



City of Casa Grande, Arizona
Report on Applying Agreed-Upon Procedures
Biennial Certification of Land Use
Assumptions, Infrastructure Improvement Plan
and Development Impact Fees
For the Period July 1, 2016 through June 30, 2018

CITY OF CASA GRANDE, ARIZONA
TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE</u>
Independent Accountant's Report on Applying Agreed-Upon Procedures	1
Results of Procedures	3
Appendix A	5

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Honorable Mayor, Members of the City Council, and Management
City of Casa Grande, Arizona

We have performed this agreed-upon procedures engagement to assist management of the City of Casa Grande, Arizona (City), in complying with the requirement as set forth in Arizona Revised Statutes (A.R.S.) 9-463.05.G.2 “to provide for a biennial certified audit of the municipality’s land use assumptions, infrastructure improvements plan and development fees”. We have performed the procedures identified below, which were agreed to by the management of City of Casa Grande, Arizona, solely to assist management of the City in evaluating the City’s compliance with the progress reporting requirements of the infrastructure improvement plan for the period from July 1, 2016 through June 30, 2018, as specified in A.R.S. 9-463.05.G.2. Management is responsible for the City of Casa Grande, Arizona’s compliance with those requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purposes.

We have applied the following procedures:

The progress of the infrastructure improvements plan.

- a. Compared growth projections related to New Housing Units by Type, Non-Residential Square Footage by Type, and Population, as reported in the Infrastructure Improvement Plan (IIP) to actual results. A list of all variances will be reported.
- b. Obtained City-prepared report (see Appendix A) documenting the progress of each project identified in the IIP and performed the following procedures:
 - i. Agreed expenditures as of June 30, 2018 to the underlying accounting records.
 - ii. Agreed amounts reported as estimated cost to complete to underlying accounting records.

The collection and expenditures of development impact fees for each project in the plan.

- c. Selected a sample of 40 building permits issued and determined fees were charged in accordance with authorized fee schedules and that each permit holder was charged the same rate as another equivalent permit holder. Any inequities in the imposition of development fees are reported.
- d. Selected a sample of 40 expenditures and determined that the expenditure was associated with an approved project in the City of Casa Grande, Arizona’s IIP.

Evaluating any inequities in implementing the plan or imposing the development impact fee.

- e. Determined each developer/unit was charged the same rate as another equivalent developer/unit by recalculating impact fees at the transaction level for the sample mentioned in step c. above.
- f. Determined that there were no instances in which the City waived development impact fees.

Construction sales tax.

- g. Determined that the excess construction sales tax collected in the General Fund was transferred to the Capital Projects fund in accordance with A.R.S. 9-463-05B(12).

The accompanying Results of Procedures describes the items we noted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Honorable Mayor, Members of the City Council and management of City of Casa Grande, Arizona, and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.

Phoenix, Arizona

October 11, 2019

CITY OF CASA GRANDE, ARIZONA
RESULTS OF PROCEDURES

EXCEPTION NO. 1

Variances were noted for growth projections for New Housing Units by Type, Non-Residential Square Footage by Type, and Population as reported in the Land Use Assumptions and Infrastructure Improvements Plan when compared to actual results.

FY 17				
	Projected	Actual	Variance	Variance %
Population from New Housing Units				
Single Family	855	423	(432)	-51%
Multi-Family	115	-	(115)	-100%
All Other Housing Types	236	-	(236)	-100%
New Housing Units				
Single Family	275	152	(123)	-45%
Multi-Family	55	-	(55)	-100%
All Other Housing Types	100	-	(100)	-100%
New Nonresidential Square Footage				
Retail/Commercial	47,400	19,637	(27,763)	-59%
Office/Institutional	135,000	-	(135,000)	-100%
Industrial/Flex	50,000	-	(50,000)	-100%

FY 18				
	Projected	Actual	Variance	Variance %
Population from New Housing Units				
Single Family	855	535	(320)	-37%
Multi-Family	115	-	(115)	-100%
All Other Housing Types	236	-	(236)	-100%
New Housing Units				
Single Family	275	196	(79)	-29%
Multi-Family	55	-	(55)	-100%
All Other Housing Types	100	-	(100)	-100%
New Nonresidential Square Footage				
Retail/Commercial	47,400	-	(47,400)	-100%
Office/Institutional	135,000	7,087	(127,913)	-95%
Industrial/Flex	50,000	126,097	76,097	152%

**CITY OF CASA GRANDE, ARIZONA
RESULTS OF PROCEDURES**

EXCEPTION NO. 2

For one 40 expenditures reviewed, the expenditure was coded to the incorrect project. The expenditure was fully coded to General Government, but should have been allocated to the different project elements, as outlined in the IIP.

EXCEPTION NO. 3

In accordance with A.R.S. 9-463-05B(12), the City is required to treat excess construction sales tax as a contribution to the capital costs of necessary public services provided to development for which development fees are assessed. Included in the IIP in effect for the period of review, there is a listing of projects that the City plans to fund with revenues from the construction sales tax differential. Currently, the City is accounting for these monies in a separate Fund in the accounting records, however any project included in the City's Capital Improvement Program is eligible and may request funding from this Fund, therefore expenditures in the Fund are not only limited to those projects identified in the IIP.

