

**NOTICE OF REGULAR MEETING  
OF THE CAREFREE TOWN COUNCIL**

**WHEN:** TUESDAY, MAY 5, 2020

**WHERE:** ZOOM WEB <https://us02web.zoom.us/j/86564526543>  
MEETING ID: 865 6452 6543\*

**TIME:** 5:00 P.M.

Pursuant to A.R.S. 38-431.02, notice is hereby given to the members of the Town Council of the Town of Carefree, Arizona and to the general public that the members of the Town Council will hold a meeting open to the public. For any item listed on the agenda, the Council may vote to go into Executive Session for advice of counsel and/or to discuss records and information exempt by law or rule from public inspection, pursuant to Arizona Revised Statutes §38-431.03.

The agenda for the meeting is as follows:

**CALL TO ORDER**

**SILENT ROLL CALL**

*One or more members of the Council may be unable to attend the meeting in person and may participate by technological means or methods pursuant to A.R.S. §38-431(4).*

**PLEDGE OF ALLEGIANCE**

**CONSENT AGENDA**

All items listed hereunder are considered to be routine by the Town Council and will be enacted by one motion. There will be no separate discussion of these items unless a council member so requests, in which event the item will be removed from the consent agenda and will be discussed separately:

**ITEM #1** Approval of the March 3, 2020 Town Council Regular Meeting Minutes.

**ITEM #2** Approval of the April 7, 2020 Town Council Regular Meeting Minutes.

**ITEM #3** Acceptance into the public record of the March, 2020 paid bills.

**ITEM #4** Acceptance into the public record of the April, 2020 paid bills.

**ITEM #5** Acceptance of the cash receipts and disbursements report for February, 2020.

**ITEM #6** Acceptance of the cash receipts and disbursements report for March, 2020.

**ITEM #7** Approval and acceptance of Resolution 2020-03 authorizing the Mayor to execute the First Amendment to Agreement for Animal Control Services.

**REGULAR AGENDA:**

**ITEM #8** Current Events.

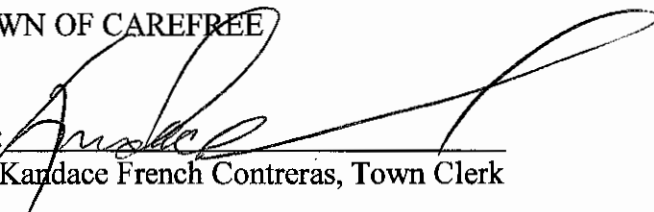
**ITEM #9** Review, discussion and possible action to approve Resolution 2020-02 and authorizing the Mayor to execute a contract for audit services with Heinfeld Meech & Co, P.C. for the fiscal years ending 2020 through 2024 (5 years).

**ITEM #10** Adjournment.

DATED this 30<sup>th</sup> of April, 2020.

TOWN OF CAREFREE

BY:

  
Kardace French Contreras, Town Clerk

Items may be taken out of sequence

**TO ATTEND THE MEETING**

\*Due to COVID-19, this meeting is being conducted electronically by Zoom. The public can join, listen and view the meeting as follows:

On your computer:

**Click on the following link or cut and paste it into your browser:**

**<https://us02web.zoom.us/j/86564526543>**

**Or go to <https://www.zoom.us/join> Meeting ID: 865 6452 6543**

**A password is not required.**

**On your phone:**

Please call 1-253-215-8782



**FOR SPECIAL ACCOMMODATIONS**

Please contact the Town Clerk, 8 Sundial Circle (PO Box 740), Carefree, AZ 85377; (480) 488-3686, at least three working days prior to the meeting if you require special accommodations due to a disability.

**Agenda Item #1 will be posted prior to  
the meeting on May 5, 2020**

**MINUTES OF THE REGULAR MEETING  
OF THE CAREFREE TOWN COUNCIL**



**CANCELLED**

**WHEN:** TUESDAY, APRIL 7, 2020

**WHERE:** CAREFREE TOWN COUNCIL CENTER  
33 EASY STREET, CAREFREE, AZ 85377

**TIME:** 5:00 P.M.

The Town Council meeting of April 7, 2020 was cancelled as a result of COVID-19.

DATED this 5<sup>th</sup> of May, 2020.

TOWN OF CAREFREE

BY: \_\_\_\_\_  
Kandace French Contreras, Town Clerk

TOWN OF CAREFREE

\_\_\_\_\_  
Les Peterson, Mayor

Attest:

\_\_\_\_\_  
Kandace French Contreras, Town Clerk

CERTIFICATION

I hereby certify that the meeting of April 7, 2020 was cancelled as a result of COVID -19.

\_\_\_\_\_  
Kandace French Contreras, Town Clerk

Check Register Report

ALL CHECKS MARCH 2020

BANK: NATIONAL BANK OF ARIZONA



Date: 04/03/2020  
Time: 9:32 am  
Page: 1

Town Of Carefree

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>NATIONAL BANK OF ARIZONA Checks</b>							
46229	03/06/2020	Printed		3532	AMERICAN ARBITRATION ASSN	Town Share	1,312.50
46230	03/06/2020	Printed		0112	ARIZ SUPREME COURT	ACAP Chargeback 2nd Half FY	3,523.75
46231	03/06/2020	Printed		3495	ASSURITY LIFE INSURANCE CO	Feb 2020 Supplemental Ins	571.84
46232	03/06/2020	Printed		1470	BROWN & ASSOCIATES	Plan Rev Condos Bld A	3,552.84
46233	03/06/2020	Printed		0389	CAREFREE WATER COMPANY, INC	March 20 Town Engineering Serv	2,436.83
46234	03/06/2020	Printed		0389	CAREFREE WATER COMPANY, INC	Mar 2020 Water All	2,718.66
46235	03/06/2020	Printed		3299	CIRCLE K UNIVERSAL	Feb 20 Gasoline All Depts	834.94
46236	03/06/2020	Printed		3417	COE & VAN LOO II LLC	CF Water Sys Evaluation	9,450.00
46237	03/06/2020	Printed		3417	COE & VAN LOO II LLC	Water ENG Neighborhoods A,B,C	113,766.35
46238	03/06/2020	Printed		1329	COLONIAL SUPPLEMENTAL INS	Feb 20 Supplemental Ins	324.82
46239	03/06/2020	Printed		1460	COX COMMUNICATIONS	Mar 20 Town Internet & Phones	982.40
46240	03/06/2020	Printed		3210	ECOBLU ENTERPRISES. INC.	Jan&Feb 2020 Gardens Fountains	1,200.00
46241	03/06/2020	Printed		3518	GILDO INTERPRETING SERVICES	Court Interpreting 3/4/2020	130.00
46242	03/06/2020	Printed		2075	IMAGES AZ INC.	April 2020 Ad	500.00
46243	03/06/2020	Printed		1320	KARSTEN'S ACE HARDWARE	Feb 2020 Pub Wrks Supplies	38.07
46244	03/06/2020	Printed		1926	LET THERE BE LIGHT, LLC	Gardens Light Replacements	58.68
46245	03/06/2020	Printed		3485	LIGHTING UNLIMITED, INC	Lights for Gardens Replace	245.78
46246	03/06/2020	Printed		0010	MARICOPA COUNTY	Feb 2020 MCSO Jail Housing	892.26
46247	03/06/2020	Printed		3221	NATIONAL BANK OF ARIZONA	Feb 2020 Meeting Miles& Meal	174.67
46248	03/06/2020	Printed		3221	NATIONAL BANK OF ARIZONA	Gardn Plumbing Rpr, Crane Rent	1,970.76
46249	03/06/2020	Printed		3015	NOTHING BUT NET	Mar 20 Comp Maint Agreements	1,279.36
46250	03/06/2020	Printed		3537	ON E WAY ELECTRIC INC.	Refund Bld Permit Fee - Cancel	32.00
46251	03/06/2020	Printed		2009	PINNACLE LOCK & SAFE	Repair Green Room Door Lock	168.47
46252	03/06/2020	Printed		3348	PRIDE PUBLISHING OF SCOTTSDALE	2020 Ad Space for Map	1,521.50
46253	03/06/2020	Printed		3425	RAGHT	Mar 2020 Med,Dental,Vison Ins	12,849.08
46254	03/06/2020	Printed		3535	ROTO-ROOTER SERVICES CO	Clean Sewer Line Gardens	449.00
46255	03/06/2020	Printed		0668	RURAL METRO FIRE DEPT.	Feb 2020 Fire Truck Diesel	618.42
46256	03/06/2020	Printed		1075	SHERMAN & HOWARD LLC	General Legal Thru 2/28/20	21,762.67
46257	03/06/2020	Printed		1691	SPARKLETT'S	Feb 2020 Bottled Water All	92.70
46258	03/06/2020	Printed		1794	STAPLES ADVANTAGE	Office Supplies Town	191.29
46259	03/06/2020	Printed		3226	TECH 4 LIFE COMPUTERS	3 months Web Hosting	238.50
46260	03/06/2020	Printed		3265	TRACTOR SUPPLY CO	Pub Wrks Supplies	60.07
46261	03/06/2020	Printed		3538	TSI INCORPORATED	Recalibrate 2 Sound Meters	666.72
46262	03/06/2020	Printed		3115	VERIZON WIRELESS	Feb 2020 Mobile Phones All	390.47
46263	03/06/2020	Printed		352	WESTERN STATES PETROLEUM INC.	Feb 2020 Pub Wrks Diesel Fuel	407.81
46264	03/13/2020	Printed		0300	ARIZ PUBLIC SERVICE	March 2020 Electric All	1,737.50
46265	03/13/2020	Printed		1900	ARIZONA REPUBLIC - LEGAL	Ad Economic Relations Director	65.08
46266	03/13/2020	Printed		1326	ARIZONA REPUBLIC - SUBSCRIBE	Apr 2020 Newspaper Subscr	54.99
46267	03/13/2020	Printed		0414	AZ MUN. RISK RETENTION POOL	3rd Qtr FY2019-20 Town Ins	30,145.00
46268	03/13/2020	Printed		1470	BROWN & ASSOCIATES	Feb 2020 Bld Insp 33.25 Hrs	2,597.50
46269	03/13/2020	Printed		3463	BUSTAMANTE & KUFFNER PC	Feb 2020 Town Prosecutor Serv	2,400.00
46270	03/13/2020	Printed		0389	CAREFREE WATER COMPANY, INC	Reimb Case Backhoe Repair	37.85
46271	03/13/2020	Printed		2011	CITY SUN TIMES	Apr 2020 Sights&Sounds Ad	506.39
46272	03/13/2020	Printed		1058	DAILY JOURNAL CORPORATION	Legal Ad RFP Fire Truck	1.71
46273	03/13/2020	Printed		2059	DESERT FOOTHILLS LANDSCAPE	Mar 2020 Gardens Maint.	2,000.00
46274	03/13/2020	Printed		2059	DESERT FOOTHILLS LANDSCAPE	Mar 2020 Median Maint.	4,955.00
46275	03/13/2020	Printed		3304	FESTIVE LIGHTING AZ LLC	Last Gardens Xmas Lights 25%	2,999.73
46276	03/13/2020	Printed		1926	LET THERE BE LIGHT, LLC	Gardens Lights Maint	536.40
46277	03/13/2020	Printed		1876	LOWE'S	Feb20 Pub Wrks Matls &Supplies	252.61
46278	03/13/2020	Printed		0091	MARICOPA COUNTY TREASURER	Feb 2020 Court Remittance	1,445.57
46279	03/13/2020	Printed		2090	MINE SAFETY SALES LLC	Fire- Rebuild AirhawkSCBA Unit	419.96
46280	03/13/2020	Printed		3189	OLOHAN, STEPHANIE	Mar 2020 Town Magistrate Servi	4,386.25

