	461,019	9,995,031	35,434,299	-	
	657,006	11,397,294	40,118,560	284,423	
	328,405	-	533,544	-	
	-	-	190,920	-	
	323,405	-	724,484	-	
	120,951	(5,535,369)	19,200,217	-	
	-	-	978,691	3,075,725	
	1,395,432	(395,396)	9,230,749	-	
	1,916,363	(3,933,764)	23,408,867	3,075,725	

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CITY OF SAN LUIS, ARIZONA  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET FUND POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Enterprise Funds			Internal Service Fund
	Water	Wastewater	Sanitation	
<b>Operating revenues:</b>				
Charges for services	\$ 4,271,011	\$ 3,930,054	\$ 1,408,126	
Rent	-	-	-	
Other	111,942	896	36,396	
<b>Total operating revenues</b>	<b>4,382,953</b>	<b>3,930,950</b>	<b>1,444,522</b>	
<b>Operating expenses:</b>				
Cost of sales and services	1,910,960	2,148,748	1,201,434	
Insurance Premiums/Claims	-	-	-	
Depreciation	614,010	968,664	99,400	
<b>Total operating expenses</b>	<b>2,524,970</b>	<b>3,117,412</b>	<b>1,300,834</b>	
<b>Operating income (loss)</b>	<b>1,857,983</b>	<b>813,538</b>	<b>143,688</b>	
<b>Nonoperating revenues (expenses):</b>				
Investment earnings	194,117	90,207	-	
Development Fees	-	552,832	-	
Interest and fiscal charges	(430,802)	(507,544)	(4,963)	
<b>Total nonoperating revenues (expenses)</b>	<b>(236,685)</b>	<b>135,495</b>	<b>(4,963)</b>	
Income before Contributions and Transfers	1,621,278	949,033	138,725	
Capital contributions	807,790	606,560	-	
Transfer in	-	28,828	-	
<b>Changes in net position</b>	<b>2,229,068</b>	<b>1,584,421</b>	<b>138,725</b>	
<b>Total net position, beginning of year</b>	<b>13,809,290</b>	<b>14,867,938</b>	<b>(234,794)</b>	
<b>Total net position, end of year</b>	<b>\$ 16,038,358</b>	<b>\$ 16,452,359</b>	<b>\$ (96,069)</b>	

	Enterprise Funds			Internal Service Fund
	Business Incubator	Ambulance Services	Business Center	
<b>\$</b>	<b>-</b>	<b>\$ 2,005,913</b>	<b>\$ -</b>	<b>\$ 11,615,104</b>
	36,367	-	600,000	636,367
	2,502	8,500	-	160,236
	38,869	2,014,413	600,000	12,411,707
	135,999	1,640,594	76,287	7,114,042
	46,587	73,184	190,897	1,992,742
	182,586	1,713,778	267,184	9,106,784
	(143,717)	300,635	332,816	3,304,923
	-	-	1,432	285,756
	-	(7,507)	(402,054)	(1,352,880)
	-	(7,507)	(400,632)	(514,292)
	(143,717)	293,129	(67,816)	2,790,632
	-	-	-	1,214,350
	-	-	335,202	364,030
	(143,717)	293,129	267,366	4,369,012
	1,576,108	1,223,253	(6,201,150)	25,040,645
	\$ 1,432,391	\$ 1,516,382	\$ (5,933,764)	\$ 29,409,657
				\$ 3,075,725

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

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CITY OF SAN LUIS, ARIZONA  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2019

	Enterprise Funds		
	Water	Wastewater	Sanitation
\$ 4,432,754	\$ 3,903,390	\$ 1,438,056	
(1,552,571)	(1,156,572)	(845,790)	
(614,507)	(652,018)	(298,070)	
2,265,676	1,894,799	294,196	

	Enterprise Funds		Internal Service	
	Business Incubator	Business Center	Total	Insurance Fund
\$ 34,631	\$ 2,086,958	\$ 600,412	\$ 12,495,201	\$ 2,712,508
(97,937)	(459,273)	(537,198)	(4,649,252)	(1,840,212)
(38,269)	(1,147,739)	-	(2,950,603)	-
(101,576)	478,946	63,304	4,885,347	872,286

Increase/(Decrease) In Cash and Cash Equivalents

Cash flows from operating activities:  
Cash received from customers  
Cash payments to suppliers for goods and services  
Cash payments to employees for services  
Net cash provided by (used for) operating activities

Cash flows from noncapital and related financing activities:

Transfers from other funds  
Increase/(decrease) due to other funds  
Net cash provided by (used for) noncapital and related financing activities

Cash flows from capital and related financing activities:

Proceeds from debt issuance  
Development Fees  
Payments for capital acquisitions  
Principal paid on long-term debt  
Interest paid on long-term debt

Net cash provided by (used for) capital and related financing activities

Cash flows from investing activities:  
Investment income (loss)  
Net cash provided by investing activities

Net increase/decrease in cash and cash equivalents

Cash and cash equivalents, beginning of year, as restated  
Cash and cash equivalents, end of year

Reconciliation of Operating Income (Loss) to

Net Cash Provided by (Used for) Operating Activities  
Operating Income (Loss)  
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:

Depreciation  
Difference between pension expense and pension contributions  
Change in assets and liabilities:  
(Increase)/decrease in accounts receivable  
(Increase)/decrease in prepaid items and other assets  
Increase/(decrease) in accounts payable  
Increase/(decrease) in customer deposits  
Increase/(decrease) in retained payable  
Increase/(decrease) in accrued payroll and taxes  
Increase/(decrease) in unearned revenue  
Increase/(decrease) in compensated absences payable

Total adjustments

Net cash provided by (used for) operating activities  
The notes to the financial statements are an integral part of this statement.

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(1,488,187)	(1,135,691)	(65,781.00)	
184,116	90,207	-	
184,116	90,207	-	
410,866	849,316	-	
8,413,105	3,796,472	-	
\$ 8,823,971	\$ 4,645,788	-	
\$ 1,857,993	\$ 813,538	143,988	

614,010	568,664	89,400	
(138,259)	42,444	(17,179)	
898	(28,010)	(6,497)	
(15,061)	316	37,328	
(106,919)	96,047	41,521	
48,834	450	-	
1,291	1,460	(1,142)	
2,850	(110)	(2,952)	
407,713	1,081,282	150,509	
2,265,676	1,894,799	294,196	

46,587	73,184	190,887	1,982,742	-
-	9,468	-	(107,539)	-
(2,827)	71,544	412	35,621	750
(415)	(9,418)	-	13,165	-
580	11,666	(415,497)	(373,598)	108,022
-	-	-	49,883	-
-	7,274	(45,324)	(45,324)	-
-	-	-	8,539	-
-	(1,991)	-	(1,991)	-
151	18,603	-	18,542	-
42,141	178,311	(269,512)	1,580,423	128,772
\$ (101,576)	\$ 478,946	\$ 63,304	\$ 4,885,345	\$ 872,286

CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

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, 2019, the City implemented the provisions of GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. This Statement requires enhanced note disclosures and clarifies which liabilities governments should include when disclosing information related to debt.

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 *Public Health Community Facilities District (PHCFD)* 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.

The *San Luis Employees' Self Insurance Health Fund (ES)* 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

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NOTES TO THE BASIC FINANCIAL STATEMENTS



CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

100 percent by the plan and pay on the average \$250 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 Units

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 San Luis 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 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 units.

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.

The City participates under a membership provision with two other entities in a jointly governed organization, the Greater San Luis Port Authority, Inc. (GYPA) which is directed by a seven person board. The GYPA was established in September 8, 2000, as a nonprofit corporation for the purpose of promoting and developing the new port district through cooperative regional effort of government entities (members), within the Yuma County region and to ensure the economic wellness of the San Luis area. Members are required to pay a fee of \$50,000 per year for operational expenses of the corporation. The City carries in its budget an annual appropriation of \$50,000 to retain its membership. The City does not retain an on-going financial interest or an on-going financial responsibility in the GYPA. Complete financial statements of the GYPA may be obtained from the GYPA's office at P.O. Box 4601, San Luis, AZ 85349.

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CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

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 organizations does not extend beyond the making of appointments and therefore they are not included as part of the financial statements.

The following are related organizations that are excluded from the reporting entity:

- San Luis Police Activities/Athletics League
- San Luis AZ Chamber of Commerce
- 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

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

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CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**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.

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.

**Debt Service Fund**– This fund accounts for the construction of the City’s various construction projects.

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CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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
- Assessment Districts
- San Luis Community Facilities District
- Community Development

**Capital Projects Funds**

- Capital Outlay Reserve

**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 Fund 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.

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.

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

**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.

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CITY OF SAN LUIS, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, 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.

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.

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CITY OF SAN LUIS, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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. Fiscal agents acting on behalf of the City hold investment funds arising from the proceeds of long-term debt issuances.

**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.

**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.

**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.

**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 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 cost, with cost determined using an average cost method.

**J. Capital Assets**

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

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NOTES TO FINANCIAL STATEMENTS  
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NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Certain capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	15-50
Buildings	7-50
Improvements other than buildings	5-50
Vehicles, machinery, and equipment	4-15

K. Deferred Inflows and Outflows

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 component unit have items that qualify for reporting in this category.

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

- A deferred charge 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.

**Deferred Inflows of Resources** represent inflows of resources (acquisition of net position) 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 two types of items, which arise 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 and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Inflows and Outflows (Continued)

Under the full accrual basis, the City has two 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 15.

L. 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.

M. 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.

N. 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, 2019.

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CITY OF SAN LUIS, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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.

P. Pensions

For purposes of measuring the net pension liability, 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.

The following timeframes are used for pension reporting:

Valuation Date:	June 30, 2017
Measurement Date:	June 30, 2018
Measurement Period:	July 1, 2016 to June 30, 2017

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.

Q. 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.

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 FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

R. Fund Balances

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.

**Restricted** – This classification includes revenue sources that are restricted to specific purposes externally imposed by 1) external parties such as: grantors creditors or 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.

**Assigned for Capital Projects** – Portion of fund balance that has been budgeted or designated by Council for capital projects.

**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.

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CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Fund Balances (Continued)

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.

Fund Balances:	General Fund	Highway Users Fund	Debt Service Fund	Non-Major Governmental Funds	
Non spendable:					
Inventory	\$ 13,977	\$ 138,195	\$		\$ 78,400
Prepaid Items	63,098	278	857		
Restricted:					
HURF		188,882			
Assessment Districts					335,480
Impact fees					2,313,172
Other purposes			(179,241)		292,062
Unassigned	15,245,609				
Total fund balances	\$ 15,322,684	\$ 327,354	\$ (178,384)	\$	\$ 3,019,114

S. 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.

T. 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, Major Special Revenue, and the 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

CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

T. Budget (Continued)

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- CASH AND INVESTMENTS

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

	Primary Government		Component Unit
	Governmental Activities	Business-type Activities	
Equity in Pooled Cash	\$ 3,628,848	\$ 1,143,464	\$ 4,772,312
Cash and cash equivalents	3,128,653	568,404	7,214,290
Investments	12,016,056	12,303,548	24,319,604
Restricted assets:			
Cash and Investments	1,690,746	668,154	5,537,444
Total	\$ 20,464,303	\$ 14,683,570	\$ 9,054,677
			\$ 44,202,550

Cash and investments consisted of the following:

Cash on hand	\$ 4,435
Demand deposits	8,464,934
Investments	35,733,181
Total	\$ 44,202,550

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CITY OF SAN LUIS, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2- CASH AND INVESTMENTS (CONTINUED)

**Demand Deposits** - The carrying amounts of the City's demand deposits were \$8,464,994 at June 30, 2019. Bank balances were \$8,840,830 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions 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)
Money Market	\$ 11,413,577	Less than 1
State Treasurer	24,319,604	\$ 11,413,577
Total	\$ 35,733,181	24,319,064
		\$ 35,733,181

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.

CITY OF SAN LUIS, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2- CASH AND INVESTMENTS (CONTINUED)

At June 30, 2019, all the City's investments were considered to be level two investments. The pricing methodology utilized by evaluators to value City's investment consisted in gathering information from market sources and integrate relative credit information, observed market movements, and sector news onto the evaluated pricing applications and models.

**Disclosures Related to 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, 2019, the City's investment in the State Treasurer's Government Investment Pool (LGIP) were rated AAA by Standard and Poor's Corporation. The City's investments in Money market were rated Aaa by Moody's investors.

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](http://www.aztreasury.gov) or by writing to Arizona State Treasurer's Office, 1700 West Washington Street, 1<sup>st</sup> Floor, Phoenix, AZ 85007. The City's position in the LGIP at June 30, 2019 is stated at cost, which approximates fair value.

**Disclosures Related to Custodial Credit Risk.** 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. As of June 30, 2019, City deposits of \$7,836,830 were collateralized with securities held by the pledging financial institution.

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 an investment company 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.

**Disclosures Related to Custodial Credit Risk.** 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. At June 30, 2019, the City had \$11,413,577 of money market funds that were uninsured and held by the counterparty's trust department or agent not in the City's name. 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.

**Disclosures Related to Concentration Credit Risk.** The City places no limit on the amount the City may invest in any one issuer. As of June 30, 2019, the City's investments include 32 percent invested in money market funds, and 68 percent invested in the State Treasurer's investment pool.

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CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 3- RECEIVABLES**

Receivables are reported net of allowance for uncollectible of \$1,027,200 for Proprietary Fund receivables and \$365,947 for Governmental funds receivable of which the majority relates to court fines. As of year-end, the City's net receivables for individual major governmental funds, non-major governmental funds in the aggregate, and major enterprise funds are as follows:

	Governmental Activities					Total
	General	Highway Users	Debt Service Fund	Non-Major Governmental and Other	Insurance Fund	
Accounts receivable	\$ 1,101,299	\$ -	\$ 2,232	\$ 90,374	\$ 231,495	\$ 1,425,400
Fines receivable	786,520					786,520
Due from governmental entities	1,535,164	250,312		97,566		1,883,072
Net total receivable	\$ 3,422,983	\$ 250,312	\$ 2,232	\$ 187,970	\$ 231,495	\$ 4,094,992
Business-Type Activities						
	Water	Wastewater	Business Center	Sanitation	Ambulance Services	Business Incubator
Accounts receivable	\$ 500,145	\$ 137,962	\$ 50,001	\$ 43,726	\$ 794,522	\$ 3,474
Notes receivable	64,806					64,806
Net total receivables	\$ 564,951	\$ 137,962	\$ 50,001	\$ 43,726	\$ 794,522	\$ 3,474
						\$ 1,594,636

Governmental funds report unearned 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 consisted mostly of fines receivable were reported in the General Fund of \$1,204,562.

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CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 4- INTERFUND TRANSACTIONS**

**A. Due From and To Other Funds**

Fund	Due From Other Funds	Due to other Funds
General	\$ 2,487,783	\$ 312,409
Highway Users		158,892
Water		39,494
Sanitation		496,783
Business Incubator		495,813
Business Center		984,392
Debt Service		
Total	\$ 2,487,783	\$ 2,487,783

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 primary government funds:

Transfer In:	Transfer Out		
	General Fund	Highway User Fund	Non Major Gov Funds
Debt Service Fund	\$ 1,192,968		
Non Major Fund		\$ 243,196	\$ 28,828
Wastewater Fund			
Business Center	335,202		
Total	\$ 1,528,170	\$ 243,196	\$ 28,828

Transfers are used (1) to move receipts restricted for debt service from the funds collecting them to the funds obligated to pay debt service payments as they become due (2) to move revenues collected in the Highway Users fund to match the street projects for which grants were received, (3) to move funds from the special revenue account that manages grants obtained to fund waste water projects. (4) General fund is moving funds to Business Center fund to finance portion of debt in accordance to budgetary authorizations.

