City of Buckeye, 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 BUCKEYE, ARIZONA
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Members of the City Council
City of Buckeye, Arizona

We have performed this agreed-upon procedures engagement to assist management of the City of Buckeye, 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 Buckeye, Arizona's management is responsible for its compliance with those requirements.

City of Buckeye, 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 dwelling units, nonresidential square footage, and population as reported in the Land Use Assumptions 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, 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 100 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 25 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.

We were engaged by City of Buckeye, 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 Buckeye, 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 Buckeye, 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
February 16, 2023

CITY OF BUCKEYE, ARIZONA
SUMMARY OF FINDINGS

FINDING NO. 1

For one of 100 building permit receipts reviewed, the City improperly classified the permit as commercial rather than institutional. The assessed fee resulted in overcharging the customer by $12,582.72.

FINDING NO. 2

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

2022				
Annual Increase	**Projected Average Annual Increase 2018-2028**	**Actual**	**Variance**	**Variance %**
Population	5,680	4,329	(1,351)	-24%
Dwelling Units	1,792	1,468	(324)	-18%
Nonresidential Square Footage	548,200	3,608,267	3,060,067	558%

2021				
Annual Increase	**Projected Average Annual Increase 2018-2028**	**Actual**	**Variance**	**Variance %**
Population	5,680	10,485	4,805	85%
Dwelling Units	1,792	3,967	2,175	121%
Nonresidential Square Footage	548,200	2,368,144	1,819,944	332%

APPENDIX A

PROGRESS OF INFRASTRUCTURE IMPROVEMENT PLAN PROJECTS (2020)

Project Description	IIP Fund	Estimated Cost[a]	Expenditures as of 6/30/22[b]	Estimated Cost to Complete
Fire Main - Fire Facilities	Fire	$ 11,214,643	$ 225,717	$ 10,988,926
Fire Main - Fire Apparatus & Equipment	Fire	11,554,565	303,238	11,251,327
Fire Main - Development Fee Report	Fire	28,948	1,903	27,045
Cost Recovery - Fire Station 704, Festival Ranch	Fire	6,800,000		6,800,000
North Library	North Library	1,642,818		1,642,818
North Library - Development Fee Report	North Library	8,550		8,550
South Library	South Library	3,804,432		3,804,432
South Library - Development Fee Report	South Library	20,398		20,398
Community Park North (Land)	Parks & Rec	2,400,000		2,400,000
Community Park South (Improvements)	Parks & Rec	13,837,527		13,837,527
Pools (South)	Parks & Rec	5,275,152		5,275,152
Regional Parks (Land & Improvements)	Parks & Rec	4,902,525		4,902,525
Regional Trails	Parks & Rec	1,123,495		1,123,495
Community Centers (North)	Parks & Rec	948,111		948,111
Community Centers (South)	Parks & Rec	2,195,633		2,195,633
Parks & Rec - Development Fee Report (North)	Parks & Rec	8,550		8,550
Parks & Rec - Development Fee Report (South)	Parks & Rec	20,398		20,398
Police Facilities	Police	10,255,217	1,250,000	9,005,217
Police Vehicles & Equipment	Police	9,438,543		9,438,543
Police - Development Fee Report	Police	28,948		28,948
I-10 Interchange - Jackrabbit	Streets	4,750,000		4,750,000
I-10 Interchanges - ROW	Streets	7,904,694		7,904,694
Streets - Development Fee Report	Streets	28,948		28,948
Buckeye North Booster/Treatment	Buckeye North Water	12,109,644	28,930	12,080,714
Buckeye North Distribution	Buckeye North Water	3,200,150	7,667	3,192,483
Buckeye North Production	Buckeye North Water	3,108,588	41,250	3,067,338

APPENDIX A

PROGRESS OF INFRASTRUCTURE IMPROVEMENT PLAN PROJECTS (2020)

