

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Erik Montague, Finance Director and Town Council
Town of Marana
11555 W. Civic Center Drive
Marana, AZ 85653

We have performed the procedures enumerated below, which were agreed to by the Town of Marana (the specified parties), on the receipt and use of fees relating to the Town's Infrastructure Improvement Plans (IIPs), as adopted in 2014, for the Town of Marana's biennial period ending June 30, 2016. The Town of Marana's management is responsible for receipt and use of fees relating to the Town's Infrastructure Improvement Plans (IIPs), as adopted in 2014. 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 Ordinances 2014.012 and 2014.013.
- 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 2014.012 and 2014.013.
- 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 Streets, Water and Wastewater impact fees were for specific projects approved in the Town's Infrastructure Improvement Plans as adopted in 2014. We noted all expenditures from the Parks impact fees were listed in the 2015 or 2016 Annual Development Impact Fee Report-Detailed Project Listing.

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 Infrastructure Improvement Plans (IIPs), as adopted in 2014. 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 Marana'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
October 5, 2017