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NOTES TO FINANCIAL STATEMENTS  
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NOTE 5- CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2019 follows:

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,531,972	\$ 542,000	\$	\$ 2,073,972
Construction in progress	933,622	1,183,208	1,341,003	775,827
Total capital assets, not being depreciated	2,465,594	1,725,208	1,341,003	2,849,799
Capital assets, being depreciated:				
Buildings and improvements	24,492,880	985,500	26,300	25,452,080
Machinery and equipment	11,571,732	465,629	157,086	11,880,275
Infrastructure	55,970,894	5,177,744		61,148,638
Total capital assets being depreciated	92,035,506	6,628,873	183,386	98,480,993
Less accumulated depreciation for:				
Buildings and improvements	(8,558,705)	(1,128,892)	(26,300)	(9,661,297)
Machinery and equipment	(7,317,315)	(879,021)	(153,933)	(8,042,403)
Infrastructure	(15,365,830)	(1,189,991)		(16,555,821)
Total accumulated depreciation	(31,241,850)	(3,197,904)	(180,233)	(34,259,921)
Total capital assets, being depreciated, net	60,793,656	3,430,969	3,153	64,221,472
Governmental activities capital assets, net	\$ 63,259,250	\$ 5,156,177	\$ 1,344,156	\$ 67,071,271

CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 5- CAPITAL ASSETS (CONTINUED)

Business-type Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 685,239	\$	\$	\$ 685,239
Construction in progress	800,157	1,030,379	1,723,068	107,468
Total capital assets, not being depreciated	1,485,396	1,030,379	1,723,068	792,707
Capital assets, being depreciated:				
Buildings and improvements	8,860,617	951,665		9,812,282
Machinery and equipment	9,119,143	990,517	19,000	10,090,660
Infrastructure	56,295,688	2,040,963		58,336,651
Total capital assets being depreciated	74,275,448	3,983,145	19,000	78,239,593
Less accumulated depreciation for:				
Buildings and improvements	(2,310,197)	(289,757)		(2,599,954)
Machinery and equipment	(7,240,301)	(425,328)	(19,000)	(7,646,629)
Infrastructure	(15,273,532)	(1,277,657)		(16,551,187)
Total accumulated depreciation	(24,824,030)	(1,992,742)	(19,000)	(26,797,772)
Total capital assets, being depreciated, net	49,451,419	1,990,402		51,441,821
Business-type activities capital assets, net	\$ 50,936,815	\$ 3,020,781	\$ 1,723,068	\$ 52,234,528
Discretely Presented Component Unit	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 661,359	\$	\$	\$ 661,359
Total capital assets, not being depreciated	661,359			661,359
Capital assets, being depreciated:				
Buildings and improvements	34,129,886			34,129,886
Machinery and equipment	329,194			329,194
Total capital assets being depreciated	34,459,080			34,459,080
Less accumulated depreciation for:				
Buildings and improvements	(6,852,859)	(762,809)		(7,615,668)
Machinery and equipment	(327,760)	(1,434)		(329,194)
Total accumulated depreciation	(7,180,619)	(764,243)		(7,944,862)
Total capital assets, being depreciated, net	27,278,461	(764,243)		26,514,218
Discretely presented component unit capital assets, net	\$ 27,939,820	\$ (764,243)	\$	\$ 27,175,577

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CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 5- CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	Amount
General government	\$ 940,545
Public safety	552,587
Health and welfare	11,651
Culture and recreation	307,596
Community development	9,260
Public works and streets	1,376,265
Total depreciation expense	<u>\$ 3,197,904</u>
Business-type activities:	
Water	\$ 614,010
Wastewater	968,664
Business Center	190,897
Sanitation	99,400
Business Incubator	46,587
Ambulance Services	73,184
Total depreciation expense	<u>\$ 1,992,742</u>
Discretely presented Component Unit:	
Detention Facility	\$ 764,243
Total depreciation expense	<u>\$ 764,243</u>

NOTE 6- CONSTRUCTION COMMITMENTS

The City entered into several construction contracts for street projects (special revenue fund projects) and wastewater treatment projects totaling almost \$2.4 million. These commitments have only been recorded in the accompanying financial statements for work completed as of June 30, 2019. The remaining balance for work not yet complete at the end of the year is estimated at \$434,741 for governmental activities projects and \$592,141 million for business-type activities projects.

NOTE 7- OBLIGATIONS UNDER LEASES

Operating Leases – The City leases copiers/printers under certain non-cancelable operating leases. The City also leases copiers/printers on month to month basis, which are not subject to an agreement. Operating leases do not give rise to property rights or lease obligations (long-term debt); therefore, the results of the lease agreements are not reflected in the City's Statement of Net Position. Lease payments made during the fiscal year 2019 amounted to \$54,725.

CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 7- OBLIGATIONS UNDER LEASES (CONTINUED)

The following is a schedule of the future minimum lease payments on the operating leases.

Year Ending June 30:	
2020	\$ 17,097
2021	10,059
2022	6,924
2023	298
Total	<u>\$ 34,378</u>

Operating Lease Receivables- The city receives lease payments for leasing a commercial building to Advance Call Center Technologies, LLC (ACT). The term of this agreement has an ending date of April, 2027. Tenant have the option to extend term for two additional periods of (5) years each. Lease payments received during the FY 2019 amounted to \$ 600,000.

The future minimum lease receivable and the net present value of these minimum rentals at year end were as follows:

Year Ending June 30th:	
2020	\$ 600,000
2021	600,000
2022	600,000
2023	600,000
2024	600,000
2025-27	1,800,000
Total	<u>\$ 4,800,000</u>

Capital Leases Obligation – The City has acquired two wheeled coach ambulances under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payment as of the inception date. The Ambulance Services Fund is used to pay the capital lease obligation. Amortization of assets recorded under capital leases is included with depreciation expense.

The City has acquired one copier machine under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payment as of the inception date. The General Fund is used to pay the capital lease obligation. Amortization of assets recorded under capital leases is included with depreciation expense.

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**CITY OF SAN LUIS, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7- OBLIGATIONS UNDER LEASES (CONTINUED)**

The City has acquired 63 portable radios for the City of San Luis Fire and Police Departments under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payment as of the inception date. The General Fund and the Ambulance Fund are used to pay the capital lease obligation. Amortization of assets recorded under capital leases is included with depreciation expense.

The assets acquired through capital leases that meet the City capitalization threshold are as follows:

Asset:	Governmental Activities	Business-Type Activities	Total
Equipment	\$ 310,175	\$ 442,890	\$ 753,065
Less: Accumulated Depreciation	47,719	121,825	169,544
<b>Total</b>	<b>\$ 262,456</b>	<b>\$ 321,065</b>	<b>\$ 583,521</b>

The future minimum lease obligations and the net present value of these minimum leases payments at year end were as follows:

Year ending June 30,	Governmental Activities	Business-Type Activities	Total
2020	\$ 45,392	\$ 87,281	\$ 132,673
2021	45,392	87,281	132,673
2022	45,392	87,281	132,673
2023	45,395	5,231	50,626
2024	42,766	5,233	47,999
2025	42,766	5,233	47,999
<b>Total minimum lease payments</b>	<b>\$ 267,103</b>	<b>\$ 277,540</b>	<b>\$ 544,643</b>
Less: amount representing interest	1,894	15,173	17,067
<b>Present Value of minimum lease payments</b>	<b>\$ 265,209</b>	<b>\$ 262,367</b>	<b>\$ 527,576</b>
Due within one year	\$ 44,863	\$ 79,774	\$ 124,637

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**NOTE 8- REVENUE BONDS PAYABLE**

**PRIMARY GOVERNMENT**

Revenue bonds payable at June 30, 2019 consisted of the outstanding revenue bonds presented below. The bonds are generally callable with interest payable semiannually.

In November 2014 the City issued \$28,795,000 in Excise Tax Revenue Refunding Obligations Series 2014A and \$2,220,000 Series 2014B taxable Obligations collectively with an average true-interest rate of 4.02 percent to refund the 2005 San Luis Civic Improvement Corporation (SLCIC) in the amount of \$40,000,000.

Purpose	Interest Rate	Maturity	Outstanding Principal June 30, 2019
Governmental activities	4.00-5.00%	7/1/19-38	\$ 10,591,304
Business-type activities	4.00-5.00%	7/1/19-38	16,588,696
<b>Total</b>			<b>\$ 27,180,000</b>

Future debt service requirements for SLCIC revenue bonds are as follows:

Year Ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 327,325	\$ 514,689	\$ 512,675	\$ 806,136
2021	399,015	500,398	530,985	783,752
2022	356,551	483,009	558,449	756,516
2023	374,086	464,743	585,914	727,907
2024	391,621	445,600	613,379	697,925
2025-29	2,260,102	1,922,002	3,639,898	3,010,348
2030-34	2,875,784	1,290,206	4,504,216	2,020,794
2035-39	3,666,820	475,985	5,743,180	745,515
<b>Total</b>	<b>\$ 10,591,304</b>	<b>\$ 6,056,634</b>	<b>\$ 16,588,696</b>	<b>\$ 9,548,891</b>

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CITY OF SAN LUIS, ARIZONA  
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NOTE 8- REVENUE BONDS PAYABLE (CONTINUED)

In October 2017, the City issued \$14,540,000 in Excise Tax Revenue Refunding obligations tax exempt Series 2017 A \$2,825,000, and \$11,715,000 Series 2017 B 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.

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust accounts assets and liabilities for the defeased bonds is not included in the City's financial statements. At year end, \$9,555,000 of the defeased bonds are still outstanding.

Purpose	Original Amount	Interest Rate	Maturity	Outstanding Principal June 30, 2019	
				Governmental Activities	Business-Type Activities
Governmental activities	\$ 2,825,000	2.00-5%	7/1/20-27	\$ 2,555,000	
Business-Type Activities	11,715,000	1.50-3.50%	7/1/20-31	10,885,000	
<b>Total</b>				<b>\$ 13,440,000</b>	

Year Ending June 30:	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2020	\$ 240,000	\$ 116,900	\$ 755,000	\$ 297,088	
2021	245,000	108,400	765,000	283,775	
2022	255,000	97,125	780,000	266,325	
2023	265,000	84,125	795,000	251,581	
2024	280,000	70,500	815,000	232,450	
2025-29	1,270,000	130,750	4,410,000	794,684	
2030-32			2,565,000	121,284	
<b>Total</b>	<b>\$ 2,555,000</b>	<b>\$ 607,800</b>	<b>\$ 10,885,000</b>	<b>\$ 2,249,188</b>	

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NOTE 8- REVENUE BONDS PAYABLE (CONTINUED)

In November 2013, the City issued 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.

Purpose	Original Amount Issued	Interest Rate	Maturity	Outstanding Principal June 30, 2019	
				Business-Type Activities	Total
Business-type activities	\$6,580,000	3.80-4.00%	7/1/19-2034	\$ 5,770,000	
<b>Total</b>				<b>\$ 5,770,000</b>	

Future debt service requirements for the Utility Revenue Bond payable are as follows:

Year Ending June 30:	Business-Type Activities		Total
	Principal	Interest	
2020	\$ 295,000	\$ 213,655	\$ 508,655
2021	305,000	202,255	507,255
2022	315,000	190,475	505,475
2023	325,000	178,315	503,315
2024	340,000	165,680	505,680
2025-29	1,900,000	621,300	2,521,300
2030-34	2,290,000	224,200	2,514,200
<b>Total</b>	<b>\$ 5,770,000</b>	<b>\$ 1,795,880</b>	<b>\$ 7,565,880</b>

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NOTE 8 - REVENUE BONDS PAYABLE (CONTINUED)

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 there from 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.

Purpose	Original Amount	Interest Rate	Maturity	Outstanding Principal June 30, 2019
Discretely presented component units	\$ 26,090,000	6.00-7.25%	5/1/19-30	\$ 22,080,000
Discretely presented component units	20,835,000	6.00-7.25%	5/1/19-27	15,145,000
<b>Total</b>				<b>\$ 37,225,000</b>

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

Year Ending June 30:	2014 Series Principal	2014 Series A Principal	2014 Series A Interest	2014 Series A Interest
2020	\$ 925,000	\$ 1,310,000	\$ 1,550,166	\$ 1,006,612
2021	980,000	1,380,000	1,497,440	933,252
2022	1,035,000	1,460,000	1,439,620	853,212
2023	1,095,000	1,550,000	1,375,450	764,152
2024	1,175,000	1,660,000	1,298,800	656,428
2025-29	10,620,000	7,785,000	5,007,826	1,244,746
2030	6,250,000		453,126	
<b>Total</b>	<b>\$ 22,080,000</b>	<b>\$ 15,145,000</b>	<b>\$ 12,622,428</b>	<b>\$ 5,458,402</b>

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NOTE 9 - NOTE OBLIGATIONS

Outstanding long-term debt and current portions are summarized as follows:

Governmental activities	CURRENT PORTION	LONG TERM PORTION	TOTAL
Notes payable to Walmart Store for \$376,000 dated October 4, 2008 for road extension. Note is due in quarterly installments of the first 1% of City Sales Tax collected on retail sales from the Walmart Store until fully paid.		\$155,967	\$155,967
Converted a line of credit received from 1st Bank Yuma on June 11, 2015 for equipment purchase to a note payable in the amount of \$554,453 with an interest rate of 3.75% payable in five years.	18,495		18,495
<b>Total Notes Payable</b>	<b>\$18,495</b>	<b>\$155,967</b>	<b>\$174,462</b>

Business-type activities

	CURRENT PORTION	LONG TERM PORTION	TOTAL
Converted a line of credit received from 1st Bank Yuma on June 11, 2015 for equipment purchase to a note payable in the amount of \$554,453 with an interest rate of 3.75% payable in five years.	\$11,785		\$11,785
Note payable to 1st Bank Yuma issued on February 26, 2019 for equipment purchase for the amount of \$ 246,842 with an interest rate 4.5% payable in 6 years	45,636	186,347	231,983
<b>Total Notes Payable</b>	<b>\$57,421</b>	<b>\$186,347</b>	<b>\$243,768</b>

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NOTE 9- NOTE OBLIGATIONS (CONTINUED)

Future debt service required for the notes payable are as follow:

Year Ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 18,495	\$ 117	\$ 57,421	\$ 9,742
2021			47,788	7,515
2022			50,014	5,288
2023			52,344	2,958
2024			36,193	626
Total	\$ 18,495	\$ 117	\$ 243,760	\$ 26,129

PLEGGED REVENUES

CIC REVENUE BONDS- GADA REVENUE BONDS

The City has pledged to repay \$42,825,525 in (CIC) revenue bonds issued from 2005 through 2015, and payable through 2039. This amount represents remaining principal and interest payments on the debt.

The purpose for the (CIC) issuance was to expand its facilities to better serve its citizens. The proceeds were used to finance its public buildings such as: City Hall, Police and Fire stations as well as infrastructure for Water and Sewer storage capacities. Those bonds were refunded during fiscal year 2015 to take advantage of substantial savings during the same remaining period (see note 8 for further review).

The city has pledged to repay \$16,295,988 (GADA) revenue bonds issued in 2009 through 2017, and payable through 2032. This amount represents remaining principal and interest. The proceeds from this issue were to refinance the call center development debt, and fund other municipal projects. During 2018 the city issued refunding bonds to advance refund of the GADA obligations issued in 2009 to reduce total debt service payments over the next 21 years by \$7,384,378.

Both bonds issuances (CIC) and (GADA) called for the City to pledge certain revenues until the debt is fully paid. Pledge revenues on the (CIC) and (GADA) bonds include "excise taxes", state shared revenues, permit fees, franchise taxes. Excise Taxes are defined to include the transaction privilege tax and business taxes, which the city imposes. In 2019 the revenue pledged amounted to \$19.7 million. Principal and interest for the current year were \$1,915,000 and \$1,759,000 respectively.

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NOTE 9- NOTE OBLIGATIONS (CONTINUED)

A portion of the (CIC) is funded by the revenues directly or indirectly derived from the operation and use of the water system. However, that does not relieve the revenues listed in the preceding paragraph to be pledged.

The coverage ratio (pledged revenues to debt service) for 2019 for (CIC) and (GADA) is 5.37.

More in depth disclosures can be referenced from the statistical section, Table XII.

UTILITY REVENUE BOND

The city has pledged to repay \$7,565,880 Utility revenue b issued in 2013, and payable through 2033. The proceeds from this issue financed the construction of new water and sewer lines. The utility bonds are collateralized by the total operating revenues and investment income of the Water and Wastewater Enterprise Funds. In 2019 the revenue pledged amounted to \$8.6 million. Principal and interest for the current year were \$ 777,417 and \$1,034,616 respectively.

The coverage ratio (pledged revenues to debt service) for 2019 for the Utility bonds is 2.5.

More in depth disclosures can be referenced from the statistical section, Table XIII b.

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**CITY OF SAN LUIS, ARIZONA  
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**NOTE 10- CHANGE IN LONG-TERM LIABILITIES**

**Compensated Absences**

The City's policy relating to compensated absences is described in Note 1-L. As shown in the table below, the long-term portion of this debt, amounting to \$ 841,133 for governmental activities and \$94,383 for business-type activities at June 30, 2019 is expected to be paid in future years from future resources. Compensated absences have been liquidated primarily by the General Fund and proprietary fund revenues. Pension liabilities have typically been liquidated with General Fund and Proprietary Fund revenues.