Check Register Report

ALL CHECKS MARCH 2020

Date: 04/03/2020

Time: 9:32 am

Town Of Carefree

BANK: NATIONAL BANK OF ARIZONA

Page: 2

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>NATIONAL BANK OF ARIZONA Checks</b>							
46281	03/13/2020	Printed		3105	PETERSON, LES	Miles EV Mayors Meeting	49.10
46282	03/13/2020	Printed		3053	QUADIENT, INC	Court Postage Mach Ink Cart	105.35
46283	03/13/2020	Printed		3010	REPUBLIC SERVICES #753	Mar 20 8 Sundial Cir Trash PU	346.14
46284	03/13/2020	Printed		3010	REPUBLIC SERVICES #753	Feb20 Shop 40 Yd Rolloff	833.68
46285	03/13/2020	Printed		3527	RICK ENGINEERING CO - ARIZONA	Pedestrian Crosswalk Design	466.68
46286	03/13/2020	Printed		0668	RURAL METRO FIRE DEPT.	March 2020 Fire Contract	123,214.03
46287	03/13/2020	Printed		3236	SHARP BUSINESS SYSTEMS	Court Copier Maint Agreement	157.36
46288	03/13/2020	Printed		0021	STATE TREASURER	Feb 2020 Court Remittance	8,702.99
46290	03/13/2020	Printed		3287	TOSHIBA BUSINESS SOLUTIONS	Town Copier Lease	384.76
46291	03/13/2020	Printed		3352	UNUM LIFE INSURANCE COMPANY	Apr 2020 Short Term Disab Ins	300.18
46292	03/13/2020	Printed		3451	VERIZON CONNECT NWF, INC.	Pub Wrks Mobile Dev Serv	19.00
46293	03/16/2020	Printed		3461	TITAN COMMERCIAL CLEANING	Covid19 Approved disinfectants	3,210.00
46294	03/20/2020	Printed		3532	AMERICAN ARBITRATION ASSN	Town Share	6,825.00
46295	03/20/2020	Printed		3495	ASSURITY LIFE INSURANCE CO	Mar 2020 Supplemental Ins	568.11
46296	03/20/2020	Printed		1753	BERTRAM SIGNS & GRAPHICS	Coroplast Signs COVID, Restaur	819.75
46297	03/20/2020	Printed		673	BLACK MOUNTAIN SEWER	Feb 20 Sewer Gardens	663.13
46298	03/20/2020	Printed		3293	CITI CARDS	P&Z ULI Conf, Shop Supplies	636.47
46299	03/20/2020	Printed		1460	COX COMMUNICATIONS	MAR 2020 Internet 33 Easy St	129.00
46300	03/20/2020	Printed		3366	CURTISS, JENNIFER	Reimb Court Office Supplies	111.96
46301	03/20/2020	Printed		1597	MIELKE, JUDY	Gardens Seminar 3-14-2020	300.00
46302	03/20/2020	Printed		3403	PROSKILL PLUMBING, HEATING	Fire Stn Wtr Heater -Lst Check	5,319.00
46303	03/20/2020	Printed		1264	PAMELA SLATE	Miles Gardns Sem Raffle Plants	48.99
46304	03/20/2020	Printed		3209	STELLAR COMMUNICATIONS, LLC	Fix Phone Sys+ New Employee	125.00
46305	03/20/2020	Printed		3051	ZUMAR INDUSTRIES, INC. ARIZONA	10 Street Signs Various	917.25
46306	03/27/2020	Printed		1512	ARROW AWARDS	New Door Signs Steve P	65.00
46307	03/27/2020	Printed		0414	AZ MUN. RISK RETENTION POOL	3rd QtrFY20 Worker's Comp Ins	4,840.00
46308	03/27/2020	Printed		1460	COX COMMUNICATIONS	Mar20 Maint Shop Ph & Internet	191.37
46309	03/27/2020	Printed		3529	DAVIS, WILLIAM	Restitution Payment Court	100.00
46310	03/27/2020	Printed		3174	DESERT DIGITAL IMAGING, INC.	Business Cards Steve Prokopek	936.11
46311	03/27/2020	Printed		3520	JENNINGS STROUSS & SALMON, PLC	Legal Service WaterAcquisit	24,392.66
46312	03/27/2020	Printed		0010	MARICOPA COUNTY	Apr 2020 MCSO Sheriff's Patrol	35,574.42
46313	03/27/2020	Printed		2009	PINNACLE LOCK & SAFE	Rekey Door Locks	176.77
46314	03/27/2020	Printed		1920	SOUTHWEST GAS	March 2020 Gas All	112.31
46315	03/27/2020	Printed		3115	VERIZON WIRELESS	Mar 2020 Mobile Phones All	390.47

