



City of Casa Grande, Arizona

Development Impact Fees Report

Agreed-Upon Procedures

Biennial Period Ended June 30, 2024

City of Casa Grande, Arizona

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Independent Accountants' Report

Honorable Mayor and City Council
Brenda Hasler, Finance Director
City of Casa Grande, Arizona

We have performed the procedures enumerated below for this agreed-upon procedures engagement to assist management of the City of Casa Grande, Arizona, with the requirement set forth in the 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" as defined by Statute. As such, we have performed the procedures identified below, solely to assist users in evaluation the City's compliance with the progress reporting requirements of the infrastructure improvement plan for the period July 1, 2022 to June 30, 2024, as specified in A.R.S. §9 463.05(G)(2). the City of Casa Grande is responsible for its compliance with those requirements defined by the statute.

The City of Casa Grande has determined, agreed to, and acknowledged that the procedures performed are appropriate to meet the intended purpose of the compliance with A.R.S. §9 463.05(G)(2). Additionally, the City of Casa Grande has agreed to and acknowledged that the procedures performed are appropriate to meet their required purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users (or their interpretation of the above statute) of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

- Procedure: Selected a sample of 40 receipts relating to the City's Infrastructure Improvement Plan (IIP) and determine fees were charged in accordance with authorized IIP schedule.
 - Finding Number One: For 3 of 40 transactions tested, we noted that impact fees were not charged in accordance with the authorized IIP schedule. For 2 of the 3 exceptions noted, wastewater fees were charged at the Zone B rate, when they should have been charged at the Zone A rate. For the third exception, impact fees were charged for a community center, when these structures are not included in the authorized IIP schedule.
- Procedure: Recalculated fees for a sample of 40 transactions related to the City's IIP to determine that each developer/unit is charged the same rate as another equivalent developer/unit to demonstrate "inequities" and "level of service" as interpreted by the City's management.
 - Finding Number Two: For 1 of 40 transactions tested, we noted an error in the calculation of impact fees where the street impact fee charged to one developer on one permit was inconsistent with the street fees charged on other permits, leading the developer to be overcharged by \$149.
- Procedure: Selected a sample of 40 expenditures related to the City's IIP and determine that the expenditure was associated with an approved project in the IIPs.
 - No exceptions or findings noted.

- Procedure: Compared growth projections for 2023 and 2024 related to New Housing Units by Type, Non-Residential Square Footage by Type and Population, as reported in the Land Use Assumptions to actual results.
 - Finding Number Three: We noted several differences between the projections and the actual. See the attached "Summary of Findings" for more detail regarding the differences by type.
- Procedure: Agreed the expenditures reported in the City-prepared Development Impact Fee Annual Reports for the fiscal years ended June 30, 2023 and 2024 to the underlying accounting records and determine that the project descriptions associated with each expenditure are identified in the Infrastructure Improvement Plan (IIP).
 - No exceptions or findings noted.

We were engaged by the City of Casa Grande to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on identify the subject matter, including the period or "as of" date of the subject matter, as applicable. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City of Casa Grande and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for and the use of the City of Casa Grande and the City of Casa Grande and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Tilly US, LLP

Tempe, Arizona
July 31, 2025

City of Casa Grande, Arizona

Summary of Findings

Biennial Period Ended June 30, 2024

Finding Number Three

Variances were noted for growth projections related to new housing units, new non-residential square footage, and population as reported in the Land Use Assumptions when compared to actual results. All variances are reported below.

New Housing Units

	2022-2023				2023-2024			
	Projected	Actual	Variance	Variance %	Projected	Actual	Variance	Variance %
Single Family	327	909	582	178%	361	1083	722	200%
Multi-Family	64	671	607	948%	71	508	437	615%
Mobile Homes	81	133	52	64%	88	83	-5	-6%
All Other Types	4	24	20	500%	5	1	-4	-80%

New Non-Residential Square Footage

	2022-2023				2023-2024			
	Projected	Actual	Variance	Variance %	Projected	Actual	Variance	Variance %
Retail/Commercial	55,000	13,012	(41,988)	-76%	57,000	5150	(51,850)	-91%
Industrial/Flex	250,000	1,676,087	1,426,087	570%	250,000	391,969	141,969	57%
Office/Institutional	22,000	73,200	51,200	233%	23,000	9500	(13,500)	-59%

Total Population

	2022-2023				2023-2024			
	Projected	Actual	Variance	Variance %	Projected	Actual	Variance	Variance %
	57,674	60,032	2,358	4%	58,885	63,743	4,858	8%