Long-term liability activity for all categories for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 559,775	\$ 523,664	\$ 442,305	\$ 641,133	\$ 485,588
Revenue Bonds Payable	13,733,886	587,583	587,583	13,733,886	567,235
Revenue Bonds Premium	1,497,832	97,871	97,871	1,400,011	18,495
Nettes Payable	270,763	96,300	96,300	174,463	44,863
Capital Leases	297,873	12,302	44,566	265,209	
Pension	13,763,912	1,871,015	1,871,015	11,892,897	
<b>Governmental Activities Long Term Liabilities</b>	<b>\$ 30,124,091</b>	<b>\$ 535,966</b>	<b>\$ 3,140,041</b>	<b>\$ 27,520,016</b>	<b>\$ 1,126,381</b>
<b>Business-type activities:</b>					
Compensated Absences	\$ 75,785	\$ 116,551	\$ 98,254	\$ 94,082	\$ 72,259
Revenue Bonds Payable	34,874,113	1,609,117	1,609,117	33,274,113	1,562,675
Revenue Bonds Premium	7,721,370	865,119	865,119	7,501,370	
Revenue Bonds Discount	(145,955)	(10,987)	(10,987)	(156,955)	
Nettes Payable	67,843	246,842	60,917	243,768	57,421
Capital Leases	339,795	77,438	77,438	262,388	79,774
Pension	2,179,113	317,489	317,489	1,861,624	
<b>Business-type Activities Long Term Liabilities</b>	<b>\$ 39,080,072</b>	<b>\$ 363,693</b>	<b>\$ 2,236,637</b>	<b>\$ 37,207,128</b>	<b>\$ 1,772,829</b>
<b>Discretely Presented Component units</b>					
Revenue Bonds Payable	\$ 39,345,000		\$ 2,120,000	\$ 37,225,000	\$ 2,235,000
Revenue Bonds Discount	(811,907)		(74,884)	(737,023)	
<b>Discretely Presented Component units Long Term Liabilities</b>	<b>\$ 38,533,093</b>	<b>\$ -</b>	<b>\$ 2,045,116</b>	<b>\$ 36,487,977</b>	<b>\$ 2,235,000</b>

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**NOTE 11- COMMITMENTS AND CONTINGENCIES**

**Lawsuits** – The City is a defendant in various lawsuits, and other claims that are incidental to its normal operations. 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.

**NOTE 12- STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Individual Deficit Fund Balance/Net Position** – At June 30, 2019, the following individual funds reported deficits in Fund Balance/Net Position.

	Deficit
Governmental Funds:	
Debt Service	\$ (178,385)
Enterprise Funds:	
Business Center	\$ (5,933,764)
Sanitation	(96,069)
Discretely Presented Component Unit:	
Detention Facility	\$ (1,486,146)

The fund balance deficit of the Debt Service Fund is expected to be subsidized through processing inter-funds transfers with the General Fund.

The net position deficit of the Business Center Fund is expected to be subsidized through future rent revenues of unoccupied building space.

The net position deficit of the Sanitation Fund is expected to be subsidized through future rate increases.

At inception, the building and subsequent building expansion was depreciated at 20 years. In order to reflect appropriately the life of the asset and to be consistent with City of San Luis depreciation policy, the useful life of the asset was increased from 20 years to 45 years. This change in accounting method will improve the net position for of the SLDF. In addition, a new operator agreement will take in effect on January 2020 which it is expected to improve the net position of this fund.

**NOTE 13- 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 pool loss. The City's insurance protection 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.

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**NOTE 13- RISK MANAGEMENT (CONTINUED)**

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 \$50,000 for each claim. In addition, the City has an annual aggregate stop loss amount 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:

	Year Ended June 30, 2019	Year Ended June 30, 2018
Unpaid claims, beginning of fiscal year	\$ 158,401	\$ 175,531
Incurred claims (including IBNRs)	1,561,171	2,020,267
Claim payments	(1,435,149)	(2,037,397)
Unpaid claims, end of fiscal year	\$ 284,423	\$ 158,401

CITY OF SAN LUIS, ARIZONA  
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**NOTE 14- 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, 2019, 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 liability	\$ 11,892,897	\$ 1,861,623	\$ 13,754,520
Deferred outflows of resources	3,090,333	511,820	3,602,153
Deferred inflows of resources	2,583,231	533,543	3,116,774
Pension expense	556,892	153,650	710,542

The City reported \$ 1,715,242 of pension contributions as expenditures in the governmental and 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. 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 its Web site at [www.azasrs.gov](http://www.azasrs.gov).

**Benefits Provided** - The ASRS provides retirement benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

**AS RS**

	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*	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

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NOTE 14- RETIREMENT PLANS (CONTINUED)

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 11.80 percent (11.64 percent for retirement and 0.16 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 11.80 percent (11.18 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.16 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, 2019 were \$752,249.

Employers are also required to pay an Alternative Contribution rate (ACR) for retired members who return to work in positions that would be typically be filled by an employee who contributes to ASRS. The City was required by statute to contribute at the actuarially determined rate of 10.53 percent (10.41 for retirement, 0.06 percent for health insurance premium benefit, and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS. ACR contributions are included in employer contributions presented above.

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, 2019, the City reported a liability of \$ 8,837,885 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018.

CITY OF SAN LUIS, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
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NOTE 14- RETIREMENT PLANS (CONTINUED)

The total liability as of June 30, 2018 reflects changes in actuarial assumptions based on the results of an actuarial experience study for the five-year period ended June 30, 2016, including decreasing the discount rate from 8.0 percent to 7.5 percent, changing the projected salary increases from 3-6.75 percent to 2.7-7.2 percent, decreasing the inflation rate from 3 percent to 2.3 percent, and changing the mortality rates. The City's proportion of the net assets/liability was based on the City's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2018.

The City's reported liability at June 30, 2019, decreased by \$1,035,484 from the City's prior year liability of \$9,873,369 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.

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, 2018, was .0634 percent, which was no difference from its proportion measured as of June 30, 2017.

**Pension Expense and Deferred Outflows/Inflows of Resources** - For the year ended June 30, 2019, the City recognized pension expense for ASRS of \$128,856. At June 30, 2019, 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	\$ 243,477	\$ 48,722
Changes of assumptions or other inputs	233,867	783,600
Net difference between projected and actual earnings on pension investments	-	212,530
Changes in proportion and differences between contributions and proportionate share of contributions	11,642	94,807
Contributions subsequent to the measurement date	752,249	
Total	<u>\$ 1,241,235</u>	<u>\$ 1,139,659</u>

The \$752,249 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, 2020. 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:	Pension
2020	\$ 3,215
2021	(236,183)
2022	(322,393)
2023	(95,312)

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NOTE 14- RETIREMENT PLANS (CONTINUED)

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

Actuarial valuation date	June 30, 2017
Actuarial roll forward date	June 30, 2018
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Investment Rate of Return	7.5%
Projected salary increases	2.7-7.2%
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, 2017, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The Board adopted the experience study recommended changes which were applied to June 30, 2017, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by the target asset allocation percentage and by adding expected inflation.

At June 29, 2018, the ASRS Board approved updated strategic asset allocation targets, to be effective July 2018.

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
Equity	50%	5.50%
Fixed income	30%	3.83%
Real estate	20%	5.85%
Total	100%	

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NOTE 14- RETIREMENT PLANS (CONTINUED)

**Discount Rate.** At June 30, 2018, the discount rate used to measure the ASRS total pension liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. 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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

1% Decrease	Proportionate share of the net (assets) liability	1% Increase
\$ 12,598,608	\$ 8,837,885	\$ 5,695,861

**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](http://www.azasrs.gov).

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NOTE 14- 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). 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.

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

**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 based on initial membership dates. See the publicly available PSPRS financial report for additional benefits information.

CITY OF SAN LUIS, ARIZONA  
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NOTE 14- RETIREMENT PLANS (CONTINUED)

**Initial Membership Date:**  
 Tier 1- Before January 1, 2012  
 Tier 2- On or after January 1, 2012

Years of service and age required to receive benefit  
 20 years of service, any age 15 years of service, age 62

Final average salary is based on last 20 years  
 Highest 36 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%

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% 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, 2019, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS	
	Police	Fire
Retirees and beneficiaries	8	3
Inactive, non-retired members	2	10
Active members	32	30
Total	42	43

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NOTE 14- 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, 2019, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS	
	Police	Fire
Active members -Pension	7.65% to 11.65%	7.65% to 11.65%
City - Pension	23.44% to 25.67%	14.36% to 18.51%

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to PSPRS. The City of San Luis was required by statute to contribute at the actuarially determined rate of 13.76 percent for the PSPRS. ACR contributions are included in employer contributions presented above.

For the agent plans, the City's contributions to the pension plan for the year ended June 30, 2019, were:

	PSPRS	
	Police	Fire
Pension Contributions	\$ 525,830	\$ 382,197

During fiscal year 2019, the City paid for PSPRS pension contributions as follows: 67 percent from the General Fund, and 33 percent from the Ambulance Services Fund.

**Pension Liability** - At June 30, 2019, the City reported the following net pension

	PSPRS	
	Police	Fire
Net (Assets) Liability	\$3,558,794	\$ 815,387

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NOTE 14- RETIREMENT PLANS (CONTINUED)

The net pension liability was measured as of June 30, 2017. The total liability used to calculate the net liability was determined by an actuarial valuation as of that date. The total liability as of June 30, 2018, does not reflect changes of actuarial assumptions based on the results of an actuarial experience study for the five-year period ended June 30, 2016, which includes an investment rate of return of 7.4 percent for Tier 1 & 2, and 7% for Tier 3. Wage inflation assumption of 3.5 percent, mortality, withdrawal, disability, and retirement assumptions remain the same as well.

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

PSPRS - Pension	Pension
Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.4% for Tier 1 & 2, 7% for Tier 3
Projected salary increases	3.5%
Inflation	2.5%
Permanent benefit increase	Included
Mortality rates	RP 2014 - tables using MP-2016 improvement scale with adjustments to match current experience
Healthcare cost trend rate	Not Applicable

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.40 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:

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NOTE 14- RETIREMENT PLANS (CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	16%	7.60%
Non-U.S. equity	14%	8.70%
Private Equity	12%	5.83%
Fixed Income	5%	1.25%
Private Credit	16%	6.75%
GTS	12%	3.96%
Real Assets	9%	4.52%
Real Estate	10%	3.75%
Risk Parity	4%	5.00%
Short Term Investments	2%	0.25%
	<u>100%</u>	

**Pension Discount Rates** – At June 30, 2018, the discount rate used to measure the total pension liability was 7.4 percent, which is the same as the discount rate used as of June 30, 2016.

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.

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NOTE 14- RETIREMENT PLANS (CONTINUED)

Changes in the Net Pension Liability

	Total (Assets) Liability	Plan Fiduciary Net Position	Increase (Decrease)	Net (Assets) Liability
PSPRS - Police				
Balances at June 30, 2018	\$ 10,038,629	\$ 6,260,542	\$	\$ 3,778,087
Changes for the year:				
Service Cost	365,220			365,220
Interest on the Total Pension Liability	721,974			721,974
Difference between expected and actual experience on the Total Pension Liability	(461,278)			(461,278)
Contributions - employer		258,678		(258,678)
Contributions - employee		178,569		(178,569)
Net investment income		414,905		(414,905)
Benefit payments, including refunds of employee contributions	(929,669)		(929,669)	-
Administrative Expense		(7,015)		7,015
Other changes		72		(72)
Net Changes	(303,753)	(84,460)		(219,293)
Balance at June 30, 2019	\$ 9,734,876	\$ 6,176,082	\$	\$ 3,558,794

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CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

CITY OF SAN LUIS, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 14- RETIREMENT PLANS (CONTINUED)

NOTE 14- RETIREMENT PLANS (CONTINUED)

Changes in the Net Pension Liability

	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability
PSPRS - Fire			
Balances at June 30, 2018	\$ 6,127,969	\$ 4,993,739	\$ 1,134,230
Changes for the year:			
Service Cost	344,233		344,233
Interest on the Total Pension Liability	463,118		463,118
Difference between expected and actual experience on the Total Pension Liability	(487,056)		(487,056)
Contributions - employer		143,184	(143,184)
Contributions - employee		149,282	(149,282)
Net investment income		352,682	(352,682)
Benefit payments, including refunds of employee contributions	(83,463)	(83,463)	-
Administrative Expense		(6,068)	6,068
Other changes		58	(58)
Net Changes	236,832	555,675	(318,843)
Balance at June 30, 2019	\$ 6,364,801	\$ 5,549,414	\$ 815,387

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

Pension Expense-For the year ended June 30, 2019, the City recognized the following pension expense:

	Police	Fire
Pension Expense	\$541,790	\$ 264,211

Pension Deferred Outflows/Inflows of Resources - At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
PSPRS - Police		
Difference between expected and actual experience	\$ 289,849	\$ 642,299
Changes in assumptions	533,288	-
Net difference between projected and actual earnings on pension plan investments	77,067	-
Contributions subsequent to the measurement date	525,830	-
Total	\$ 1,426,034	\$ 642,299

	Deferred Outflow of Resources	Deferred Inflow of Resources
PSPRS - Fire		
Difference between expected and actual experience	\$ 32,612	\$ 988,823
Changes in assumptions	398,239	-
Net difference between projected and actual earnings on pension plan investments	58,783	-
Contributions subsequent to the measurement date	382,197	-
Total	\$ 871,831	\$ 988,823

Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate-The following table presents the City's net pension liabilities calculated using the discount rates noted above, as well as what the City's 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.

	Current		
	1% Decrease	Discount Rate	1% Increase
PSPRS - Police			
Rate	6.40%	7.40%	8.40%
Net pension (assets) liability	\$ 5,210,466	\$ 3,558,794	\$ 2,252,410
PSPRS - Fire			
Rate	6.40%	7.40%	8.40%
Net pension (assets) liability	\$ 1,971,367	\$ 815,387	\$ (100,691)

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CITY OF SAN LUIS, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

NOTE 14- 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 a reduction of the net pension liability in the year ended June 30, 2020. 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
2020	\$ 136,058	\$ (952)
2021	94,515	(32,885)
2022	8,404	(93,564)
2023	1,513	(55,564)
2024	26,283	(60,437)
Thereafter	\$ (8,868)	\$ (255,787)

Elected Officials Retirement Plan

**Plan Description** - Elected officials and judges participate in the Elected Officials Retirement Plan (EORP). ASRS, 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](http://www.psprs.com).

CITY OF SAN LUIS, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

NOTE 14- 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
	On or after January 1, 2012
Years of service and age required to receive benefit	Before January 1, 2012
	20 years, any age
	10 years, age 62
	5 years, age 65
	5 years, any age*
	any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years
Benefit percent	Highest 60 consecutive months of last 10 years
Normal retirement	4% per year of service, not to exceed 80%
Disability retirement	3% per year of service, not to exceed 75%
Survivor benefit	75% with 10 or more years of service
Retired members	37.5% with 5 to 10 years of service
Active members and other inactive members	18.75% with less than 5 years of service
	50% of retired member's 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.

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CITY OF SAN LUIS, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

CITY OF SAN LUIS, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

NOTE 14- 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, 2019, statute required active EORP to contribute 7 or 13 percent of the members' annual covered payroll for the City to contribute at the actuarially determined rate of 61.5% of all active EORP members annual covered payroll. Also, statute required the City to contribute 49.86 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members. In addition, statute required the City to contribute 30.16 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, 2019, were \$54,965.

During fiscal year 2019, the City paid for EORP pension contributions from the General Fund.

**Pension Liability** - At June 30, 2019, 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	\$ 542,454
State's proportionate share of the EORP net pension liability associated with the City	<u>92,946</u>
<b>Total</b>	<b>\$ 635,400</b>

The net asset and net liability were measured as of June 30, 2018, and the total liability used to calculate the net asset or net liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2018, reflect statutory changes in benefits terms for automatic cost-of-living adjustments. The basis for cost-of-living adjustment was changed from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of 2 percent.

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NOTE 14- RETIREMENT PLANS (CONTINUED)

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, 2018. The City's proportion measured as of June 30, 2018 was 0.08 percent, which was a decrease of .01 percent from its proportion measured as of June 30, 2017.

Pension expense and deferred outflows/inflows of resources - For the year ended June 30, 2019, the City recognized pension expense for EORP of \$ (224,315).

