



**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 August 1, 2014 through June 30, 2016**

**CITY OF CASA GRANDE, ARIZONA**  
**TABLE OF CONTENTS**

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
Independent Accountant's Report on Applying Agreed-Upon Procedures	1
Results of Procedures	3
Appendix A	7

**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 the procedures identified below, which were agreed to by the management of City of Casa Grande, Arizona, solely to assist the management of City of Casa Grande, Arizona, in evaluating the City of Casa Grande, Arizona's compliance with the requirements set forth in Arizona Revised Statutes (A.R.S.) 9-463.05 for the period from August 1, 2014 through June 30, 2016. Management is responsible for City of Casa Grande, Arizona's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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, 2016 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 appropriate Impact Fee Fund in accordance with A.R.S. 9-463-05B(12).

The accompanying Results of Procedures describes the items we noted.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on compliance. 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., P.C.*

Heinfeld, Meech & Co., P.C.

Phoenix, Arizona

April 14, 2017

**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.

<b>FY 12</b>				
	Projected	Actual	Variance	Variance %
<b>Population from New Housing Units</b>				
Single Family	131	320	189	144%
Multi-Family	225	-	(225)	-100%
All Other Housing Types	278	10	(268)	-96%
<b>New Housing Units</b>				
Single Family	42	119	77	183%
Multi-Family	108	-	(108)	-100%
All Other Housing Types	118	10	(108)	-92%
<b>New Nonresidential Square Footage</b>				
Retail/Commercial	1,863,078	24,237	(1,838,841)	-99%
Office/Institutional	3,242	10,260	7,018	216%
Industrial/Flex	2,880	5,210	2,330	81%

<b>FY 13</b>				
	Projected	Actual	Variance	Variance %
<b>Population from New Housing Units</b>				
Single Family	311	488	177	57%
Multi-Family	620	-	(620)	-100%
All Other Housing Types	177	-	(177)	-100%
<b>New Housing Units</b>				
Single Family	100	180	80	80%
Multi-Family	297	-	(297)	-100%
All Other Housing Types	75	-	(75)	-100%
<b>New Nonresidential Square Footage</b>				
Retail/Commercial	230,000	151,872	(78,128)	-34%
Office/Institutional	80,000	40,598	(39,402)	-49%
Industrial/Flex	40,000	129,840	89,840	225%

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

**EXCEPTION NO. 1**

<b>FY 14</b>				
	Projected	Actual	Variance	Variance %
<b>Population from New Housing Units</b>				
Single Family	535	639	104	19%
Multi-Family	209	-	(209)	-100%
All Other Housing Types	177	-	(177)	-100%
<b>New Housing Units</b>				
Single Family	172	236	64	37%
Multi-Family	100	-	(100)	-100%
All Other Housing Types	75	-	(75)	-100%
<b>New Nonresidential Square Footage</b>				
Retail/Commercial	435,000	80	(434,920)	-100%
Office/Institutional	476,000	20,138	(455,862)	-96%
Industrial/Flex	40,000	35,430	(4,570)	-11%

<b>FY 15</b>				
	Projected	Actual	Variance	Variance %
<b>Population from New Housing Units</b>				
Single Family	622	527	(95)	-15%
Multi-Family	209	-	(209)	-100%
All Other Housing Types	236	-	(236)	-100%
<b>New Housing Units</b>				
Single Family	200	196	(4)	-2%
Multi-Family	100	-	(100)	-100%
All Other Housing Types	100	-	(100)	-100%
<b>New Nonresidential Square Footage</b>				
Retail/Commercial	435,000	72,769	(362,231)	-83%
Office/Institutional	476,000	6,097	(469,903)	-99%
Industrial/Flex	40,000	666,642	626,642	1567%

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

**EXCEPTION NO. 1**

<b>FY 16</b>				
	Projected	Actual	Variance	Variance %
<b>Population from New Housing Units</b>				
Single Family	855	633	(222)	-26%
Multi-Family	115	-	(115)	-100%
All Other Housing Types	236	33	(203)	-86%
<b>New Housing Units</b>				
Single Family	275	234	(41)	-15%
Multi-Family	55	-	(55)	-100%
All Other Housing Types	100	33	(67)	-67%
<b>New Nonresidential Square Footage</b>				
Retail/Commercial	47,400	1,486,135	1,438,735	3035%
Office/Institutional	135,000	1,391	(133,609)	-99%
Industrial/Flex	50,000	2,462	(47,538)	-95%

<b>Cumulative 5 Years</b>				
	Projected	Actual	Variance	Variance %
<b>Population from New Housing Units</b>				
Single Family	2,454	2,607	153	6%
Multi-Family	1,378	-	(1,378)	-100%
All Other Housing Types	1,104	43	(1,061)	-96%
<b>New Housing Units</b>				
Single Family	789	965	176	22%
Multi-Family	660	-	(660)	-100%
All Other Housing Types	468	43	(425)	-91%
<b>New Nonresidential Square Footage</b>				
Retail/Commercial	3,010,478	1,735,093	(1,275,385)	-42%
Office/Institutional	1,170,242	78,484	(1,091,758)	-93%
Industrial/Flex	172,880	839,584	666,704	386%

**EXCEPTION NO. 2**

For one of 40 building permits reviewed, the fee was incorrectly calculated. The incorrect Residential Type was utilized to calculate the fee. The City charged the fee based on the 'Other' category instead of using the 'Manufactured/Park/Mobile Home' category.

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

**EXCEPTION NO. 3**

The City is not tracking fund balances related to historical IIP plans to the necessary level of detail. As a result, it would be difficult to document expenditures that are related to the historical IIPs.

**APPENDIX A**  
**PROGRESS OF INFRASTRUCTURE IMPROVEMENT PLAN PROJECTS**

Project Type	IIP Project Description	Estimated Cost (A)	Expenditures as of June 30, 2016 (B)	Estimated Cost to Complete
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	Vista Grande Library	1,266,769	-	1,266,769
Library Facilities	Main Library Expansion	633,385	-	633,385
Public Safety	Police Vehicles	3,872,000	39,499	3,832,501
Public Safety	Animal Control Facilities	60,000	-	60,000
Public Safety	Animal Control Vehicles	111,000	-	111,000
Public Safety	Fire Station 504	817,451	-	817,451
Public Safety	Fire Station 505	5,000,000	-	5,000,000
Public Safety	Fire Apparatus and Vehicles	12,913,500	1,040	12,912,460
Public Safety	Fire Communications Equipment	300,000	-	300,000
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	Pearl SQ	375,000	21,952	353,048
Street Facilities - Arterial Street Improvements	Val Vista	217,000	-	217,000
Street Facilities - Arterial Street Improvements	Traffic Signals	4,000,000	608,708	3,391,292
Street Facilities - Interchange Improvements	Kortsen & I-10 DCR Interchange***	206,781	289,653	189,907
Street Facilities - Interchange Improvements	Kortsen / I-10 Interchange	9,723,260	-	9,723,260
Wastewater	Wastewater Treatment Plant Expansion*	79,950,190	-	79,950,190
Wastewater	Rodeo Road Sewer Interceptor	69,500,000	-	69,500,000
Wastewater	Karsten Road and East Side Sewer Line	17,061,877	183,229	16,878,648
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
<b>Totals</b>		<b>279,788,207</b>	<b>3,427,276</b>	<b>276,716,905</b>

\*This is the total cost of the project including other funding sources.

\*\* Project is complete.

\*\*\*This Project has exceeded estimated costs. The estimated cost to complete at 6/30/16 was taken from the pay application as of that date.

(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, 2016