**Total Checks: 86** **Checks Total (excluding void checks): 460,986.59**

**Total Payments: 86** **Bank Total (excluding void checks): 460,986.59**

**Total Payments: 86** **Grand Total (excluding void checks): 460,986.59**

# Check Register Report

ALL CHECKS APRIL 2020



Date: 04/24/2020  
Time: 12:01 pm  
Page: 1

Town Of Carefree

BANK: NATIONAL BANK OF ARIZONA

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>NATIONAL BANK OF ARIZONA Checks</b>							
46316	04/03/2020	Printed		1470	BROWN & ASSOCIATES	March 2020 Bld insp. 40.5 Hrs	2,957.76
46317	04/03/2020	Printed		3299	CIRCLE K UNIVERSAL	March 202 Gasoline All	557.98
46318	04/03/2020	Printed		3204	HAZAMA, ANNIE	March 2020 Projects	267.50
46319	04/03/2020	Printed		2075	IMAGES AZ INC.	March 2020 Ad	500.00
46320	04/03/2020	Printed		1320	KARSTEN'S ACE HARDWARE	Mar 20 Court Office Supplies	9.83
46321	04/03/2020	Printed		3397	LANGUAGE LINE SERVICES, INC.	Court Interpreting Service	17.11
46322	04/03/2020	Printed		3015	NOTHING BUT NET	Apr 20 Comp Maint Agreements	1,301.22
46323	04/03/2020	Printed		3053	QUADIANT, INC	Town Postage Meter Lease	108.18
46324	04/03/2020	Printed		3226	TECH 4 LIFE COMPUTERS	VisitCarefree.com Updates Marc	88.50
46325	04/03/2020	Printed		3461	TITAN COMMERCIAL CLEANING	Feb2020 Gardns,Twn Hall Clean	5,305.00
46326	04/09/2020	Printed		3532	AMERICAN ARBITRATION ASSN	Town Legal Share	8,250.00
46327	04/09/2020	Printed		1753	BERTRAM SIGNS & GRAPHICS	4 Census signs	218.60
46328	04/09/2020	Printed		673	BLACK MOUNTAIN SEWER	Mar 20 Gardens Sewer	695.50
46329	04/09/2020	Printed		0389	CAREFREE WATER COMPANY, INC	Apr 202 Water All	2,560.11
46330	04/09/2020	Printed		0389	CAREFREE WATER COMPANY, INC	April 2020 Engineering Service	2,436.83
46331	04/09/2020	Printed		1460	COX COMMUNICATIONS	Apr 20 Town Internet & Telephon	993.84
46332	04/09/2020	Printed		2059	DESERT FOOTHILLS LANDSCAPE	Apr 22 Gardens Maintenance	2,000.00
46333	04/09/2020	Printed		2059	DESERT FOOTHILLS LANDSCAPE	Apr 22 Median Maintenance	4,955.00
46334	04/09/2020	Printed		3210	ECOBLU ENTERPRISES. INC.	Apr 2020 Gardens Fountains Mnt	600.00
46335	04/09/2020	Printed		3210	ECOBLU ENTERPRISES. INC.	Repl Sundial Fountain Light	651.09
46336	04/09/2020	Printed		0136	FOOTHILLS GRANITE, LLC	Shoulder Rpr Rock Rolling Hill	78.59
46337	04/09/2020	Printed		1812	HEAVY EQUIPMENT MACHINERY INC.	Tractor Repair	963.89
46338	04/09/2020	Printed		1876	LOWE'S	Mar 20 Public Wrks Supplies	278.57
46339	04/09/2020	Printed		983	MARICOPA COUNTY ANIMAL CONTROL	4th Qtr FY2020 Animal Control	687.50
46340	04/09/2020	Printed		3221	NATIONAL BANK OF ARIZONA	Mar 20 Office Suppl, Mtg	93.97
46341	04/09/2020	Printed		3221	NATIONAL BANK OF ARIZONA	Mar20WaterBld Permit EDLaptop	17,116.27
46342	04/09/2020	Printed		3015	NOTHING BUT NET	Laptop Setup Econ Dev	286.66
46343	04/09/2020	Printed		2081	O'REILLY AUTO PARTS, INC	Mar 20 Pub Wrks Veh Maint.	82.50
46344	04/09/2020	Printed		3425	RAGHT	Apr20 Medical,DentalVision Ins	11,665.38
46345	04/09/2020	Printed		3010	REPUBLIC SERVICES #753	Apr20 Trash PU 8 Sundial	343.79
46346	04/09/2020	Printed		3010	REPUBLIC SERVICES #753	Mar 2020 Shop 40 Yd Rolloffs	173.73
46347	04/09/2020	Printed		0668	RURAL METRO FIRE DEPT.	Apr 2020 Fire Contract	123,214.03
46348	04/09/2020	Printed		0668	RURAL METRO FIRE DEPT.	Apr 2020 Fire Contract	459.16
46349	04/09/2020	Printed		1691	SPARKLETTS	MAr 2020 Bottled Water All	103.92
46350	04/09/2020	Printed		3287	TOSHIBA BUSINESS SOLUTIONS	Town Copier Maint Agree	336.72
46351	04/09/2020	Printed		3265	TRACTOR SUPPLY CO	MAr 20 Pub Works Supplies	10.92
46352	04/09/2020	Printed		3451	VERIZON CONNECT NWF, INC.	Pub Wrks Mobile Tr	19.00
46353	04/09/2020	Printed		352	WESTERN STATES PETROLEUM INC.	Mar 20 Pub Wrks Diesel	312.41
46354	04/17/2020	Printed		3532	AMERICAN ARBITRATION ASSN	Legal Fees Apr 20	612.50
46355	04/17/2020	Printed		0300	ARIZ PUBLIC SERVICE	Apr 20 Electric All	1,602.88
46356	04/17/2020	Printed		1326	ARIZONA REPUBLIC - SUBSCRIBE	May 20 Newspaper Service	54.99
46357	04/17/2020	Printed		3463	BUSTAMANTE & KUFFNER PC	Mar 2020 Town Prosecutor Serv	2,340.00
46358	04/17/2020	Printed		1329	COLONIAL SUPPLEMENTAL INS	Mar 2020 Supplemental Ins	324.62
46360	04/17/2020	Printed		1460	COX COMMUNICATIONS	Apr 20 33 Easy St Internet	129.00
46361	04/17/2020	Printed		3189	OLOHAN, STEPHANIE	Apr 2020Town Magistrate Serv	4,386.25
46362	04/17/2020	Printed		995	THE PIN CENTER	Carefree Cares Lapel Pins	345.75
46363	04/17/2020	Printed		1794	STAPLES ADVANTAGE	Court Office Supplies	164.80
46364	04/17/2020	Printed		3352	UNUM LIFE INSURANCE COMPANY	May 20 Short Term Dis Ins	330.18
46365	04/24/2020	Printed		3495	ASSURITY LIFE INSURANCE CO	Apr 2020 Supplemental Ins	508.06
46366	04/24/2020	Printed		1753	BERTRAM SIGNS & GRAPHICS	1 Corroplast A-Frame Sign	196.74
46367	04/24/2020	Printed		3293	CITI CARDS	Office Supl,Gardens Radio	251.82
46368	04/24/2020	Printed		1460	COX COMMUNICATIONS	Apr20 Maint Shop Internet-Phon	191.01





**Combined Trial Balance - All Funds**  
**February 29, 2020**



**Assets**

Checking - National Bank of AZ	988,299
Local Gov't Investment Pool - AZ	9,538,389
Petty Cash	700
Advances to the Water Company	4,079,780
<b>Total Assets</b>	<b>\$ 14,607,168</b>

**Liabilities**

Accounts Payable	182,058
Bonds	33,510
Sales Tax Remittance	(652)
Long Term Deferred Revenue	4,079,780
<b>Total Liabilities</b>	<b>\$4,294,696</b>

**Fund Balance**

Fund Balance-Beginning of Year	10,246,287
Year-to-date change in Fund Balance	<u>66,185</u>
<b>Total Fund Balance</b>	<b><u>10,312,472</u></b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ <u>14,607,168</u></b>

Contingency Reserve Fund	\$2,500,000
Capital Fund	\$7,698,198
<b>Total</b>	<b>\$10,198,198</b>

Town of Carefree Reconciled Cash Receipts and Cash Disbursements as of February 29, 2020

Revenues	FY2018	FY2019	FY2020	2019 vs 2020	Budget	Feb 20	% of Budget
	YTD Feb	YTD Feb	Y-T-D	% (+/-)			
Local Sales Taxes (1 month lag)	\$1,396,042	\$1,517,993	\$ 1,487,145	-2.0%	2,400,000	198,266	62.0%
State Sales Taxes (1 month lag)	218,855	236,444	258,728	9.4%	397,500	48,136	65.1%
Building Fees	298,416	243,875	276,278	13.3%	375,000	72,883	73.7%
State Income Tax	307,502	305,413	334,149	9.4%	500,700	41,769	66.7%
Fines	106,687	70,805	72,211	2.0%	140,000	15,019	51.6%
Court Service Fees	103,421	106,465	110,725	4.0%	166,088	0	66.7%
Town Clerk-Misc. Sales	41	278	514	0.0%	500	260	102.8%
Town Clerk-Permits & Sol Fees	3,450	687	575	-16.3%	1,000	25	57.5%
Water Company Reimbursements	184,176	460,403	405,595	-11.9%	690,605	2,750	58.7%
33 Easy St Rent	9,474	8,831	10,434	0.0%	15,600	1,300	66.9%
Miscellaneous Income & Donations	41,817	92,500	41,575	-55.1%	43,000	45	96.7%
Interest Income	40,794	122,916	118,043	-4.0%	112,770	9,448	104.7%
Utility Franchise Fees (1 month lag)	202,610	203,903	195,705	-4.0%	343,000	0	57.1%
County Lieu Tax (1 month lag)	89,275	101,387	107,164	5.7%	173,000	15,462	61.9%
General Fund & All Funds Reserve Contribution(Below)	0	0	0	0.0%	3,510,026	0	0.0%
Special Events	129,835	209,985	408,108	94.4%	687,050	7,705	59.4%
County & State Grants	0	0	1,233	0.0%	200,000	0	0.6%
Court Enhancement, GAP, MJCEF	7,579	17,620	8,014	-54.5%	23,405	1,728	34.2%
HURF (1 month lag)	196,902	148,843	349,855	135.0%	392,000	22,997	89.2%
Cemetery	400	100	350	0.0%	600	250	58.3%
CPR Ed Fund	852	430	668	0.0%	800	0	83.6%
Utility Capital Improvement Fund	9,821	10,534	10,094	-4.2%	22,500	0	44.9%
Fire Reimb Income & Ins Reimb	41,477	43,413	35,991	0.0%	57,100	0	63.0%
Fire Fund-L Sales Tax (1 month lag)	698,021	758,997	743,573	-2.0%	1,200,000	99,133	62.0%
<b>Total Revenues</b>	<b>4,087,247</b>	<b>4,661,822</b>	<b>4,976,728</b>	<b>6.8%</b>	<b>11,452,244</b>	<b>537,175</b>	<b>43.5%</b>
<b>Expenses</b>							
Mayor & Council	7,155	5,176	4,890	-5.5%	113,875	222	4.3%
Town Clerk	182,867	189,517	207,065	9.3%	303,787	20,135	68.2%
Court	187,435	170,863	182,971	7.1%	273,852	23,528	86.8%
Administration	236,194	257,933	296,625	15.0%	449,791	28,849	65.9%
Claims & Losses	0	0	0	0.0%	5,000	0	0.0%
Legal	15,114	65,013	160,148	0.0%	160,000	21,763	100.1%
Risk Management	98,405	62,169	34,346	0.0%	105,210	250	32.6%
Planning & Development	129,504	110,188	128,703	16.8%	241,551	14,607	53.3%
Building Safety	124,231	119,380	144,580	21.1%	218,552	17,547	66.2%
Law Enforcement	288,758	323,450	313,576	-3.1%	536,643	38,867	58.4%
Code Enforcement	31,816	35,299	38,035	7.8%	52,156	4,271	72.9%
Engineering	24,462	72,896	27,195	-62.7%	429,242	2,437	6.3%
Public Works - Streets & Gardens	393,608	416,646	566,796	36.0%	867,432	48,799	65.3%
Debt Service WIFA	244,799	244,663	244,523	-0.1%	244,523	0	100.0%
33 Easy St	18,898	391,783	17,543	0.0%	27,798	1,998	63.1%
Capital Improvement Program (See Below)	0	0	0	0.0%	-	0	0.0%
Public Safety Fire General Fund	0	0	246,428	0.0%	279,668	123,214	88.1%
Town Center-Marketing	414,650	424,956	615,188	44.8%	714,847	1,668	86.1%
Contingencies	11,000	29,872	7,107	-76.2%	200,000	0	3.6%
Court Enhancement, GAP, MJCEF	0	7,684	1,831	0.0%	12,605	119	14.5%
HURF (See Below)	0	0	0	0.0%	402,000	0	0.0%
Cemetery	0	0	0	0.0%	600	0	0.0%
CPR - Education Fund	600	0	0	0.0%	870	0	0.0%
Utility Capital Improvement Fund (See Below)	0	2,791	0	0.0%	25,000	0	0.0%
Transfers Out	0	0	0	0.0%	-	0	0.0%
Fire Fund	957,014	1,001,325	777,060	-22.4%	1,271,100	6,756	61.1%
<b>Total Expenses without Capital Expense</b>	<b>3,366,510</b>	<b>3,931,604</b>	<b>4,014,612</b>	<b>2.1%</b>	<b>6,936,102</b>	<b>355,028</b>	<b>57.9%</b>
<b>Net without Capital Expense</b>	<b>\$ 720,737</b>	<b>\$ 730,218</b>	<b>\$ 962,116</b>		<b>\$ 4,516,142</b>	<b>\$ 182,148</b>	<b>21.3%</b>
<b>All Capital Projects</b>	<b>369,253</b>	<b>108,997</b>	<b>895,931</b>	<b>722.0%</b>	<b>4,500,000</b>	<b>168,725</b>	<b>19.9%</b>
<b>Total Expenses with Capital Expense</b>	<b>3,735,763</b>	<b>4,040,601</b>	<b>4,910,543</b>	<b>21.5%</b>	<b>\$11,436,102</b>	<b>\$523,752</b>	<b>42.9%</b>
<b>Net with Capital Expense</b>	<b>351,484</b>	<b>621,221</b>	<b>66,185</b>	<b>-89.3%</b>	<b>16,142</b>	<b>13,423</b>	<b>410.0%</b>