APPENDIX A
PROGRESS OF INFRASTRUCTURE IMPROVEMENT PLAN PROJECTS

Project Type	IIP Project Description	Estimated Cost (A)	Expenditures as of June 30, 2018 (B)	Estimated Cost to Complete
Library Facilities	IIP and Development Fee Report	\$ 4,300		4,300
Parks and Recreation Facilities	IIP and Development Fee Report	8,800		8,800
Police Facilities	IIP and Development Fee Report	8,100		8,100
Fire Facilities	IIP and Development Fee Report	8,900		8,900
General Government	IIP and Development Fee Report	1,300	9,552	(8,252)
Street Facilities	IIP and Development Fee Report	14,100		14,100
Wastewater	IIP and Development Fee Report	6,700		6,700
Community Parks	Community Parkland Design and Development	1,377,000	-	1,377,000
Community Parks	Land Acquisition for Parks	3,847,500	-	3,847,500
Regional Parks	Regional Parkland Design and Development	1,485,000	-	1,485,000
Recreation Facilities	Len Colla Center Expansion	521,102	-	521,102
Recreation Facilities	Community Recreation Center	334,521	-	334,521
Trails	Casa Grande Mountain Trails Design	58,000	-	58,000
Trails	Santa Cruz Linear Park Trail Design and Development	826,500	-	826,500
Trails	Trail System Development	580,000	-	580,000
Community Services Maintenance Facility	Maintenance Shop Building	103,950	-	103,950
Library Facilities	Debt Service for Vista Grande Library & Main Library Expansion	662,963	-	662,963
Public Safety	Police Vehicles*^	1,269,381	51,147	1,218,234
Public Safety	Animal Control Facilities*^	60,000	-	60,000
Public Safety	Animal Control Vehicles*^	28,062	-	28,062
Public Safety	Police Communications Equipment*^	870,404		870,404
Public Safety	Police Share of Public Safety Building*^	5,251,849		5,251,849
Public Safety	Debt Service related to Fire Station 504*^	270,597	-	270,597
Public Safety	Fire Station 505*^	5,000,000	-	5,000,000
Public Safety	Fire Apparatus and Vehicles*^	7,631,573	1,040	7,630,533
Public Safety	Fire Communications Equipment*^	177,293	44,699	132,594
Public Safety	Fire Share of Public Safety Building*^	514,474	-	514,474
Street Facilities - Arterial Street Improvements	Cottonwood Ln: Peart to Hacienda	8,150,000	-	8,150,000
Street Facilities - Arterial Street Improvements	Overfield (Florence to City Limits)	6,750,000	-	6,750,000
Street Facilities - Arterial Street Improvements	Selma Hwy (Jimmy Kerr to Sunland Gin)	6,650,000	-	6,650,000
Street Facilities - Arterial Street Improvements	Kortsen Rd: (I-10 to Overfield)	5,400,000	-	5,400,000
Street Facilities - Arterial Street Improvements	Henness Rd: I-8 to Selma	3,500,000	-	3,500,000
Street Facilities - Arterial Street Improvements	Cottonwood Ln: Hacienda to Overfield	2,700,000	-	2,700,000
Street Facilities - Arterial Street Improvements	Henness Rd: Florence to Cottonwood Ln	2,700,000	-	2,700,000
Street Facilities - Arterial Street Improvements	Kortsen Rd: (Henness to I-10)	2,700,000	-	2,700,000
Street Facilities - Arterial Street Improvements	Doan Street	5,300,000	-	5,300,000
Street Facilities - Arterial Street Improvements	Thornton Road (I-8 to Selma Hwy.)	237,500	-	237,500
Street Facilities - Arterial Street Improvements	Kortsen Rd (Pinal to Trekell)	2,640,000	-	2,640,000
Street Facilities - Arterial Street Improvements	Rodeo Road (Casa Grande Ave. to Trekell Road)	3,250,000	-	3,250,000
Street Facilities - Arterial Street Improvements	Selma Hwy (Henness to Peart)	1,925,000	-	1,925,000
Street Facilities - Arterial Street Improvements	Engineering: On-call	625,000	-	625,000
Street Facilities - Arterial Street Improvements	Traffic Signal Interconnect	250,000	-	250,000
Street Facilities - Arterial Street Improvements	EW Corridor	108,500	-	108,500
Street Facilities - Arterial Street Improvements	Peart SQ	375,000	103,243	271,757
Street Facilities - Arterial Street Improvements	Val Vista	217,000	-	217,000
Street Facilities - Arterial Street Improvements	Traffic Signals	4,000,000	916,998	3,083,002
Street Facilities - Interchange Improvements	Kortsen & I-10 DCR Interchange***	206,781	311,232	-
Street Facilities - Interchange Improvements	Kortsen / I-10 Interchange	9,723,260	-	9,723,260
Wastewater	Wastewater Treatment Plant Expansion	12,438,958	-	12,438,958
Wastewater	Rodeo Road Sewer Interceptor	69,500,000	-	69,500,000
Wastewater	Karsten Road and East Side Sewer Line	17,061,877	781,972	16,279,905
Wastewater	Burris Road Sewer Line	3,760,000	342,912	3,417,088
Wastewater	Highway 84 Interceptor - Zone A Service Area**	2,200,000	2,283,195	-
Wastewater	Collection Lines per 1 Square Mile	4,960,421	-	4,960,421
Wastewater	Managed Recharge System	4,600,000	-	4,600,000
Totals		212,851,667	4,845,990	208,193,323

** Project is complete.

***This Project has exceeded estimated costs.

^^ This project's total cost was estimated based on the information in the IIP, taking into the consideration the residential & nonresidential growth allocation

(A) The source of the information is the City of Casa Grande 2012 Infrastructure Improvement Plan

(B) The source of the information is the City of Casa Grande's financial records for the period August 1, 2014 through June 30, 2018.