



Town of Oro Valley
Report on Applying Agreed-Upon Procedures
Biennial Certification of Land Use Assumptions,
Infrastructure Improvement Plan
and Development Impact Fees
For the Period July 1, 2016 through June 30, 2018

TOWN OF ORO VALLEY, ARIZONA
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Independent Accountant's Report On Applying Agreed-Upon Procedures

Honorable Mayor and Members of the Town Council
Town of Oro Valley, Arizona

We have performed the procedures enumerated below, on the Town of Oro Valley, Arizona's (Town) application of requirements 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". Such procedures, which were agreed to by the management of Town of Oro Valley, Arizona, were performed to assist management in evaluating the Town's compliance with the progress reporting requirements of the infrastructure improvement plan for the period from July 1, 2016 through June 30, 2018, as specified in A.R.S. 9-463.05.G.2. Management is responsible for the Town of Oro Valley, Arizona's 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 purpose.

We have applied the following procedures:

The progress of the infrastructure improvements plan.

- a. Compare the following growth projections as reported in the Infrastructure Improvement Plan (IIP) to actual results. Variances exceeding 10% will be reported.
 - Population
 - Employment
 - Number of housing units
 - Utility service units
- b. Obtain Town-prepared reports that summarize the progress of each project identified in the IIP and agree expenditures for the period to the underlying accounting records.

The collection and expenditures of development impact fees for each project in the plan.

- c. Select a sample of 40 building permits issued and determine fees were charged in accordance with authorized fee schedules and that each permit holder is charged the same rate as another equivalent permit holder. Any inequities in the imposition of development fees will be reported.
- d. Select a sample of 40 expenditures to determine that the expenditure was associated with an approved project in the Town's IIP.

The accompanying Results of Procedures describes the items 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 on the Town's compliance with the requirements described above. 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 and members of the Town Council and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.

Tucson, Arizona

March 27, 2019

TOWN OF ORO VALLEY, ARIZONA
RESULTS OF PROCEDURES

EXCEPTION NO. 1

Actual results for employment exceeded projections by approximately 19% in 2017. No additional results for employment data were available beyond 2017.

MANAGEMENT RESPONSE

The projected employment figures in the 2014 impact fee study were calculated by increasing the 2005 estimates by the 2005-2013 projected growth in housing units. Because these figures were extrapolated, some measure of variance is to be expected. This variance does not have a significant impact on the calculation of the adopted development impact fee amounts, and it is anticipated that updated employment figures will be referenced when the Town conducts its next review of impact fees for completion in 2019.