**Combined Trial Balance - All Funds**  
**March 31, 2020**



**Assets**

Checking - National Bank of AZ	1,053,769
Local Gov't Investment Pool - AZ	9,728,439
Petty Cash	700
Advances to the Water Company	4,029,711
<b>Total Assets</b>	<b>\$ 14,812,618</b>

**Liabilities**

Accounts Payable	93,964
Bonds	34,010
Sales Tax Remittance	(652)
Long Term Deferred Revenue	4,029,711
<b>Total Liabilities</b>	<b>\$4,157,033</b>

**Fund Balance**

Fund Balance-Beginning of Year	10,246,287
Year-to-date change in Fund Balance	409,298
<b>Total Fund Balance</b>	<b>10,655,585</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 14,812,618</b>

Contingency Reserve Fund	\$2,500,000
Capital Fund	\$8,039,259
<b>Total</b>	<b>\$10,539,259</b>

**Town of Carefree Reconciled Cash Receipts and Cash Disbursements as of March 31, 2020**

Revenues	FY2018	FY2019	FY2020	2019 vs 2020		Mar 20	% of Budget
	YTD Mar	YTD Mar	Y-T-D	% (+/-)	Budget		
Local Sales Taxes (1 month lag)	\$1,591,513	\$1,751,352	\$ 1,780,504	1.7%	2,400,000	293,359	74.2%
State Sales Taxes (1 month lag)	248,505	266,694	286,466	7.4%	397,500	27,738	72.1%
Building Fees	369,171	274,589	304,902	11.0%	375,000	28,624	81.3%
State Income Tax	345,940	343,590	375,917	9.4%	500,700	41,769	75.1%
Fines	129,219	86,748	87,638	1.0%	140,000	15,426	62.6%
Court Service Fees	129,277	133,081	138,407	4.0%	166,088	27,681	83.3%
Town Clerk-Misc. Sales	61	372	554	0.0%	500	40	110.8%
Town Clerk-Permits & Sol Fees	3,500	737	600	-18.5%	1,000	25	60.0%
Water Company Reimbursements	207,198	517,954	518,195	0.0%	690,605	112,601	75.0%
33 Easy St Rent	10,640	11,431	11,734	0.0%	15,600	1,300	75.2%
Miscellaneous Income & Donations	42,015	92,550	41,785	-54.9%	43,000	210	97.2%
Interest Income	41,893	162,024	171,794	6.0%	112,770	53,751	152.3%
Utility Franchise Fees (1 month lag)	202,610	203,903	195,705	-4.0%	343,000	0	57.1%
County Lieu Tax (1 month lag)	107,551	114,241	120,148	5.2%	173,000	12,985	69.4%
General Fund & All Funds Reserve Contribution(Below)	0	0	0	0.0%	3,510,026	0	0.0%
Special Events	139,665	195,905	412,662	110.6%	687,050	4,554	60.1%
County & State Grants	0	10,622	1,233	0.0%	200,000	0	0.6%
Court Enhancement, GAP, MJCEF	12,099	11,899	9,764	-17.9%	23,405	1,750	41.7%
HURF (1 month lag)	216,106	170,069	372,120	118.8%	392,000	22,265	94.9%
Cemetery	400	100	350	0.0%	600	0	58.3%
CPR Ed Fund	1,142	610	868	0.0%	800	200	108.6%
Utility Capital Improvement Fund	9,821	10,534	10,094	-4.2%	22,500	0	44.9%
Fire Reimb Income & Ins Reimb	41,222	45,744	41,427	0.0%	57,100	5,435	72.6%
Fire Fund-L Sales Tax (1 month lag)	795,757	875,676	890,252	1.7%	1,200,000	146,679	74.2%
<b>Total Revenues</b>	<b>4,645,305</b>	<b>5,280,424</b>	<b>5,773,119</b>	<b>9.3%</b>	<b>11,452,244</b>	<b>796,391</b>	<b>50.4%</b>
<b>Expenses</b>							
Mayor & Council	7,609	5,790	5,048	-12.8%	113,875	158	4.4%
Town Clerk	200,357	206,906	226,065	9.3%	303,787	19,000	74.4%
Court	205,791	190,295	203,226	6.8%	273,852	20,254	74.2%
Administration	259,324	287,794	328,093	14.0%	449,791	31,467	72.9%
Claims & Losses	0	0	0	0.0%	5,000	0	0.0%
Legal	18,948	73,921	219,333	0.0%	160,000	59,185	137.1%
Risk Management	98,655	95,327	64,491	0.0%	105,210	30,145	61.3%
Planning & Development	141,671	123,792	143,336	15.8%	241,551	14,633	59.3%
Building Safety	138,644	132,588	159,473	20.3%	218,552	14,893	73.0%
Law Enforcement	324,307	327,922	351,490	7.2%	536,643	37,914	65.5%
Code Enforcement	35,466	38,853	41,839	7.7%	52,156	3,803	80.2%
Engineering	26,302	74,812	29,631	-60.4%	429,242	2,437	6.9%
Public Works - Streets & Gardens	435,555	465,465	611,129	31.3%	867,432	44,332	70.5%
Debt Service WIFA	244,799	244,663	244,523	-0.1%	244,523	0	100.0%
33 Easy St	34,461	11,849	19,383	0.0%	27,798	1,840	69.7%
Capital Improvement Program (See Below)	0	0	0	0.0%	-	0	0.0%
Public Safety Fire General Fund	0	120,209	279,668	0.0%	279,668	33,240	100.0%
Town Center-Marketing	463,076	443,525	623,494	40.6%	714,847	8,306	87.2%
Contingencies	24,727	29,872	7,107	-76.2%	200,000	0	3.6%
Court Enhancement, GAP, MJCEF	0	7,684	1,831	0.0%	12,605	0	14.5%
HURF (See Below)	0	0	0	0.0%	402,000	0	0.0%
Cemetery	0	0	0	0.0%	600	0	0.0%
CPR - Education Fund	600	0	0	0.0%	870	0	0.0%
Utility Capital Improvement Fund (See Below)	0	2,791	0	0.0%	25,000	0	0.0%
Transfers Out	0	0	0	0.0%	-	0	0.0%
Fire Fund	1,076,474	1,006,533	868,615	-13.7%	1,271,100	91,555	68.3%
<b>Total Expenses without Capital Expense</b>	<b>3,736,766</b>	<b>3,890,593</b>	<b>4,427,775</b>	<b>13.8%</b>	<b>6,936,102</b>	<b>413,163</b>	<b>63.8%</b>
<b>Net without Capital Expense</b>	<b>\$ 908,539</b>	<b>\$ 1,389,831</b>	<b>\$ 1,345,344</b>		<b>\$ 4,516,142</b>	<b>\$383,228</b>	<b>29.8%</b>
<b>All Capital Projects</b>	<b>356,401</b>	<b>491,554</b>	<b>936,046</b>	<b>90.4%</b>	<b>4,500,000</b>	<b>40,115</b>	<b>20.8%</b>
<b>Total Expenses with Capital Expense</b>	<b>4,093,167</b>	<b>4,382,146</b>	<b>5,363,821</b>	<b>22.4%</b>	<b>\$11,436,102</b>	<b>\$453,278</b>	<b>46.9%</b>
<b>Net with Capital Expense</b>	<b>552,138</b>	<b>898,278</b>	<b>409,298</b>	<b>-54.4%</b>	<b>16,142</b>	<b>343,113</b>	<b>2535.6%</b>



**TOWN OF CAREFREE, ARIZONA  
RESOLUTION 2020-03**

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE  
TOWN OF CAREFREE, MARICOPA COUNTY, ARIZONA,  
ADOPTING AND APPROVING THE FIRST AMENDMENT TO AGREEMENT FOR  
ANIMAL CONTROL SERVICES**

