



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, 2018 through June 30, 2020

**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), 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 San Luis, 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, 2018 through June 30, 2020, 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. 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 for 2019 and 2020 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 Findings.
- 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, 2020 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 Findings.
- 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 Findings describes the findings 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 or conclusion. 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 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.
Phoenix, Arizona
April 1, 2021

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

FINDING 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.

| | 2019 | | | |
|--|-------------|--------|----------|------------|
| | Projected | Actual | Variance | Variance % |
| Parks, Recreational, and Fire Facilities | | | | |
| Service Unit: | | | | |
| Persons | 35,187 | 37,990 | 2,803 | 8% |
| Jobs | 5,390 | 5,223 | (167) | -3% |
| Police | | | | |
| Service Unit: | | | | |
| Vehicle Trips | 20,902 | 20,285 | (617) | -3% |
| Streets | | | | |
| Arterial Lane Miles | 25 | 24 | (1) | -4% |
| Water | | | | |
| Residential Connections | 6,674 | 6,796 | 122 | 2% |
| Non-Residential Connections | 399 | 398 | (1) | 0% |
| Wastewater | | | | |
| Residential Connections | 6,515 | 6,766 | 251 | 4% |
| Non-Residential Connections | 267 | 261 | (6) | -2% |

| | 2020 | | | |
|--|-------------|--------|----------|------------|
| | Projected | Actual | Variance | Variance % |
| Parks, Recreational, and Fire Facilities | | | | |
| Service Unit: | | | | |
| Persons | 36,447 | 39,705 | 3,258 | 9% |
| Jobs | 5,583 | 5,605 | 22 | 0% |
| Police | | | | |
| Service Unit: | | | | |
| Vehicle Trips | 21,656 | 21,422 | (234) | -1% |
| Streets | | | | |
| Arterial Lane Miles | 26 | 24 | (2) | -7% |
| Water | | | | |
| Residential Connections | 6,913 | 7,215 | 302 | 4% |
| Non-Residential Connections | 413 | 399 | (14) | -3% |
| Wastewater | | | | |
| Residential Connections | 6,749 | 7,122 | 373 | 6% |
| Non-Residential Connections | 277 | 261 | (16) | -6% |

PROGRESS OF INFRASTRUCTURE IMPROVEMENT PLAN PROJECTS

| Project Description | Estimated Cost^a | Expenditures as of 6/30/20^b | Estimated Cost to Complete | Estimated Completion Date |
|--|-----------------------------------|---|-----------------------------------|----------------------------------|
| City Hall: Professional Services | \$ 4,500 | \$ 10,228 | \$ (5,728) | FY2020 |
| City Hall Debt Service Cost Recovery | 3,874,672 | 300,000 | 3,574,672 | FY2025 |
| Community Park Land - Incremental Expansion (30 Acres) | 1,023,459 | - | 1,023,459 | FY2029 |
| Community Park Amenities - Incremental Expansion | 1,286,310 | 14,957 | 1,271,353 | 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 | - | 1,473,000 | FY2031 |
| Public Safety Vehicles and Equipment | 800,000 | 146,338 | 653,662 | FY2025 |
| Police Station - Incremental Expansion | 1,397,820 | - | 1,397,820 | FY2022 |
| Police Vehicles | 667,626 | - | 667,626 | FY2025 |
| Police Communication Equipment | 223,895 | - | 223,895 | FY2022 |
| Police: Professional Services | 11,500 | 10,239 | 1,261 | FY2025 |
| Fire Station #2 | 1,456,479 | 5,651 | 1,450,828 | FY2022 |
| 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 | 10,239 | 1,261 | FY2024 |
| Juan Sanchez Blvd (AVE E to Main St.) | 5,033,600 | - | 5,033,600 | 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 Plan and System Debt Service | 3,333,000 | - | 3,333,000 | 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, 2020.