

Town of Florence, Arizona

Independent Accountants' Report on Applying Agreed-Upon Procedure

Biennial Certification of Land Use Assumptions,
Infrastructure Improvement Plan and Impact Fees

For the period July 1, 2023 through June 30, 2025



Independent Accountants' Report
On Applying Agreed-Upon Procedures

Honorable Town Mayor and Council, and Town Manager
Town of Florence
775 N. Main Street, Box 2670
Florence, Arizona 85232

We have performed the procedures enumerated below, on the receipt and use of fees relating to the Development Impact Fees Reports (DIFs), as adopted in conformity with the 2024-2034 Land Use Assumptions, Infrastructure Improvements Plan and Impact Fee Study for the Town of Florence, Arizona, and for the biennial period ended June 30, 2025. The Town's management is responsible for compliance with those requirements.

The Town's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the Town complied with the specific 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.

The procedures and findings are as follows:

- 1) The audit shall review the progress of the infrastructure improvements plan.
 - a) Obtain Town-prepared report documenting the progress of each project identified in the Infrastructure Improvement Plan (IIP) and agree, for the biennial period, to the underlying accounting records.
 - b) Obtain Town-prepared annual report to determine all information required by A.R.S. 9-463.05.N are included.
 - i) Select a sample of 25 receipts and determine fees were charged in accordance with authorized fee schedules.
 - ii) Recalculate fees for a sample of 25 transactions to determine that each developer/unit is charged the same rate as another equivalent developer/unit to demonstrate "inequities" and "level of service".

- 2) Evaluate any inequities in implementing the plan or imposing the development fee.
 - a) Select 25 expenditures and recalculated fees for the sample noted in step 1.b.i to determine each developer/unit was charged the same rate as another equivalent developer/unit to demonstrate “inequities” and “level of service”.
 - b) Select 25 expenditures and reviewed sample noted in step 1.b.i to determine there were no instances in which the Town waived development impact fees, except as allowed under A.R.S. 9-499.10.B and A.R.S. 9-500.18.

The results and findings are as follows:

1. a) No exceptions noted.
1. b) No exceptions noted.
2. a) No exceptions noted.
2. b) No exceptions noted.

We were engaged by the Town 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 the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Town of Florence’s management, and is not intended to be and should not be used by anyone other than those specified parties.

Fester & Chapman, PLLC

February 6, 2026