**WHEREAS**, the Town Council of the Town of Carefree, Maricopa County, Arizona previously entered into an Intergovernmental Contract (“IGA”) with Maricopa County, Animal Care and Control for animal control services on September 17, 2019; and

**WHEREAS**, the terms of the IGA allows for provide for amendment of the terms and provides for renewal of the Agreement; and

**WHEREAS**, the Agreement for Animal Control Services, attached hereto as Exhibit “A” renews the terms of the Agreement for a one (1) year terms, effective July 1, 2020 through June 30, 2021 of the IGA provide for annual amendment to the service costs; and

**WHEREAS**, the Agreement amends those services, including the response time and priority during Limited Operation Hours pursuant to Appendix B of the First Amendment to Agreement for Animal Control Services.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Common Council of the Town of Carefree, Maricopa County, Arizona, as follows:

**APPROVING** and adopting the First Amendment to Agreement for Animal Control Services.

**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Carefree, Arizona, this 5<sup>th</sup> day of May, 2020.

\_\_\_\_\_  
Les Peterson, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Kandace French Contreras, Town Clerk

\_\_\_\_\_  
Michael Wright, Town Attorney

**EXHIBIT "A"**

**FIRST AMENDMENT TO AGREEMENT  
FOR ANIMAL CONTROL SERVICES**

## **FIRST AMENDMENT TO AGREEMENT FOR ANIMAL CONTROL SERVICES**

THIS FIRST AMENDMENT TO AGREEMENT FOR ANIMAL CONTROL SERVICES (“First Amendment”) is entered into by and between the Town of Carefree (“Town”) and Maricopa County, administered through Animal Care and Control (“County”). The County and Town are collectively referred to as “Parties” and each individually as “Party.”

### **RECITALS:**

- I. The Parties entered into an Agreement for animal control services effective July 1, 2020 through June 30, 2021 (“Agreement”).
- II. The Parties now desire to amend the Agreement upon the terms and conditions contained in this First Amendment.

### **FIRST AMENDMENT:**

NOW, THEREFORE, for and in consideration of the foregoing and other valuable considerations, the Parties hereby amend the Agreement as follows:

- I. The Term of the Agreement is renewed for a one (1) year term, effective July 1, 2020 through June 30, 2021.
- II. The Compensation Schedule (Appendix A) has been amended to include the service cost for the renewal period, and attached hereto.
- III. The Services Schedule (Appendix B) has been amended to include a list of services provided for the renewal period, and attached hereto.
- IV. The foregoing paragraphs contain all changes made by this amendment. All other terms and conditions of the original Agreement shall remain in full force and effect.
- V. The Holiday Schedule (Appendix D) has been amended to include a list of holidays for the renewal period, and attached hereto.
- VI. Designate the Appointed Authority and such designees of Maricopa County Animal Care and Control as the Town’s Enforcement Agent.

IN WITNESS WHEREOF, the Parties have executed this First Amendment on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Maricopa County

Town of Carefree

Board of Supervisors

BY: \_\_\_\_\_  
Chairman of the Board

BY: \_\_\_\_\_  
Les Peterson, Mayor

Attest: \_\_\_\_\_  
Clerk of the Board

Attest: \_\_\_\_\_  
Kandace French Contreras, Town Clerk

In accordance with A.R.S. §§ 11-201, 11-251, and 11-952, undersigned counsel has reviewed the foregoing amendments to the Agreement and have determined that said amendments are in proper form and within the powers and authority granted to the public body represented by their respective attorneys.

BY: \_\_\_\_\_  
Attorney for Board of Supervisors

BY: \_\_\_\_\_  
Michael Wright, Attorney for Town



**APPENDIX A**  
**COMPENSATION SCHEDULE ANIMAL CONTROL SERVICES**

1. County Service Level: Basic Animal Control Services
2. Service Cost

July 1, 2020 through June 30, 2021	\$2,750
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## APPENDIX B

### SERVICES

1. The COUNTY shall be responsible for and enforce rabies/animal control provisions for the Town of Carefree.

#### Chapter 5

5-1-3A- Dog at Large

ARS 11-1029 Vicious

ARS 11-1008E- Failure to License

2. Minimum Staffing: Staffing will be sufficient to respond to approximately 90% of service requests within the time frame prescribed below
3. Response Times: Ordinary Period is defined as the operating hours from 8am to 5pm seven days per week. County staff will arrive at the scene of a reported service request within the time prescribed below based on the service classification:
  - Priority 1- 1 hour
  - Priority 2- 2 hours
  - Priority 3- 48 hours
  - Priority 4- 72 hours
  - See Appendix C for call for service types by priority.
4. Response Times during Limited Operation Hours: Limited Operation Hours will be from 5pm to 10pm seven days per week and only Priority 1 and 2 calls for service will be acted upon and only when the requesting police agency agrees to remain on scene for the duration of the time needed to handle the call for service. The County will not respond to priority 3 or 4 calls for service after 3pm until the commencement of the next Ordinary period. The response time for Limited Operation Hours will be 2 hours maximum. The response time could be longer should a higher priority call for service be received and the choice to respond to higher priority calls is at the discretion of the County.
5. The County shall not respond to scenes involving owned animals being seized or impounded as a part of a police function related to neglect, abuse, abandonment, arrests, crime scene investigations, fire scenes, or any situation where the law enforcement officer has seized an owned animal. The County will not respond to citizen requests for abuse, neglect, or cruelty of animals.
6. Law enforcement agencies needing assistance in accordance with this IGA can call the Field Dispatch non-public phone line at 602-506-1309 to request assistance between the hours of 8am and 5pm for general assistance and after 5pm for Priority 1 or 2 calls. The decision to respond is based on the information provided to staff at the time of request and the County reserves the right to respond to non-emergency requests at the beginning of the next Ordinary Period.

7. The County will be closed for business on all County observed holidays. The County reserves the right to provide Limited Hours Operation response from 8am to 5pm on County observed holidays.

8. The County shall provide Lost and Found Services from 8am to 10pm seven days per week to allow for citizens to report found and lost dogs. This service will not be provided for the holiday coverage prescribed in section 7.

9. The County shall provide Call Center services 8am to 5pm, 7 days per week and 24 hour online services for citizens to report animal control issues, conduct licensing transactions, and ask general animal control questions. Call Center service will not be provided for the holidays prescribed in section 7.

10. The County at their discretion may deny the pickup of dogs from third parties who are part of rescue groups who work to trap, confine, and/or pick-up found dogs from other parties who are not reporting the found animal directly to the County or parties who take in stray dogs from private citizens for the sole purpose of holding the animal for short periods of time until contacting the County. The County at their discretion may deny pickup of dogs from individuals who habitually confine stray dogs and are not contracted by a local jurisdiction to provide animal control services for any jurisdiction in Maricopa County or cities or towns within Maricopa County.

APPENDIX D

County Observed Holidays include the following

New Year's Day  
Martin Luther King  
Presidents Day  
Memorial Day  
Veterans Day  
Independence Day  
Thanksgiving Day  
Day after Thanksgiving  
Christmas Day

**TOWN OF CAREFREE  
INFORMATION SUMMARY**

MEETING DATE: May 5, 2020

**SUBJECT:**

Review, discussion and possible action to approve Resolution 2020-02 authorizing the Mayor to execute a contract for audit services with Heinfeld, Meech & Co., P.C. for the fiscal years 2020, 2021, 2022, 2023 and 2024 (5 years).

**ATTACHMENTS:**

- Exhibit "A": Resolution 2020-02
- Town of Carefree Financial Statement Audit Services
- 2020 Engagement Letter for the Town of Carefree and Utility Community Facilities District
- Engagement Letter for the Annual Expenditure Limitation Report (ELR)

**SUMMARY:**

The Town of Carefree contract with the audit firm HintonBurdick expired upon completion of the audit for the fiscal year 2019. On February 19, 2020 a Request for Proposal was published inviting audit firms to submit proposals for audit services for the next five (5) years.

The following five firms submitted proposals:

<b>Name of Company</b>	<b>Total Cost of Audits In \$</b>
Beasley Mitchell	35,988
HintonBurdick	30,000
Heinfeld Meech	33,000
Henry & Horne	36,125
CliftonLarsonAllen	34,492

A look at best practices indicates that the occasional change in audit staff allow for a fresh perspective and is a sound accounting procedure. While HintonBurdick presented the lowest proposal, this firm has conducted the audits for the previous five years. Therefore, they were excluded.

The firms of Heinfeld Meech and CliftonLarsonAllen were invited to interview with Town Administrator, Gary Neiss, Town Clerk, Kandace French, and Town Accountant, Jim Keen. Both firms appeared and provided excellent information

and knowledge regarding the needs of the Town, the Carefree – Cave Creek Municipal Court, and the Carefree Water Company. Both firms provided references and both firms were familiar to Jim Keen through their presentations at the Government Finance Officers Association of Arizona (GFOAZ) seminars.

The firm of Heinfeld Meech stood out over CliftonLarsonAllen due to their subject matter expertise and specialization in governmental accounting. Heinfeld Meech was the second lowest proposal of the five presented. Staff therefore recommends approving the firm of Heinfeld Meech for audit services for the next five years.

**FUNDING SOURCE:**

Funded annually through the budget of the office of the Town Clerk.

**TOWN COUNCIL ACTION:**

Approve and Adopt Resolution #2020-02 and authorize the Mayor to execute the Financial Statement Audit Services Contract with Heinfeld Meech and authorize and the Mayor and Court Administrator to execute their respective Engagement Letters presented by Heinfeld Meech.