**Pension Deferred Outflows/Inflows of Resources** - At June 30, 2019, 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
Differences between expected and actual experience	\$ 3,380	\$ 8,460
Changes of assumptions or other inputs	-	225,828
Net difference between projected and actual earnings on pension investments	4,707	-
Changes in proportion and differences between contributions and proportionate share of contributions subsequent to the measurement date	54,965	111,705
<b>Total</b>	<u>\$ 63,052</u>	<u>\$ 345,993</u>

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CITY OF SAN LUIS, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

NOTE 14- RETIREMENT PLANS (CONTINUED)

The \$54,965 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, 2020. 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
2020 \$	(313,112)
2021	(22,875)
2022	(1,997)
2023	78

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

<b>EORP</b>	
Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.40%
Projected salary increases	3.50%
Inflation	2.50%
Cost of Living Adjustments	Included
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience.
Health cost trend rate	Not applicable

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CITY OF SAN LUIS, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

NOTE 14- RETIREMENT PLANS (CONTINUED)

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.40 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 geometric real rate of return
Short term investments	2%	0.25%
Risk parity	4	5.00
Fixed income	5	1.25
Real assets	9	4.52
GTS	12	3.96
Private credit	16	6.75
Real estate	10	3.75
Private Equity	12	5.83
Non-U.S. equity	14	8.70
U.S. equity	16	7.60
Total	100%	

Discount Rate - At June 30, 2018, the discount rate used to measure the EORP total pension liability was 7.4 percent, which was an increase of 3.49 from the discount rate used as of June 30, 2017. 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 actuarially determined rates, and state contributions will be made as currently required by statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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CITY OF SAN LUIS, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

CITY OF SAN LUIS, ARIZONA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 14- RETIREMENT PLANS (CONTINUED)**

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 7.4 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 (6.4 percent) or one percentage point higher (8.4 percent) than the current rate:

Proportionate share of the net (assets) liability		Current	
1% Decrease	Discount Rate	Discount Rate	1% Increase
\$ 622,863	\$ 542,454	\$ 474,104	

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued EORP financial report.

**NOTE 15- PRIOR PERIOD ADJUSTMENT**

The July 1, 2018, governmental activities net position and component unit (SLDF) net position do not agree to the prior year financial statements due to a correction of an error. Restatement in governmental activities is to reflect accrual of principal in the appropriate year. Restatement to the Component unit is to appropriately reflect the useful life of the building. The useful life was changed from 20 years to 45 years.

	Debt Service Fund	Component Unit
Net Position, June 30, 2018	\$ 14,871,362	\$ (13,197,656)
Correction to GAAP Presentation	(587,587)	3,356,375
Depreciation Correction		8,493,808
Net Position, July 1st, 2018	\$ 14,283,775	\$ (1,347,473)

**NOTE 16- TAX ABATEMENTS**

In June 2017, the City entered into a tax abatement agreement with San Luis Commercial Holdings, LLC for multi-use sites, which creates significant benefits to the City by providing for the acquisition of infrastructure as part of the development, increasing tax and other revenue to the City as a result of the improvements constructed on the property, and additional employment through development of the property. The agreement is effective until the sum of all abated taxes is equal to \$1,823,000. The City anticipates that it will take approximately 15 years from the start of construction to reach the cap. The agreement was entered into under a Resolution adopted by the Mayor and City Council in June 2017. The Resolution allows for 50% of all transaction privilege taxes of the City as generated from businesses established on the Project Site to be related to the Developer or its nominee or assignee until the sum of \$1,823,000 is paid. The ordinance established the following condition that must be met by the developer to qualify for the tax abatement; this retail tax incentive agreement will be conditioned upon the development of and the opening of the businesses (hotels and restaurants) by January 1, 2020.

During the fiscal year no transaction privilege taxes were abated under the San Luis Commercial Holdings, LLC agreement. The City anticipates construction will begin in in the 4<sup>th</sup> quarter of calendar year 2019.

**NOTE 17- SUBSEQUENT EVENTS**

We evaluated subsequent events through the date of issuance of the financial statements. There have been no subsequent events that occurred during such period that would require adjustment to or disclosure in the financial statements.

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CITY OF SAN LUIS, ARIZONA  
 SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 ARIZONA STATE RETIREMENT SYSTEM  
 LAST FIVE FISCAL YEARS

Measurement date	2019 June 30, 2018	2018 June 30, 2017	2017 June 30, 2016	2016 June 30, 2015	2015 June 30, 2014
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	\$ 8,837,885	\$ 9,873,369	\$ 10,475,512	\$ 9,832,851	\$ 9,246,388
City's covered payroll	\$ 6,356,202	\$ 6,155,121	\$ 9,781,656	\$ 10,080,810	\$ 9,456,971
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	139.04%	160.41%	107.09%	98.53%	97.77%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	66.35%	65.48%

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.

**REQUIRED SUPPLEMENTARY INFORMATION**

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CITY OF SAN LUIS, ARIZONA  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
ELECTED OFFICIAL RETIREMENT PLAN  
LAST THREE FISCAL YEARS

Measurement date	2019		2018		2017	
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2014
City's proportion of the net pension (assets) liability	0.08%	0.09%	0.11%			
City's proportionate share of the net pension (assets) liability	\$ 542,454	\$ 1,157,339	\$ 1,008,290			
State's proportionate share of the net pension liability	\$ 92,946	\$ 374,681	\$ 208,186			
Total	\$ 635,400	\$ 1,532,020	\$ 1,216,476			
City's covered payroll	\$ 94,323	\$ 68,562	\$ 132,685			
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	575.10%	1688.02%	759.91%			
Plan fiduciary net position as a percentage of the total pension liability	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.

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CITY OF SAN LUIS, ARIZONA  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - POLICE

Measurement date	2019		2018		2017		2016		2015	
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014
Total pension liability	\$ 365,220	\$ 449,219	\$ 350,332	\$ 306,944	\$ 282,241					
Service cost	721,974	647,619	562,087	555,140	466,641					
Interest	-	162,160	512,893	-	91,936					
Changes of benefit terms	(461,278)	385,365	(58,955)	(423,441)	(9,396)					
Differences between expected and actual experience	-	121,338	362,672		606,442					
Changes of assumptions or other inputs	(929,669)	(274,770)	(333,006)	(410,680)	(234,608)					
Benefit payments, including refunds of employee contributions	(303,753)	1,490,931	1,396,023	27,963	1,209,656					
Net change in total pension liability	10,038,629	8,547,698	7,151,675	7,123,712	5,920,656					
Total pension liability - beginning	\$ 9,734,876	\$ 10,038,629	\$ 8,547,698	\$ 7,151,675	\$ 7,123,712					
Total pension liability - ending										
Plan fiduciary net position	\$ 258,678	\$ 393,486	\$ 351,711	\$ 248,515	\$ 264,741					
Contribution - employer	178,569	231,348	207,745	182,813	165,287					
Contribution - employee	414,905	640,536	30,048	179,681	580,609					
Net investment income	(929,669)	(274,770)	(333,006)	(410,680)	(234,608)					
Benefit payments, including refunds of employee contributions	(7,015)	(6,068)	(4,724)	(4,770)	(4,714)					
Administrative expense	72	68	(99,246)	(8,823)	2,155					
Other	(84,460)	984,620	152,528	191,936	773,970					
Net change in plan fiduciary net position	6,260,542	5,275,922	5,123,394	4,951,458	4,157,488					
Plan fiduciary net position - beginning	\$ 6,176,082	\$ 6,260,542	\$ 5,275,922	\$ 5,123,394	\$ 4,951,458					
Plan fiduciary net position - ending	\$ 3,558,794	\$ 3,778,087	\$ 3,271,776	\$ 2,028,281	\$ 2,192,254					
Net pension (assets) liability - ending	63.44%	62.36%	61.72%	71.64%	69.23%					
Plan fiduciary net position as a percentage of the total pension liability	\$ 1,728,405	\$ 2,081,175	\$ 1,794,507	\$ 1,799,219	\$ 1,663,348					
Covered payroll	205.90%	181.54%	182.32%	112.73%	131.80%					
Net pension (assets) liability as a percentage of covered payroll										

NOTE: The pension scheduled in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

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CITY OF SAN LUIS, ARIZONA  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE

Measurement date	2019	2018	2017	2016	2015
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total pension liability	\$ 344,233	\$ 439,788	\$ 335,758	\$ 296,352	\$ 294,507
Service cost	463,118	433,188	347,995	308,046	275,383
Interest		88,014	388,157	-	(6,383)
Changes of benefit terms					
Differences between expected and actual experience	(487,056)	(519,052)	(93,940)	51,216	(184,049)
Changes of assumptions or other inputs		200,618	264,127	-	77,627
Benefit payments, including refunds of employee contributions	(183,463)	(131,347)	(281,063)	(51,738)	(25,329)
Net change in total pension liability	236,832	501,219	1,221,034	603,876	429,655
Total pension liability - beginning	5,127,959	5,626,750	4,405,716	3,801,840	3,372,185
Total pension liability - ending	\$ 5,364,801	\$ 6,127,969	\$ 5,626,750	\$ 4,405,716	\$ 3,801,840
Plan fiduciary net position					
Contribution - employer	\$ 143,184	\$ 241,875	\$ 253,312	\$ 208,243	\$ 189,532
Contribution - employee	145,282	195,123	207,731	173,223	157,403
Net investment income	352,682	517,876	23,851	138,174	416,103
Benefit payments, including refunds of employee contributions	(83,463)	(131,347)	(281,063)	(51,738)	(25,329)
Administrative expense	(6,068)	(4,982)	(3,832)	(3,755)	(3,378)
Other	58	(92,419)	(26,171)	(2,750)	8,528
Net change in plan fiduciary net position	555,675	726,127	173,828	461,397	726,859
Plan fiduciary net position - beginning	4,993,739	4,267,612	4,093,784	3,632,387	2,879,528
Plan fiduciary net position - ending	\$ 5,549,414	\$ 4,993,739	\$ 4,267,612	\$ 4,093,784	\$ 3,632,387
Net pension (assets) liability - ending	\$ 815,387	\$ 1,134,230	\$ 1,359,138	\$ 311,932	\$ 169,453
Plan fiduciary net position as a percentage of the total pension liability	87.19%	81.49%	75.85%	92.92%	95.54%
Covered payroll	\$ 1,769,302	\$ 1,778,902	\$ 1,594,143	\$ 1,544,922	\$ 1,471,355
Net pension (assets) liability as a percentage of covered payroll	46.09%	63.76%	85.26%	20.19%	11.52%

NOTE: The pension scheduled in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

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CITY OF SAN LUIS, ARIZONA  
SCHEDULE OF PENSION CONTRIBUTIONS  
ALL PENSION PLANS  
LAST SEVEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013
Arizona State Retirement System:							
Actuarially determined contribution	\$ 752,249	\$ 692,826	\$ 663,522	\$ 650,874	\$ 644,042	\$ 584,114	\$ 543,219
Contribution in relation to the actuarially determined contribution	752,249	692,826	663,522	650,874	644,042	584,114	543,219
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 6,524,967	\$ 6,356,202	\$ 6,155,121	\$ 5,998,839	\$ 5,914,085	\$ 5,298,698	\$ 5,209,366
Contributions as a percentage of covered payroll	11.18%	10.90%	10.78%	10.85%	10.89%	11.02%	10.43%
Public Safety Personnel Retirement System - Police:							
Actuarially determined contribution	\$ 529,830	\$ 435,558	\$ 400,210	\$ 352,801	\$ 281,218	\$ 272,789	\$ 242,295
Contribution in relation to the actuarially determined contribution	529,830	435,558	400,210	352,801	281,218	272,789	242,295
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 2,350,202	\$ 1,728,405	\$ 2,081,175	\$ 1,794,507	\$ 1,799,219	\$ 1,653,348	\$ 1,571,304
Contributions as a percentage of covered payroll	22.67%	25.20%	19.23%	19.66%	15.63%	16.40%	15.42%
Public Safety Personnel Retirement System - Fire:							
Actuarially determined contribution	\$ 382,197	\$ 347,491	\$ 233,214	\$ 203,572	\$ 186,635	\$ 180,241	\$ 168,598
Contribution in relation to the actuarially determined contribution	382,197	347,491	233,214	203,572	186,635	180,241	168,598
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 1,998,964	\$ 1,769,302	\$ 1,778,902	\$ 1,594,143	\$ 1,544,922	\$ 1,471,355	\$ 1,481,205
Contributions as a percentage of covered payroll	18.51%	19.64%	13.11%	12.77%	12.21%	12.25%	11.45%
Elected Official Retirement Plan:							
Actuarially determined contribution	\$ 54,965	\$ 20,495	\$ 16,112				
Contribution in relation to the actuarially determined contribution	54,965	20,495	16,112				
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 110,230	\$ 87,213	\$ 68,562				
Contributions as a percentage of covered payroll	49.86%	23.50%	23.50%				

NOTE: The pension scheduled in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

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**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, 2017 valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The actuarial assumptions used in the June 30, 2018, valuation for PSPRS and EORP were based on the results of an actuarial experience study for the five-year period ending June 30, 2016. Several actuarial assumptions were adjusted as a result of the study, including decreasing wage inflation from 4.0% to 3.5%.

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. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. 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**

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CITY OF SAN LUIS, ARIZONA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2019

	SPECIAL REVENUES				Totals
	Police Grants and Special Revenues	Judicial Collection Enhancement	SL Community Facilities District	Assessment Districts	
<b>ASSETS</b>					
Equity in pooled cash	\$ 8,874	\$ 166,714	\$ 32,500	\$ 338,756	\$ 677,085
Investments	-	-	-	-	2,297,594
Accounts receivable (net)	-	2,621	-	87,752	90,374
Due from governmental entities	97,596	-	-	-	97,596
Prepaid items	-	-	-	-	78,400
<b>Total assets</b>	<b>\$ 106,470</b>	<b>\$ 169,336</b>	<b>\$ 32,500</b>	<b>\$ 426,509</b>	<b>\$ 3,241,049</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 2,068	\$ 14,840	\$ -	\$ 9,299	\$ 127,406
Unearned revenue	-	-	-	-	12,800
<b>Total liabilities</b>	<b>2,068</b>	<b>14,840</b>	<b>-</b>	<b>9,299</b>	<b>140,206</b>
Deferred inflows of resources:					
Unavailable revenue	-	-	-	81,730	81,730
Fund balances:					
Non-spendable	-	-	-	-	78,400
Restricted	104,402	154,496	32,500	335,480	2,940,713
<b>Total fund balances</b>	<b>104,402</b>	<b>154,496</b>	<b>32,500</b>	<b>335,480</b>	<b>3,019,113</b>
<b>Total liabilities and fund balances</b>	<b>\$ 106,470</b>	<b>\$ 169,336</b>	<b>\$ 32,500</b>	<b>\$ 426,509</b>	<b>\$ 3,241,049</b>

CAPITAL PROJECTS

	Capital Outlay Reserve	Totals
\$	15,578	\$ 677,085
	2,297,594	2,297,594
	-	90,374
	-	97,596
	-	78,400
<b>\$</b>	<b>2,313,172</b>	<b>\$ 3,241,049</b>

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CITY OF SAN LUIS, ARIZONA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES- NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUES					Totals
	Public Grants & Special Revenues	Judicial Collection Enhancement	SI, Community Facilities District	Assessment Districts	Community Development	
Revenues:						
Intergovernmental	\$ 544,314	\$ 4,919	\$ -	\$ -	\$ 674,257	\$ 1,223,490
Fines and forfeitures	96,317	126,504	-	-	-	224,821
Special assessments	-	-	-	335,006	-	335,006
Charges for services	-	-	-	-	19,300	763,955
Investment earnings	-	-	-	-	-	40,945
Other	-	-	2,500	-	-	2,500
Total revenues	642,631	131,423	2,500	335,006	693,557	2,590,717
Expenditures:						
Current						
General government	-	144,981	-	-	-	171,578
Public safety	520,065	-	-	-	-	520,065
Public works and streets	-	-	-	66,436	-	66,436
Culture and recreation	-	-	-	-	18,637	18,637
Community development	-	-	-	283,024	-	283,024
Capital outlay	279,012	1,000	-	-	885,625	1,238,145
Total expenditures	799,077	145,981	-	349,460	907,262	2,297,885
Excess (deficiency) of revenues over expenditures	(156,446)	(14,559)	2,500	(14,454)	(213,705)	292,832
Other financing sources (uses):						
Transfers in	-	-	-	-	243,196	243,196
Transfers out	-	-	-	-	(28,828)	(28,828)
Total other financing sources	-	-	-	-	214,368	214,368
Change in fund balances	(156,446)	(14,559)	2,500	(14,454)	663	507,200
Fund balances - beginning	260,849	169,054	30,000	349,935	78,400	2,511,915
Fund balances - ending	104,403	154,496	32,500	335,481	79,063	3,019,115

