



City of San Luis, 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, 2020 through June 30, 2022

**CITY OF SAN LUIS, ARIZONA
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Members of the City Council

We have performed this agreed-upon procedures engagement to assist management of the City of San Luis, Arizona (City), with the requirement 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”. As such, we have performed the procedures identified below, solely to assist users in evaluating the City’s compliance with the progress reporting requirements of the infrastructure improvement plan for the period from July 1, 2020 through June 30, 2022, as specified in A.R.S. 9-463.05.G.2. City of San Luis, Arizona’s management is responsible for its compliance with those requirements.

City of San Luis, Arizona’s management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in determining whether the City complied with the specified requirements. 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 of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We have applied the following procedures:

The progress of the infrastructure improvements plan.

- a. Compared growth projections for 2021 and 2022 related to population, employment, police vehicle trips, street arterial lane miles, and utility connections as reported in the Infrastructure Improvement Plan (IIP) to actual results. A list of all variances are reported in the Summary of Results.
- b. Obtained City-prepared report (see Appendix A) documenting the progress of each project identified in the Infrastructure Improvement Plan (IIP) and performed the following procedures:
 - i. Agreed expenditures as of June 30, 2022 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 15 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 in the Summary of Results.
- d. Selected a sample of 15 expenditures and determined that the expenditures were associated with an approved project in the City'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, except as allowed for under A.R.S. 9-499.10.B and A.R.S. 9-500.18.

The accompanying Summary of Results describes the results we noted.

We were engaged by City of San Luis, Arizona's management 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 examination or review engagement, 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 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 City of San Luis, Arizona and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the management of City of San Luis, Arizona, and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
March 1, 2023

**CITY OF SAN LUIS, ARIZONA
SUMMARY OF RESULTS**

RESULT NO. 1

Variances were noted for growth projections related to parks, recreational, and fire facilities, police, streets, water, and wastewater as reported in the Land Use Assumptions when compared to actual results. All variances are reported below.

	2021			
	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance %</u>
Parks, Recreational, and Fire Facilities				
Service Unit:				
Persons	37,753	36,081	(1,672)	-4%
Jobs	5,783	5,740	(43)	-1%
Police				
Service Unit:				
Vehicle Trips	22,431	21,628	(803)	-4%
Streets				
Arterial Lane Miles	27	25	(2)	-6%
Water				
Residential Connections	7,161	7,552	391	5%
Non-Residential Connections	428	397	(31)	-7%
Wastewater				
Residential Connections	6,991	7,463	472	7%
Non-Residential Connections	287	258	(29)	-10%

	2022			
	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance %</u>
Parks, Recreational, and Fire Facilities				
Service Unit:				
Persons	39,102	36,074	(3,028)	-8%
Jobs	5,990	6,141	151	3%
Police				
Service Unit:				
Vehicle Trips	23,225	22,904	(321)	-1%
Streets				
Arterial Lane Miles	28	25	(3)	-10%
Water				
Residential Connections	7,416	7,690	274	4%
Non-Residential Connections	443	413	(30)	-7%
Wastewater				
Residential Connections	7,240	7,699	459	6%
Non-Residential Connections	297	273	(24)	-8%

PROGRESS OF INFRASTRUCTURE IMPROVEMENT PLAN PROJECTS

Project Description	Estimated Cost^a	Expenditures as of 6/30/22^b	Estimated Cost to Complete	Estimated Completion Date
City Hall Debt Service Cost Recovery	3,874,672	592,000	3,282,672	FY2025
Community Park Land - Incremental Expansion (30 Acres)	1,023,459	978,163	45,296	FY2029
Community Park Amenities - Incremental Expansion	1,286,310	81,529	1,204,781	FY2029
Neighborhood Park Amenities: Playgrounds	961,293	28,018	933,275	FY2029
Neighborhood Park Amenities: Professional Services	11,500	10,228	1,272	FY2029
Police Station Debt Service Cost Recovery	1,473,000	535,800	937,200	FY2031
Public Safety Vehicles and Equipment	800,000	291,936	508,064	FY2025
Police Station - Incremental Expansion	1,397,820	36,458	1,361,362	FY2023
Police Vehicles	667,626	-	667,626	FY2025
Police Communication Equipment	223,895	-	223,895	FY2022
Police: Professional Services	11,500	10,228	1,272	FY2025
Fire Station #2	1,456,479	89,601	1,366,878	FY2023
Fire Apparatus - Incremental Expansion	1,207,928	-	1,207,928	FY2023
Communication Equipment - Incremental Expansion	224,313	-	224,313	FY2023
Fire: Professional Services	11,500	10,228	1,272	FY2024
Juan Sanchez Blvd (AVE E to Main St.)	5,033,600	283,136	4,750,464	FY2029
Juan Sanchez Blvd - 4th Intersection Project	484,000	-	484,000	FY2025
Juan Sanchez Blvd - 6th Intersection Project	220,000	23,992	196,008	FY2025
10th Ave Widening (JS to CO22nd)	660,000	-	660,000	FY2025
Co 24th St Paving Project	660,000	-	660,000	FY2025
Co 22nd and Sidewinder Rd Intersection	220,000	-	220,000	FY2025
Co 22nd Sidewinder (Sidewinder Rd to Main St)	880,000	-	880,000	FY2025
Streets: Professional Services	11,960	10,228	1,732	FY2025
Water Production Cost Recovery	1,300,000	-	1,300,000	FY2025
Water Storage (Plan-Based)	300,000	-	300,000	FY2025
Water: Professional Services	11,500	10,228	1,272	FY2025
Wastewater Treatment Plant Expansion	7,000,000	1,243,000	5,757,000	FY2025
Wastewater: Professional Services	11,500	10,228	1,272	FY2025
Wastewater Treatment Plant Debt Service Cost Recovery	3,333,000	472,245	2,860,755	FY2025

a) The source of the information in the City of San Luis 2014 and 2019 Infrastructure Improvements Plans.

b) The source of the information is the City's financial records for the period July 1, 2017 through June 30, 2022.