**REPORT PREPARED BY:**

Kandace French, Town Clerk/Treasurer

**TOWN OF CAREFREE, ARIZONA  
RESOLUTION 2020-02**

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE  
TOWN OF CAREFREE, MARICOPA COUNTY, ARIZONA,  
AUTHORIZING THE MAYOR AND COURT ADMINISTRATOR TO EXECUTE A  
FINANCIAL STATEMENT AUDIT SERVICES CONTRACT AND ENGAGEMENT  
LETTERS WITH HEINFELD MEECH, & CO., P.C.**

**WHEREAS**, the Town of Carefree, the Utility Community Water Facilities District (UCFD) and Carefree – Cave Creek Municipal Court require annual financial audits; and

**WHEREAS**, the audit firm of Heinfeld Meech & Co., P.C. (Heinfeld Meech) are qualified to perform such audits; and

**WHEREAS**, the firm of Heinfeld Meech has presented a competitive and qualified proposal for annual audit services for five years.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Council of the Town of Carefree, Maricopa County, Arizona, as follows:

**APPROVING** and adopting the Town of Carefree Financial Statement Audit Services Contract and the respective Engagement Letters for the Town of Carefree, Carefree - Cave Creek Municipal Court and UCFD.

**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Carefree, Arizona, this 5<sup>th</sup> day of May, 2020.

\_\_\_\_\_  
Les Peterson, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Kandace French Contreras, Town Clerk

\_\_\_\_\_  
Michael Wright, Town Attorney

**TOWN OF CAREFREE, ARIZONA  
FINANCIAL STATEMENT AUDIT SERVICES**

THIS CONTRACT entered into between the Town of Carefree, Arizona, hereinafter called TOWN; and Heinfeld, Meech & Co., P.C., hereinafter called CONTRACTOR.

**WITNESSETH**

WHEREAS, TOWN requires the services of a firm qualified to provide auditing services for fiscal years 2020 and 2021, beginning July 1 and ending June 30; and

WHEREAS, CONTRACTOR is qualified and willing to provide such services; and

WHEREAS pursuant to a Request for Proposals (RFP) for Professional Auditing Services, CONTRACTOR submitted the proposal/bid most advantageous to TOWN.

NOW, THEREFORE, the parties hereto agree as follows:

**ARTICLE I – TERM AND EXTENSION**

This CONTRACT shall commence on the 30th day of March, 2020, and shall terminate on the 30th day of March 2022, unless sooner terminated or further extended pursuant to the provisions of this CONTRACT. Any modification, or extension shall be by formal written amendment executed by the parties hereto.

**ARTICLE II – SCOPE**

CONTRACTOR shall perform the work in accordance with the terms of this CONTRACT and to the best of CONTRACTOR's ability. CONTRACTOR shall employ suitably-trained and skilled professional personnel to perform all CONTRACTOR services under this CONTRACT. Prior to changing any key personnel, especially those key personnel relied upon in making this CONTRACT, CONTRACTOR shall obtain the approval of TOWN. The key personnel include Jennifer L. Shields, CPA, CGFM, Engagement Partner, and Eugene Park, CPA, Audit Supervisor.

CONTRACTOR shall issue the following reports, schedules or statements:

- A. An independent auditor's report on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.
- B. An independent auditor's report on the compliance and internal control over financial reporting based on an audit of the financial statements performed in accordance with government auditing standards.
- C. A schedule of findings and responses.
- D. An independent auditor's report on financial statements for the Town's UCFD/Water Company Audit.
- E. Preparation of the Carefree Water Company tax return.



- F. Auditor's letter of recommendations to management, if applicable.
- G. An independent auditor's report on the Annual Expenditure Limitation Report (AELR) prepared in compliance with A.R.S. §41-1279.07.
- H. CONTRACTOR will review separately the TOWN Municipal Court financial records per requirements of Arizona Supreme Court rulings.

### **ARTICLE III – PAYMENT**

In consideration of the services specified in this CONTRACT, TOWN shall pay CONTRACTOR the sum of \$33,000 for fiscal year 2019-20 and \$34,000 for fiscal year 2020-21, within thirty (30) days of TOWN's receipt and acceptance of the auditing financial statements described in Article II above.

In the event economic conditions are such that price increases may be appropriate, CONTRACTOR may submit to TOWN supporting documents justifying such increases. TOWN will review the proposed pricing and determine in its sole discretion if it is in the best interest of TOWN.

### **ARTICLE IV – INSURANCE**

- A. CONTRACTOR shall obtain and maintain at its own expense, during the entire term of this CONTRACT, the following type(s) and amounts of insurance.
  - a) Commercial General Liability in the amount of \$1,000,000.00 combined, single limit Bodily Injury and Property Damage.
  - b) Commercial or Business automobile liability coverage for owned, non-owned and hired vehicles used in the performance of this CONTRACT with limits in the amount of \$1,000,00.00 combined single limit or \$1,000,000.00 Bodily Injury, \$1,000,000.00 Property Damage;
  - c) Professional liability insurance in the amount of \$1,000,000.00; and,
  - d) If required by law, workers' compensation coverage including employees' liability coverage in the amounts required by law.

Except in errors and omissions, professional liability and workman's compensation policies, TOWN shall be named as an additional insured. All insurance coverage shall be written through carriers licensed in Arizona, or on an approved non-admitted list of carriers published by the Arizona Department of Insurance, and possessing an A.M. Best rating of at least B+7 or through Lloyd's of London. Should coverage be written on a claims-made basis, CONTRACTOR shall provide, prior to commencement of any work, an initial certificate of insurance evidencing required coverage limits from date of CONTRACT execution through date of policy expiration. Subsequently, a certificate of insurance or a renewal quotation accompanied by evidence of premium payment shall be presented a minimum of fifteen (15) days prior to date of expiration of current certificate. Such certificate or evidence of continuous coverage shall be provided on a periodic basis for a minimum of two (2) years after completion of CONTRACT, and shall contain a certification that the claim's period for such insurance is retroactive to the effective date of this CONTRACT. In the event CONTRACTOR fails to provide such certificate of coverage retroactive to the beginning date of this CONTRACT, TOWN may, but shall not

be required to, purchase insurance, if available to protect itself against any losses which would have been covered by the errors and omissions policy CONTRACTOR is required to maintain under this article. If TOWN elects to purchase the insurance under this provision, CONTRACTOR shall be liable to TOWN for all costs incurred by TOWN for purchasing such insurance.

B. CONTRACTOR shall submit to TOWN a certificate of insurance evidencing the coverage and limits stated in the foregoing paragraph within ten (10) days of award of this CONTRACT. Insurance evidenced by the certificate shall not expire, be canceled, or materially changed without 30 days' prior written notice to TOWN, and a statement to that effect must appear on the face of the certificate and the certificate shall be signed by a person authorized to bind the insurer. The amount of any errors and omissions deductible shall be stated on the face of the certificate.

#### **ARTICLE V – INDEMNIFICATION**

CONTRACTOR shall indemnify, defend, and hold harmless TOWN, its officers, employees and agents for, from and against any and all suits, actions, legal administrative proceedings, claims or demands and costs attendant thereto, arising out of any act, omission, fault or negligence by CONTRACTOR, its agents, employees or anyone under its direction or control or on its behalf, in connection with performance of this CONTRACT.

#### **ARTICLE VI – COMPLIANCE WITH LAWS**

CONTRACTOR shall comply with all applicable federal, state and local laws, rules, regulations, standards and Executive Orders, without limitation to those designated within this CONTRACT. The laws and regulations of the State of Arizona shall govern the rights of the parties, the performance of this CONTRACT, and any disputes hereunder. Any action relating to this CONTRACT shall be brought in a court of the State of Arizona in Yavapai County. Any changes in the governing laws, rules, and regulations during the terms of this CONTRACT shall apply without requiring an amendment to this CONTRACT.

#### **ARTICLE VII – INDEPENDENT CONTRACTOR**

The status of CONTRACTOR shall be that of an independent contractor. Neither CONTRACTOR, nor CONTRACTOR's officers, agents or employees, shall be considered an employee of TOWN or be entitled to receive any employment-related fringe benefits under TOWN's system. CONTRACTOR shall be responsible for payment of all federal, state and local taxes associated with the compensation received pursuant to this CONTRACT and shall indemnify and hold TOWN harmless from any and all liability which TOWN may incur because of CONTRACTOR's failure to pay such taxes. CONTRACTOR shall be solely responsible for program development and operation.

### **ARTICLE VIII – SUBCONTRACTOR**

CONTRACTOR will be fully responsible for all acts and omissions of any subcontractor and of persons directly or indirectly employed by any subcontractor and of persons for whose acts any of them may be liable to the same extent that CONTRACTOR is responsible for the acts and omissions of persons directly employed by it. Nothing in this CONTRACT shall create any obligation on the part of TOWN to pay or see to the payment of any money due any subcontractor, except as may be required by law.

### **ARTICLE IX – ASSIGNMENT**

CONTRACTOR shall not assign its rights to the CONTRACT, in whole or in part, without prior written approval of TOWN. Approval may be withheld at the sole discretion of TOWN.

### **ARTICLE X – NON-DISCRIMINATION**

CONTRACTOR shall not discriminate against any TOWN employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin in the course of carrying out CONTRACTOR's duties pursuant to this CONTRACT. CONTRACTOR shall comply with the provisions of Executive Orders 75-5, as amended by Executive Order 99-4, which are incorporated into this CONTRACT by reference as if set forth in full herein.

### **ARTICLE XI – AMERICANS WITH DISABILITIES ACT**

CONTRACTOR shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36.

### **ARTICLE XII – AUTHORITY TO CONTRACT**

CONTRACTOR warrants its right and power to enter into this CONTRACT. If any court of administrative agency determines that TOWN does not have authority to enter into this CONTRACT, TOWN shall not be liable to CONTRACTOR or any third party by reason of such determination or by reason of this CONTRACT.