CAPITAL PROJECTS		Totals
Capital Outlay Reserve		
\$ -	-	\$ 1,223,490
-	-	224,821
-	-	335,006
744,655	-	763,955
40,945	-	40,945
-	-	2,500
785,600	-	2,590,717
26,597	-	171,578
-	-	520,065
-	-	66,436
-	-	18,637
-	-	283,024
69,508	-	1,238,145
96,105	-	2,297,885
689,495	-	292,832
-	-	243,196
-	-	(28,828)
-	-	214,368
689,495	-	507,200
1,623,677	-	2,511,915
2,313,172	-	3,019,115

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CITY OF SAN LUIS, ARIZONA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - SPECIAL REVENUE  
 BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 913,330	\$ 544,314	\$ (369,016)
Fines and forfeitures	374,300	96,317	(275,983)
Special assessments	-	-	-
Charges for services	-	-	-
Other	-	-	-
<b>Total revenues</b>	<b>1,287,630</b>	<b>642,631</b>	<b>(644,999)</b>
<b>Expenditures:</b>			
Current			
General government	-	-	-
Public safety	994,430	520,066	(474,364)
Public works and streets	-	-	-
Culture and recreation	-	-	-
Community development	-	-	-
Capital outlay	293,200	279,011	(14,189)
<b>Total expenditures</b>	<b>1,287,630</b>	<b>799,077</b>	<b>488,553</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>(156,446)</b>	<b>(156,446)</b>
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in fund balances</b>	<b>-</b>	<b>(156,446)</b>	<b>(156,446)</b>
<b>Fund balances - beginning</b>	<b>92,837</b>	<b>260,848</b>	<b>168,011</b>
<b>Fund Balances - ending</b>	<b>\$ 92,837</b>	<b>\$ 104,402</b>	<b>\$ 11,565</b>

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	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>						
Judicial Collection Enhancement	\$ 23,800	\$ 4,919	\$ (18,881)	\$ -	\$ -	\$ -
SL Community Facilities District	116,500	126,504	10,004	-	-	-
	-	-	-	-	-	-
	-	-	-	2,500	2,500	-
<b>Total revenues</b>	<b>140,300</b>	<b>131,423</b>	<b>(8,877)</b>	<b>2,500</b>	<b>2,500</b>	<b>-</b>
<b>Expenditures:</b>						
Current						
General government	154,110	144,981	9,129	-	-	-
Public safety	-	-	-	-	-	-
Public works and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Capital outlay	-	1,000	(1,000)	-	-	-
<b>Total expenditures</b>	<b>154,110</b>	<b>145,981</b>	<b>8,129</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(13,810)</b>	<b>(14,558)</b>	<b>(748)</b>	<b>2,500</b>	<b>2,500</b>	<b>-</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in fund balances</b>	<b>(13,810)</b>	<b>(14,558)</b>	<b>(748)</b>	<b>2,500</b>	<b>2,500</b>	<b>-</b>
<b>Fund balances - beginning</b>	<b>(11,426)</b>	<b>169,054</b>	<b>180,480</b>	<b>2,500</b>	<b>30,000</b>	<b>27,500</b>
<b>Fund Balances - ending</b>	<b>\$ (25,236)</b>	<b>\$ 154,496</b>	<b>\$ 179,732</b>	<b>\$ 5,000</b>	<b>\$ 32,500</b>	<b>\$ 27,500</b>

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CITY OF SAN LUIS, ARIZONA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - SPECIAL REVENUE  
 BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2019

	Assessment Districts			Community Development			Totals		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>									
Intergovernmental	\$ -	\$ -	\$ -	\$ 682,000	\$ 674,257	\$ (7,743)	\$ 1,619,130	\$ 1,229,480	\$ (389,640)
Fines and forfeitures	-	-	-	-	-	-	480,800	229,494	(251,306)
Special assessments	381,820	335,006	(46,814)	-	-	-	381,820	335,006	(46,814)
Charges for services	-	-	-	30,000	19,300	(10,700)	30,000	19,300	(10,700)
Other	-	-	-	-	-	-	2,500	2,500	-
<b>Total revenues</b>	<b>381,820</b>	<b>335,006</b>	<b>(46,814)</b>	<b>712,000</b>	<b>693,557</b>	<b>(18,443)</b>	<b>2,524,250</b>	<b>1,806,117</b>	<b>(718,133)</b>
<b>Expenditures:</b>									
Current									
General government	-	-	-	-	-	-	154,110	144,981	9,129
Public safety	-	-	-	-	-	-	994,430	520,066	474,364
Public works and streets	75,720	66,436	9,284	-	-	-	75,720	66,436	9,284
Culture and recreation	-	-	-	30,000	18,637	11,363	30,000	18,637	11,363
Community development	306,100	283,024	23,076	-	-	-	306,100	283,024	23,076
Capital outlay	-	-	-	942,000	888,625	53,375	1,295,200	1,168,636	126,564
<b>Total expenditures</b>	<b>381,820</b>	<b>349,460</b>	<b>32,360</b>	<b>972,000</b>	<b>907,262</b>	<b>64,738</b>	<b>2,795,560</b>	<b>2,201,780</b>	<b>593,780</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>(14,454)</b>	<b>(14,454)</b>	<b>(260,000)</b>	<b>(213,705)</b>	<b>46,285</b>	<b>(271,310)</b>	<b>(395,663)</b>	<b>(125,353)</b>
<b>Other financing sources (uses):</b>									
Transfers in	-	-	-	260,000	243,196	(16,804)	260,000	243,196	16,804
Transfers out	-	-	-	-	(28,828)	(28,828)	-	(28,828)	28,828
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>260,000</b>	<b>214,368</b>	<b>(45,632)</b>	<b>260,000</b>	<b>214,368</b>	<b>(45,632)</b>
<b>Change in fund balances</b>	<b>-</b>	<b>(14,454)</b>	<b>(14,454)</b>	<b>-</b>	<b>663</b>	<b>663</b>	<b>(11,310)</b>	<b>(182,295)</b>	<b>(170,985)</b>
<b>Fund balances - beginning</b>	<b>319,991</b>	<b>349,934</b>	<b>29,943</b>	<b>143,742</b>	<b>78,400</b>	<b>(65,342)</b>	<b>547,644</b>	<b>886,235</b>	<b>338,591</b>
<b>Fund Balances - ending</b>	<b>\$ 319,991</b>	<b>\$ 335,480</b>	<b>\$ 15,489</b>	<b>\$ 143,742</b>	<b>\$ 79,063</b>	<b>\$ (64,679)</b>	<b>\$ 536,334</b>	<b>\$ 703,940</b>	<b>\$ 167,606</b>

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CITY OF SAN LUIS, ARIZONA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - DEBT SERVICE  
 BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2019

	Debt Service Fund		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ -	\$ -	-
Charges for services	-	-	-
Investment earnings	-	36,654	36,654
<b>Total Revenue</b>	<b>-</b>	<b>36,654</b>	<b>36,654</b>
<b>Expenditures:</b>			
Current -			
General government	-	-	-
Community development	-	-	-
Capital outlay	6,000	1,293	4,707
Debt service	676,500	641,005	35,495
Interest	587,800	567,325	20,275
Purchased	1,270,100	1,209,624	60,476
<b>Total Expenditures</b>	<b>(1,270,100)</b>	<b>(1,172,979)</b>	<b>97,130</b>
<b>Excess (deficiency) of revenues over expenditures</b>			
<b>Other financing sources (uses):</b>			
Transfer in	1,270,100	1,192,968	(77,132)
<b>Total other financing sources (uses)</b>	<b>1,270,100</b>	<b>1,192,968</b>	<b>(77,132)</b>
<b>Change in fund balances</b>			
	-	19,998	19,998
<b>Fund balances - beginning, as restated</b>	<b>(2,289,595)</b>	<b>(198,382)</b>	<b>2,091,213</b>
<b>Fund Balances - ending</b>	<b>\$ (2,289,595)</b>	<b>\$ (178,384)</b>	<b>\$ 2,091,211</b>

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CITY OF SAN LUIS, ARIZONA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS  
 BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2019

	Capital Outlay Reserve		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 464,000	\$ 744,656	280,656
Charges for services	13,800	40,945	27,145
Investment earnings	-	77,599	77,599
<b>Total Revenue</b>	<b>477,800</b>	<b>822,255</b>	<b>344,455</b>
<b>Expenditures:</b>			
Current -			
General government	-	-	-
Community development	-	-	-
Capital outlay	121,000	25,597	(95,403)
Debt service	676,500	641,005	35,495
Interest	587,800	567,325	20,275
Purchased	1,391,100	1,305,728	85,372
<b>Total Expenditures</b>	<b>3,568,800</b>	<b>689,495</b>	<b>3,322,695</b>
<b>Excess (deficiency) of revenues over expenditures</b>			
<b>Other financing sources (uses):</b>			
Transfer in	1,270,100.00	1,192,968	(77,132)
<b>Total other financing sources (uses)</b>	<b>1,270,100</b>	<b>1,192,968</b>	<b>(77,132)</b>
<b>Change in fund balances</b>			
	356,800	689,495	332,695
<b>Fund balances - beginning, as restated</b>	<b>760,929</b>	<b>1,523,677</b>	<b>862,748</b>
<b>Fund Balances - ending</b>	<b>\$ 1,117,729</b>	<b>\$ 2,313,172</b>	<b>\$ 1,195,443</b>

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CITY OF SAN LUIS, AZ  
COMPONENT UNIT  
STATEMENT OF NET POSITION  
JUNE 30, 2019

<u>ASSETS</u>	<u>Detention Facility</u>
Current assets:	
Cash held with trustee	\$ 3,517,233
Accounts receivable (net)	2,944,551
	<u>6,461,784</u>
Non-current assets:	
Restricted investments	5,537,444
Land	661,359
Buildings and improvements	34,129,886
Machinery and equipment	329,194
Accumulated depreciation	<u>(7,944,862)</u>
Total noncurrent assets	32,713,021
Total assets	<u>39,174,804</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflow on Refundings	441,743
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LIABILITIES

Current Liabilities	
Account Payable	4,188,587
Accrued interest	426,130
Current portion of Long Term Debt	2,235,000
Total current liabilities	<u>6,849,717</u>

Non current liabilities

Non current portion of long term debt	34,252,977
Total non current liabilities	<u>34,252,977</u>
Total Liabilities	<u>41,102,694</u>

NET POSITION

Net Investment in Capital assets	(6,870,657)
Restricted	5,111,314
Unrestricted	2,273,197
Total Net Position	<u>\$ (1,486,146)</u>

CITY OF SAN LUIS, AZ  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
COMPONENT UNIT  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Detention Facility</u>
<b>Operating Revenues</b>	
Charges for Services	\$26,703,542
Total operating revenues	<u>26,703,542</u>
<b>Operating Expenses</b>	
General Operations	23,449,779
Depreciation	764,241
Total operating expenses	<u>24,214,019</u>
<b>Operating Income (loss)</b>	<u>2,489,523</u>
<b>Non-operating Revenues (expenses)</b>	
Investment Earnings	154,717
Interest Expense	<u>(2,782,914)</u>
Total Non Operating Revenue (Expenses)	<u>(2,628,196)</u>
Change in Net Position	<u>(138,673)</u>
<b>Net Position - Beginning (As Restated)</b>	<u>(1,347,473)</u>
<b>Net Position - Ending</b>	<u>\$ (1,486,146)</u>

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CITY OF SAN LUIS, ARIZONA  
 COMPONENT UNIT  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED JUNE 30, 2019

	<u>Detention Facility</u>
<u>(Decrease) In Cash and Cash Equivalents</u>	<u>\$ 4,504,780</u>
Cash flows from operating activities:	
Cash received from customers	23,765,972
Cash payments to suppliers for goods and services	(19,261,192)
<u>Net cash provided by operating activities</u>	<u>4,504,780</u>
Cash flows from capital and related financing activities:	
Principal paid on long-term debt	(2,120,000)
Interest paid on long-term debt	(2,670,636)
<u>Net cash (used for) capital and related financing</u>	<u>(4,790,636)</u>
Cash flows from investing activities:	
Investment income	154,717
<u>Net cash provided by investing activities</u>	<u>154,717</u>
<u>Net decrease/increase in cash and cash equivalents</u>	<u>(131,139)</u>
Cash and cash equivalents, beginning of year as restated	9,185,816
Cash and cash equivalents, end of year	<u>\$ 9,054,677</u>
<u>Reconciliation of Operating Income to</u>	
<u>Operating Activities</u>	
Operating income	\$ 2,489,523
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	764,241
Change in assets and liabilities:	
(Increase)/ decrease in accounts receivable	(2,937,570)
Increase/ (decrease) in accounts payable	4,188,587
<u>Total adjustments</u>	<u>2,015,257</u>
<u>Net cash provided by operating activities</u>	<u>\$ 4,504,780</u>

STATISTICAL SECTION

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**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 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.

Due to cost considerations for the accumulation of data, the City has elected to present less than ten years of data, or data from less than nine years prior, for certain statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

**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 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.

Table 1

CITY OF SAN LUIS, ARIZONA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)  
Fiscal Year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>											
Net investment in capital assets	\$33,561,001	\$33,670,959	\$33,024,009	\$34,204,834	\$33,774,834	\$35,443,285	\$43,242,321	\$45,187,300	\$49,221,300	\$47,586,157	\$52,027,709
Restricted	1,427,157	1,671,594	2,517,103	2,479,675	2,383,498	2,061,627	1,785,917	3,063,550	2,083,278	2,981,920	6,287,051
Unrestricted	9,610,455	9,610,455	10,918,683	10,918,683	11,388,513	3,058,046	531,781	531,781	2,061,627	2,083,278	5,024,402
Total governmental activities net position	\$44,998,613	\$45,401,477	\$47,639,795	\$47,573,022	\$47,573,022	\$40,887,879	\$47,071,665	\$48,782,631	\$52,651,355	\$52,651,355	\$63,339,161
<b>Business-Type Activities</b>											
Net investment in capital assets	\$12,641,773	\$11,325,286	\$9,916,229	\$11,403,309	\$11,550,172	\$15,188,424	\$15,221,545	\$14,221,545	\$16,604,092	\$16,604,092	\$19,200,217
Restricted	3,785,623	3,785,623	4,052,098	4,052,098	4,444,571	8,444,571	7,214,146	7,214,146	7,893,161	7,893,161	9,786,091
Unrestricted	2,509,079	2,045,658	1,908,868	2,101,534	(5,017,319)	(6,706,347)	(3,637,294)	(3,637,294)	(3,637,294)	(3,637,294)	(9,230,749)
Total business-type activities net position	\$18,936,475	\$17,172,613	\$16,069,861	\$16,069,861	\$16,261,396	\$15,268,396	\$18,765,276	\$18,765,276	\$21,590,368	\$21,590,368	\$29,409,657
<b>Primary Government</b>											
Net investment in capital assets	\$46,202,774	\$45,011,497	\$44,220,804	\$44,120,238	\$45,128,143	\$48,993,457	\$58,412,745	\$59,408,845	\$64,450,249	\$64,450,249	\$71,237,926
Restricted	5,212,780	5,413,263	6,569,201	6,569,201	7,385,081	10,828,069	9,000,063	3,063,550	3,766,112	3,766,112	7,265,740
Unrestricted	12,119,534	12,099,330	11,721,802	13,020,217	6,321,194	(3,650,301)	(1,575,667)	(7,900,604)	9,975,639	7,900,604	14,255,151
Total primary government net position	\$63,535,068	\$62,524,090	\$61,990,727	\$63,709,696	\$63,834,418	\$66,171,225	\$66,837,141	\$70,372,999	\$77,692,000	\$77,692,000	\$92,748,817

