

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, which were agreed to by the Town of Florence (the specified party), on the receipt and use of fees relating to the Development Impact Fees Report (DIFs), as adopted in conformity with the 2013-2023 Land Use Assumptions, Infrastructure Improvements Plan and Impact Fee Study for the Town of Florence, Arizona, for the biennial period ending June 30, 2017. The Town of Florence's management is responsible for receipt and use of fees relating to the Town's Development Impact Fees Report (DIFs), as adopted in conformity with the 2013-2023 Land Use Assumptions, Infrastructure Improvements Plan and Impact Fee Study. The sufficiency of these procedures is solely the responsibility of the Town Management. 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.

The procedures and associated findings are as follows:

- 1) Selected a sample 25 receipts and determine fees were charged in accordance with authorized fee schedules.
 - a) For 25 of 25 receipts selected, we noted all impact fees were collected in accordance of the Town Ordinance 598-13.
- 2) Recalculated 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".
 - a) For 25 of 25 transactions selected, we noted all impact fees were collected in accordance of the Town Ordinances 598-13.
- 3) Selected a sample of 20 expenditures and determine that the expenditure was associated with an approved project in the IIPs.
 - a) For 20 of 20 expenditures, we noted all expenditures from the impact fees were for specific projects approved in the Town's Development Impact Fees Report (DIFs), as adopted in conformity with the 2013-2023 Land Use Assumptions, Infrastructure Improvements Plan and Impact Fee Study.

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 the receipt and use of fees relating to the Town's Development Impact Fees Report (DIFs), as adopted in conformity with the 2013-2023 Land Use Assumptions, Infrastructure Improvements Plan and Impact Fee Study. 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 Town of Florence's management and is not intended to be and should not be used by anyone other than those specified parties.

Henry + Horne LLP

Casa Grande, Arizona
December 20, 2017