### **ARTICLE XIII – FULL AND COMPLETE PERFORMANCE**

The failure of either party to insist on one or more instances upon the full and complete performance with any of the terms or conditions of this CONTRACT to be performed on the part of the other, or to take any action permitted as a result thereof, shall not be construed as a waiver or relinquishment of the right to insist upon full and complete performance of the same, or any other covenant or condition, either in the past or in the future. The acceptance by either party of sums less than may be due and owing it at any time shall not be construed as an accord and satisfaction.

### **ARTICLE XIV – CANCELLATION FOR CONFLICT-OF-INTEREST**

This CONTRACT is subject to cancellation for conflict-of-interest pursuant to A.R.S. §38-511, the pertinent provisions of which are incorporated into this CONTRACT by reference.

**ARTICLE XV – TERMINATION**

TOWN reserves the right to terminate this CONTRACT at any time and without cause by serving upon CONTRACTOR 30 days' advance written notice of such intent to terminate. In the event of such termination, TOWN's only obligation to CONTRACTOR shall be payment for services rendered prior to the date of termination.

This CONTRACT may be terminated at any time without advance notice and without further obligation to TOWN when CONTRACTOR is found by TOWN to be in default of any provision of the CONTRACT.

Notwithstanding any other provision in this CONTRACT, the CONTRACT may be terminated if for any reason there are not sufficient appropriated and available monies for the purpose of maintaining TOWN or other public entity obligations under this CONTRACT. In the event of such termination, TOWN shall have no further obligation to CONTRACTOR other than to pay for services rendered prior to termination.

**ARTICLE XVI – NOTICE**

Any notice required or permitted to be given under this CONTRACT shall be in writing and shall be served by delivery or by certified mail upon the other party as follows:

TOWN:  
Town of Carefree  
Finance Department  
8 Sundial Circle, P.O. Box 740  
Carefree, Arizona 85377

CONTRACTOR:  
Heinfeld, Meech & Co., P.C.  
Attention: Diane Bradley  
10120 N. Oracle Rd.  
Tucson, Arizona 85704

**ARTICLE XVII – NON-EXCLUSIVE CONTRACT**

CONTRACTOR understands that this CONTRACT is non-exclusive and is for the sole convenience of TOWN. TOWN reserves the right to obtain like services from other sources for any reason.

**ARTICLE XVIII – OTHER DOCUMENTS**

CONTRACTOR and TOWN in entering into this CONTRACT have relied upon information provided in the RFP for audit services and on information provided in CONTRACTOR's proposal/bid in response to said RFP. These documents are hereby incorporated into and made a part of this CONTRACT as if set forth in full herein, to the extent not inconsistent with the provisions of this CONTRACT.

**ARTICLE XIX – REMEDIES**

Either party may pursue any remedies provided by law for the breach of this CONTRACT. No right or remedy is intended to be exclusive of any other right or remedy and each shall be cumulative and in addition to any other right or remedy existing at law or in equity, or by virtue of this CONTRACT.

**ARTICLE XX – SEVERABILITY**

Each provision of this CONTRACT stands alone, and any provision of this CONTRACT found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this CONTRACT.

**ARTICLE XXI – BOOKS AND RECORDS; OWNERSHIP OF DOCUMENTS**

CONTRACTOR shall keep and maintain proper and complete books, records and accounts, which shall be open at all reasonable times for inspection and audit by duly authorized representatives of TOWN. In addition, CONTRACTOR shall retain all records relating to this CONTRACT at least five (5) years after its termination or cancellation or, if later, until any related pending proceeding or litigation has been closed.

All documents, including (but not limited to) data computations, studies, reports, field notes, design notes and all original drawings which are prepared in the performance of this CONTRACT, are to be and remain the property of TOWN and are to be delivered to the CONTRACT Administrator before final payment under this CONTRACT is made to CONTRACTOR. TOWN's CONTRACT Administrator shall be the Finance Director or Interim Finance Director.

**ARTICLE XXII – ENTIRE AGREEMENT**

This CONTRACT constitutes the entire agreement between the parties pertaining to the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral and written, are hereby superseded and merged herein. This CONTRACT may be modified, amended, altered or extended only by a written amendment signed by each of the parties.

**IN WITNESS HEREOF**, the parties hereto have executed this CONTRACT.

**TOWN OF CAREFREE**

**HEINFELD, MEECH & CO., P.C.**

\_\_\_\_\_  
Mayor Les Peterson

\_\_\_\_\_  
Diane Bradley, Partner - Administration

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Federal ID # \_\_\_\_\_

Federal ID # 86-0558065

March 31, 2020

Honorable Mayor and Members of the Town Council  
Town of Carefree  
P. O. Box 740  
Carefree, AZ 85377

We are pleased to confirm our understanding of the services we are to provide for Town of Carefree, Arizona (Town) for the year ended June 30, 2020. We encourage you to read this letter carefully as it includes important information regarding the services we will be providing to the Town. If there are any questions on the content of the letter, or the services we will be providing, we would welcome the opportunity to meet with you to discuss this information further.

We will audit the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Town of Carefree, Arizona as of and for the year ended June 30, 2020. We have also been engaged to report on supplementary information that accompanies the Town's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the basic financial statements as a whole:

1. Combining and individual fund financial statements and schedules

Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI) to supplement the Town's basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison schedules
3. GASB-required pension and other post-employment benefit schedules

In addition, we will issue a report on examine the following and issue an accountant's report based on our examination for the year ended June 30, 2020.

1. The Annual Expenditure Limitation Report

We will also audit the following and issue an audit opinion (or disclaimer of opinion) based on our audit for the year ended June 30, 2020.

1. UCFD/Water Company Annual Financial Statement

## **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. We will also report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. Our responsibility in the expression of opinions is to plan and perform the audit to obtain reasonable assurance, but not absolute assurance, that the financial statements are free from material misstatements.

An important aspect to our expression of opinions on the financial statements is understanding the concept of materiality. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial information needs of users of the financial statements. In this context, it is reasonable for us to assume that users –

1. have a reasonable knowledge of business and economic activities and accounting principles, and a willingness to study the information in the financial statements with reasonable diligence;
2. understand that financial statements are prepared, presented, and audited to levels of materiality;
3. recognize the uncertainties inherent in the measurement of amounts based on the use of estimates, judgment, and the consideration of future events; and
4. make reasonable economic decisions on the basis of the information in the financial statements.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Town and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Town's financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance will include a paragraph that states (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Town is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Audit Procedures - General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our tests will not include a detailed check of all of the Town's transactions for the period. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Town or to acts by management or employees acting on behalf of the Town. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements.

However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts. Our procedures will also include, as deemed necessary, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.



At the conclusion of our audit, we will require certain written representations from you about the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures - Internal Controls**

Our audit will include obtaining an understanding of the Town and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, and *Government Auditing Standards*.

### **Audit Procedures - Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town's compliance with applicable laws, regulations, contracts, agreements, and grants. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Nonaudit Services**

As part of the audit, we will assist with preparation of your financial statements, notes to the financial statements and supplementary information. You have expressed your intention to use these nonaudit services within the scope of your request for proposal for audit services. These nonaudit services do not constitute an audit and such services will not be conducted in accordance with *Government Auditing Standards*.

Upon engagement of the audit we will utilize the general ledger, accounting records, Town prepared schedules and other information provided by Town personnel in order to prepare the necessary year-end adjusting journal entries and to prepare drafts of the financial statements, notes to the financial statements, and the supplementary information. You are responsible for the information provided by the Town and assuming all management responsibilities related to the financial statements, notes to the financial statements, supplementary information, and the nonaudit services we provide. You are also responsible for designing, implementing, and maintaining internal controls over the financial statements process. Prior to their issuance you will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements and acknowledge that you have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee the nonaudit services we provide; evaluate the adequacy and results of these nonaudit services; and accept responsibility for the nonaudit services.

As the Town's independent auditor, professional standards place specific requirements on our provision of certain nonaudit services. We are strictly prohibited from assuming management responsibilities or making management decisions; therefore, the nonaudit services we provide are limited to those indicated above. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities or making management decisions. Accordingly, to maintain our independence it is imperative that management understand its responsibilities and is capable of fulfilling these responsibilities. If there are any questions or concerns regarding management's responsibilities or ability to fulfill these responsibilities we request that you immediately contact us so that we may assess the circumstance and our continued independence with respect to providing audit services.

## **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is responsible for (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; and (3) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information for which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under *Government Auditing Standards*, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the Town from whom we determine it necessary to obtain audit evidence.

Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the Town involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Town received in communications from employees, former employees, grantors, regulators, or others.

Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. In addition, you are responsible for identifying and ensuring that the Town complies with applicable laws, regulations, contracts, agreements and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is also responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in a written representation letter that (1) you are responsible for presentation of supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

### **Planned Scope and Timing of the Audit**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our tests will not include a detailed check of all transactions for the period.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit in July 2020 and conclude audit procedures and date our report in November 2020.

### **Use of Third-Party Service Providers**

We maintain internal policies, procedures, and safeguards to protect the confidentiality of your information. We may, depending on the circumstances, use third-party service providers in providing our professional services. The following service providers may be utilized in the completion of our engagement:

- Capital Confirmation, Inc. – electronic bank and account balance confirmation service
- Wolters Kluwer – web-based application service to transfer files
- Harvest Investments, Ltd. – investment portfolio valuation service

You hereby consent and authorize us to use the above service providers, if deemed necessary, to complete the professional services outlined in this letter.

### **Engagement Administration, Fees and Other**

Jennifer Shields is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

We will provide copies of our reports to the Town; however, management is responsible for distribution of the reports and the financial statements.