Source: Statement of Net Position  
City financial records and reports

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Table II

Source: City financial records and reports - Statement of Activities

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Net (Expense)/Revenue</b>	\$ (8,012,678)	\$ (9,940,665)	\$ (14,525,029)	\$ (8,078,035)	\$ (19,707,672)	\$ (19,707,672)	\$ (10,654,546)	\$ (11,774,247)	\$ (10,312,726)	\$ (12,447,966)
Governmental Activities	3,166,394	3,180,939	2,975,170	3,108,220	968,937	1,331,423	(261,942)	(604,289)	(1,824,055)	(2,535,324)
Business-type activities	4,846,284	(5,109,726)	(12,549,859)	(11,189,869)	(12,738,749)	(13,366,252)	(12,976,249)	(10,916,488)	(12,106,087)	(16,183,292)
<b>Governmental Revenue and Other Changes in Net Position</b>	\$ 8,720,728	\$ 8,978,743	\$ 7,694,566	\$ 7,448,887	\$ 7,324,294	\$ 6,750,517	\$ 6,531,779	\$ 6,730,911	\$ 6,609,566	\$ 7,408,691
Taxes	8,720,728	8,978,743	7,694,566	7,448,887	7,324,294	6,750,517	6,531,779	6,730,911	6,609,566	7,408,691
Sales and use taxes	437,765	435,767	401,384	435,822	430,034	427,800	432,371	397,532	381,836	351,505
Franchise taxes	0	0	0	0	0	0	0	0	0	0
Other taxes	0	0	0	0	0	0	0	0	0	0
State shared revenues	8,609,052	8,407,534	8,073,305	7,123,544	6,938,337	7,331,517	5,725,447	4,997,430	4,840,064	5,491,122
Investment Earnings	296,968	182,505	56,947	26,179	19,300	16,064	28,197	12,341	10,072	10,072
Miscellaneous	0	0	0	0	0	0	0	0	0	0
Transfer in (out)	(364,030)	(407,435)	(394,435)	(246,608)	(246,628)	(213,640)	(321,613)	(79,471)	189,377	41,593
Total general revenues and transfers	\$ 18,700,484	\$ 17,597,114	\$ 15,931,747	\$ 15,287,071	\$ 14,888,813	\$ 14,870,183	\$ 13,040,703	\$ 11,655,757	\$ 11,115,690	\$ 13,299,800
Business-type activities	285,755	74,278	55,487	\$24,708	\$21,667	\$13,909	\$20,935	\$10,130	\$10,194	\$17,994
Investment Earnings	552,832	(48,015)	394,435	391,967	100,841	-	-	-	-	-
Miscellaneous	364,030	407,435	394,435	246,608	246,628	213,640	321,613	79,471	189,377	41,593
Transfer in (out)	1,202,817	481,713	449,922	368,680	122,508	13,909	936	12,547	10,194	187,519
Total Business-type activities	\$ 1,202,817	\$ 481,713	\$ 449,922	\$ 368,680	\$ 122,508	\$ 13,909	\$ 936	\$ 12,547	\$ 10,194	\$ 187,519
<b>Change in Net Position</b>	\$ 10,678,110	\$ 10,287,427	\$ 16,281,669	\$ 15,635,731	\$ 14,664,092	\$ 13,041,639	\$ 11,666,304	\$ 11,125,784	\$ 13,487,919	\$ 19,903,101
Governmental Activities	4,369,012	3,682,552	2,825,092	3,476,660	1,092,445	1,345,332	(261,006)	(791,746)	(1,813,861)	(2,347,905)
Business-type activities	6,309,098	6,604,875	13,456,577	12,159,071	13,571,647	11,715,757	11,927,309	10,857,557	12,901,675	14,251,006
Total Changes in Net Position	\$ 10,678,110	\$ 10,287,427	\$ 16,281,669	\$ 15,635,731	\$ 14,664,092	\$ 13,041,639	\$ 11,666,304	\$ 11,125,784	\$ 13,487,919	\$ 19,903,101

Table II

Source: City financial records and reports - Statement of Activities

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Program revenues</b>	\$ 3,448,657	\$ 1,550,023	\$ 1,765,937	\$ 3,021,700	\$ 2,780,190	\$ 2,494,028	\$ 2,228,528	\$ 1,907,419	\$ 531,011	\$ 587,355
General Government	423,258	305,749	426,767	316,098	1,007,485	860,528	687,699	677,235	686,632	374,152
Public Safety	371,427	142,037	74,395	373,194	288,009	218,142	284,797	264,632	176,077	-
Health and Welfare	272,468	142,037	74,395	373,194	288,009	218,142	284,797	264,632	176,077	-
Culture and Recreation	187,408	342,009	62,482	62,480	62,480	62,480	62,480	62,480	62,480	62,480
Community Development	187,408	342,009	62,482	62,480	62,480	62,480	62,480	62,480	62,480	62,480
Public Works & Streets	187,408	342,009	62,482	62,480	62,480	62,480	62,480	62,480	62,480	62,480
Operating Grants and Contributions	2,372,323	2,300,228	2,709,173	2,989,566	2,564,023	3,343,280	2,601,636	2,715,700	2,287,104	2,287,104
Capital Grants and Contributions	6,874,510	3,749,914	7,816,459	612,827	157,350	947,390	123,614	1,215,459	547,535	547,535
Total Governmental activities	\$ 10,653,733	\$ 6,499,300	\$ 14,599,539	\$ 8,211,330	\$ 8,668,877	\$ 6,182,608	\$ 6,073,047	\$ 6,073,047	\$ 6,073,047	\$ 4,378,222
Business-type activities	4,382,952	4,182,192	4,025,661	3,796,031	3,362,820	3,068,477	3,056,742	2,884,311	2,517,290	2,409,843
Waste	3,300,950	4,004,100	4,000,279	3,666,350	3,307,094	2,663,178	2,156,201	1,975,447	1,537,835	1,456,616
Wastewater	600,000	629,826	629,265	629,265	629,265	629,265	629,265	629,265	629,265	629,265
Business Center	28,609	29,999	2,471	0	0	0	0	0	0	0
Business Incubator	1,444,522	1,366,984	1,284,544	1,205,279	1,159,196	1,142,822	1,117,185	1,056,638	1,047,317	1,146,276
Sanitation	2,044,413	2,416,604	1,983,337	1,941,586	1,777,322	1,322,452	481,956	361,918	5,762,207	5,642,003
Capital Grants and Contributions	1,214,350	1,046,439	1,941,586	1,941,586	1,777,322	1,322,452	481,956	361,918	5,762,207	5,642,003
Total Business-type activities	\$ 13,625,058	\$ 13,609,138	\$ 11,902,557	\$ 11,258,521	\$ 9,856,167	\$ 9,127,192	\$ 7,441,348	\$ 6,907,569	\$ 5,762,207	\$ 6,642,003
Total program revenues	\$ 27,484,609	\$ 22,307,438	\$ 20,706,446	\$ 25,852,160	\$ 18,168,008	\$ 16,095,769	\$ 15,594,156	\$ 11,960,616	\$ 11,842,160	\$ 10,020,225

Table II

**CITY OF SAN LUIS, ARIZONA**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund	\$77,075	\$80,392	\$118,243	\$128,035	\$128,831	\$106,624	\$106,624	\$106,624	\$118,243	\$80,392	\$118,243
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-	-
Unassigned	\$77,075	\$80,392	\$118,243	\$128,035	\$128,831	\$106,624	\$106,624	\$106,624	\$118,243	\$80,392	\$118,243
Total General Fund	\$77,075	\$80,392	\$118,243	\$128,035	\$128,831	\$106,624	\$106,624	\$106,624	\$118,243	\$80,392	\$118,243
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	-	-	-	-	-	-	-	-	-	-	-
General Fund	\$3,168,085	\$2,931,765	\$2,822,456	\$2,885,421	\$2,885,421	\$2,885,421	\$2,885,421	\$2,885,421	\$2,885,421	\$2,885,421	\$2,885,421
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Re-allocated	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	\$3,168,085	\$2,931,765	\$2,822,456	\$2,885,421	\$2,885,421	\$2,885,421	\$2,885,421	\$2,885,421	\$2,885,421	\$2,885,421	\$2,885,421
Total all other governmental funds	\$3,168,085	\$2,931,765	\$2,822,456	\$2,885,421	\$2,885,421	\$2,885,421	\$2,885,421	\$2,885,421	\$2,885,421	\$2,885,421	\$2,885,421
General Fund	\$18,490,769	\$14,871,362	\$12,955,473	\$12,929,985	\$13,201,916	\$13,925,549	\$11,876,684	\$9,699,912	\$10,480,838	\$9,717,479	\$11,876,684
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-	-
Unassigned	\$18,490,769	\$14,871,362	\$12,955,473	\$12,929,985	\$13,201,916	\$13,925,549	\$11,876,684	\$9,699,912	\$10,480,838	\$9,717,479	\$11,876,684
Total Governmental Funds	\$18,490,769	\$14,871,362	\$12,955,473	\$12,929,985	\$13,201,916	\$13,925,549	\$11,876,684	\$9,699,912	\$10,480,838	\$9,717,479	\$11,876,684

NOTE: GASB Statement 54 (Fund Balance Reporting) established prior to the implementation of GASB Statement 54 and the second section shows the fund balance information after the implementation of GASB Statement 54 and the second section shows the fund balance information prior to the implementation of GASB Statement 54.

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Taxes	\$7,926,538	\$6,074,117	\$6,666,515	\$6,965,446	\$7,108,952	\$7,885,491	\$7,885,491	\$7,885,491	\$8,095,930	\$9,414,511	\$9,414,511
Special Assessments	156,102	267,579	290,987	218,171	282,484	374,470	302,865	302,865	\$302,509	\$345,509	\$345,509
Licenses and permits	393,365	355,759	349,777	389,295	493,108	483,218	483,218	483,218	\$734,502	\$326,021	\$326,021
Interest earnings	10,072	12,032	11,437	24,266	17,057	24,044	24,044	24,044	\$54,631	\$179,601	\$179,601
Fines and forfeits	553,282	491,230	523,053	792,994	687,319	611,178	611,178	611,178	\$577,989	\$519,153	\$519,153
Intergovernmental	7,846,586	8,763,843	7,846,586	9,030,736	9,895,694	10,098,225	10,098,225	10,098,225	11,705,619	8,828,680	8,828,680
Charges for user services	304,830	151,474	160,919	214,180	218,807	376,938	432,193	432,193	776,835	\$26,714	\$26,714
Rents	384,118	712,121	659,222	674,019	811,666	761,335	761,335	761,335	\$268,690	\$424,340	\$424,340
Others	103,039	167,388	140,909	577,687	418,940	529,759	529,759	529,759	\$408,008	\$187,987	\$187,987
Total revenues	\$27,683,013	\$23,682,516	\$22,926,948	\$21,137,671	\$19,868,103	\$21,137,671	\$20,836,442	\$22,926,948	\$23,682,516	\$27,683,013	\$27,683,013
Expenditures:											
General government	\$5,419,958	\$5,463,647	\$5,463,647	\$4,251,259	\$4,562,111	\$5,037,910	\$4,562,111	\$5,037,910	\$5,236,772	\$5,463,647	\$5,463,647
Public safety	\$5,701,487	\$5,695,080	\$6,089,036	\$6,194,930	\$6,688,900	\$6,688,900	\$6,688,900	\$6,688,900	\$7,328,554	\$7,328,554	\$7,328,554
Public works & streets	\$1,679,789	\$1,403,846	\$1,238,738	\$1,276,486	\$1,506,770	\$1,506,770	\$1,506,770	\$1,506,770	\$1,832,799	\$1,832,799	\$1,832,799
Community, recreational, and cultural	\$2,648,083	\$2,239,756	\$2,198,001	\$2,254,791	\$2,615,816	\$2,768,148	\$2,768,148	\$2,768,148	\$3,445,381	\$3,345,062	\$3,445,381
Health and welfare	\$201,555	\$187,211	\$165,987	\$141,225	\$149,367	\$205,049	\$210,378	\$210,378	\$213,543	\$209,748	\$213,543
Capital outlay	\$1,289,406	\$1,649,441	\$921,671	\$1,280,367	\$1,348,004	\$3,843,180	\$2,771,769	\$2,771,769	\$2,402,247	\$2,691,771	\$2,402,247
Debt service/authorities:											
Interest	\$948,289	\$928,920	\$880,623	\$859,513	\$839,755	\$1,168,906	\$1,168,906	\$1,168,906	\$713,695	\$626,133	\$626,133
Principal	\$542,425	\$492,044	\$477,261	\$445,229	\$331,242	\$391,834	\$660,504	\$391,834	\$385,490	\$398,030	\$385,490
Bond issue costs	\$87,664	\$87,664	\$87,664	\$87,664	\$87,664	\$87,664	\$87,664	\$87,664	\$87,664	\$87,664	\$87,664
Total expenditures	\$23,104,293	\$21,726,729	\$21,817,025	\$21,406,405	\$21,592,891	\$21,406,405	\$21,406,405	\$21,817,025	\$23,682,516	\$23,104,293	\$23,104,293
Excess (Deficiency) of Revenues Over Expenditures	\$4,558,720	\$1,935,787	\$1,935,787	\$1,109,923	\$569,863	\$455,220	\$455,220	\$1,109,923	\$1,935,787	\$4,558,720	\$4,558,720
OTHER FINANCING SOURCES (USES)											
Premium on debt issued	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Debt issued	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Payment to Refunded Bond Escrow Agent	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Notes issued	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Capital leases	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Transfer from Other Funds	\$12,302	\$12,302	\$12,302	\$12,302	\$12,302	\$12,302	\$12,302	\$12,302	\$12,302	\$12,302	\$12,302
Transfer to Other Funds	\$1,436,164	\$1,436,164	\$1,436,164	\$1,436,164	\$1,436,164	\$1,436,164	\$1,436,164	\$1,436,164	\$1,436,164	\$1,436,164	\$1,436,164
Total other financing sources (uses)	\$1,436,164	\$1,436,164	\$1,436,164	\$1,436,164	\$1,436,164	\$1,436,164	\$1,436,164	\$1,436,164	\$1,436,164	\$1,436,164	\$1,436,164
NET CHANGE IN FUND BALANCES	\$4,206,992	\$1,915,887	\$1,915,887	\$1,915,887	\$1,915,887	\$1,915,887	\$1,915,887	\$1,915,887	\$1,915,887	\$4,206,992	\$4,206,992
Debt Services as a percentage of noncapital expenditures	9.37%	9.01%	9.01%	9.01%	9.01%	9.01%	9.01%	9.01%	9.01%	9.37%	9.37%
Source: City financial records and reports											

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Source: City financial records and reports  
Statement of Activities

Fiscal Year	CITY OF SAN LUIS, ARIZONA GOVERNMENT-WIDE REVENUES BY FUNCTION (accrual basis of accounting)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities	\$ 4,438,576	\$ 1,355,037	\$ 1,007,078	\$ 2,655,516	\$ 2,531,282	\$ 2,288,465	\$ 1,748,600	\$ 1,748,600	\$ 1,748,600	\$ 1,748,600
Public Safety	936,173	631,996	964,958	932,208	1,990,955	1,653,703	2,184,656	1,748,600	1,748,600	1,748,600
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	272,468	150,537	211,126	197,593	489,099	368,906	302,966	343,483	320,814	198,810
Community Development	268,570	275,175	202,706	594,182	385,797	432,936	497,921	334,557	1,529,630	527,822
Public Works & Streets	7,942,966	6,096,555	5,618,021	9,782,423	2,489,452	1,981,710	2,879,170	1,618,684	1,728,202	2,100,479
Unallocated General Revenues	18,700,485	17,597,115	15,831,747	15,267,071	14,968,913	14,670,183	13,040,703	11,695,757	11,115,990	13,289,800
Total Governmental Activities	\$ 32,559,239	\$ 26,096,415	\$ 24,635,636	\$ 29,860,710	\$ 23,198,752	\$ 21,638,760	\$ 21,193,511	\$ 16,728,804	\$ 16,995,543	\$ 17,676,022
Business-type activities	\$ 4,990,743	\$ 4,672,760	\$ 4,025,661	\$ 3,796,031	\$ 3,592,820	\$ 3,056,742	\$ 2,884,311	\$ 2,547,790	\$ 2,409,843	\$ 2,409,843
Water	4,537,510	4,054,103	3,686,360	3,397,094	2,156,201	1,975,447	1,537,835	1,456,616	1,456,616	1,456,616
Wastewater	600,000	626,826	629,265	629,265	629,265	629,265	629,265	629,265	629,265	629,265
Business Center	38,869	29,999	3,471	1,559,196	1,142,822	1,117,185	1,056,828	1,047,317	1,146,276	1,146,276
Business Incubator	38,869	29,999	3,471	1,559,196	1,142,822	1,117,185	1,056,828	1,047,317	1,146,276	1,146,276
Sanitation	1,444,522	1,386,984	1,284,544	1,205,279	1,159,196	1,142,822	1,056,828	1,047,317	1,146,276	1,146,276
Ambulance Services	2,014,413	2,476,604	1,953,337	1,953,337	1,953,337	1,953,337	1,953,337	1,953,337	1,953,337	1,953,337
Industrial Park	-	-	-	-	-	-	-	-	-	-
Unallocated General Revenues	1,202,616	491,713	449,822	368,660	122,508	13,909	936	12,547	10,194	187,519
Total Business Activities	\$ 14,828,673	\$ 14,284,651	\$ 12,352,479	\$ 11,627,181	\$ 10,078,675	\$ 7,998,279	\$ 7,442,284	\$ 6,920,116	\$ 5,772,401	\$ 5,399,779