Project Description	IIP Fund	Estimated Cost[a]	Expenditures as of 6/30/22[b]	Estimated Cost to Complete
Central Buckeye Booster/Treatment	Central Buckeye Water	73,363,689		73,363,689
Central Buckeye Distribution	Central Buckeye Water	10,913,615		10,913,615
Central Buckeye Production	Central Buckeye Water	26,059,938	259,355	25,800,583
Sundance Booster/Treatment	Sundance Water	8,757,250		8,757,250
Sundance Distribution	Sundance Water	281,888		281,888
Sundance Production	Sundance Water	3,585,654		3,585,654
Tartesso West Reimbursement	Tartesso Water	5,029,421	2,278,521	2,750,900
Westpark Booster/Treatment	Westpark Water	14,593,069		14,593,069
Westpark Distribution	Westpark Water	1,518,650		1,518,650
Westpark Production	Westpark Water	6,771,315		6,771,315
Central Buckeye Treatment	Central Buckeye Wastewater	14,352,000		14,352,000
Central Buckeye Collection	Central Buckeye Wastewater	12,307,406		12,307,406
Central Buckeye Reclaim Water	Central Buckeye Wastewater	1,826,200		1,826,200
Palo Verde Treatment	Palo Verde Wastewater	10,212,000		10,212,000
Palo Verde Collection	Palo Verde Wastewater	4,518,538		4,518,538
Palo Verde Reclaim Water	Palo Verde Wastewater	2,657,880		2,657,880
Sundance Collection	Sundance Wastewater	1,696,710		1,696,710
Sundance Reimbursement	Sundance Wastewater	36,854,775	1,414,429	35,440,346
Sundance Reclaimed Water	Sundance Wastewater	1,030,630		1,030,630
Tartesso West Reimbursement	Tartesso West Wastewater	10,370,400	4,701,710	5,668,690
Watson Rd CFD Reimbursement	Watson Rd CFD Wastewater	49,000,000		49,000,000

a) The source of the information in the City of Buckeye 2020 Infrastructure Improvements Plan.
b) The source of the information is the City's financial records.

APPENDIX A

PROGRESS OF INFRASTRUCTURE IMPROVEMENT PLAN PROJECTS (2014)

Project Description	IIP Fund	Estimated Cost[a]	Expenditures as of 6/30/20[b]	Expenditures as of 6/30/22[b]	Estimated Cost to Complete
Park (land + improvements)	Parks and Recreation	$ 7,590,000	295,858	$ 3,268,349	$ 4,025,793
Pool	Parks and Recreation	3,480,000	$ 86,526	1,568,066	1,825,408
Community Centers (2 @ 3,000 Sq Ft each)	Parks and Recreation	1,800,000	111,064	605,939	1,082,997
North Library	North Library	2,110,000		9,120	2,100,880
Cost Recovery for Sundance Crossing Library	Central East Library	1,810,000		1,810,000	-
Jackrabbit Trail & I-10 Interchange Improvements	Streets	2,100,000			2,100,000
Miller Rd & I-10 Interchange Improvements	Streets	2,211,000		665,903	1,545,097
Police Buildings	Public Safety	10,820,000	1,813,384	462,081	8,544,535
Police Vehicles & Equipment	Public Safety	9,200,000	204,600	145,211	8,850,189
Fire Stations	Public Safety	10,190,000	1,043,204	303,528	8,843,268
Fire Apparatus	Public Safety	8,850,000	398,342	165,512	8,286,146
North Reimbursements	North Water	11,082,798			11,082,798
North IIP Production	North Water	8,787,241			8,787,241
North IIP Distribution	North Water	2,520,000			2,520,000
Central North Reimbursements	Central North Water	6,382,193	4,515,918	145,589	1,720,686
Central North IIP Production	Central North Water	1,200,000	1,059,290	34,151	106,559
Central West IIP Production	Central West Water	17,933,674			17,933,674
Central West IIP Distribution	Central West Water	3,787,800			3,787,800
Central East IIP Production	Central East Water	12,789,114		72,087	12,717,027
Central East IIP Distribution	Central East Water	26,763,211		1,187,129	25,576,082
North Reimbursements	North Wastewater	16,429,675			16,429,675
North IIP Collection	North Wastewater	3,829,997			3,829,997
North IIP Treatment	North Wastewater	4,392,000			4,392,000
North IIP Reclamation	North Wastewater	2,018,624			2,018,624
Central North Reimbursements	Central North Wastewater	16,268,383	9,689,886	322,410	6,256,087
Central West IIP Collection	Central West Wastewater	9,995,810			9,995,810
Central West North IIP Treatment	Central West Wastewater	4,792,502			4,792,502
Central West North IIP Reclamation	Central West Wastewater	5,744,584			5,744,584
Central East IIP Collection	Central East Wastewater	18,206,285			18,206,285
Central East North IIP Treatment	Central East Wastewater	19,485,003			19,485,003
Central East North IIP Reclamation	Central East Wastewater	4,779,551			4,779,551

a) The source of the information in the City of Buckeye 2014 Infrastructure Improvements Plan.
b) The source of the information is the City's financial records.