The audit documentation for this engagement is the property of Heinfeld, Meech & Co., P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation will be made available upon request to governmental agencies pursuant to authority given to them by law or regulation. We will notify you of any such request. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five (5) years after the report release date, or for any additional period requested by a regulator, cognizant agency, oversight agency for audit, or pass-through entity. Upon expiration of the five year period, or any additional period, we will commence the process of destroying the contents of our engagement files. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our hourly rates, for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

Any disagreement, controversy, or claim ("dispute") that may arise from any aspect of our services, including this engagement or any prior engagement, will be submitted to mediation. The parties will engage in the mediation process in good faith once a written request to mediate has been given by any party. Any mediation initiated as a result of this engagement shall be administered by The American Arbitration Association, according to its mediation rules before resorting to litigation. The results of any such mediation shall be binding only upon agreement of each party to be bound. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally.

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between us. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against us must be commenced within twenty-four (24) months ("limitation period") after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. The limitation period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a dispute.

Professional standards prohibit auditors from agreeing to indemnify attest clients for damages, losses or costs arising from lawsuits, claims or settlements that relate, directly or indirectly, to the client's acts. As such, professional standards will prevail for indemnification clauses included in audit contracts. In addition, we are unable to obtain waivers on our professional liability insurance policy for certain provisions, including indemnification provisions, provisions requiring the firm to name the Town as an additional insured party, and a waiver of subrogation rights.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our fee for these services will be at the amount outlined in our proposal. We exercised care in estimating the fee and believe it accurately indicates the scope of the work. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

The above fees are based on anticipated cooperation from your personnel, timely receipt of information, and the assumption that unexpected circumstances will not be encountered during the audit, including factors beyond our control, such as new accounting pronouncements or legal requirements, additional consultation, and assistance in correcting errors in your financial records. We will plan the engagement based on the assumption that your personnel will prepare and provide us with the items listed in our request for audit information, including preparing requested schedules, retrieving supporting documents, and preparing confirmations.

If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Additional fees incurred will be billed at the following hourly rates: Partner - \$265; Manager - \$195; Senior - \$155; Staff - \$110.

If any term or provision of this agreement is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2018 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Town of Carefree, Arizona and believe that this letter accurately summarizes the significant terms of our engagement. Please feel free to contact us at any time if you have questions or concerns. If you have any questions regarding this letter, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Phoenix, Arizona

cc: Kandace French Contreras, CMC, Town Clerk/Treasurer

RESPONSE

Please indicate the name of the individual responsible for overseeing the nonaudit services of preparing the year-end adjusting journal entries and the preparation of the financial statements:

Name: \_\_\_\_\_

This letter correctly sets forth the understanding of Town of Carefree, Arizona.

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

# Grant Bennett Associates

A PROFESSIONAL CORPORATION

## Report on the Firm's System of Quality Control

August 16, 2018

To the Shareholders of Heinfeld, Meech & Co., P. C. and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P. C. (the firm) in effect for the year ended May 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P. C. in effect for the year ended May 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Heinfeld, Meech & Co., P. C. has received a peer review rating of *pass*.

*Grant Bennett Associates*

GRANT BENNETT ASSOCIATES  
A PROFESSIONAL CORPORATION  
Certified Public Accountants



[www.gbacpa.com](http://www.gbacpa.com)

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Sacramento, CA 95815  
916/922-5109 FAX 916/641-5200

P.O. Box 223096  
Princeville, HI 96722  
888/769-7323

March 31, 2020

The Honorable Stephanie Olohan  
Carefree-Cave Creek Consolidated Court  
37622 N. Cave Creek Rd. Suite B  
Cave Creek, AZ 85331

Dear Judge Olohan:

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide for Carefree-Cave Creek Consolidated Court.

We will apply the agreed-upon procedures outlined by the Arizona Supreme Court, Administrative Office of the Courts in the Guide for Independent Review for Arizona Courts, which were agreed to by the Arizona Supreme Court, Administrative Office of the Court and the management of the Carefree-Cave Creek Consolidated Court for the period July 1, 2019 through June 30, 2020. This engagement is solely to assist the Arizona Supreme Court, Administrative Office of the Court, in evaluating the Carefree-Cave Creek Consolidated Court's compliance with the requirements set forth in the Minimum Accounting Standards, (MAS) Compliance Checklist and Guide for Independent Review for Arizona Courts. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report and we will require an acknowledgment in writing of that responsibility. Consequently, we make no representation regarding the sufficiency of the procedures described either for the purpose for which this report has been requested or for any other purpose.

Because the agreed-upon procedures do not constitute an examination or review, we will not express an opinion or conclusion on the requirements set forth in the MAS. In addition, we have no obligation to perform any procedures beyond those listed in the MAS.

We expect to begin our procedures in July 2020 and, unless unforeseeable problems are encountered, the engagement should be completed in October 2020.



We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. If, for any reason, we are unable to complete any of the procedures, we will describe in our report any restrictions on the performance of the procedures, or not issue a report and withdraw from this engagement. Our report will be addressed to the Arizona Supreme Court, Administrative Office of the Court and the management of the Carefree-Cave Creek Consolidated Court. You understand that the report is intended solely for the information and use of the Arizona Supreme Court, Administrative Office of the Court and the management of the Carefree-Cave Creek Consolidated Court, and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, we will communicate to you any known and suspected fraud and noncompliance with laws or regulations affecting compliance with requirements set forth in the MAS that come to our attention. In addition, if, in connection with this engagement, matters come to our attention that contradict compliance with requirements set forth in the MAS, we will disclose those matters in our report.

You are responsible for the completion of the Compliance Checklist in accordance with the MAS; and for selecting the criteria and determining that such criteria and procedures are appropriate for your purposes. You are also responsible for, and agree to provide us with, a written assertion about implementing and maintaining an effective system of internal financial controls in compliance with the requirements set forth in the Minimum Accounting Standards Compliance Checklist. In addition, you are responsible for providing us with (1) access to all information of which you are aware that is relevant to the performance of the agreed-upon procedures on the subject matter and that management is responsible for the accuracy and completeness of that information, (2) additional information that we may request for the purpose of performing the agreed-upon procedures, and (3) unrestricted access to persons within the Court from whom we determine it necessary to obtain evidence relating to performing those procedures.

At the conclusion of our engagement, we will require a representation letter from management that, among other things, will confirm management's responsibility for compliance with the requirements set forth in the Minimum Accounting Standards Compliance Checklist and Guide for Independent Review for Arizona Courts.

Jennifer Shields is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be \$3,500. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Carefree-Cave Creek Consolidated Court and believe that this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy of this letter and return it to our office.

Very truly yours,

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Phoenix, Arizona/

cc: Jennifer Curtiss, Court Administrator

RESPONSE

This letter correctly sets forth the understanding of Carefree-Cave Creek Consolidated Court.

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

March 30, 2020

Honorable Mayor, Members of the City Council, and Management  
Town of Carefree  
P. O. Box 740  
Carefree, AZ 85377

We are pleased to confirm our understanding of the services we are to provide for the Town of Carefree, Arizona (Town).

We will examine the Annual Expenditure Limitation Report (AELR) of the Town for the year ended June 30, 2020. The objectives of our examination are to (1) obtain reasonable assurance about whether the AELR is free from material misstatement; and (2) to express an opinion as to whether the AELR is presented, in all material respects, in accordance with the Uniform Expenditure Reporting System.

Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include examining, on a test basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion. We will issue a written report upon completion of our examination. Our report will be addressed to the Auditor General of the State of Arizona, Honorable Mayor, Members of the Town Council, and Management of the Town. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

We will plan and perform the examination to obtain reasonable assurance about whether the AELR is free from material misstatement, based on the Uniform Expenditure Reporting System. Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, or known and suspected fraud or noncompliance with laws or regulations, or internal control deficiencies that may exist. However, we will inform you of any known and suspected fraud and noncompliance with laws or regulations, internal control deficiencies identified during the engagement, and uncorrected misstatements that come to our attention unless clearly trivial.

We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria, but the responsibility for the subject matter remains with you.

You are responsible for the presentation of AELR in accordance with the Uniform Expenditure Reporting System and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are responsible for, and agree to provide us with, a written assertion about whether the AELR is presented in accordance with the Uniform Expenditure Reporting System. Failure to provide such an assertion will result in our withdrawal from the engagement. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of the subject matter; (2) additional information that we may request for the purpose of the examination; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

We will assist with preparation of your Annual Expenditure Limitation Report and notes to the report. You are responsible for designating an individual with suitable skill, knowledge, or experience to oversee the nonattest services we provide; evaluate the adequacy and results of these nonattest services; and accept responsibility for the nonattest services. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities or making management decisions.

At the conclusion of the engagement, you agree to provide us with certain written representations in the form of a representation letter.

We maintain internal policies, procedures, and safeguards to protect the confidentiality of your information. We may, depending on the circumstances, use third-party service providers in providing our professional services. You hereby consent and authorize us to use service providers, if deemed necessary, to complete the professional services outlined in this letter.

Jennifer Shields is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be at the amount outlined in our proposal. Our fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the examination. We exercised care in estimating the fee and believe it accurately indicates the scope of the work. Subsequent review of documentation and additional meetings will be billed at the hourly rates indicated below. Our fee does not include factors beyond our control, such as consultation and assistance in correcting errors in Town prepared information, or rescheduling when the Town is not prepared. Not completing the requested information on time will jeopardize meeting the applicable filing deadlines. Additional fees incurred for factors beyond our control will be billed at the following hourly rates: Partner - \$265; Manager - \$195; Senior - \$155; Staff - \$110. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Phoenix, Arizona

RESPONSE:

This letter correctly sets forth the understanding of Town of Carefree, Arizona

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_