Table VI

Source: City financial records and reports  
Statement of Activities

Fiscal Year	CITY OF SAN LUIS, ARIZONA PROGRAM REVENUES LAST TEN FISCAL YEARS (accrual basis of accounting)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:	\$ 3,544,657	\$ 1,350,023	\$ 1,765,937	\$ 3,021,700	\$ 2,780,190	\$ 2,494,028	\$ 2,226,528	\$ 1,002,249	\$ 531,031	\$ 587,365
Charges for services	423,258	305,749	426,767	315,068	1,007,465	980,528	867,899	617,226	668,632	356,262
Public Safety	-	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	272,468	142,037	211,126	373,194	288,009	219,142	284,797	264,622	176,077	33,432
Community Development	-	-	-	594,182	385,797	432,936	497,921	334,557	318,051	407,927
Public Works & Streets	371,427	187,408	342,088	62,640	51,955	49,978	49,368	49,368	33,432	33,432
Operating grants and contributions	2,372,433	2,002,228	2,308,056	2,709,123	2,988,658	2,564,023	3,343,398	2,601,626	2,715,700	2,269,604
Capital grants and contributions	6,874,510	4,511,855	3,749,914	7,816,499	612,897	157,458	947,390	122,614	1,314,549	547,555
Total governmental activities	\$ 13,858,753	\$ 8,499,300	\$ 8,803,889	\$ 14,593,639	\$ 8,211,839	\$ 6,966,577	\$ 8,152,808	\$ 5,073,047	\$ 5,879,953	\$ 4,378,222
Business-type activities	\$ 4,382,952	\$ 4,182,192	\$ 4,025,661	\$ 3,796,031	\$ 3,592,820	\$ 3,056,742	\$ 2,884,311	\$ 2,547,790	\$ 2,409,843	\$ 2,409,843
Charges for services	4,382,952	4,182,192	4,025,661	3,796,031	3,592,820	3,056,742	2,884,311	2,547,790	2,409,843	2,409,843
Water	4,054,103	4,054,103	3,686,360	3,397,094	2,156,201	1,975,447	1,537,835	1,456,616	1,456,616	1,456,616
Wastewater	3,930,950	4,054,103	3,686,360	3,397,094	2,156,201	1,975,447	1,537,835	1,456,616	1,456,616	1,456,616
Business Center	600,000	626,826	629,265	629,265	629,265	629,265	629,265	629,265	629,265	629,265
Business Incubator	38,869	29,999	3,471	1,559,196	1,142,822	1,117,185	1,056,828	1,047,317	1,146,276	1,146,276
Sanitation	1,444,522	1,386,984	1,284,544	1,205,279	1,159,196	1,142,822	1,056,828	1,047,317	1,146,276	1,146,276
Ambulance Services	2,014,413	2,476,604	1,953,337	1,953,337	1,953,337	1,953,337	1,953,337	1,953,337	1,953,337	1,953,337
Operating grants and contributions	1,214,350	1,046,430	-	1,941,586	1,177,792	1,322,452	481,955	361,916	-	-
Capital grants and contributions	\$ 13,628,056	\$ 13,803,138	\$ 11,902,557	\$ 11,258,521	\$ 9,956,167	\$ 9,127,192	\$ 7,441,348	\$ 6,907,569	\$ 5,762,207	\$ 5,642,003
Total business-type activities	\$ 27,484,809	\$ 22,302,438	\$ 20,706,446	\$ 25,852,160	\$ 18,168,006	\$ 16,095,769	\$ 15,694,156	\$ 11,980,916	\$ 11,642,160	\$ 10,020,225

Table V

RECEIVED  
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Source: Statement of Activities  
Finance Records  
Note: Includes governmental fund types  
Includes all governmental revenues, including revenues from federal government

Fiscal Year	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
State Shared Sales Tax	\$3,272,469	\$3,090,501	\$2,889,943	\$2,659,098	\$2,550,568	\$2,812,693	\$2,104,763	\$1,992,968	\$1,771,253	\$1,682,728
Urban Revenue Sharing	3,929,206	3,981,836	3,856,245	3,360,240	3,378,557	3,559,275	2,605,281	2,152,641	2,231,840	2,960,504
Highway Users	2,804,165	2,651,344	2,526,082	2,239,260	2,126,238	1,929,961	2,041,357	1,562,498	1,678,834	1,700,626
Auto-In-lieu	1,407,377	1,335,198	1,259,413	1,104,206	1,007,212	959,549	1,015,403	851,821	836,971	847,890
Local Transportation Aid	1,407,377	1,335,198	1,259,413	1,104,206	1,007,212	959,549	1,015,403	851,821	836,971	847,890
Federal	1,140,890	40,939	1,139,781	673,284	615,896	634,216	1,130,716	1,004,693	2,177,538	565,787
Others	82,600	14,010	64,356	123,047	419,754	-	133,216	40,643	67,407	53,749
Total tax revenues	\$12,636,697	\$11,113,828	\$11,735,820	\$10,159,135	\$10,098,225	\$9,895,694	\$9,030,736	\$7,605,264	\$8,763,843	\$7,846,596

Table VIII

CITY OF SAN LUIS, ARIZONA  
LAST TEN FISCAL YEARS  
INTERGOVERNMENTAL REVENUES BY SOURCE, GOVERNMENTAL FUNDS  
(accrual basis of accounting)

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.

Fiscal Year	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City Sales Tax	\$9,720,729	\$8,989,483	\$7,694,566	\$7,508,359	\$7,324,294	\$6,750,517	\$6,531,779	\$6,073,811	\$5,659,566	\$7,498,691
State Sales Taxes	3,272,469	3,090,501	2,889,943	2,659,098	2,550,568	2,812,693	2,104,763	1,992,968	1,771,253	1,682,728
Franchise Tax	437,765	435,767	401,364	435,822	439,034	427,800	432,371	397,532	381,836	351,505
Special Districts	335,006	345,598	302,546	302,865	374,470	282,484	218,171	290,887	267,579	156,102
Others	131,423	129,514	-	-	122,163	(69,355)	1,296	95,172	32,715	76,342
Total tax revenues	\$13,897,392	\$12,890,774	\$11,288,419	\$10,906,144	\$10,810,529	\$10,204,139	\$9,288,380	\$8,850,470	\$8,112,949	\$9,765,367

Table VII

CITY OF SAN LUIS, ARIZONA  
LAST TEN FISCAL YEARS  
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS  
(accrual basis of accounting)

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 BEMS/CON

Percentage of Total City Sales Tax Revenue	2019			2010		
	Number of Payers	Percentage of Total Payers	Total Sales Tax Revenue	Number of Payers	Percentage of Total Payers	Total Sales Tax Revenue
38.80%	730	31.28%	\$5,100,707	396	31.55%	\$2,909,492
37.03%	893	38.25%	2,039,456	461	36.74%	2,776,766
4.00%	154	6.60%	456,557	133	10.63%	299,948
7.40%	68	2.93%	92,458	50	4.02%	554,903
3.30%	43	1.84%	604,790	42	3.35%	247,457
8.00%	307	13.15%	314,662	108	8.62%	599,895
1.47%	139	5.96%	1,112,100	64	5.10%	110,231
100.00%	2,336	100%	\$9,720,729	1,255	100%	\$7,498,691

Note: Includes governmental fund types  
 Source: AZ Department of Revenues  
 City Financial Records and reports

Retail Sales  
 Construction, MFG & Wholesale  
 Rentals  
 Communications/Utilities  
 Restaurant/Bar  
 User/Services  
 Other

Table X

CITY OF SAN LUIS, ARIZONA  
 SALES TAX PAYERS - BY CATEGORY  
 CURRENT YEAR AND TEN YEARS AGO

Fiscal Year	2019			2018			2017			2016			2015			2014			2013			2012			2011			2010					
	Number of Payers	Percentage of Total Payers	Total Sales Tax Revenue	Number of Payers	Percentage of Total Payers	Total Sales Tax Revenue	Number of Payers	Percentage of Total Payers	Total Sales Tax Revenue	Number of Payers	Percentage of Total Payers	Total Sales Tax Revenue	Number of Payers	Percentage of Total Payers	Total Sales Tax Revenue	Number of Payers	Percentage of Total Payers	Total Sales Tax Revenue	Number of Payers	Percentage of Total Payers	Total Sales Tax Revenue	Number of Payers	Percentage of Total Payers	Total Sales Tax Revenue	Number of Payers	Percentage of Total Payers	Total Sales Tax Revenue	Number of Payers	Percentage of Total Payers	Total Sales Tax Revenue			
	730	31.28%	\$5,100,707	893	38.25%	2,039,456	154	6.60%	456,557	68	2.93%	92,458	43	1.84%	604,790	307	13.15%	314,662	139	5.96%	1,112,100	64	5.10%	110,231	108	8.62%	599,895	42	3.35%	247,457	396	31.55%	\$2,909,492
	893	38.25%	2,039,456	1,112,100	5.96%	1,112,100	461	36.74%	2,776,766	1,112,100	5.96%	1,112,100	133	10.63%	299,948	1,112,100	5.96%	1,112,100	133	10.63%	299,948	1,112,100	5.96%	1,112,100	133	10.63%	299,948	1,112,100	5.96%	1,112,100	133	10.63%	299,948
	154	6.60%	456,557	1,112,100	5.96%	1,112,100	50	4.02%	554,903	1,112,100	5.96%	1,112,100	42	3.35%	247,457	1,112,100	5.96%	1,112,100	42	3.35%	247,457	1,112,100	5.96%	1,112,100	42	3.35%	247,457	1,112,100	5.96%	1,112,100	42	3.35%	247,457
	68	2.93%	92,458	1,112,100	5.96%	1,112,100	43	1.84%	604,790	1,112,100	5.96%	1,112,100	307	13.15%	314,662	1,112,100	5.96%	1,112,100	307	13.15%	314,662	1,112,100	5.96%	1,112,100	307	13.15%	314,662	1,112,100	5.96%	1,112,100	307	13.15%	314,662
	43	1.84%	604,790	1,112,100	5.96%	1,112,100	139	5.96%	1,112,100	1,112,100	5.96%	1,112,100	64	5.10%	110,231	1,112,100	5.96%	1,112,100	64	5.10%	110,231	1,112,100	5.96%	1,112,100	64	5.10%	110,231	1,112,100	5.96%	1,112,100	64	5.10%	110,231
	307	13.15%	314,662	1,112,100	5.96%	1,112,100	139	5.96%	1,112,100	1,112,100	5.96%	1,112,100	64	5.10%	110,231	1,112,100	5.96%	1,112,100	64	5.10%	110,231	1,112,100	5.96%	1,112,100	64	5.10%	110,231	1,112,100	5.96%	1,112,100	64	5.10%	110,231
	139	5.96%	1,112,100	1,112,100	5.96%	1,112,100	64	5.10%	110,231	1,112,100	5.96%	1,112,100	64	5.10%	110,231	1,112,100	5.96%	1,112,100	64	5.10%	110,231	1,112,100	5.96%	1,112,100	64	5.10%	110,231	1,112,100	5.96%	1,112,100	64	5.10%	110,231
	2,336	100%	\$9,720,729	2,336	100%	\$9,720,729	2,336	100%	\$9,720,729	2,336	100%	\$9,720,729	2,336	100%	\$9,720,729	2,336	100%	\$9,720,729	2,336	100%	\$9,720,729	2,336	100%	\$9,720,729	2,336	100%	\$9,720,729	2,336	100%	\$9,720,729	2,336	100%	\$9,720,729

Note: Includes governmental fund types  
 Source: AZ Department of Revenues  
 City of San Luis Finance Department

% Growth by year  
 Retail Sales  
 Contracting  
 Rentals  
 Communications/Utilities  
 Restaurant/Bar  
 User  
 Other

Table IX

CITY OF SAN LUIS, ARIZONA  
 CITY TRANSACTION PRIVILEGE TAXES BY CATEGORY  
 LAST TEN FISCAL YEARS

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BEMS/CON

Citic Improvement Corporation (CIC) - Greater Arizona Development Authority (GADA) Bonds		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Pledged revenues		(1) \$19,715,582	\$18,672,560	\$15,562,640	\$15,766,957	\$15,379,657	\$15,052,446	\$13,283,180	\$11,781,918	\$11,341,493	\$12,882,852
Debt service requirements		(2)									
Principal		\$1,915,000	\$1,035,000	\$995,000	\$1,690,001	\$1,020,000	\$785,000	\$755,000	\$725,000	\$700,000	\$675,000
Interest		1,759,000	1,679,297	2,337,226	2,969,747	3,528,124	2,723,387	2,756,749	2,787,893	2,814,803	2,853,206
Total Annual Requirements		3,674,000	2,714,297	3,332,226	4,659,748	4,548,124	3,508,387	3,511,749	3,512,893	3,514,803	3,528,206
Estimated Coverage		5.37	6.88	4.67	3.88	3.38	4.29	3.78	3.35	3.23	3.65

(1) Pledged revenues on the Citic Improvement Corporation (CIC) bonds and Greater Arizona Development (GADA) 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 located 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.

Water and Wastewater allocations of Utility Revenue bonds sales 2013 are excluded. Those portions are received by the Water Utility, Wastewater Utility and Debt service requirements reflect the government and business portions of outstanding CIC bonds, and GADA taxes.

Source: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Debt service schedules - City financial records.

Table XII

RECEIVED

FEB 1 0 2020

BEMS/CON

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Municipal Bonds	Notes Payable	Leases	Municipal Bonds/Loans	Notes Payable	Capital Leases	Capital Leases				
2019	\$ 14,546,315	\$ 174,462	\$ 265,209	\$ 34,744,986	\$ 243,768	\$ 262,367	\$ 50,237,107	4.28%	\$1,511		
2018	15,231,748	270,762	297,873	36,427,536	57,843	339,794	52,625,556	4.43%	1,590		
2017	12,369,441	3,387,834	-	33,955,220	102,171	379,540	50,194,206	4.55%	1,543		
2016	13,350,329	3,562,910	-	38,010,036	185,909	-	55,109,184	4.86%	1,621		
2015	13,350,329	3,562,910	-	38,010,036	185,909	-	55,109,184	6.64%	1,660		
2014	14,383,209	3,336,222	-	39,733,576	127,693	-	57,580,700	8.26%	1,847		
2013	14,698,048	3,323,879	-	33,642,582	834,330	-	52,498,819	5.61%	1,602		
2012	15,001,198	3,347,536	133,235	34,113,235	844,703	54,246	53,494,153	7.65%	2,057		
2011	15,292,656	3,970,481	305,037	34,565,602	866,495	173,673	54,653,849	6.40%	2,102		
2010	15,574,373	3,992,005	582,176	24,277,708	864,211	350,649	55,839,041	6.06%	2,148		

Note: See Table XIV for Personal Income and Population

Source: (1) Based on data provided by the Greater Yuma Economic Development City financial Records and reports

Table XI

CITY OF SAN LUIS, ARIZONA  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Source: Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds Repayment schedules for debt serviced by the Water and Sewer Utility Enterprise Funds

(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.  
 (3) Bond interest payments only. Does not include amortization of loss on refunding, capitalized interest, agent fees or amortization of bond issuance costs that are included in interest expenses on the statement of revenues, expenses, and changes in net assets.  
 (4) Includes debt service requirement for Utility Bond, and business portion of (CIC) Bonds, which are serviced by the Water Utility, Wastewater Utility Funds in fiscal year 2010; the principal and interest amounts were revised to reflect the Utility Bond Revenue principal and interest starting on FY 2014, and to correct misstatements in prior years.

