

February 28, 2023

February 8, 2023 – Annual Meeting of the Grove Water Supply Corp.

Board Members Present: Glenn Schwanke, Guy Mathews, Mike Seiler, General Manager/System Operator Justin Veazey and Financial Controller Amy Veazey.

Also present was Shawnee Miller, Accountant, Mrs. Schwanke, and Catherine Peebles.

Glenn called the meeting to order. Asked for a motion to approve the minutes. Guy made a motion to approve, second by Mike. Minutes approved.

He asked Shawnee Miller to present the audit report.

Shawnee stated that the first page is the cover page, second page is the table of contents, and the third page is the Independent Auditor's Report.

- The first page states that the financial statements were audited and that they are fairly stated according to standards.
- The second section says those standards are gap and government standards.
- Third section says management is ultimately responsible for those financial statements and controls.
- Bottom and onto the second page states that the audit is a reasonable assurance but not absolute.
- Bottom of second page states that there is a government audit due to the government money and to look at the controls.
- Third page is the balance sheet.
- Fourth page is the statement of activities.
- Page Five explains the cash flow.
- Page Six through Twelve; notes to financial statements.
- Very positive report and everything looked good.

Glenn thanked Shawnee for being there and for her work. He asked if anyone had any questions regarding the audit, no questions were asked.

Glenn said that there is one major project in progress right now. We have added to the size of the property at the standpipe. We will also have to add more water storage at that location for that side of the system and to meet reserve requirements. We will expand the fence and build a

building. The pumps will be inside the building. There will also be a chlorinator room, an office and filing room. That is an additional expense we were not expecting.

We are also required to have a generator which has finally arrived. The scada system will also be in there.

Are there any questions? Catherine Peebles asked about the storage pump on Hwy 36 by Owl Creek Road, there was water coming out behind it. Justin said there was a miscalculation, and it did overflow a bit. Right now, it is controlled manually.

Amy stated that the Scada system will help with that.

Guy said he appreciates her concern and please let us know if you ever see anything that is questionable.

Justin stated that phase two at the Enclave is finished and they are very interested in starting phase three. It has been a very standard year.

Glenn said that the budget looks like we have quite a bit of money. We are trying to build our cash up so that we can pay cash as we go on these new projects. Hopefully, we won't have to borrow any more money.

Glenn said he didn't have anything else.

Mike made a motion to adjourn the meeting. Second by Guy.

Meeting adjourned.

