

**MINUTES OF THE MEETING OF THE TOWN OF CAREFREE, AZ UTILITIES
COMMUNITY FACILITIES DISTRICT BOARD OF DIRECTORS AND THE BOARD
OF DIRECTORS OF THE CAREFREE WATER COMPANY, INC.**

WHEN: TUESDAY, DECEMBER 14, 2021
WHERE: ZOOM ONLINE MEETING ID: 322 972 9660*
TIME: 4:00 P.M.

CALL TO ORDER

Attending:
Chairman Les Peterson

Absent:
Stephen Hatcher

Board Members:
John Crane
Vince D'Aliesio – Joined the meeting at 4:10
Tony Geiger
Mike Johnson
Cheryl Kroyer

Also Attending:
Greg Crossman, District Manager and Water Company General Manager; Megan Orem, Water Company Accountant; Jennifer Shields, CPA, Heinfeld Meech; Jarod Young, Heinfeld Meech; Gary Neiss, Carefree Town Administrator; Michael Wright, District and Water Company Attorney; Kandace French Contreras, District Clerk and Water Company Secretary.

Chairman Peterson opened the meeting at 4:00 p.m.

AGENDA

ITEM #1 **Approval of the September 7, 2021, UCFD/CWC meeting minutes.**

This item has been deferred.

ITEM #2 **Review, discussion, and possible action to accept the findings of the 2020-2021 Fiscal Year audit.**

Carefree Water Company District Manager, Greg Crossman presented via PowerPoint, details of the FY 2020-2021 Audit report for the Carefree Water Company/Carefree Utilities Community Facilities District (UCFD). Also representing the district was Carefree Water Company District Treasurer/Controller, Megan Orem. Mr. Crossman welcomed Heinfeld Meech Auditor Representatives, Jennifer Shields, CPA and Jared Young, CPA CGF. Extending a special thank you to them for their flexibility during the COVID-19 challenges.

Mr. Crossman presented a list of goals of the audit report:

- Assure our financial statements are free from material misstatements
- Verify observing good accounting practices & principals
- Confirm compliance with GASB requirements
- Guard against fraud and misuse of funds
- Provide transparency
- Assure series 2021 bond requirements are met

Mr. Crossman provided details of the Series 2021 Bond Requirements and an overview of the Carefree Water Company/UCFD audit results. To the credit of Megan Orem and her front office staff, Mr. Crossman was happy to report it was another clean audit. There were no financial misstatements, and all accounting practices were in order. In addition, the Carefree Water Company/UCFD have been able to cover all their liabilities, have met all Series 2021 bond requirements and based on audit results, in Mr. Crossman's words, the Carefree Water Company & UCFD are in good financial health.

District Manager Crossman updated the Board on the debt service status.

Heinfeld Meech Auditor Representative, Jennifer Shields commended Mr. Crossman and his team for all the hard work. Noting, although coming before the Board a little later in the year, there is still plenty of time to make any filing requirements. Concluding, that throughout the audit procedures that were performed, there were not any audit adjustments and no disagreements with management regarding accounting principles.

Ms. Shields responded to comments and questions from the Board.

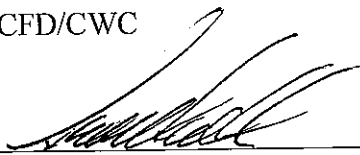
Vice Chairman Crane **MOVED TO ACCEPT** the FY 2020-2021 audit report for the Carefree Water Company/UCFD as presented. **SECONDED** by Board Member D'Alesio. **CARRIED**, 6-0, with 1 absent.

ITEM #3 **Adjournment.**

The meeting adjourned by unanimous consent at 4:21 p.m.

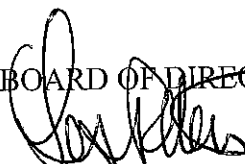
DATED this 17th day of December 2021.

UCFD/CWC



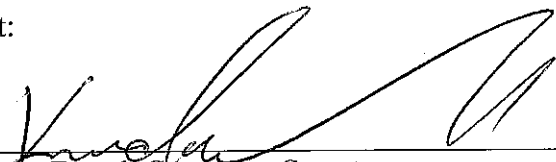
Samantha J. Gesell, Planning Clerk

BOARD OF DIRECTORS



Les Peterson, Chairman

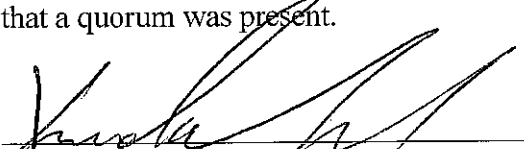
Attest:



Kandace French Contreras, Secretary

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the Town of Carefree, AZ Utilities Community Facilities District Board of Directors and the Board of Directors of the Carefree Water, Inc. held December 14, 2021. I further certify that the meeting was duly called and held and that a quorum was present.



Kandace French Contreras, Secretary