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Gross Revenues	(1) 8,598,226	8,232,732	\$8,089,255	\$7,506,930	\$7,011,185	\$6,045,693	\$5,232,580	\$4,869,271	\$4,095,810	\$3,866,459
Operating Expenses	(2) 4,059,728	3,363,861	5,027,804	4,388,160	5,387,500	4,315,552	4,259,081	4,042,114	3,934,072	3,061,620
Net Revenues available	\$4,538,498	\$4,868,871	\$3,059,451	\$3,118,770	\$1,623,685	\$1,730,141	\$973,499	\$827,157	\$141,738	\$804,839
Principal	777,417	749,107	726,900	897,181	497,417	479,107	460,797	442,487	427,229	411,971
Interest	(3) 1,034,616	1,061,135	1,085,677	1,105,804	1,803,596	1,212,889	1,074,198	1,093,206	1,110,906	1,135,881
Total debt Expense	(4) 1,812,033	1,810,242	1,812,577	2,002,985	2,301,013	1,691,996	1,534,895	1,535,693	1,538,135	1,547,852
Ratio of Total Revenue/debt Expense	2.505	2.690	1.687	1.557	0.706	1.023	0.634	0.539	0.092	0.520

Table XIII  
CITY OF SAN LUIS, ARIZONA  
PLEDGED REVENUE COVERAGE - CIVIC IMPROVEMENT CORPORATION  
ENTERPRISE PORTION  
LAST TEN FISCAL YEARS  
UTILITY REVENUE BONDS - CIC UTILITY BONDS

Source: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Debt service schedules - City financial records

(1) Pledged revenues on the Civic Improvement Corporation (CIC) bonds and Greater Arizona Development (GAD) 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.  
 (2) 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.  
 (3) Debt service requirements reflect the governmental portion of outstanding CIC issues, and GAD issues.  
 (4) In fiscal year 2019, the principal and interest amounts were revised to reflect the (GAD) government portion for all years, and to correct misstatements in prior years.  
 Water and Wastewater allocations of CIC issues are excluded. Those portions are serviced by the Water Utility, Wastewater Utility funds.

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Pledged revenues	(1) \$19,715,582	\$18,672,560	\$15,562,640	\$15,766,967	\$15,379,657	\$15,052,446	\$13,283,180	\$11,781,918	\$11,341,493	\$12,882,862
Debt service requirements	(2) \$587,583	\$305,893	\$298,100	\$572,820	\$317,583	\$305,893	\$294,203	\$282,513	\$272,771	\$263,029
Total Annual Requirements	641,005	621,293	706,211	1,158,287	1,475,571	1,445,550	1,145,106	1,146,416	1,148,420	1,149,283
Estimated Coverage	16.05	20.14	15.50	12.26	10.42	13.15	11.59	10.27	9.88	11.21

Table XIII  
CITY OF SAN LUIS, ARIZONA  
PLEDGED REVENUE COVERAGE  
GOVERNMENT PORTION  
LAST TEN FISCAL YEARS  
Civic Improvement Corporation (CIC) - Greater Arizona Development Authority (GAD) Bonds

Fiscal Year	Population	Personal Income	Labor force	Employment	Unemployment	Unemployment rate percentage
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%
2015	33,190	25,000	18,662	9,822	8,840	47.4%
2014	31,180	22,368	19,824	9,689	10,134	65.8%
2013	32,763	28,548	17,965	6,000	11,965	66.6%
2012	26,000	26,889	17,249	5,614	11,635	67.5%
2011	26,000	32,828	15,896	5,489	10,407	65.5%
2010	25,505	36,103	8,466	4,109	4,357	51.5%

Data Source: Greater Yuma Economic Development Corporation

CITY OF SAN LUIS, ARIZONA  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS

Table XV

CITY OF SAN LUIS  
Computation of Direct and Overlapping Debt  
June 30, 2019

Jurisdiction	Net Assessed Value	Net Debt Outstanding	Estimated Percentage of Applicable Debt	Estimated Share of Overlapping Debt
City of San Luis: General Obligation	\$ 78,623,580	\$ 174,462	100.00%	\$ 174,462
City of San Luis: Revenue Bond	78,623,580	13,146,304	100.00%	13,146,304
City of San Luis: Premiums	78,623,580	1,400,011	100.00%	1,400,011
City of San Luis: Capital Leases	78,623,580	265,209	100.00%	265,209
As presented fiscal year ended June 30, 2019	\$ 1,183,062,653	\$ 48,845,000	100.00%	(1) \$ 48,845,000
Arizona Western College	66,504,791	1,600,440	5.62%	89,945
Somerton Elementary School District No. 11	222,818,040	10,840,000	18.83%	2,041,172
Crane Elementary School District No. 13	110,374,468	595,000	9.33%	55,514
Antelope Union High School District No. 50	1,072,688,185	39,606,483	90.67%	(2) 35,911,198
Yuma Union High School District No 70				
Total Overlapping General Obligation Bonded Debt	\$ 101,486,923			\$ 86,942,828
Total Direct and Overlapping General Obligation Bonded Debt				\$ 101,928,814

Sources: YUMA County Finance Department  
 (1) Total debt is shared with La Paz County. Estimated 50% allocation to each County Source: Michelle.Landis@azwestern.edu  
 (2) Total Net Debt Outstanding from FY18 Report of Bonded Indebtedness, AZ Financial Transparency Portal  
 (3) City Records  
 \* County records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Table XIV

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Source: City Payroll

Permanent Position by Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund	89	79	56	58	55	57	57	54	52	51
General Government	83	83	96	89	94	94	85	90	87	86
Public Safety	4	4	3	4	4	4	2	2	2	3
Health and Welfare	47	23	35	47	37	36	36	36	28	22
Culture and Recreation	12	10	9	9	8	189	194	194	180	171
Community Development	235	212	192	212	212	189	194	194	180	163
Sub total General Fund	235	212	192	212	212	189	194	194	180	163
General Fund	235	212	192	212	212	189	194	194	180	163
Public Works & Streets	15	17	18	15	16	16	11	11	13	15
Enterprise Funds	30	53	50	32	32	32	32	32	26	30
Total Permanent Positions	280	282	260	259	237	237	237	237	219	210

CITY OF SAN LUIS, ARIZONA  
 AUTHORIZED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
 LAST TEN FISCAL YEARS

Table XVII

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Source: Greater Yuma Economic Development Corporation  
 Notes:  
 (1) Data was tracked for City's 1st CAFR.  
 (2) City of San Luis Finance Department  
 (3) Data for years 2006 - 2011 is not available

Employer	2019		2012 (1)	
	# of Employees	Percentage of City Employment	# of Employees	Percentage of City Employment
Arizona State Prison	996	28.64%	653	26.32%
Gadsden Unified School District	870	25.01%	448	18.06%
ACT Call Center	533	15.32%	700	28.21%
Factor Sales	423	12.16%	230	9.27%
City of San Luis	282	8.11%	270	10.88%
Wal-Mart	206	5.92%	80	3.22%
San Luis Detention Center	168	4.83%	100	4.03%
Basha's/Food City	-	-	100	4.03%
Total Employees	3,478	100.00%	2,481	100.00%

CITY OF SAN LUIS, ARIZONA  
 MAJOR EMPLOYERS WITHIN THE CITY  
 CURRENT YEAR AND SEVEN YEARS AGO

Table XVI

Source: City Customer Service and Billing records

Utility Accounts	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Water	7,194	6,828	4,469	6,384	6,190	6,023	5,890	6,036	5,701	5,865
% Increase	2.38%	4.46%	3.13%	2.77%	2.26%	-2.42%	5.88%	-2.80%	2.50%	
Wastewater	7,027	6,618	6,495	6,216	5,990	5,827	5,688	5,597	5,514	5,491
% Increase	1.89%	4.49%	3.77%	2.80%	2.44%	1.63%	1.51%	0.42%	4.31%	
Residential Solid Waste	6,620	6,222	6,113	5,825	5,643	5,549	5,366	5,249	5,172	5,330
% Increase	6.40%	1.78%	4.94%	3.23%	1.69%	3.41%	2.23%	1.49%	-2.96%	4.88%

CITY OF SAN LUIS, ARIZONA  
UTILITY STATISTICAL DATA - ACCOUNTS  
LAST TEN FISCAL YEARS

Table XIX

Source: City Customer Service and Billing records (Billing Register Summary)

Utility Rate Increases & Average Bill	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Water	\$48.28	\$48.16	\$48.45	\$48.03	\$46.59	\$45.05	\$41.72	\$38.31	\$36.56	\$33.92
% Increase	0.25%	-0.60%	0.88%	3.09%	3.41%	7.98%	8.89%	4.80%	7.78%	-5.00%
Wastewater	\$44.56	\$44.60	\$51.57	\$48.40	\$46.30	\$37.33	\$31.57	\$29.41	\$23.24	\$22.10
% Increase	-0.09%	-13.52%	6.56%	4.52%	24.03%	18.25%	7.34%	26.53%	5.19%	-10.11%
Residential Solid Waste	\$17.64	\$17.82	\$17.03	\$16.95	\$16.86	\$16.89	\$17.11	\$16.45	\$15.89	\$17.60
% Increase	-1.01%	4.64%	0.47%	0.52%	-0.15%	-1.32%	4.07%	3.51%	-9.74%	-0.34%

CITY OF SAN LUIS, ARIZONA  
UTILITY STATISTICAL DATA - BILLINGS  
LAST TEN FISCAL YEARS

Table XVIII



	CITY OF SAN LUIS, ARIZONA UTILITY STATISTICAL DATA LAST TEN FISCAL YEARS									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Miscellaneous data on water utility	1,144,797	1,085,982	1,067,585	1,041,105	1,023,995	1,080,887	962,719	1,025,510	1,122,844	1,052,873
Annual Consumption (000's gal)	13,261	13,254	13,340	13,650	13,766	14,956	13,621	14,158	16,410	15,387
Avg gallon/accrual/year	159,132	159,048	160,002	163,080	165,427	179,477	163,452	169,999	196,920	184,847
Avg daily demand (MGD)	3.23	3.23	3.45	3.45	3.45	4.00	3.45	3.45	4.00	3.63
Peak demand (MGD)	3.81	3.81	3.81	3.43	3.43	3.43	3.43	3.43	3.43	3.23
Number of wells in system	12	12	12	12	12	12	12	12	12	12
Available storage capacity (million gallons)	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025
Miscellaneous data on wastewater utility	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Treatment plant capacity (000's)	568,810	514,839	458,753	465,667	471,403	463,767	457,864	437,574	445,704	437,715
Annual wastewater treated (000's)	1,598	1,740	1,286	1,340	1,340	1,340	1,340	1,340	1,340	1,340
Average daily flow (000's)	11,719	10,740	10,740	10,306	9,681	10,610	9,013	9,523	9,068	13,053
Tons of waste collected and disposed	24,091	11,719	10,740	10,306	9,681	10,610	9,013	9,523	9,068	13,053

Source: City Customer Service and Billing records

	Residential		Commercial / Government / School	
	Base	Excess / 000's	Base	Volume/000's
Meter Size	\$ 20.23	N/A	\$ 24.50	N/A
Senior 60+ yrs	N/A	N/A	N/A	N/A
5/8" - 3/4"	\$ 40.00	N/A	\$ 24.50	2.47
1" - 8"	N/A	N/A	\$ 24.50	2.47
Gadsden School	\$ 55.27	N/A	\$ 76.35	2.47
			\$ 205.81	2.47

	Residential	Commercial / Government / School
5/8" - 3/4"	\$ 13.80	\$ 2.11
1"	N/A	N/A
1 1/2"	N/A	N/A
2"	N/A	N/A
3"	N/A	N/A
4"	N/A	N/A
6"	N/A	N/A
8"	N/A	N/A

	Residential	Commercial / Government / School
1st 2,000 G	\$ 35.10	\$ 2.66
Excess / 000's	\$ 2.11	\$ 2.95
1st 2,000 G	\$ 58.62	\$ 2.66
Gov't	\$ 116.89	\$ 2.95
Commercial / Government / School	\$ 187.09	\$ 2.95
	\$ 409.64	\$ 2.95
	\$ 1,404.07	\$ 2.95
	\$ 2,925.15	\$ 2.66
	\$ 4,212.22	\$ 2.95

Source: City Customer Service and Billing records

Table XX

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CITY OF SAN LUIS, ARIZONA  
Operating Indicator by Function  
LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Court</b>										
Charges filed/Charges adjudicated(resolved)	2,719	3,985	4,449	7,214	8,469	4,630	3,989	3,734	3,317	2,200
Charges dismissed	1,014	847	690	1,019	849	938	841	1,037	754	1,014
<b>Human Resources</b>										
# of employment Applications Processed	1,816	40	44	601	530	750	1,643	3,047	2,829	1,816
<b>Finance</b>										
# of Accounts Payable checks issued	4,780	3,929	3,723	3,739	3,848	4,201	4,264	4,785	4,721	4,780
# of Claims filed, injured or ill workers	33	18	18	27	29	13	16	16	27	33
# of electrical inspections performed	4	1	6	10	8	3	3	**	**	4
Notice of claims	7	**	6	6	1	2	4	3	14	7
<b>PUBLIC SAFETY</b>										
# of 911 Emergency and Animal Calls	7,276	**	**	5,046	5,694	5,483	5,920	4,889	5,467	7,276
# of Traffic Stops	4,766	**	**	9,439	6,834	6,393	4,681	5,220	4,766	5,463
# of Arrests	396	**	**	**	**	**	439	468	374	396
<b>Fire</b>										
# of Ambulance Transport Services	2,972	1,620	1,912	2,169	2,318	2,476	2,665	2,767	2,699	2,972
# of Fire & Hazmat Incidents	61	72	69	62	78	28	57	41	63	61
<b>HEALTH AND WELFARE</b>										
# of Meals served - Food Assistance	4,787	9,239	7,677	9,296	9,604	7,963	8,869	7,791	5,783	4,787
# of citywide transit ridership	6,157	5,190	6,323	8,376	9,243	8,136	10,661	9,538	6,166	6,157

Note: (\*\*) Hiring Freeze  
(\*\*) Information is not available  
Source: Various Departments

XXIII

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CITY OF SAN LUIS, ARIZONA  
BUILDING PERMITS AND HOME SALES  
LAST TEN FISCAL YEARS  
(\$'s in 000's)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Commercial</b>										
Number of Permits	1	13	16	16	16	16	16	6	1	1
Value	\$1,048	\$7,560	\$5,773	\$204	\$2,181	\$128	\$51	\$7,091	\$568	\$10
<b>Residential</b>										
Number of Dwelling Units	340	85	120	112	159	169	267	193	291	340
Value	\$49,318	\$11,078	\$13,147	\$20,166	\$16,908	\$24,530	\$24,850	\$35,339	\$29,110	\$49,318
<b>Other</b>										
Number of Permits	352	134	161	138	200	318	523	480	404	352
Value	\$6,664	\$1,554	\$1,157	\$3,649	\$19,089	\$2,146	\$10,652	\$9,601	\$8,293	\$6,664
<b>Single Family Housing Sales</b>										
New units sold	314	63	114	118	56	88	175	228	258	314

Source: City Development Services

Table XXII

CITY OF SAN LUIS, ARIZONA  
CAPITAL ASSETS BY FUNCTION  
LAST TEN FISCAL YEARS

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	1	1	1	1	1	1	1	1	1	1	1
City Hall	1	1	1	1	1	1	1	1	1	1	1
Building	1	1	1	1	1	1	1	1	1	1	1
Vehicle	19	17	18	18	18	26	26	31	33	34	34
Public Safety	2	2	2	2	2	2	2	2	2	2	2
Building	2	2	2	2	2	2	2	2	2	2	2
Vehicle	56	50	53	57	57	70	70	69	70	72	72
Culture & Recreation	3	3	3	3	3	3	3	3	3	3	3
Building	3	3	3	3	3	3	3	3	3	3	3
Equipment	19	19	22	23	23	33	33	39	37	38	38
Health and Welfare	2	2	2	2	2	2	2	2	2	2	2
Building	2	2	2	2	2	2	2	2	2	2	2
Vehicle	6	6	6	5	5	3	3	3	2	2	2
Public Works and streets	1	1	1	1	1	1	1	1	1	1	1
Building	1	1	1	1	1	1	1	1	1	1	1
Equipment	20	17	17	18	18	26	26	27	28	28	28
Enterprise	3	3	3	3	3	4	4	4	4	4	4
Building	3	3	3	3	3	4	4	4	4	4	4
Equipment	48	47	49	44	44	51	51	61	61	67	67

Source: City records Finance Department



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